



HIGHLIGHTS

- On a standalone basis, total income increased by ₹163 Cr, or 19.43%, to ₹1007 Cr in Fiscal 2024 from ₹843 Cr in Fiscal 2023.
- Profit after tax increased by ₹35.71 Cr, or 40.38%, to ₹124 Cr in Fiscal 2024 from ₹88 Cr in Fiscal 2023.
- The Company's EBITDA is 16.63% for the year ended 31st March 2024 in comparison to 14.44% for the year ended 31st March 2023.



INDUSTRY OUTLOOK

The electric motor and generator market has witnessed steady growth in recent years and is projected to expand from ₹13,175 Cr in 2024 to ₹13,781 Cr in 2025, reflecting a CAGR of 4.6%. The past growth can be attributed to factors such as robust economic expansion in emerging markets, increasing demand for household appliances, industrial sector growth, and rising disposable incomes.

Regionally, the Asia-Pacific area, led by China and India, dominates the market, accounting for a substantial share of both production and consumption. However, the industry faces challenges, including supply chain disruptions and fluctuating raw material prices, which could impact future profitability. To maintain a competitive edge, companies are investing in digitalization, automation, and sustainable manufacturing practices, aligning with global trends toward energy efficiency and carbon neutrality.

The trend toward sustainable landscaping and eco-friendly practices has further boosted the demand for electric and battery-powered outdoor equipment. Siemens, ABB India, Waaree Energies, TD powers, et al are the players of this sector. In this report, we are highlighting TD Powers.



BUSINESS DESCRIPTION

TD Power Systems (TDPS) is a leading manufacturer of AC generators, catering to both conventional and renewable energy power plants with capacities ranging from 1 MW to 200 MW. Established over 25 years ago, TDPS has built a strong reputation as a global leader in generator manufacturing, serving industries across power generation, industrial applications, and infrastructure development. The company specializes in engineered-to-order solutions, offering customized generators tailored for hydro, steam, gas, wind, and geothermal applications to meet the evolving needs of the energy sector.

With a state-of-the-art manufacturing facility in Bengaluru, Karnataka, TDPS ensures high-quality production, incorporating advanced technology and stringent quality control processes to meet international standards. The company has an extensive global presence, exporting its products to over 70 countries, including regions such as North America, Europe, the Middle East, and Asia-Pacific. Its expertise in generator design, automation, and control systems has positioned it as a trusted partner for power projects worldwide.

Beyond manufacturing, TDPS provides comprehensive after-sales support, maintenance services, and retrofitting solutions, ensuring optimal performance and longevity of its generators. The company is also focusing on sustainable and energy-efficient innovations, aligning with global efforts to reduce carbon footprints and transition towards cleaner energy sources. With continuous investments in research and development, TDPS remains at the forefront of technological advancements, reinforcing its commitment to delivering reliable, high-performance power solutions for the evolving global energy landscape.

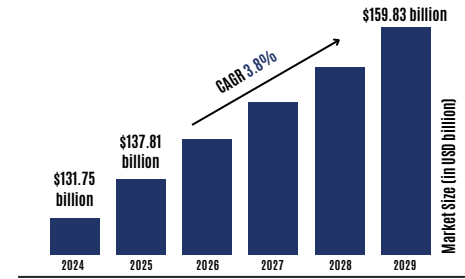


STOCK QUOTE (CURRENCY : INR)

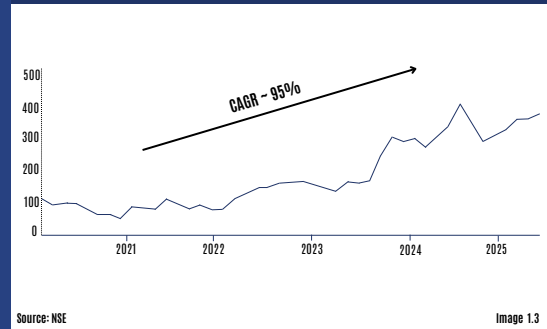
52 WK HIGH / LOW	420/261	MARKET CAP (CR)	6,550
20 DAY AVG VOLUME (MLN)	1.5	SHARES OUT. (CR)	15.68
BETA	1.36	FLOAT %	66%
		EPS	9.26

Source: NSE Image 1.1

ELECTRIC MOTOR AND GENERATOR GLOBAL MARKET REPORT 2025



TD POWER SYSTEMS SHARE PRICE (IN INR)





FINANCIAL PERFORMANCE

TD Power Systems has showcased strong financial growth over the past five years, with consistent increases in sales, profitability, and operational efficiency. The company's sales revenue surged from ₹514 crore in March 2020 to ₹1,000 crore in March 2024, reflecting an annualized growth rate of approximately 18.3%. Similarly, total income grew from ₹528 crore in March 2020 to ₹1,016 crore in March 2024, driven by rising demand and an expanding order book.

Despite increasing revenues, total expenditure has been well-managed, growing from ₹489 crore in March 2020 to ₹854 crore in March 2024. This controlled spending has led to significant improvements in EBIT, which rose from ₹38 crore in March 2020 to ₹162 crore in March 2024, marking a 326% increase over five years. The company maintains a minimal debt burden, as evident from its declining interest expenses, which dropped from ₹5 crore in March 2020 to zero in March 2024, reflecting strong financial discipline.

Net profit has seen remarkable growth, increasing from ₹29 crore in March 2020 to ₹118 crore in March 2024, a quadrupling of earnings in just five years. This consistent profit expansion highlights TD Power Systems' efficient operations and strong market positioning. The company's Basic EPS grew from ₹6.23 in March 2023 to ₹7.58 in March 2024, a 21.6% increase, highlighting consistent profitability improvements. Similarly, Diluted EPS remained at ₹7.58, reflecting minimal dilution and strong earnings potential.

The company's financial performance trend suggests strong operational resilience, increasing order inflows, and growing domestic and international demand. With continued investment in manufacturing efficiency, product innovation, and export expansion, TD Power Systems is well-positioned for sustained long-term growth in the power equipment sector.



CURRENT DEVELOPMENTS AND FUTURE EXPECTATIONS

The renewable and steam markets remain subdued, with limited hydro and geothermal projects in North America. However, steam and gas markets offer strong growth potential, driven by demand from cogeneration projects, hydrogen plants, and industries like sugar, ethanol, paper, and oil sands. TD Power Systems is leveraging these opportunities by strengthening partnerships with OEMs and packagers.

In the gas sector, the company is expanding into land-based projects, mobile applications, and replacement solutions, ensuring a diversified market presence. Over the past year, TDPS has grown its customer base, increased order volumes, and delivered special project machines, with market activity rising steadily.

Latin and South America remain key growth regions for steam applications in sugar, ethanol, pulp, and biomass, while the U.S. presidential election could impact energy policies and industry dynamics. To support growth, TDPS is establishing a new manufacturing facility in Tumkuru, Karnataka, focused on generators, motors, and efficiency-enhancing manufacturing practices.

TDPS generators have gained full acceptance across North, Central, and South America, supported by competitive pricing, short lead times, and strong customer relations. While the oil & gas sector is still recovering, shifting global energy trends and rising energy costs present new opportunities, positioning TD Power Systems for continued international growth.

Recent events

- TD Power Systems (TDPS) continues to achieve remarkable milestones, reinforcing its position as a global leader in power generation solutions. The company has successfully built a 2-pole rotor in-house for the first time, which has been deployed in two units of 65MW, 11kV, 3000rpm steam turbine generators. Additionally, TDPS supplied its largest generator to date, a 90MW, 10.5kV steam turbine generator, for a replacement installation in Uttar Pradesh, India, further demonstrating its technical capabilities and commitment to innovation.
- In FY22, TDPS witnessed strong growth in the hydro segment and anticipates a 60% to 70% surge in demand from Europe, Nepal, and Vietnam in FY23. The company continues to expand its product portfolio, securing orders from the Nuclear Power Corporation and diversifying into submersible motors and synchronous motors. These strategic expansions are set to enhance its market presence and drive future growth. Additionally, TDPS is in the final stages of product testing with Indian Railways and is optimistic about securing new tenders and orders, which could generate ₹100 crore in additional revenue over the next two years.



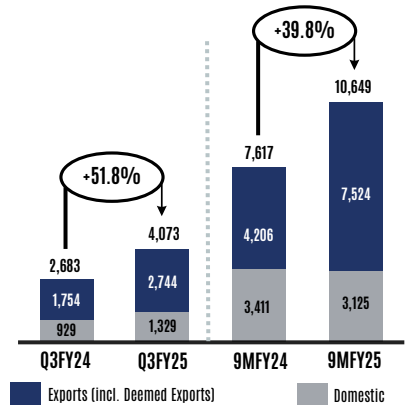
RATIOS

FOR THE FISCAL PERIOD ENDING	31ST MARCH 2024	31ST MARCH 2023	31ST MARCH 2022	31ST MARCH 2021	31ST MARCH 2020
PROFITABILITY RATIOS					
OPERATING MARGIN %	7.37%	11.95%	12.17%	15.36%	17.08%
RETURN ON CAPITAL %	23.53%	20.06%	14.16%	5.16%	4.69%
RETURN ON EQUITY %	17.71%	14.89%	16.41%	3.68%	3.61%
SHORT TERM LIQUIDITY					
QUICK RATIO	1.78%	1.70%	1.33%	1.37%	1.33%
CURRENT RATIO	2.57%	2.42%	1.88%	1.91%	1.77%
ASSET TURNOVER RATIO					
INVENTORY TURNOVER	3.10	2.87	3.12	2.58	3.81
ASSET TURNOVER	1.05%	.94%	.88%	.66%	63.91
LONG TERM SOLVENCY RATIOS					
TOTAL DEBT/EQUITY	-	-	0.14	0.11	0.15
TOTAL DEBT/CAPITAL	-	-	-	0.11	0.26
INTEREST COVERAGE RATIO	42.31%	29.83%	14.01%	4.33%	7.05%

Source: Annual Report

Image 1.4

Order Inflow (INR in Mn)



Source: investingstoics.com

Image 1.5

- Internationally, TDPS has strengthened its presence by expanding into key global markets. The Turkish government's incentives for generator purchases present a significant opportunity to revive demand in the region, where power shortages have impacted the market. Additionally, the company has secured two major international orders from leading gas engine OEMs, with a total contract value of ₹142 crore, scheduled for delivery between FY25 and FY26.
- With a robust order book of ₹1,250 crore for FY25, all TDPS factories are operating at full capacity. To accommodate rising demand and new projects, the company is establishing a new manufacturing facility, set to be operational by FY26. TDPS has successfully mitigated domestic market slowdowns by focusing on international expansion and forging strong relationships with multinational OEMs. Over 70% of orders in Q1 FY25 came from export markets, a trend that is expected to continue driving TDPS's global growth and market leadership.

Strengths

- TD Power Systems (TDPS) has a robust order book for FY25, valued at ₹1,250 crore, with all its factories operating at full capacity. To accommodate growing demand and new projects, the company is setting up a new manufacturing facility, which is expected to be operational by FY26.
- TDPS has successfully navigated domestic market slowdowns by expanding its international footprint and strengthening partnerships with key multinational OEMs. This strategic shift has significantly bolstered its order book, with over 70% of orders in Q1 FY25 coming from export markets.
- The company remains heavily focused on international markets, leveraging its diverse product range and expanding global reach. With increasing demand from overseas markets, this trend is expected to continue driving growth and strengthening TDPS's market position globally.

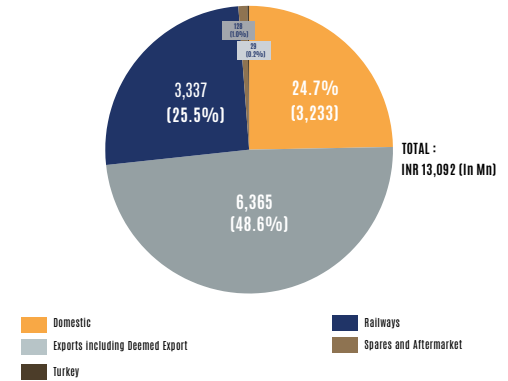


CONCLUSION

TD Power is well-positioned for sustained growth, driven by increasing demand in the power sector and a steady rise in energy consumption. The company's strong financial performance, reflected in its growing top and bottom lines, highlights its operational efficiency. Moreover, its focus on debt reduction enhances financial stability, paving the way for future expansion. With a solid market presence and favourable industry trends, TD Power remains a strong contender in the power equipment manufacturing space.



Diversified Order Book as on 31 Dec 2024



Source: investingstoics.com

Image 1.6



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