



TECHNO ELECTRIC &
ENGINEERING CO. LTD.

“Techno Electric & Engineering Company Limited

Q2 FY '26 Earnings Conference Call”

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TECHNO ELECTRIC &
ENGINEERING CO. LTD.



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**MODERATOR: MR. SURAJ SONULKAR – ASIAN MARKET SECURITIES
PRIVATE LIMITED**



Moderator: Ladies and gentlemen, good day, and welcome to the Q2 FY '26 Earnings Conference Call of Techno Electric & Engineering Company Limited hosted by Asian Market Securities Private Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the call, please signal an operator by pressing star, then zero on your touch-tone phone.

Also, before we begin, we'd like to inform you that this conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as of the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I would now like to hand the conference over to Mr. Suraj Sonulkar from Asian Market Securities. Thank you, and over to you, sir.

Suraj Sonulkar: Good afternoon, everyone. On behalf of Asian Market Securities, we welcome you all to the Q2 FY '26 Earnings Conference Call of Techno Electric & Engineering Company Limited. We have with us today, Mr. P.P. Gupta, Chairman and Managing Director; and Mr. Ankit Saraiya, Director; and Shivani Chandok, VP, Strategic Initiative and Investor Relationships.

I request Gupta ji to take us through the overview of company quarterly results, and then we begin with the Q&A session. Over to you, sir.

P.P. Gupta: Very good afternoon to all of you, and thank you for joining us to discuss Techno Electric's financial results for the quarter and the half year ended 30th September 2025. Before we begin, a short note on forward-looking statements, any comments on our future outlook should be read in conjunction with the risks and uncertainties that affect our industry and the company.

The key operational highlights of this quarter basically are; a quick note on comparability, our results are not directly comparable quarter-on-quarter because of the project-driven nature of our business and the seasonality of execution. H1 generally contributes 40% of the full year revenue and H2, 60%.

This year, we are broadly in line with our guidelines. That is 40% of INR3,500 crores F '25 financial year 2026 targets. We remain on track to meet our H2 targets, supported by a robust order book and clear visibility of further opportunities in the T&D segment. Given the sustained growth in our order book over the past 2 years and a positive market outlook, we are now focused on consolidating operations to improve efficiency and scalability.

Coming to data centers, I'm pleased to inform -- report that the Phase 1 of the Jinnai data center was inaugurated in August '25 as the initial set of customers are being onboarded. The Gurgaon data center, the first to come online under our TEECL EDC contract has commenced commercial operations. We have also started implementation of 16-megawatt gross load data center project in Noida by RailTel. This project is under a revenue share model, similar to our edge data centers.



Financial update. It gives me a great pride to share that we remain firmly on course to meet our financial year '26 targets, even though this quarter tested our entire patience on construction ecosystem persistent across key regions for our projects located in Rajasthan, Ladakh, Maharashtra along with sector-wide hurdles including delayed site turnovers, evolving customer requirements and environmental challenges yet through vigorous planning, disciplined execution and focus on delivery and supply chain and climate change related challenges, we not only stayed resilient but successfully achieved our quarterly goals.

I will request my colleague Shivani, of VP IR, Strategic Initiatives to take you through our financial results. Shivani, will you like to take over?

Shivani Chandok:

Thank you, sir. Thank you so much for the great start. I would now like to take you through our quarterly performance as well as the half year ended September '25 performance. So our revenue from operations for the 6 months -- I'll start with the 6 months performance. So revenue from operations stand at INR1,352 crores with an EBITDA of INR194 crores, which is roughly 14.4% of our revenue.

Our other income stands at INR105 crores, PBT at INR267 crores, PAT at INR222 crores, which is 15% of our revenue. Our EPS for the 6 months ended September '25 stands at INR21.21 per share, which is a 23.6% growth over the similar period last year. For the quarter ended September '25, our revenue from operations stand at INR839 crores with an EBITDA of INR158 crores.

The EBITDA margin on revenue is 13.8%. Our PBT is it INR144 crores with a PAT at INR123 crores, giving us a PAT margin of 13.9%. Other income during the quarter stands at INR47 crores, giving us an EPS now at INR10.61 per share for this quarter. EPS has grown around 34.6% over the previous year quarter.

With respect to our liquid investment and cash, our cash balances stand at INR2,600 crores, which is roughly around INR225 per share. Our order book remains to stand robust at INR9,957 crores as at September, '25. We have received orders worth INR400 crores for September as of till date.

Thus we can say that we have an order book of roughly around INR10,350 crores plus. With respect to L1 orders, we are currently L1 on one of the projects by America at INR300 crores and 2 by PGCL at INR482 crores.

So roughly INR782 crores, we are L1. We have various bids in the pipeline and are confident to get additional orders for around INR1,500 crores in the current financial year, which includes the new data center as well as edge data center projects being built by us. This will take our total order intake for the current financial year to around INR3,000 crores. Thus, we will have enough orders to keep on the growth momentum.

The company has -- as you are aware, the company has achieved roughly 4x of our revenue growth in the past 3 years with only modest rise in our manpower. We are now undergoing an extensive transformation and digitization drive to be data-driven for strengthening execution and to prepare for the next growth phase.



Our focus remains on timely, high-quality project delivery, maintaining a INR3,500 crores to INR500 crores of top line over the next 2 years. We continue to be selective in new orders in our focus segments while investing in upskilling our team, process efficiency as well as continuing with our cash flow discipline to ensure sustainable and profitable growth. Now -- we can now focus on the data center update for the same.

I would like to hand over to Mr. Ankit Saraiya.

Ankit Saraiya:

Yes. So as we have informed, our Chennai Phase 1 was inaugurated in August '25. The first phase is of approximately 5.6 megawatts, and the total capacity of the project is 24 megawatts, which will be commissioned in phases as we continue acquiring customers.

And the Gurgaon Edge data center under the RailTel contract has also been commissioned, and we have started onboarding customers at our Chennai and the Gurgaon facility. Early adopters in Chennai include customers from media and entertainment industry, domestic cloud service providers and a few telecom players.

At Gurgaon, RailTel has consumed about 60% of the capacity and the remaining capacity will be used to provide private cloud and managed services, which materially increases our rack monetization, almost by 3x of pure co-location. The second edge data center in Mumbai is expected to be operational by the end of the financial year.

And parallelly, we have started construction of a 16-megawatt data center in Noida under similar partnership with RailTel as for edge data center and another 16-megawatt data center in Calcutta. In Chennai, we have also launched -- managed bare metal services and are receiving strong customer interest for this particular product.

Our data centers, especially the Chennai data center is natively designed for high-density power delivery on per rack basis. And this, we believe is a differentiated proposition for customers exploring high-density computing, which is quite relevant for deployment of artificial intelligence.

We are in active discussion with multiple customers who require high-density computing and look forward to exploring those opportunities. Given customer migration time line, setup requirements and data center revenue, this year will be modest. We expect the data center vertical to contribute close to about INR125 crores in top line during the financial year '27.

Once the asset becomes revenue accretive, its impact will be apparent in the financials and can be analyzed at that time. Phase 1 of Chennai has been capitalized at INR470 crores. And further in the financial year, we expect to spend around INR85 crores to INR100 crores on our ongoing DC projects, which are under construction in Noida and Calcutta.

On the outlook of the data center industry, India's data center industry is entering a phase of consolidation and maturation. According to recent report by Cushman & Wakefield, the country added approximately 160 megawatts of new capacity in the last 6 months, taking the total operational capacity to around 1,280 megawatts. The industry continues to operate at healthy utilization rate of 80%, reflecting sustained demand momentum.



The market currently comprises around 28 active operators managing over 130 facilities, largely concentrated across seven key metros, which is Mumbai, Chennai, Bangalore, Hyderabad, Pune, Noida and Calcutta. Over the past 2 years, the sector has also begun expanding beyond traditional hubs with Tier 2 cities such as Ahmedabad, Lucknow, Patna, Jaipur and Chandigarh emerging as new destinations.

Adding further momentum, Google's recent announcement of a multi-megawatt data center campus in Visakhapatnam signals a new phase of large-scale investments. This move is expected to attract AI-focused global hyperscalers and technology firms seeking diversified and similar high-capacity locations across India and this possibly is the inflection point of the industry.

Given Techno Electric's expanding footprint in data centers across key Indian markets, we are uniquely positioned to deliver end-to-end integrated solutions. As we transition from being primarily a developer to an operator, our focus is shifting towards high-value service-led offerings such as cloud, managed services, bare metal services amongst others.

This strategic pivot not only enhances our customer value proposition, but also drives margin expansion and positions us as a differentiator, a full stack player in India, which is rapidly growing in the digital infrastructure landscape. To cover the transmission industry outlook, I'll hand it over to Mr. P.P. Gupta.

P.P. Gupta:

Yes. India's power demand continues to surge, driven by industrial expansion, data center and digitization. In May 2024, the country recorded a peak demand of 250 gigawatt, the highest ever. Yet as generation rises, especially from renewables the real challenge is transmission, moving power reliably across regions. India grid spans 4.95 lakh circuit kilometer lines and 1.36 million MPA of transformation capacity with 118.7 gigawatt of inter-regional transfer capability.

You can refer to CA's report June 2025. Still over 50 gigawatt of renewable capacity remains stranded. The lack of evacuation infrastructure is posing all these challenges. To bridge this gap, the National Electricity plans 23 to 32 calls for adding 1.9 lakh circuit kilometer of new lines, 1.3 million MBA of transforming capacity and estimated INR9.1 trillion investment and which will include HVDC corridors, STATCOMs and renewable power energy evacuations.

Policy momentum is strong. General network assess amendment in August 2025 streamlines grid assets and integrate storage and hybrid projects. Updated right-of-way guidelines, standardizes compensation at 30% of land value in rural areas at 60% in urban areas reducing delays in acquiring right-of-ways.

Meanwhile the ISTL charge waiver for core locating charge storage and the 30 gigawatt of our battery storage medium scheme strengthen project economics and enables storage-ready grid. The grid itself is turning smarter. The CA's PMU deployment guidelines push real-time data visibility while utilities adopt AI-based predictive maintenance drones and digital twins for faster, safer operations.



Together, these measures mark the start of India's largest ever grid modernization. Transmission is now both the bottleneck and the backbone of the power system, crucial to unlocking renewable growth and ensuring reliability. With a strong EPC track record, disciplined bidding and early mover into digital grid solutions, Techno Electric is well positioned to benefit from this multiyear policy backed transmission investment cycle.

Further, with the emergence of large-scale transmission projects and growing interest from long-term sovereign and infrastructure funds, we are evaluating strategic partnership at the platform level, at the asset level to jointly bid for TBCB projects and also expand our participation in competitive opportunities.

Our segment Smart meters, as you all know we are executing 2.5 million smart meter order book out of which 50% stands deployed. Balance will be completed in the coming year, maybe by September '26. The company's current priority is to ensure timely completion of all ongoing projects.

And given the recent pressure on margins in new tenders, we have adopted a selective bidding approach and are not pursuing additional projects at this stage, focusing instead on quality execution and operational efficiency within the existing portfolio. Our ongoing FGD projects are progressing as per schedule. However, due to policies inconsistency and delays in regulatory clarity, no new FGD tenders have been released in recent months.

The CA has come out with new guidelines classifying locations in A, B, C category where A category will be focused first, which are within the semi-urban towns with a population of 1 million plus and projects within 10-kilometer range. The company continues to monitor the situation closely and remain prepared to participate as and when new opportunities arise. None of our ongoing projects is impacted by these new guidelines. With this, I now put -- like that the floor be open to further detailing or anybody having any more requirement of information sharing is welcome.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from CA Garvit Goyal from Nvest Analytics. Please go ahead.

Garvit Goyal: Good afternoon sir. First question is on the guidance part. We have guided for INR50 EPS for this year and INR75 for next year. But just a confusion, like if I look at the continuing operation, consolidated EPS for first half, it is around INR18.48. So what is giving you the confidence that this figure of INR18.48 will be INR50 by the end of this financial year? So that is my first question?

P.P. Gupta: Yes. You see our previous years' track record. As I said, quarter-on-quarter is not equitably distributed, number one. Number two, first two quarters are generally not more than 40% at which you can see our INR50 guidance, we are already exceeding INR20 plus EPS already in first two quarters. And if you see last year also, we are confident to achieve INR50 plus as the EPS for the current year.

Garvit Goyal: So when you mentioned INR50 EPS, are you speaking about the standalone including continuing or discontinuing?

- P.P. Gupta:** Can you repeat your question?
- Garvit Goyal:** When you are giving the guidance of EPS of INR50, so are you speaking about the stand-alone numbers, sir?
- P.P. Gupta:** Yes. More or less standalone or consolidated, they are nearly same with 0.5%, 0.5% here and there.
- Garvit Goyal:** No, because in first quarter, if I look at -- see, here are two things. One is the continuing operation, second is the discontinuing operations. So are we including the discontinuing operations as well while giving the projections?
- P.P. Gupta:** You see, that is obligatory to include, number one as a disclosure, but we are confident to achieve INR50 of an ongoing operation. You take it that way.
- Garvit Goyal:** So in the ongoing operations, if I look at the consolidated financial numbers that you released for first half, we have done INR18.48 EPS?
- P.P. Gupta:** Yes, you can take that INR18.5 and it will be INR50 by the year-end.
- Garvit Goyal:** Got it. And secondly, on the tax part, sir, I'm not able to understand the fluctuations in the tax rate. So can you put some color like spend some minutes maybe the CFO in explaining like how the taxation is working for Techno Electric, sir?
- P.P. Gupta:** Taxation is very normal. As per the rules, I had -- last time also, I guided you take on an average in our case, tax applicability at 20%.
- Garvit Goyal:** 20% will be the tax rate for this year. That's what you are doing?
- P.P. Gupta:** Applicable on our pretax income, which includes other income also. What gets exempted is our dividend income. Dividend we earn as other income and dividend payout, both stands exempted. So on the actual bottom line, you pay a tax at 25%. And then a bit of adjustment on depreciation as applicable.
- Garvit Goyal:** Understood. So going ahead, for full year basis, it will be the uniform, 20% rate will be -- that's what you're saying?
- P.P. Gupta:** You can take norm of 20%.
- Garvit Goyal:** Okay. And regarding the order inflow, sir, earlier, as far as I remember, we were targeting around INR3,500 crores order inflow for this year. And now I think in the opening remarks, you had mentioned like we will be getting INR3,000 crores. So are you people witnessing any kind of weakness in the order inflows in the industry?
- P.P. Gupta:** Not at all. Question is we have sufficient business in hand. Want to have more juicy business INR3,000 crores or INR3,500 crores is hardly a -- it's only a number at the end of the day. Maybe we end up more than INR3,500 crores also. But just as a conservative approach we have, we only guided you INR3,000 crores to INR3,500 crores, you may take it, but maybe it's



close to INR4,000 crores. The more issue is the execution today in the given challenges of supply chain, the climate change, readiness of the grounds to deploy facilities. Enabling challenges are more than the capability to deploy them.

Garvit Goyal: Execution, so you are doing very good. The thing is only the margins. So what is your guidance for H2 margin, sir?

P.P. Gupta: We have always maintained 13% to 14% on an average and maybe a little more depending on the mix of the job. So you can work on a guidance of about 14%, 13.5% to 14%.

Garvit Goyal: Okay. Got it. And lastly, on the data center part, Mumbai data center is further getting delayed. Like earlier, we were speaking about December. Now we are speaking about the end of financial year. And secondly, from Chennai data center also, the revenue is getting delayed as far as I am understanding. So how do people look at it like still we are maintaining the EPS target for FY '27 or that will further maybe revise downwards?

P.P. Gupta: Ankit, would you like to answer this question?

Ankit Saraiya: Yes. So Bombay data center, as far as the schedule is concerned, we are still targeting it to be completed by financial year-end. We were earlier targeting it to be completed by December end, but because of delay in handover of land for a particular facility, the target has shifted. And regarding the revenue is concerned, we are pretty much on target as far as Chennai is concerned.

And we are confident that we'll possibly be able to deliver better than what is visible in the industry across. And anyways, those revenues don't have an impact on the EPS of FY '27 because we've maintained that whatever EPS that we've spoken about till date is without consolidating the data center numbers.

Garvit Goyal: Sir, one thing I need a clarification again, like although sir has mentioned, he has clarified like INR18 consolidated from continuing operation will get near to INR50. But when you say we will be consolidating data center operations, so are we currently consolidating any cost related to data center in our consolidated financial results, sir?

P.P. Gupta: Yes. In consolidation we have to do, but there is no financial impact considered what we are projecting to the market. INR50 is purely out of the conventional business, ongoing business as EPS. This year, we are not factoring any EPS contribution from data center. It is only value-accretive business for us as far as the current year is concerned. But next year, some EPS may happen out of it, which we have yet not accounted.

Garvit Goyal: Got it. And lastly, one thing, sir. We requested for visiting for our NCR data center, but we did not get a response to our e-mail, sir. So can you connect us with the right people like to whom or to which ID we have to request it?

P.P. Gupta: Ankit?

Ankit Saraiya: Yes, sure. So we'll connect with you once we have the database of joiners today. We'll specifically connect with you and we'll arrange for a visit.

Garvit Goyal: Okay, sir. That's fine and all the best for the future. Thank you very much.

Moderator: Thank you. The next question is from Ravi Naredi from Naredi Investment. Please go ahead.

Ravi Naredi: Sir, how is the smart meter business going on? Whatever investment in funding is required, how we arrange the funds in future? That is my question?

P.P. Gupta: You see, we are -- as you know, we are generally debt averse company. Presently, we are all funding it with our own resources, which we raised through the QIP. And we trust we'll be able to meet obligation of 2.5 million meters of the ongoing job out of our internal resources.

Ravi Naredi: Okay. And when our work will be many more multifold than how we arrange the fund?

P.P. Gupta: Look, we'll explore at that time whether we leverage it by borrowing or maybe monetizing the commissioned assets. Some of them, we have not applied mind because at the moment, focus is 2.5 million meters job in hand to be completed by September '26.

Ravi Naredi: Understand. But I hope definitely in past, you did well. So this you also manage well. Sir, in data center, how much investment we did in Chennai?

P.P. Gupta: Ankit, would you like to answer?

Ankit Saraiya: Yes. The investment made in Chennai is approximately INR450 crores to INR470 crores.

Ravi Naredi: INR450 crores to INR470 crores. And what is the expectation for financial year '27 top line?

Ankit Saraiya: It will contribute anywhere around INR125 crores.

Ravi Naredi: And what is the bottom line here?

Ankit Saraiya: I would take it at approximately 55% to 60%.

Moderator: The next question is from Sarvesh Gupta from Maximal Capital.

Sarvesh Gupta: Thank you for giving the opportunity. Congratulations on continued strong execution. Sir, first question was again related to the order inflows. So you partially answered it, but just wanted to understand it a little bit more. So I think our order book has stayed constant at around INR10,000 crores for many quarters now. So one way to look at it, is that we are proactively only not taking much orders because there is a limit to how we can execute these orders.

And the other thing could be that there is some slowdown in terms of ordering because we are seeing government not prioritizing infra, power and all these areas. In general, the kind of orders that we were witnessing two, three years back, right now, we are not able to sort of see that growth. So if you can throw some more light.



I mean, through your answer, I came to understand that maybe once we receive -- we reach INR5,000-odd crore top line next year, we will have to again get aggressive about getting new orders if we were to grow from that level. So which of these scenarios is playing out, sir, if you can explain?

P.P. Gupta:

Sir, look, these are all the perceptions and realities are very different. Look, sir, the issue is basically deployment. Somebody wins a concession, he has to deploy assets. He has to acquire rights of way and land parcels. And that is not easy in India given the realities on the ground. And that is what I was sharing with you.

Now booking order, you can have -- you are a preferred supplier or vendor to Power Grid, Adani, Sterlite, IndiGrid or anybody as far as station is concerned. The question is you can pile up any amount of number as an order. What I am talking to you is an executable business. And that is more than sufficient for next two years for us at the moment. So we want to discuss business with you which is executable, something business as an order and still not visibility of execution is merely a number. That has no value to you and me as a company.

So please don't get confused. It's a long story in this market. Renewables is still a beginning, I will say. The whole ecosystem has to go through energy transition. And unless there is a proper grid, none of these projects are going to be successful. The present hindrance in the whole value chain in renewable energy is not renewable energy deployment or generation, but the grid. The grid is not available. Feeders are not available. They are not being made ready in time. So that is the challenge country is facing at an overall level.

So it's a small story. We want juicy business. We want quality business, a business which can happen in time. And we can make good bottom line out of it.

Sarvesh Gupta:

So sir, so on that, sir, basically, let's say, in the second half of next financial year, we would have made another INR7,500 crore revenues from the current order book. So I think that -- so basically, the way I'm understanding is that if we have to grow 15%, 20% FY '28 onwards, we can always get more orders. Right now, we are not taking as much because we can't execute if we take more.

P.P. Gupta:

Dear, I think you have not studied our three-year track record. This one quarter performance of this company is equivalent to whole year performance of '23. Please look in that. We mentioned in our presentation in last three years, we have grown 4x. So it means what we do in 1 quarter now, three years back, we were doing in whole year.

So we are growing by no less than 40%, 50% a year, year-on-year, year-on-year. So kindly don't classify generally and generically. That is not good for us. So -- and we are a man-based industry, not something which is a machine-based industry like structure or like any other manufacturing transformer reactors, I can create capacity and harness it. We have to execute by the very manpower we deploy at different pockets of India.

So you don't have an unlimited capacity. You need a lot of discipline, integrity, a lot of processes and controls behind it. So it is -- it has its own ecosystem behind it. And we will



continue to grow at 40% per annum at least for next two years, visibly. Then we have to get into a consolidation phase also to sustain that momentum.

In our industry, why Techno is better than others? Because we believe in contract closing more than contract bagging as an order book. Closing and realizing cash is more important to us. Remaining debt free is more important to us. Serving our obligation to our stakeholders is more valued in our company.

Sarvesh Gupta:

Understood, sir. That is well understood. Thank you for providing clarification. Sir, one more question was related to this data center. So now we have seen some record-breaking numbers being announced by the big companies in the U.S. to set up data center, for example, in Andhra Pradesh.

So is there an opportunity for us to be a preferred sort of EPC player as they build out these data centers? Or do we see that initially when they build it out, they will bring their existing partners in other geographies? How do we assess this sort of an opportunity?

P.P. Gupta:

Ankit, will you like to reply?

Ankit Saraiya:

Yes. Yes. You see -- let me put it this way that any company announcing an investment of close to \$15 billion in a single location is almost like developing a city in itself. And everyone who has been part of the industry, whether as an EPC or an equipment manufacturer or a developer themselves, the rewards of such an investment percolate to each and every person sitting in the industry.

But I would look at it from a much larger perspective that this is the first investment that has been announced of this scale and may not be the largest globally as well. But for India, it's quite significant. But what it does is it's opened floodgates to many such more announcements to come because we have caught the attention of the globe.

So today, it is Google and tomorrow, it will be OpenAI. And going forward, it will be many others. And somewhere or the other, the company stands to benefit from this kind of capital getting deployed in the industry. And it's very difficult to pinpoint whether that benefit will trickle down to us as an EPC, whether as an operator or how. But we can just think of where the industry is going.

If a single player is announcing an investment of \$15 billion and even if, let's say, four more players announce it, we are talking about a number close to \$70 billion to \$80 billion to be invested just on large-scale data centers. Rest is yet to come. So it's a beginning, and it's a significant announcement for the industry. And let me say this is just the beginning of what we are seeing. And if we follow announcements in U.S. and Middle East and other parts of the globe, we are still to catch up to those tides.

P.P. Gupta:

You see further, you kindly note the most exciting part is the power and data centers are today two sides of the same coin. So if 15 billion is happening as an investment, 5 billion will be on power infra if it is not on data centers and data infra. So for Techno, there will always be a



good chunk of work either as a power infra or as a data center. So we are in a very sweet spot as a capability in India in this space.

Sarvesh Gupta:

Okay. And sir, finally, I think in one of the previous calls, you had mentioned that when it comes to renewable, the transmission requirement is almost 4x of that of thermal. So given that, sir, do you see that as an industry, we have enough supply side scale to match up to the kind of requirement that would be required here?

And at Techno, sir, how are we sort of increasing our own capability to be able to cater to that massive transmission side demand?

P.P. Gupta:

You see, by now, it should be very clear to you what Techno Electric is good at and what it stands for. We are a zero manufacturing company. We only deploy facilities. So definitely, we work in partnership with the supply chain people. They are definitely at the moment also stretched and they are booked heavily at the moment because of this very deployment of renewable power capacity, which is going at a rate of no less than 50 gigawatt a year now in the country.

So -- but simultaneously, more capacity is also being planned and added by the very manufacturers. So at the moment, if you ask me, supply chain is definitely a bit constrained in some products. But Techno having a presence in this sector for the last four decades and relationship with all the suppliers gets us a kind of edge over many other new players.

So we are, by and large, able to manage our facilities here and there in time. Otherwise, how will we complete a project in 9, 10 months in Sikar or Dausa or Khambha and many other locations, which we earlier used to do in no less than two and a half to three years. So there are time pressures. Compression is happening in the schedules and inputs are being arranged in time.

Moderator:

The next question is from Mohit Kumar from ICICI Securities.

Mohit Kumar:

Yes. Good evening, sir, and thanks for the opportunity. My first question is on the transmission pipeline. Is it fair to expect that the H2 and beyond H2 '27, the opportunity size remains sizable because the bidding for F '24 and F '25 for transmission were too high and most of the projects haven't seen the tending as of now. Is it a fair assumption?

P.P. Gupta:

I will say mixed. It is picking up. Yes, because of Pakistan war or other priorities of the government in between things were a bit astray, but it is back on track now. Every week, one or other concession is being settled or fixed. So, I see things are being on track now. And the government will be able to meet its obligations for the year before...

Mohit Kumar:

My question was more on the tending activity, sir, tending from the power grid, tending from the private IPPs. Are you seeing those opportunities multiplying?

P.P. Gupta:

Absolutely. Absolutely. Absolutely, sir. They are...



- Mohit Kumar:** So those guys are already shipping a large order book, right, be it Adani, be it the Power Grid, both have very large project pipelines. So do you think that those pipelines will get awarded and there will be higher opportunity for us as we enter the H2 and F '27. That was the question, sir.
- P.P. Gupta:** Yes, yes. Mohit, you are perfectly right. We are in discussions with them. And we are already L1 in many tenders with Power Grid, but they generally don't announce it these days till they have fixed their own issues with, I would say, with big coordinators or they have acquired the SPV by then.
- So we are working in close coordination with Adani, Sterlite as well as Power Grid who are larger stakeholders in this sector and who are good at delivering projects. Because more important to us also is you can do a project timely. That is very important in our sector.
- Mohit Kumar:** And sir, on the smart meter side, of course, the -- no bid has happened in last couple of years. But I think the Tamil Nadu, there's a bid which is likely to open. Then there is a bid in Delhi, which is likely to open, right? And there's a Punjab. So are we looking at those bids or these are not -- we are not comfortable with these geographies?
- P.P. Gupta:** Look, at the moment, the kind of aggressiveness we are seeing with the other bidders, we are definitely not comfortable at the rates quoted by others. Definitely, Punjab and Tamil Nadu are not the preferred location for political reasons.
- And Tamil Nadu is anyway going for the election now, shortly. So I don't think this will happen so soon. Punjab, it may happen, I am not sure. But at the moment, our focus is lifted to 2.5 million meters completion and seeing satisfactory in operation.
- Mohit Kumar:** And on the data center, on Chennai data center, sir, have you started leasing out renting out? Have you started booking or booking the rental income now? Or do you think it will start from after this fiscal year?
- Ankit Saraiya:** We start booking our first revenue from Chennai data center from the month of November onwards.
- Mohit Kumar:** Okay. Understood. Have you leased out the entire thing or still some part is pending?
- Ankit Saraiya:** No, we have leased out about, you can say, close to about 0.5 megawatt. And today, we are yet to lease out the remaining capacity. Having said that, we are in discussion with a couple of -- we have a couple of discussions ongoing, which are seeming promising to lease out larger capacity.
- Mohit Kumar:** Is it fair to expect that the entire capacity will get tied up in the next 6 months?
- Ankit Saraiya:** Yes, you can say that.
- Mohit Kumar:** Understood, sir. Thank you and all the best. Thank you.

- Moderator:** Thank you very much. The next question is from Nikunj Bhanushali from Kosh Wealth Management. Nikunj Bhanushali, you may go ahead with the question. There seems to be no response from the line of Nikunj Bhanushali. We'll move to the next question. The next question is from Ashwin Patil from Intelligent Prosperity Solutions. Please go ahead.
- Ashwin Patil:** Good afternoon, sir. I had one clarification on the other income line item. Is it largely driven by interest income, subsidies, treasury gains or any one-off item? And going forward, should we assume this run rate to be stable? Or is it likely to fluctuate? Thank you.
- P.P. Gupta:** No, we showed you in the beginning of the year, the income will be like of the last year. It will be plus/minus INR150 crores. It is like a treasury income to us. Also, it's a form of dividends and short-term capital gains and somewhat out of the interest income from the bonds, money parked in bonds, at least AA plus or AAA credit. So it will be around INR150 crores.
- Ashwin Patil:** Okay, sir. Thank you.
- Moderator:** Thank you. The next question is from Shrey Gandhi from CR Kothari & Sons Stock Broking. Please go ahead.
- Shrey Gandhi:** Thanks for the opportunity. My question is regarding the data center unit economics. If you could give details about the interest and depreciation, which we will see and how are you planning to fund the capex?
- Ankit Saraiya:** So currently, we are funding the capex for data center through internal accruals. And for some time, more, we will continue to fund it through internal accrual and that would be the plan for at least the next year or 2. And regarding the unit economics, as we've spoken about it earlier in our con calls as well that we can expect a top line of close to around INR8 crores per megawatt and a margin of around 75%-odd.
- Shrey Gandhi:** And depreciation, like depreciation -- it will be depreciable over 10 years period, if I'm not wrong, as you mentioned in the last call?
- Ankit Saraiya:** Yes, it will be depreciable over -- I think it will on an average come to 15 years.
- Shrey Gandhi:** 15 years. Okay. And this EBITDA margin is including the power cost or it will be -- the power cost will be a pass-through, so we don't have any effect on our margins?
- Ankit Saraiya:** Power cost will be a pass-through in most cases. And in case it is not a pass-through, then obviously, it will have an impact on the margin because it will add to the top line and expense on an absolute basis.
- Shrey Gandhi:** Okay. And my next question is regarding the Chennai data center that we are planning it to commission in phases. So like you mentioned in the last call or maybe last to last that you are planning 6 months -- in every 6 months, you're planning 6-megawatt installations. So are we still planning that? And how -- what kind of capex are we looking for next 2 years?
- Ankit Saraiya:** I think in terms of Chennai, we will start our Phase 2 in the calendar year '26. And on every phase, we can expect an investment of close to around INR225 crores to INR250 crores going



forward on total. It may not be the annual capex, but the total capex for each phase will be around INR225 crores to INR250 crores.

Shrey Gandhi: Okay. Okay. And my second question is regarding the other financial assets which we have currently. So what is the -- what comprises of other financial assets like it has increased so much in this quarter. So if you can give a light on that?

P.P. Gupta: No, they are generally -- you have to create a category called AHI1 and those are largely the unbilled assets belonging to your smart meters because the concession is of a long-term 10-year nature. It can also comprise of certain work in progress of the ongoing projects. But it has not gone up. It remains at around INR1,000 crores, INR1,100 crores as it was in the first quarter or year closing also. So, it is more or less same. It will remain in that range only.

Shrey Gandhi: Okay. And my last question is regarding our plan to fund \$1 billion in data center. So how are we planning the debt equity mix in the longer time frame?

Ankit Saraiya: You can take -- so obviously, at some point of time, we will look at an equity partner and hopefully a strategic partner. But having come so ahead in the industry and now reaching a point where we are building more products and services to be served out of our data center itself, we would like to mature out our ourselves over the next 18 to 24 months before we seek an equity partner. While that is on the equity side, I can say that in industry on an average, we can -- we'll see a debt of close to around 55%-odd and an equity of 45%. That is where the industry average will lie.

Shrey Gandhi: Okay, okay. And just a small thing [inaudible 0:56:06].

Moderator: We'll move to the next question. The next question is from CA Garvit Goyal from Nvest Analytics. Please go ahead.

Garvit Goyal: Hello. Am I audible?

P.P. Gupta: Yes, you are audible.

Moderator: Yes, sir. Please go ahead.

Garvit Goyal: Thanks for the follow-up sir. Just one question on the working capital side. In the consolidated cash flow statement, there is one line item, other assets that is basically reducing our cash flow from operating activities significantly. So I just want the outlook on a full year basis, like how our cash flow from operating activities are likely to be at the end of March '26, sir?

P.P. Gupta: It will be at the same level. Some will get billed out, some will -- new one will come in, but the number will remain more or less same.

Garvit Goyal: No, sir, I'm speaking about the cash flow from operating activities. So are you saying like same level, what do you mean by same level, sir?

P.P. Gupta: Yes. If you see the cash flow, we have capitalized our data center in September end and an invoice of about INR400 crores was pending to be paid by the subsidiary, which was paid out



on October 15. So it is only a interest rate correction. So if you correct by that, you will find that book that has come to the same old level, INR700 crores, INR750 crores.

Garvit Goyal:

Okay. Maybe I will take that offline. I'm not able to understand it right now. Okay. That's fine. And lastly, on FY '27, when we say we will be excluding data center business guidance from the total EPS guidance of INR75, is it that in FY '27, maybe the first year of its operation. Are we expecting a negative PAT or negative bottom line from the data center operation?

P.P. Gupta:

We have not yet worked out here that kind of details, but I don't want to be speculative in this conversation. We'll talk about it when we are closer to the situation in around Q4 discussions of the current year.

Garvit Goyal:

Understood. And sir, recently, there is a news regarding some renewable energy projects that didn't find any PPA or PPA agreement. So these projects are basically rejected. So how do you see the impact of this thing happening on the overall renewable energy adoption in India?

P.P. Gupta:

That is what I'm saying. Mr. Goyal, you have asked this question as a first opener of the questionnaire, that the industry in renewable power is today stranded because of the evacuation not being in place, feeders being not in place, transmission being not in place.

The PPAs are not getting signed because of that. Unless any renewable power asset gets a connectivity, do you think it is a bankable proposition or a marketable proposition? That is the challenge industry is facing today that the transmission is a laggard in the value chain over generation.

So these issues since we are not planning the sector seamlessly right from the location of the generation assets, the deployment of the generation assets and then matching it with the transmission facility in the nearby area and then the power flowing out to some distribution company or to industry, this will all, some mismatch will always happen with the time. And it has started, it is only a beginning.

So maybe presently, this may get covered up by the energy storage solution as much the grid needs the energy storage also. So these issues are linked to our deployment inadequacies as a planning process.

Moderator:

Thank you very much. We'll take that as the last question. I would now like to hand the conference over to the management team for closing comments.

P.P. Gupta:

Thank you very much for joining us today and for your continued trust in Techno Electric. The energy landscape around us is evolving rapidly, and we stand ready to lead with innovation, discipline and purpose from strengthening India's transmission backbone to building intelligent data center infrastructure.

Our focus remains clearer to create lasting value through responsible growth. We believe progress is not about pace, but about purpose, choosing the right opportunities, executing with excellence and growing with integrity.



With a strong foundation and a focused vision, Techno Electric is poised to power India's next phase of transformation. I would like to thank you once again for your confidence and continued partnership. Thank you very much.

Moderator:

Thank you very much. With that, we conclude today's conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines.