Management Discussion

Nikhil Kumar - Managing Director, TD Power Systems Limited
Thank you. Good morning, and thank you for joining us on this call. To discuss the financial results of TD Power Systems Limited for six months ended 30th September 2026. Sorry, written the wrong person. Yes. I would like- now like to discuss with you TDPS's financial performance for the year ending September 2026. Standalone, our total income for H1 on standalone basis is INR14.55 billion, versus INR7.64 billion over the same period in the previous year, an increase of 91%. EBITDA for H1 is 20.02% including other income, excluding exceptional and treasury income, versus 18.42% over the same period in the previous year.

Profit after tax and comprehensive income for H1 is INR2.074 billion versus a profit of- INR2.074 billion. INR989 million in the same period in the previous year, an increase of 110%. Order booking for the manufacturing segment is INR23.19 billion, out of which INR20.88 billion is the generator business, INR1.7 billion is the railway business, spares and aftermarket is INR0.16 billion, and INR0.45 billion is the Turkey business. Order inflow statistics. Order inflow for the quarter is INR8.24 billion, an increase of 57% on a Q-on-Q basis.

Increase from the previous year is about 70%. Order inflow from direct and linked exports is INR14.06 billion compared to INR6.95 billion in the previous year. 92% of our H1 order inflows exports, 8% is domestic. Consolidated, our total income for six months on a consolidated basis is INR14.86 billion versus INR8.33 billion. An increase of 78%. Profit after tax for H1 is INR2.096 billion versus profit of INR1.1 billion, an increase of 89%. We continue to maintain a strong cash position of INR4.19 billion, including customer advances and the preferential share issue money.

Order book, market situation, and guidance. In general, we see a very, very buoyant situation for TDPS in all segments of the business. The basic factors that are driving the growth continue to play out, and I'm just going to repeat them, but it's not in the order of priority. Data centers, grid stabilization, basic power generation, push towards renewables, which drives demand for geothermal, hydro, waste-to-energy, etc. We see all four sectors in full force. We see a very strong ordering flow continuing, and the focus continues to be heavily on execution.

Despite a lot of negative news in the media recently about the sustainability of data center demand, I would like to make two clear points. The first one is data centers is not the only game in town for TDPS. Yes, the demand and scope is huge, but all our customers Our customers- and when I mean customers, I mean OEM customers- are selling turbines and engines to all segments of the market. Of course, a certain proportion is going to data centers, but our customers are extremely careful not to put all their eggs into one single basket.

The second point about the sustainability of the data center demand: we see clear visibility on real projects and real demand up to around 2030, and we also see that there is no slowing down for production slots and bookings beyond 2030. This is what our turbine and engine customers have told us very clearly, that they are continuing to get strong production slots and bookings for beyond 2030. We are continuously closely tracking the market, also in very, very working in very close coordination with our OEM customers to match our capacities with their forecast and demand.

As I mentioned many times before, in many earnings calls before, these are early days. And as we see more engine capacity and turbine capacity coming to the market in 2028 onwards, the numbers are going to keep going up for generators. Guidance. We revised our final guidance for FY '27, our final guidance, to INR2,900 crores to INR3,000 crores. And H2 sales will be more or less distributed

equally between Q3 and Q4, between INR725 crore and INR750 crores per quarter. And for next year, we give an initial conservative guidance of INR3,400 crore to INR3,500 crore crores with a very, very high likelihood of an upward revision.

This brings me to the end of my initial remarks. I'll now be happy to address any queries that you may have. Thank you.

Operator
Thank you very much, sir. We will now begin the question-and-answer session. [Operator Instructions]. The first question is from the line of Mohit Kumar from ICICI Securities Limited, please go ahead.

Questions & Answers

Mohit Kumar - Analyst, ICICI Securities Limited
Yeah, thanks for the opportunity and congratulations on a very strong set of numbers and very strong order flow. So my first question is that how much your current order book is executable over next 12 months, and are you speaking to your clients now for FY '29 delivery, and how those conversations are progressing? Yeah.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Vinay, maybe Varalakshmi, you can answer this question. I think most of the order book is executable over the next 12 months, right?

M. N. Varalakshmi - Chief Financial Officer, TD Power Systems Limited
Yes, sir. And we will also have book and bill for next financial year for the guidance that we have given.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Correct. Okay. So we have about 2,300 pending orders and, we are given initial guidance of 3,435. So we will have more than 1,200 close off. Book and bill within the year. But we also have, we also have Q4. I mean, we have, November to March also, right, before we close the order book for this financial year. So the order book for next year should further go up. yeah, coming to the second question, look, I think that we- I have mentioned this a number of times before, and I want to say this once again- we, have a very clear number guidance for next year, for next- I mean, '27, '28.

I have given the initial guidance out, and customers are- we're talking to customers very closely for '28, '29, '29-'30. And the process is, we talk almost now on a monthly basis about capacities and planning and execution. So I can't say more. It's- I can't say more than this right now, except that it is a very, very tightly knit, very, very close coordination with the, with our customers. And obviously we'll go into the market together, and, and, make sure that we have sufficient capacity to execute the demand from the market.

Mohit Kumar - Analyst, ICICI Securities Limited
Understood. My second question is the, pardon my ignorance, but have you started booking orders from Siemens Energy, for manufacturing and supply of two-pole generators on a build-to-build basis? And so how do you think about the scalability of these orders as you go forward, and how much- and if you could quantify, is this possible? Yeah.

Nikhil Kumar - Managing Director, TD Power Systems Limited
No, I'm not going to quantify it. We have mentioned in various forums earlier about the scale of the investment, and the construction of the project has begun. We have the Bhoomi Puja, which is scheduled for next week on the 19th of November. So it's going to be in full swing after that. We have ordered most of the major equipment. And the project is in full swing. The forecast and the commitments from Siemens' side is as per plan. I have, I guess, nothing more to say about this. It's as per plan.

Mohit Kumar - Analyst, ICICI Securities Limited
So one clarification, sir. Are these orders from transformation of industry segment, or are these orders from Siemens' regular gas turbine business?

Nikhil Kumar - Managing Director, TD Power Systems Limited
All from gas turbines. We are working with the gas turbine group. We're not working with the TI group.

Mohit Kumar - Analyst, ICICI Securities Limited
Understood, sir.

Nikhil Kumar - Managing Director, TD Power Systems Limited
This is with the gas group.

Mohit Kumar - Analyst, ICICI Securities Limited
Understood, sir. Thank you, and all the best, sir. Thank you..

Operator
Thank you, [Operator Instructions] We will take the next question from Nitin Arora from Axis Mutual Fund. Please go ahead.

Nitin Arora - Analyst, Axis Mutual Fund
Hi, thanks Nikhil, for taking the question. Just, your, commentary in the starting, talked about the diversification. It's not very data center specific, and, the execution also you feel is, like the way you were guiding for FY '28, also a number. If one has to look from FY '27 till FY '30 based on your capacity plus the Siemens capacity which will come up, what do you think would be, from the existing order book and the pipeline which you're seeing, any numbers if you can, give us a little color that where do you see this company now heading towards in a little longer term?

if one has to look at from that perspective, because it's a very tight- and the kind of orders which you put in the presentation is very diversified.

Nikhil Kumar - Managing Director, TD Power Systems Limited
I can't give you a timeline, exact timeline, but I, definitely feel that a billion US dollar top line is possible.

Nitin Arora - Analyst, Axis Mutual Fund
That's still FY '30.

Nikhil Kumar - Managing Director, TD Power Systems Limited
I said I cannot give you a timeline, but I am

Nikhil Kumar - Managing Director, TD Power Systems Limited
Okay,

Nikhil Kumar - Managing Director, TD Power Systems Limited
I got it..

Nitin Arora - Analyst, Axis Mutual Fund
Got it, got it. And in terms of the geography, apart from the US, are you seeing some other geography as well? The pipeline is getting stronger. If you can throw some light on that. And just on the pricing side, how has been the pricing dynamics has really played out? In the last six to eight months, and recently also in the quarter you have bagged very strong orders. Just your comment on that.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Yeah, I would like my colleague Vinay Hegde, the Head of Sales and Marketing globally, to answer this question on the demand drivers from different parts of the world. Vinay, maybe you can take this.

Vinay Hegde - Head of Sales and Marketing, TD Power Systems Limited
Yeah, hi, this is Vinay. See, basically we are getting the orders from, all over the globe. You are seeing, that strong demand coming from India, mainly from the steel industries, that in the larger segments from 40 megawatt up to 100 megawatt segments. There's a lot of, orders also pouring in from Europe for grid stabilization. And waste-to-energy, all the segments are growing. And the second part of the pricing part, see, we are booking the order for FY '28, '29, even '30, but we have the price variation clauses with all these customers that will take the variation, the raw material costs.

Hope I have answered your question.

Nitin Arora - Analyst, Axis Mutual Fund
Yeah, yeah, yeah. But on, the pricing side, still it's in favor of, the players like you, or you're seeing some pressure on the end demand? Your pricing- just pricing

Nikhil Kumar - Managing Director, TD Power Systems Limited
Is stable at the moment, right? Pricing is not going to go up drastically. Pricing will go up to the extent of the Well, as per the price variation formula that we have based on raw materials, right? So raw material prices go up, our prices will go up. Raw material prices go down, our prices will go down to the, to the extent that these raw materials will, go down. So our margins will be protected in the end of the day.

Nitin Arora - Analyst, Axis Mutual Fund
Got it, got it. Thanks, Nikhil. I'll come back in the queue. Thank you.

Operator
Yeah. Thank you. Next question is from Mihir Manohar from Trust Mutual Fund. Please go ahead.

Mihir Manohar - Analyst, Trust Mutual Fund
Yeah, hi, thanks for giving the opportunity and congratulations on great set of numbers. Sir, wanted to understand on the waiting period. I mean, actually the waiting period was quite long. I just wanted

to get a sense, I mean, over the last three months, last six months, has the waiting period further increased for generators or has it come down? That was the first question. The second was on the evolving political landscape. Now with, I mean, democratic parties and the representatives over there getting importance, how do you see this political landscape evolving?

Does it slow down the approvals? But eventually, I mean, these hyperscalers will need to have their own power sourcing. So, I mean, your comments on this political landscape, how should one see that evolving and consequently impact on power equipment providers just like you here??

Nikhil Kumar - Managing Director, TD Power Systems Limited
Look, I'm not an expert on the US political situation, but to the extent that it affects our business, I've had a number of discussions with our OEM customers and also with some end users. Basically, the unanimous verdict is that if a particular state or a particular county or particular government does not allow a data center to come up, the investment will go somewhere else. And no Democrat governor or politician can refuse or will refuse an investment of, let's say, tens of billions of dollars in the data center.

During construction phase, you will have hundred of construction jobs. so you'll have jobs for electricians, plumbers, construction workers, managers, the hotels, restaurants, the side effects of all these people coming and working. It's the whole- all local communities get benefited by that. Nobody can ignore ultimately, end of the day, the economic benefit of the construction of data centers. And In the US market, that is the only game in town. That is the only growth driver for the US market.

You take that away, there's nothing else which is there. So relatively speaking, of course. So you have all- we can already see Democratic governors changing their tone, changing their language after elections. And I don't think that I want to speak very specifically about any particular person or anybody or anything else, but in general, politicians, once they come into power, once they face the reality of governing, often change their viewpoints and their execution. So I think the same thing is going to happen, and everyone believes the same thing is going to happen in the US.

This momentum and this data center boom is going to continue.

Mihir Manohar - Analyst, Trust Mutual Fund
Sure. I mean, my question was more on the equipment side. I mean, companies will need to have their- relying on their own equipments, I mean, own the power sources rather than on grid. How do you see that evolving? And second was on the- That

Nikhil Kumar - Managing Director, TD Power Systems Limited
Will reinforce and that is beneficial to us. So regulation will come on data centers having their own captive power, which will be beneficial for us. Obviously, that means grid power will beused as a backup maybe. But, basically data centers will be on captive, it'll be primary, and then there'll be backups. So it'll be almost double the capacity required for captive. And then they may have to sell excess power to the grid. And I also feel that eventually what's going to happen with the Democrats is that they will bring in regulation on things like more efficiency.

So that's why I believe that combined cycle will come in the future through regulation, and that will again give us another big scope of business to grow once combined cycle comes. It's not going to happen immediately, but eventually regulation- I think combined cycle will also become a big part of the business through regulation, through laws which will promote energy efficiency.

Pramod Dangi - Analyst, Ratnatrayi Investments
Sure, understood. And on the waiting period, let's say over the last three months, six months, has the waiting period further gone up or has it come down?

Nikhil Kumar - Managing Director, TD Power Systems Limited
No, as I mentioned earlier, capacities for our OEM customers are coming online in '28, '29. So at the moment, these are still very early days. Nobody has, at least from our customer side, nobody has increased capacity drastically. Everything is in the pipeline. We will start seeing the numbers going up '28 onwards. Sure, understood. That's it from my side. Waiting period has not come down. Understood. Sure, that's it from my side. Thanks.

Operator
Thank you. [Operator Instructions] Next question is from the line of Mohit Surana from Monarch Networth Capital. Please go ahead.

Mohit Surana - Analyst, Monarch Networth Capital Ltd
Thank you for the opportunity. So at the outset, hearty congratulations on exceptional numbers, great performance. My first question is with respect to, how much we can further sweat our existing assets. I believe we recently raised funds and part of that fund will go to the capacity expansion in our existing line of business and the rest for this immense energy project. So From our existing capacity, how much we can further sweat? I mean, our quarterly run rate right now is at around INR820 crores.

How much can we further take this to, including that new capacity expansion in the existing line of business?

Nikhil Kumar - Managing Director, TD Power Systems Limited
Yeah, that's a good question, Mohit, and actually I don't have a clear answer for you right now. We are constantly looking at how to push it further and further, and we have seen some remarkable improvements, I would say, in our efficiency and the way they've been able- we have been able to utilize our existing assets and push out more and more. And I still believe that, and our team still believes that there is more that we can do. For the moment, whatever investment plans that we have in place is focusing mainly on the larger project with Siemens, of course.

And then we are investing quite a lot of money in our own design for two-pole generators and the manufacturing capacity to manufacture these two-pole generators up to 100 megawatts. That's where we see a big growth for the company taking place. So, and then of course our business below 50 or below 60, That is, that's where we are, utilizing assets more and more efficiently. So all three put together, it's still a big debate inside the company as to at what point do we have to start thinking about, at least for the machines below 50 megawatts or 60 megawatts, at what point do we have to start thinking about incremental capacities.

I think, if, you're looking, if you're looking at the forecast from our customers, If numbers in '28 or '29- '28 partially, maybe incremental. '29, if the things- the numbers are really going to go the way they are saying, we will have to look at something, to do in '29. How much and where and what, we will, we will discuss later.

Mohit Surana - Analyst, Monarch Networth Capital Ltd
Understood, sir. That's really helpful, sir. So second question is with respect to our port plant, for

which you are going to do the Bhoomi Pujan next week. Sir, what's the timeline for that, plant to come online? The last time you mentioned June 2028. Is that a strict deadline, or you aim to have it pretty much before that? That is my last question.

Nikhil Kumar - Managing Director, TD Power Systems Limited
That is the absolute outer limit. So we are going to be ready in calendar- ready calendar Q1 of '28.

Mohit Surana - Analyst, Monarch Networth Capital Ltd
Understood. So just one last question, if you allow me to squeeze in. So considering the larger capacity units for Siemens Energy, which is 175 to around 325 megawatt, that's the kind of range we'll be producing for the Siemens Energy, plant. So those will be, those will be larger, longer gestation products. So even if we start commissioning of The fourth plant in FY '29, the revenue booking will be seen in FY '30, or will it start from Q4 of FY '29? If you can give some color on that.

Nikhil Kumar - Managing Director, TD Power Systems Limited
The plan is to ramp up the production in calendar '28 after the plant is ready. So you can say FY '28, FY '29, we will ramp up the capacity or ramp up the production. And by FY '30, we should be around 70-80% utilization.

Mohit Surana - Analyst, Monarch Networth Capital Ltd
Perfect, sir. Understood. That's really helpful. Thank you so much. All the best.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Thank you.

Operator
Thank you. Next question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

Parikshit Kandpal - Analyst, HDFC Securities
Hi, sir. Congratulations on a great quarter. My first question is, you have earlier in the call mentioned that you started taking orders FY '29 and FY '30. I just wanted to understand the current order book. So wanted to understand the near-term.

Nikhil Kumar - Managing Director, TD Power Systems Limited
No, that's right. That was actually a little bit error in misunderstanding. We are discussing orders for '29-'30. We're not yet booked them.

Parikshit Kandpal - Analyst, HDFC Securities
Okay. So what kind of pipeline is this? I mean, beyond FY '29, FY '30, so are these significantly large orders which you are looking into booking? And so discussion, so what could be potentially the bid pipeline here?

Nikhil Kumar - Managing Director, TD Power Systems Limited
So the way our business works, and I've said this a number of times, and I'm saying this once again, is that we have detailed forecasts with our OEM customers, and they tell us exactly what they expect from us in '27, '28, '29. It's a very close relationship. We put capacity for them. We make capacity available for them. We guarantee a certain amount of capacity for them. And it's a- It's a close relationship where there's a mutual dependency. They depend on us, we're depending on

them. So they will release the- they will start releasing the orders closer to, the execution cycle.

This is how it's been going on so far. This is how it's going to go on also.

Parikshit Kandpal - Analyst, HDFC Securities
Okay. Now, second question is basically, you have guided, or you have mentioned that you have a timeline, or without giving any timeline, a billion dollars end of revenue. So is it your five-year plan?

Nikhil Kumar - Managing Director, TD Power Systems Limited
I said that is the potential that we have to grow our business in. Somebody asked me, the question was, where do you see this in, the medium term to long term? That's the answer. Medium term.

Parikshit Kandpal - Analyst, HDFC Securities
Is it like at least the bare minimum, the kind of demand that you're seeing on the ground? So is it like the baseline side, we can grow the minimum potential

Nikhil Kumar - Managing Director, TD Power Systems Limited
20% to 25%.

Parikshit Kandpal - Analyst, HDFC Securities
Okay.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Conservatively.

Parikshit Kandpal - Analyst, HDFC Securities
Okay. And just the last question, kind of base orders which we have been looking in the past and the new orders which we are getting. So are you seeing any new demand drivers emerging on the pipeline side, beyond the traditional demand drivers? So is it one of the reasons why you're seeing such a strong jump in order bookings?

Nikhil Kumar - Managing Director, TD Power Systems Limited
No, I think that for TDPS, the- we have a much larger-, as we're putting more and more machines in the market and putting more and more machines with prestigious projects and prestigious customers, we are getting more access into the market in terms of acceptance, and more and more people are So we have the ability to, be present in a lot of areas where we were not present earlier or were not accepted earlier. So I think that's a big- that's the big dramatic change that I see in terms of why we are booking more orders.

We are becoming an acceptable brand. We are becoming a known brand in the market. So people- so, in the past, those business was there, but we were not- we didn't have access to it. Now we do. And we're winning some. And we're losing some, but we're winning some. And we continue to, expand our reach and continue to expand our acceptance. So as that happens more and more and more, we will have more and more access to more business, and we get more orders. I think that is one fundamental change.

And of course the market itself is- has, the demand for products has gone exponentially high based on the factors that I have, we have been repeating again and again and again. I don't want to say this once again, but those factors which are driving the market are also- it's quite an exceptional situation for power generation that there's such a huge demand. Not just data centers, but also because of basic increase in demand for electricity. And then the transition from getting away from-

many countries getting away from nuclear, getting away from coal, moving into other energy sources.

So this is also contributing. All put together, the demand for power equipment has gone up through the roof. And we are at the right place at the right time.

Mohit Surana - Analyst, Monarch Networth Capital Ltd
Do you think you can win more OEM market?

Nikhil Kumar - Managing Director, TD Power Systems Limited
All the work that we had done in the past, 10 years in getting acceptance from various customers, diversifying our product range, having machines, building up references in different parts of the world, just spreading our base and spreading our varieties of products and working with different customers all over the world, that I can say, that is paying off today for us. So it's been a decade-long journey, more than a decade-long journey. This is not something which has happened overnight.

Parikshit Kandpal - Analyst, HDFC Securities
Do you think you can win more OEM mandates like Siemens for captive production? So are you in talks with more OEM partners here, or this is just one of a kind of- No, no, we are- I

Nikhil Kumar - Managing Director, TD Power Systems Limited
Mean, we are- we still have scope within our existing OEM base to look at other turbine, other models of turbines, other sizes of turbines or engines, and we're actively pursuing opportunities where we can be a second supplier or primary supplier for many of these types. So it's- everything goes step by step by step. But yes, for our business growth and for us to keep growing at this rate, we have to find avenues to grow, and these are the avenues to grow.

Parikshit Kandpal - Analyst, HDFC Securities
Sure. Thank you, Nikhil, and wish you the best.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Thank you.

Operator
Thank you. Next question is from the line of Pramod Dangi from Ratnatrayi Investments. Please go ahead.

Pramod Dangi - Analyst, Ratnatrayi Investments
Yeah, thanks and many congratulations, Nikhil, for the outstanding performance. Yeah, hi. So my question is on that, when we are working with the OEM partners, we started with the, some legacy, models of those we started, and then we created a goodwill for us. Today, are we working with them on their latest models, or are they working with the newer models which they might be, upgrading the existing models? How, that which patch is, pending out for us?

Nikhil Kumar - Managing Director, TD Power Systems Limited
Primarily it is legacy models. Okay. And, whatever upgrades that they're now talking about to those legacy models, we are definitely very deeply plugged into the product development.

Pramod Dangi - Analyst, Ratnatrayi Investments
Okay, so is it mainly on the existing products which they have the legacy where they are giving from their in-house production to the, to the outside?

Nikhil Kumar - Managing Director, TD Power Systems Limited
Yes, yes, nobody has developed- it's- nobody has developed, and none of our customers have developed exclusively new products for the market right now.

Pramod Dangi - Analyst, Ratnatrayi Investments
Okay, okay. And, second, I think someone had asked this question earlier also, when we spoke about your third plant, we said that we will be, we have the capacity to go up to INR2,800 crore of the revenue by 2027-28. Obviously we had outperformed much faster, we have reached that level very fast. So are we going for the out-, are we working with the third-party vendors, or is it more of the better product mix which is giving us a higher revenue for the same existing capability?

Nikhil Kumar - Managing Director, TD Power Systems Limited
No, the activities that we have traditionally done, or which we have done in-house, we continue to do that in-house at a much larger scale. And with more automation and with better technology.

Pramod Dangi - Analyst, Ratnatrayi Investments
Okay, so this is in-house, that's why we are getting some operating leverage also?

Nikhil Kumar - Managing Director, TD Power Systems Limited
Yes.

Pramod Dangi - Analyst, Ratnatrayi Investments
Okay, great. But as I

Nikhil Kumar - Managing Director, TD Power Systems Limited
Said, which, much more automation and, higher technology.

Pramod Dangi - Analyst, Ratnatrayi Investments
Okay, thanks, thanks, and all the best.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Thank you.

Operator
Thank you. Next question is from CA Garvit Goyal from Serene Alpha. Please go ahead.

CA Garvit Goyal - Analyst, Serene Alpha
Hi, I'm audible? Yes. Good afternoon, sir, and congrats for a good set of numbers. I have two questions. One is on the margins. Looking at the current quarter, we are at all-time high kind of EBITDA margin. So just wanted to understand, on how sustainable are these margins and how we should- when we, are speaking about INR3,500 crore for, next year, how we should think about, the margin range, with that number.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Margin range is always best. We always talk about a margin range. So I think that, once we start with our New plant, especially the large investments with the Siemens plant, which will start, say,

somewhere in about a year from now, we'll have- we will have costs associated with that before we start generating revenues. So I think the margin range to look at would be around 19% sustainable. And once the new plant is fully, once you get 50-60% utilization, Then there is an upside potential from there to go past 20.

So, short term, next few quarters, yes, between 19-20, and then there could be a small drop, and then there'll be again- it'll again pick up.

CA Garvit Goyal - Analyst, Serene Alpha
Got it, sir. And sir, I just wanted to understand, although I think you might have addressed this question, Earlier, so are the new orders which are particularly linking to the data center, are these, being booked at the higher prices than a year now, or how, are we seeing the pricing in terms of those orders?

Nikhil Kumar - Managing Director, TD Power Systems Limited
So we have a pricing, we have a pricing which I said earlier, it's stable. And we have orders, let's say, INR2,000 crores, whatever, INR4,000 crore,, INR2,400 crores for next year, which is a Next 12-month cycle. And we have a price variation clause. So if raw material prices go up beyond a certain threshold, then the formula will be applied. And then we get the revised prices based on that. And that is the situation- that's what we have worked out with almost all our OEM customers.

CA Garvit Goyal - Analyst, Serene Alpha
Got it, sir. That is it from my side, sir. All the best for the future. Thanks.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Thank

CA Garvit Goyal - Analyst, Serene Alpha
You.

Operator
Thank you. Next question is from Deepak Ajmera from Elpro International. Please go ahead.

Deepak Ajmera - Analyst, Elpro International
Yeah, hi. Thank you for the opportunity and congratulations on a good set of numbers. My question is regarding our guidance on quarter-on-quarter basis. We keep on, let's say, increasing the guidance on quarter-on-quarter basis. Despite we have ongoing dialogue and long-term vision with our OEM customers, so how that is congruent?

Nikhil Kumar - Managing Director, TD Power Systems Limited
This is the- this is how we're going to do it.

Deepak Ajmera - Analyst, Elpro International
But when something is realistic

Nikhil Kumar - Managing Director, TD Power Systems Limited
And when something is realistic and something is actually going to happen, we will give the upside potential.

Deepak Ajmera - Analyst, Elpro International
Can't we have a long-term kind of guidance on a yearly or let's say medium-term basis to follow the path?

Nikhil Kumar - Managing Director, TD Power Systems Limited
No.

Deepak Ajmera - Analyst, Elpro International
Okay.

Nikhil Kumar - Managing Director, TD Power Systems Limited
This is what we're going to follow and this is how we're going to do it.

Deepak Ajmera - Analyst, Elpro International
Okay, thank you.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Thank you.

Operator
Thank you. Thank you. Next question is from Prasad Hegde from...

Nikhil Kumar - Managing Director, TD Power Systems Limited
Want to say something in addition. It's really important for us as an organization to deliver what we commit. So when we put some numbers out there in the market, it is our- we put numbers that are achievable. We don't want to be in a situation where we start putting out numbers and then we have to go back on them. So our policy is absolutely clear. We put out numbers that we can achieve. And as and when we see visibility for higher numbers, we will come out with that. So that's- this is our policy.

We're not going to change this.

Operator
Thank you, sir. Next question is from Prasad from Spark Capital. Please go ahead.

Prasad Hegde - Analyst, Spark Capital
Yeah, thank you for the opportunity, sir, and congratulations on a great set of numbers. Sir my question was, so our quarterly order intake has been increased to roughly INR750 crores, and it was roughly INR700 crore crores in previous quarter. So the question is, is it supply-driven or demand-driven? So, this higher intake is basically due to increased revenue potential, which we are kind of seeing due to, the INR50 crore debottlenecking capex which we are undertaking, or as the strong demand is already there in the market.

But as you said, there are supply constraints, so Since we are undertaking this capex, this is what is giving us the confidence of increasing the run rate.

Nikhil Kumar - Managing Director, TD Power Systems Limited
It's demand-driven.

Prasad Hegde - Analyst, Spark Capital
Okay. Okay. So, and my second question was cumulative units sold, if you look at, was roughly

8,770. So that the Q2, we sold nearly 400 units. And 320 in Q1. So these numbers, if you look at, these are significantly higher compared to a quarterly run rate which we saw in FY '26. So are we executing more of a 10-megawatt kind of data center-driven orders, or, since we are seeing ramp up in, plant 3, because of which we are seeing this, increased quarterly run rate of

Nikhil Kumar - Managing Director, TD Power Systems Limited
So we are producing more units. I don't have the- I don't know, Varalakshmi, do you have the average megawatt right now? I don't have the- I don't remember that number.

Parikshit Kandpal - Analyst, HDFC Securities
I don't.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Yeah. But we have more demand. We're producing more units. We have more capacity. We have- and that was the whole purpose of undertaking the capacity expansion to produce more generators. And that's what we're doing. So I don't understand the question. And it's a mix of larger machines and smaller machines. I- and as Vinay has earlier said, we're doing- we have demand coming in from all segments of the market. So we have big generators also. We have a number of two-pole machines which are also there in the mix.

So I really have not looked at this average megawatt because to me it's Not- I don't see any value for that number. I mean, we don't even track it internally. So, but if you want to know as a statistic, we can tell you, but it's- it has no meaning to us.

Prasad Hegde - Analyst, Spark Capital
Sure, sure. So maybe I'll connect offline. And just a small question, so, was there any, price hike undertaken, this quarter? So, whatever demand Y-o-Y has- we have witnessed, was it largely volume-driven, or is there any part of, price hikes? I think I'm not-

Nikhil Kumar - Managing Director, TD Power Systems Limited
I can't answer that question. I've told you, we all- you've seen the volume increase.

Prasad Hegde - Analyst, Spark Capital
Sure.

Nikhil Kumar - Managing Director, TD Power Systems Limited
And I've explained, I think, already five times on this call about how the pricing mechanism works, and I'm not going to repeat it once again.

Prasad Hegde - Analyst, Spark Capital
Sure.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Yeah.

Prasad Hegde - Analyst, Spark Capital
Okay, thank you, sir. That's it from my side.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Thank you.

Operator
Thank you. Next question is from the line of Mayank Chaturvedi from HSBC Asset Management. Please go ahead.

Mayank Chaturvedi - Analyst, HSBC Asset Management
Yeah, hi Nikhil and team. Thank you for the opportunity and congratulations on a superb quarter. Nikhil, I just want to pick your brain on this recent news flow that is coming from the SoftBank Group with them canceling excess reservations for gas turbines, primarily with GE Vernova, and taking a hit on the advances that they had given. Does this kind of news flow change how you look at the industry, how you look at your customer order books or slot reservations, and does it change- does it change your, business discussions with them?

How do you look at it? Of course, it's just a recent one, but if you can get some comments on it, please.

Nikhil Kumar - Managing Director, TD Power Systems Limited
I actually- I don't know. I have not thought about it. First of all, SoftBank is known to take very dramatic bets in the market. And, they're known to be that kind of investor, and they took a dramatic bet on something, and maybe it's not played out the way they expected it to be. That doesn't change the underlying dynamics of the market. One player in the market has taken an oversized bet about something, that doesn't change the underlying part of the market. So From my point of view, and you've seen the commentary coming out of GE Vernova also, who's a customer for them, they have made their comments, and I think you should read those comments and take that also into perspective.

Mayank Chaturvedi - Analyst, HSBC Asset Management
Fair point. Fair point. And would you be in active discussions with such customers? Of course, Siemens Energy has been one, but does it open doors for you with other customers as well?

Nikhil Kumar - Managing Director, TD Power Systems Limited
For what?

Mayank Chaturvedi - Analyst, HSBC Asset Management
For the larger generators that you will now be making.

Nikhil Kumar - Managing Director, TD Power Systems Limited
No, it does not open the doors.

Mayank Chaturvedi - Analyst, HSBC Asset Management
Okay, all right, that's it from my side. Thank you.

Nikhil Kumar - Managing Director, TD Power Systems Limited
We- look, you have to understand how this business works. First of all, there are three people in the world who make these large turbine gas turbines, okay? There's GE, there's Siemens, and there's Mitsubishi. So When you- when we have tied up with one of them, the others are not going to come to us. And we're happy with the party we're tied up with.

Parikshit Kandpal - Analyst, HDFC Securities
We're happy with

Nikhil Kumar - Managing Director, TD Power Systems Limited
The party we're tied up with. We're working with a world-class company and we're happy with this relationship. And we're going to grow this relationship and that's it. And we don't- we know there's no point in- I mean, this is a question I keep getting again and again and again.

Mayank Chaturvedi - Analyst, HSBC Asset Management
But we can't

Nikhil Kumar - Managing Director, TD Power Systems Limited
Do it, then the others are not going to come to us. Then they'll be tied up with this one, this, with this one company.

Mayank Chaturvedi - Analyst, HSBC Asset Management
Why

Nikhil Kumar - Managing Director, TD Power Systems Limited
Would they, why would they come to us?

Mayank Chaturvedi - Analyst, HSBC Asset Management
Yeah, and why would they come? Yeah, and they

Nikhil Kumar - Managing Director, TD Power Systems Limited
Know that TDPS is tied up with one, their competitor. Why would they come?

Mayank Chaturvedi - Analyst, HSBC Asset Management
that makes sense.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Of course, that makes sense. Yes.

Mayank Chaturvedi - Analyst, HSBC Asset Management
All right. Yeah, thanks for this.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Thank you.

Operator
Thank you. Next question is from Juili Baviskar from Ashika Institutional Equities. Please go ahead.

Juili Baviskar - Analyst, Ashika Institutional Equities
Hi. Congratulations on good set of numbers. So my question is, that you are highlighting, presentation that, we have, got segment's largest ever vertical hydro order, and also horizontals are not of river order for both projects in Nepal. So I just wanted to, have a more view on it, what it is, it is going to be in future as well, and how much, share of total order book comprised of this order, and going forward how the hydro segment will be for the team.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Except for the share part of it, which we don't give the data, I'll ask my colleague Vinay to answer this Yeah,

Vinay Hegde - Head of Sales and Marketing, TD Power Systems Limited
So, we have seen a good number of orders from Nepal market. And today, even though we are selling all over the world these hydro generators, the two major markets are Nepal and Vietnam. This business is going to grow. We have a huge pipeline of inquiries, and in the Q3 also we have already received some big orders. And this segment is the one, definitely it is a growing segment for us. And this trend is going to continue.

Juili Baviskar - Analyst, Ashika Institutional Equities
Okay. And, so is the margin for hydro is more like how is it in the range of the gas turbine as well, or, it is more than the gas generator business?

Nikhil Kumar - Managing Director, TD Power Systems Limited
Plus minus everything is approximately the same.

Juili Baviskar - Analyst, Ashika Institutional Equities
Okay. Okay. Thank you. Thank you so much.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Thank you.

Operator
Thank you. Next question is from Ankur Kumar from Alpha Capital. Please go ahead.

Pramod Dangi - Analyst, Ratnatrayi Investments
Hello, sir. Thank you for taking my question. I, wanted to understand on this guidance for H2. As you said, it's like INR725 crore to INR750 crore per quarter in Q3, but our Q2 number is much higher. So is there any one-off in Q2 where we were able to push more orders in this quarter?

Nikhil Kumar - Managing Director, TD Power Systems Limited
I mean, we are delivering as per customer requirements. So yeah, that's the answer. We had more customer deliveries scheduled in Q2, and we have approximately, as we- 1,500, approximately 50% of the business has to come in H2, and it will come. Plus minus, it will come around INR1,500 crores in H2. So I think that, you can't- you should not read too much into a monthly performance or a quarter performance. On a half-year basis, we will be equal to H1 and H2 will be approximately plus minus equal.

Pramod Dangi - Analyst, Ratnatrayi Investments
Got it, sir. All other questions have been answered. Thank you.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Thank you.

Operator
Thank you. Ladies and gentlemen, due to time constraints, we will take that as the last question for today. I would now like to hand the conference back to for closing comments.

Nikhil Kumar - Managing Director, TD Power Systems Limited
Yeah, thank you everybody for joining our conference call. If you have any further questions, please feel free to get in touch with our investor relations team, and, I look forward to interacting with all of

you once again or meeting you personally during some investor conference, upcoming investor conference over the next few months. Thank you very much.

Operator
[Operator Closing Remarks]