

Midas Techno Funda – TD Power Systems Ltd.

Niche AC generator specialist riding global power upcycle

05 Oct 2026

TD Power Systems Ltd. – Fundamental View

Niche AC generator specialist riding global power upcycle

CMP
Rs. 825

6M TP
Rs. 980

Rating
BUY

05 Oct 2026

Industry Heavy Electrical Equipment

Key Stock Data

Bloomberg	TDPS IN
Shares o/s (cr)	31.4
Market cap (Rs. cr)	25,905
52 wk High/Low	856 / 291
20D ADV ('000)	2695
Index	NSE SMALLCAP 100
F&O	N

Latest Shareholding (%)

	Dec 25	Mar 26	Jun 26
Promoters	26.9	26.9	26.9
Institutions	47.6	48.9	50.1
Public	25.6	24.2	23.1
Pledge	0.0	0.0	0.0

Stock Performance (%)

	1M	6M	12M
TDPS IN	10.7	89.8	154.9
NSE SMALLCAP 100	(5.2)	15.2	6.3

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About the Company:

TD Power Systems Ltd. (TDPOWERSYS) is a leading manufacturer of AC generators (alternators) and electric motors used in power generation, offering generators up to ~250 MVA for steam-turbine, gas-turbine, gas-engine, hydro, diesel, geothermal and wind applications, plus motors for industrial sectors such as oil & gas. It operates largely as a component supplier to global turbine and engine OEMs and utilities, manufacturing from four facilities (including one in Turkey) and in latest, a facility in Tumkur (Dabaspet, Karnataka) was commissioned in FY26. Overall the company has supplied 8,055 generators and motors to customers across 113 countries. The business is export-led as ~80% of FY26 order inflows came from export/deemed-export markets. In FY26 consolidated total income grew 46% YoY to Rs 1,832 cr with PAT up 37% to Rs 239 cr (EBITDA margin ~18.0%). Order inflows hit a record Rs 2,238 cr (+51%), with FY26 orderbook of Rs. 1,973 cr.

Key Investment Rationale:

- **Multi-engine demand driving a buoyant order cycle:** End-user market tailwinds remains buoyant across all segments, especially driven by AI data centres, grid stabilisation and the renewables push (geothermal, hydro, waste-to-energy), amid a tremendous shortage of power-generation equipment (gas turbines, gas engines, transformers, generators). Order inflow in Q1FY27 rose 87% YoY to Rs 734 cr, with direct/deemed exports at 93% of inflow, taking the manufacturing order book to Rs 2,208 cr; management guides to ~Rs 700 cr quarterly inflows (~Rs 2,800 cr+ annual).
- **Export- and realisation-led quality of growth:** Growth is increasingly value- rather than volume-driven, as Q1FY27 consolidated revenue rose 72% YoY to Rs 640 cr with EBITDA margins crossing 19% levels (vs 18.5% in Q1FY26) and PAT rose inline at 72% to Rs 86 cr; management maintains an 18–19% EBITDA-margin guidance, supported by higher-realisation export orders, pricing and cost levers offsetting tariff/logistics headwinds. The export/deemed-export shift (~80% of FY26 inflows) is structurally lifting the product mix.
- **High-return debottlenecking + staged capacity build-out:** The company is undertaking ~Rs 50 cr worth of capex in FY27 for debottlenecking, automation and efficiency to lift revenue capacity over ~Rs 3,200 cr sufficient to support growth by FY28; it is planning a further round of capacity additions to take capacity beyond Rs 4,000 cr in FY29–FY30, with details to be shared soon, as guided by the management. FY27 revenue guidance has been upgraded to Rs 2,600 cr (with a reasonable probability of even exceeding it)
- **Large-generator optionality (>100 MW):** The company is in final rounds of discussion to conclude agreements to enter the large-generator segment (>100 MW / up to 200 MW), a very large segment currently dominated by a few global players and over and above its existing sub-100 MW business, which would materially expand its addressable market across utility projects, combined-cycle plants and large data centres (18–20-month manufacturing lead time). Revenue contribution from this segment is likely to kick in from FY29.
- **Motors and refurbishment as additional legs:** Motors remain a key focus area with the company expanding its footprint, and FY27 is expected to be one of TDPS's highest years in hydro, aided by an active refurbishment business in India and abroad that is expected to yield high-value orders, diversifying the growth base beyond the core gas/data-centre cycle. The company is exiting the low-priority railway segment, freeing capacity for higher-value generator and motor output.
- **Valuation:** TD Power has multiple growth levers underpinning strong order-book momentum, a buoyant, export-led order cycle (Q1FY27 inflow +87% YoY, ~93% exports), a high-return debottlenecking and capacity build-out lifting revenue capacity over Rs 3,200 cr by FY28, rising realisation and product mix, and optionality from the large-generator (>100 MW) entry, motors and hydro refurbishment. Given these multiple levers, combined with structural tailwinds for the sector, AI data centres, grid stabilisation and the global push towards renewables amid a shortage of power-generation equipment, we see strong earnings visibility for the company over the medium term. We therefore recommend a BUY on the stock, which is trading at 40x FY28E EV/EBITDA.
- **Key Risks:** Sharp commodity-price (copper) and FX volatility; high and rising dependence on exports and global OEMs, making order flow sensitive to their cycles;

Particulars (Rs. cr)	Revenue	EBITDA	EBITDA %	PAT	EPS	RoE %	RoCE %	P/E	EV/EBITDA
FY24	976	167	17.2%	118	3.8	18%	19%	-	-
FY25	1256	231	18.4%	175	5.6	22%	24%	-	-
FY26	1832	330	18.0%	239	7.7	25%	25%	56	40
FY27E	2650	490	18.5%	356	11.4	25%	-	73	52
FY28E	3403	640	18.8%	467	15.0	25%	-	55	40

Source: Company, Bloomberg, Midas Research

TD Power Systems Ltd. – Technical View

Heavy Electrical Equipment	Reco/View Buy	Previous Day's Close Rs. 792	Buying Range Rs. 805 - 835	6M TP Rs. 980	SL (on Closing Basis) Rs. 736	Potential Upside 19.50%
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- The stock has broken out of a **well-defined consolidation range** on the daily timeframe, signalling renewed buying interest. The broader trend remains firmly positive, with the stock maintaining a pattern of **higher highs and higher lows** on both the weekly and monthly charts.
- The stock is currently trading above its **key 20, 50, 100 and 200 DEMA**, reflecting strong trend alignment and sustained price strength across multiple timeframes.
- The **MACD has generated a positive crossover**, indicating a favourable shift in momentum and supporting the continuation of the prevailing uptrend.
- With the breakout supported by a strong price structure and improving momentum, we expect the stock to move towards **Rs 980 over the next 6 months**. Traders may consider buying at current levels, with a stop-loss at Rs 736 on a daily closing basis

RESEARCH ANALYST

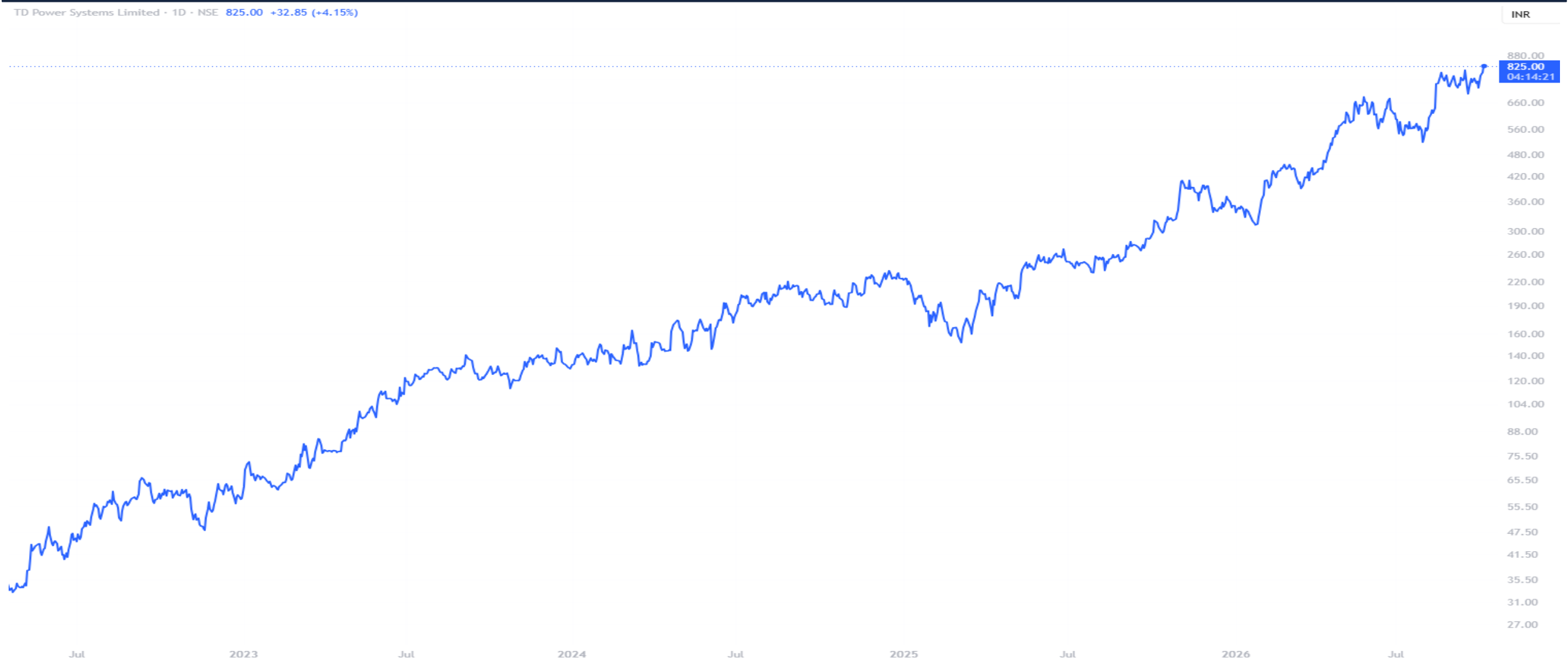
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Source: Tradingview.com, Spark PWM
Note: Potential upside is calculated based on the average price within the defined buy range.

TD Power Systems Ltd.

3-year Price Chart



Source: Tradingview.com, Spark PWM

Abbreviation

Bn	Billion
CAGR	Compounded Annual Growth Rate
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPS	Earnings Per Share
EV/EBITDA	Enterprise Value/ Earnings Before Interest, Tax, and Depreciation
Mn	Million
O/S	Outstanding Shares
P/E	Price/Earnings
Tn	Trillion

Disclaimer (1/2)

Absolute Rating Interpretation

BUY	Stock expected to provide positive returns of >15% over a 1-year horizon	REDUCE	Stock expected to provide returns of <5% – -10% over a 1-year horizon
ACCUMULATE	Stock expected to provide positive returns of >5% – <15% over a 1-year horizon	SELL	Stock expected to fall >10% over a 1-year horizon
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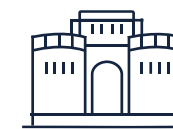
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