Management Discussion

Vidit Trivedi - Analyst, Asian Markets Securities
Yeah, hi, thank you. Good afternoon, everyone. On behalf of Asian Market Securities, we welcome you to the Q1 FY27 earnings conference call of Techno Electric & Engineering Company Limited. We have with us today Shri PP Gupta Ji, Chairman and Managing Director, Mr. Ankit Siraya, Director and CEO, Mr. Amit Agarwal, President Data Center, and Shivani Chandok, VP Strategic Initiative Investor Relationship.

I request Shri PP Gupta ji to take us through an overview of the quarterly results, and then we'll begin the Q&A sessions. Over to you, sir, and thank you.

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
Thank you, Vinith. Very good afternoon to everyone, and grateful for joining, uh, Techno Electric & Engineering Company Limited Q1 financial year '27 earnings call. Before I begin, I would like to draw your attention to our customary forward-looking statement of the disclaimer. Any statement made during this call regarding the outlook should be considered in the context of risks and uncertainties that may impact our industry, our businesses, and the company due to the very geopolitical reasons or the very government programs going forward.

Let me also again remind to my colleagues present here that quarter-on-quarter comparison in our type of business is not sound. Be prudent and practical. We have been always highlighting that Q1 is no more than 15% of the annual outlook, and H1 is about plus minus 40%, and balance 60% happens in H2 of the year. So our results may please be reviewed in this very context. Let me now begin with an overview of the quarter. First quarter, I'm pleased to share that we have continued our, uh, growth streak, and the revenue for Q1 '27 grew by approximately 25% year on year, driven by strong planning and execution across projects despite challenges and chaotic noises.

We have also till date secured fresh orders worth no less than INR2,200 crores, but it includes INR666 crore for the first quarter and balance INR1,530 crore till date. Which may again be appearing as a part of Q2. And we have also placed L1 in another INR2,100 crore of the bids with the various concession owners. These wins are just not about the quantum of orders but also reflects the trust that our customers place in our technical capabilities, execution track record, and ability to deliver projects on time.

India is entering the largest power and digital infrastructure build -- build-out in its history, and we are among the leading companies delivering the same to make the transformation possible. We are propelled by two engines of growth: power, where we are legacy leader, legacy of leadership, and defines transmission and distribution landscape today after having been part of generation till 2010. And digital infrastructure, where Techno Digital is architecting the data centers, edge ecosystems built on the shared foundation of engineering excellence and financial discipline.

Let me start with the Engine One, the power transmission business. Driven by engineering excellence, our current order book comprises of large and complex high voltage stations solutions and transmission projects with top industry players including Power Grid, Adani Energy, the SONIA, Ingrid, state -- leading state utilities, etc. These projects are spread across multiple states and voltage classes and progressing as per customer requirements and schedules. The sites are fully mobilized and resourced with a team of 650+ engineering and commercial professionals behind it, executing these very projects of national pride.

Let me now spend a few minutes on the strong demand environment we are witnessing. What is

encouraging is that opportunity is not only large but also growing across where we have strong capabilities. I would highlight 4 key developments in particular. First, the transmission sector presents a very strong and visible investment opportunity. India is expected to invest approximately INR9 lakh crores in transmission infrastructure between financial year '26 and financial year '32, driven by countries accelerating shift towards renewable energy.

In yesterday's report in Mint at 10:40, I saw that the present availability of the feeders to evacuate this renewable power is no more than 80%., and government has planned another INR50,000 crore of extra expenditure to strengthen the interstate transmission facilities. Coming to the macro planning of the government, have set an ambitious target of executing about power projects of over 900 GW of non-fossil fuel capacity in next 10 years, including around 548 GW of solar and wind capacity, as per ICANA report of July 26th.

This will require significant expansion of transmission network across the country to facilitate evacuation of the power. Second demand is setting new records. India met an all-time peak time requirement of 271 GW in May 2026, and this is projected to reach around 480 GW by financial year '32. Electricity consumption is growing at over 6% a year, with data centers and electrification now adding entirely new load category to this system. Third, the scope of work itself is expanding alongside conventional evacuation packages, the grid now needs synchronous condensers, dynamic reactive compensations, and HVDC corridors.

A category of high-value, technically demanding work that has grown rapidly as the share of renewable generation has risen. Fresh tenders in exactly these segments came to market July 26th. This is sophisticated engineering and is where our margins and our reputation live. And fourth, digital substations are the most important shift in grid engineering in a generation, moving protection, control, and monitoring from copper to fiber with real-time visibility on every asset from a control room. We took a position in this technology early.

We have delivered on it and are now among the very few Indian companies with proven credentials in it. As the country modernizes its grid, this becomes one of our sharpest differentiators, including executing smart grids. Solutions. Our bidding discipline is anchored around 3 pillars: execution capability, risk-adjusted returns, and balance sheet discipline. We bid selectively and pursue the opportunities where we are confident we can execute well and generate attractive returns.

With that, I would now invite Ankit to take over and speak on our second engine, the digital infrastructure. Ankit, over to you.

Ankit Saraiya - Whole-time Director & Chief Executive Officer, Techno Electric & Engineering Company Ltd

Thank you and good afternoon everyone. Our digital infrastructure business was founded on a single conviction that the data center is fundamentally a power asset and that the company which understands power best will therefore build India's digital infrastructure best. This quarter, the market validated our conviction in the cleanest possible way. The customer demands have exceeded our planned capacity. In response, we have acted decisively and organically increased the designed IT load of our Chennai campus to support this stronger than expected demand.

Let me explain how we organically expanded the design capacity of our Chennai campus. The first is a decisive shift in Chennai demand. The conversation we are having today are with larger counterparties for larger blocks on longer tenures with faster delivery expectations. And over the past 2 months, this market has seen a sudden surge in enquiries and influx of opportunities. Our

read is that several forces have converged. The conflict in West Asia has moved deployments towards APAC. Available capacity across APAC outside India has been absorbed rapidly, leaving India as the market with supply, and Mumbai as a city is largely committed -- where large demand cannot be catered for 18 to 24 months.

So demand is flowing to other Indian cities with Chennai leading it. Apart from that, the tax holiday provisioned in the last budget has also added and fueled this sudden surge in demand and opportunities. Chennai sits on the East Coast as a natural hedge to Mumbai. Offers the shortest, lowest latency to Singapore, anchors 5 active submarine cable systems, and has capacity available in short duration across multiple operators. In the past 2 months alone, we have witnessed at least 2 large-scale transactions in the city of a kind not visible for the previous year or two.

Operator
Hello, Ankit, sir?

Ankit Saraiya - Whole-time Director & Chief Executive Officer, Techno Electric & Engineering Company Ltd
Yeah, am I audible?

Operator
Yes, sir.

Ankit Saraiya - Whole-time Director & Chief Executive Officer, Techno Electric & Engineering Company Ltd
Yep, sorry, I think my voice got lost. Let me possibly restart. Uh, good afternoon everyone. Uh, our digital infrastructure business was founded on a single conviction: that a data center is fundamentally a power asset, and the company which understands power best will therefore build India's digital infrastructure best. This quarter, the market validated our conviction in the clearest possible way. The customer demand has exceeded our planned capacity. In response, we have acted decisively and increased the designed IT load of our Chennai campus to support the stronger than expected demand.

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Mumbai is largely committed, where large demand cannot be catered for 18 to 24 months. So demand is flowing to other Indian cities, with Chennai leading it. Apart from that, the tax holiday provided in the last budget to cloud operators serving global customers through Indian data centers has further made the country sweeter for capital investments into data centers. The city sits on the East Coast as a natural hedge to Mumbai, offers the shortest, lowest latency path to Singapore, anchors 5 active submarine cable systems, and has capacity available in short duration across multiple operators.

In the past 2 months alone, we have witnessed at least 2 large-scale transactions in Chennai of a kind not visible for the previous year or two. The weather in the city of Chennai is changing. Second,

within that demand, we are increasingly gaining position as a preferred operator. As a new entrant, we are more flexible. We carry no conflict of interest with large cloud and AI customers. We are the infrastructure partner, not the competitor, competitor.. And because we are an EPC company ourselves, our time from commitment to delivered capacity is the shortest in the market.

The third is our own engineering. The uplift did not come from buying more land or adding another building. It came from my engineers going back into the design, the electrical topology, the cooling architecture, the way we sequence construction, and establishing that a process discipline and design capability allow us to carry significantly more IT load within the same footprint. We created that capacity ourselves. It converts directly into more revenue earning capability for the capital we deploy, and it is a form of value creation that very few operators in the market can execute because very few of them are power engineers first.

Let me put numbers to that demand. Approximately 150 megawatt of aggregate IT load demand is under active discussion with global hyperscale AI infrastructure and enterprise counterparties, including 6 opportunities of more than 3 megawatt, some of which is at mature stage. We have over 30 open opportunities in our funnel. These discussions are at varying stages of maturity. There's the demand picture that led us to re-engineer Chennai rather than simply market it. And traction is already in the books.

We signed 10 new customer logos during the quarter across colocation, cloud, and interconnection, including 2 of India's leading telecom carriers, together subscribing approximately 130 kilowatt of IT load with a wholesale arrangement and a first cloud services engagement additional to that. Individually modest, collectively these build the carrier and ecosystem density that anchor enterprise demand into a young platform. The Chennai campus is TIA 942B certified across both design and constructed facility and holds IGBC Gold Green Building certification.

These standards and green certifications are procurement requirements for hyperscalers and large BFSI buyers, and we intend to carry them across entire estate. The facility has operated on approximately 97% renewable energy in recent months. We design at a PUE of 1.35 with 75% lower water consumption than conventional build. But our ambition has never been a single campus. We are building a national platform and let me take you through this. Andhra Pradesh, wherein two engines converged. We have signed an MOU with a global hyperscaler for a 2-megawatt data center facility.

Our EPC business has delivered multiple substations across Andhra Pradesh and that presence, teams on the ground, a working understanding of the state's power infrastructure and its local challenges gave us the edge. In conclusion, this significance is not the megawattage a hyperscaler completed, but a hyperscaler completing its diligence on us and concluded we can deliver to its standards. It's an entry ticket that we have earned. We see 2 megawatts as the starting point with a pathway to multiple megawatts as this engagement scales, and we expect our EPC footprint and depth in the power sector to help us convert more such opportunities across the country.

Coming to Calcutta and Noida, both campuses are advancing on the ground. Noida received its building plan approval in July with all major long-lead equipment under manufacturing towards commissioning in the final quarter of FY27, and Kolkata is in foundation works. The Edge Network Our Gurgaon facility is fully occupied and the cloud services operations have also commenced. Mumbai is commissioned and customers are being onboarded. Beyond these, we are building towards over 100 edge locations across 23 states with RailTel arrangement.

No other operator in India is assembling a national edge layer of this reach, and as computing moves

closer to the user, that footprint becomes strategically more valuable. We hold a license from DOT and cloud and managed services are live from Gurgaon EDC across private, hybrid, and sovereign models. We are also preparing towards GPU as a service at our Noida Edge facility on an anchor public sector commitment, but our approach is disciplined. We procure capacity against committed demand. Our architecture is deliberately hybrid.

Large campuses for heavy compute, edge layer for everything that must happen close to the source. We are bringing both together on one national platform. Stepping back, the national market has moved just as quickly. According to industry reports, the country added 258 megawatt of data center capacity in the first half of this calendar year. Up 59% on the same period last year, taking operational capacity to approximately 1.8 gigawatt with projection of more than 7 gigawatt by 2030. Cumulative investment commitments into Indian data centers have crossed $126 billion and expected to rise a further 45% this year.

Across every study of this market, the same enabler is identified as decisive, reliable, well-priced power close to the grid. We build the substations that feed the grid these campuses draw from, and we bring that engineering directly into how we design, power, and operate our facilities. On revenue, data center revenue tracks customer commissioning, validation, and migration cycles. It builds gradually for a new operator and then compounds as the ecosystem fills in. During this ramp phase, we will report contracted capacity and actual segment revenue rather than guide the segment.

We expect the revenue trajectory to be weighted towards the second half of the year as committed stage deals close, government workload migrates, and validation to billing happens, and GPU as a Service comes in under its anchor commitment. You should keep in mind that the higher cost of servers, GPUs, and switches, along with supply constraints, will extend lead times for workload migration and deployment after definitive agreements are signed. Billing currently runs at Gurgaon and Chennai. Mumbai is onboarding customers as we speak, and Noida follows on commissioning.

Our medium-term ambition is unchanged -- 250 MW of capacity by 2030, anchored on contracted enterprise-led demand, with 150 MW of pipeline under discussion today, strengthening our conviction in the trajectory. Capex deployed in Chennai stood at INR524 crores as at 31st March 2026, with cumulative data center capex of INR 628 crores across the portfolio. For FY27, investment is primarily concentrated on our Noida and Kolkata build. In short, our approach is simple: build ahead of demand where we have visibility scale with customers and deploy capital with discipline, the market is increasingly validating the thesis we started with that data center is fundamentally a power asset.

Given that, I would like Shivani to speak on our Q1 financial performance.

Shivani Chandok - Vice President, Strategic Initiatives and Investor Relations, Techno Electric & Engineering Company Ltd

Thank you, Ankit, and good afternoon everyone. Let me take you through the standalone numbers for the quarter. Revenue from operations for Q1 FY27 stands at INR641 crores against INR514 crores in Q1 FY26, which reflects a growth of approximately 25%, primarily driven by the project execution. EBITDA for the quarter is at INR89 crores versus INR79 crores in the last year, growth of approximately 13%. Our EBITDA margin for the quarter stands at 13.88% and profit after tax is INR96 crores. On the consolidated level, our revenue from operations in Q1 FY27 stands at INR630 crores against INR525 crores in Q1 of FY26, growth of approximately 20%.

EBITDA for the quarter is INR99 crores against INR92 crores last year, which is growth of 8%.

EBITDA margin at consolidated level is 15.79%, and profit after tax was INR93 crores. Our earning per share for the quarter at consolidated level is at INR8.02. Let me share a few points which will help you understand these numbers better. The margins are in line with our guidance despite the period of real external pressure. While the input cost for transformer, CRGO steel, and other long lead equipment have been elevated as the order book for manufacturers have more than doubled since FY22, advance planning for order placement, our relationship with the vendors, and control over other costs have led to sustained profitability.

Our other income has shown a decline, which is primarily due to deployment of QIP funds for the underlying projects since June of last year. Our EPS for Q1 FY27 was lower versus FY26, primarily because last year there was an income from discontinued business which translated to roughly INR2 per share of EPS. Further, QIP proceeds that were earning investment income have now been deployed towards our data center, AMI, and transmission projects. Resulting in lower other income. This reflects the transition of funds from interim investments into our growth businesses.

So while fundamentally on the business side, we remain on track. With respect to the outlook for the year, as you're already aware, ours is a project-driven business. And this industry earns 40% of its revenue in the first half of the year and 60% in the second half. The first quarter So by far in the construction industry is the lightest of our area, which is roughly at 15%, as mentioned by Gupta ji at the beginning of this call. And during this quarter also, we have shown a growth of 25% on our EPC revenues.

We are very comfortable with what we had said earlier, and we are comfortable in delivering the same. On the order book, our unexecuted order book as on date stands at INR11,000 crores, while at 30th June 2026 it was at INR9,600 crores. But given the orders that we have won post 30th June, it is currently at INR11,000 crores. Overall, our order inflow momentum has been strong and we are ahead of our projections for FY27, giving us good visibility for the year ahead. On the balance sheet, we remain debt-free with a net cash position and AA rating.

Now I am handing over to Mr. PP Gupta to continue and speak on our smart metering business.

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
Thank you, Shivani. Let me turn to smart metering, which I believe is also one of the most valuable business verticals in the company. As you all know that we had contracted about 2.5 million meters to be installed at 4 locations, smart meters. And this portfolio is capital intensive in the build phase and also is rewarding in annuity mode. That is a segment that funds its own growth and throws off predictable contracted cash flow for years. Here is the structure that drives it. We build, own, and operate.

CapEx is front-loaded with a 27-month installation period or window. What happens follows is 93 months, close to 8 years, of contracted O&M revenue against a completed de-risk asset Once a meter installed, there is no further capital at risk. It simply generates cash. We, as you all know, that we have 2.24 million meters under RDSS scheme in 5 states with a revenue commitment of 2,600 crores in the project value. By now We have already installed about 18.5 lakh meters, leaving only 4 lakh meters more to be installed.

Out of these concessions, Madhya Pradesh is fully saturated and have achieved go-live. Now it's in annuity phase and in a cash-generating mode. The concessions in Ranchi, Tripura, and J&K are nearly more more than 70% complete and are -- and will be completed progressively before end of this calendar year. For investors, the relevant read-through is capital efficiency. As installation

completes, capital intensity in this segment falls sharply. We do not expect any, uh, more capital expenditure in this segment this year will be -- that will be self-funded out of the revenue stream available on the commissioned meters and the lump sum available on any meter going live every month.

Zooming out, the addressable opportunity is still large. The RDSS carries a sanctioned outlay of over INR3 lakh crore. More than 20 crore meters nationally, and a program runway to March 28th, which I am sure will be further extended to 32. Sector fundamentals are also moving the right way. AT&C losses have fallen from 22% to 15%. DISCOMs have moved into aggregate profitability. After so many years of losses. And overdue payables are down sharply, and thanks to Prapti Portal in place and also the growing profitability, no more leakages in the discounts.

That translates directly into counterparty quality and collection certainty for anyone holding these contracts. Our new bids, we are very selective as always. The priority is first execution completing what we have on our platter and, position us as a natural fit for the next round of awards. With respect to -- I will only further add, as Shivani has said, our EPS due to shrinkage in other income or discontinued business may have come down. But in our balance sheet, you may have observed one hidden asset and having hidden profit in it.

That is the contracted assets, which are worth about INR1,500 crores as of June 2026. And as and when these assets gets capitalized or monetized they will unlock the bottom line to the company. So that will be, uh, further, uh, another mode of describing the other income which will become the business income going forward. With respect to the guidance, we remain on track to achieve a revenue of 4,000 crore or more with around 13 to 14% EBITDA margins. And current year order book, uh, target of INR4,000 crores but is likely to be exceeded.

Happy to take questions now.

Questions & Answers

Operator
Thank you very much. [Operator Instructions] The first question is from the line of Vaibhav Shah from JM Financial. Please proceed with your question.

Vaibhav Shah - Analyst, JM Financial Institutional Securities Ltd.
You know, ordering flow, you mentioned that in Q1 we received 660 crores and YTD it is 2,200 crores, correct?

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
Yeah, absolutely.

Vaibhav Shah - Analyst, JM Financial Institutional Securities Ltd.
And L1 is 2,100,

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
Right.

Vaibhav Shah - Analyst, JM Financial Institutional Securities Ltd.
Including L1 and YTD inflow, we already surpassed the guidance of 4,000.

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
Yeah, you, you are right. In a way, you are right.

Vaibhav Shah - Analyst, JM Financial Institutional Securities Ltd.
So can you throw some light what would be the segmental mix of this inflows broadly?

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
These are largely transmission and high-end station business, part of the concessions to be deployed by Power Grid Adani, the Soniya, or Ingrid at different locations. I will say every month now at least 8 to 10 concessions are getting finalized by the grid coordinators like PFC, REC. So we are partners in these concessions. With developers or concession winners, you can say. So they largely revolve around the transmission business and distribution business.

Vaibhav Shah - Analyst, JM Financial Institutional Securities Ltd.
Okay, okay. So secondly, uh, our non-current investments stood at roughly INR1,300 crores as of March. You had mentioned last time we would be investing another INR1,000 crores in data center and roughly INR250 crores in Smart meters. So what would be our targets of investments in this year?

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
Yeah, it is more or less the same. Say, we have kept about INR1,000 crore for data center, but smart meters won't need any more investment as it has become self-cash accretive. Now we plan to collect about INR450 crores. during the year out of the smart meter PMPM and lump sum payments. And our outgo in deploying the balance meters during the year will be only about 400 crores out of this. So this year is more or less self-funded. The CAPEX requirement is limited only to data center uh, number 2, as you have seen, uh, efficiency of the -- or that discipline of the balance sheet -- we don't need any additional working capital for EPC business. They are self-funding or accretive.

Vaibhav Shah - Analyst, JM Financial Institutional Securities Ltd.
The post-investment of this 1,000 crores, anything more will be required in next year for data center business?

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
You see, although Ankit have already described whoever -- this data center has become a very magical picture today. Whether it will be thousands or, more, we are still not able to predict because of the AI penetration. But we are keeping our balance sheet healthy to meet any rewarding opportunity in this space. I would like Ankit to elaborate more on it.

Ankit Saraiya - Whole-time Director & Chief Executive Officer, Techno Electric & Engineering Company Ltd
Yeah, so, uh, addressing the CapEx requirement for data centers, uh, see, today when we started this quarter, at that time we were not even expecting, uh, such kind of opportunities on a table. Where we are talking about such large capacity and deployments. And at that time, the capital investment program was quite different. But today, with the kind of opportunities that are in front of us in discussion and at the maturity stages that they are, it is increasingly becoming very difficult to pinpoint the capital requirement and deployment, uh, really depending on what opportunity we are able to close, uh, how things will mature specifically for us. But keeping fingers crossed, I think, uh, the amount of capital will continuously be required so that we are able to cater to these demands.

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
If, one thing you are over, let me add, wherever this all is happening because of AI and deployment of VCU or TPUs are highly energy intensive and very, very capital intensive for the deployer. So these infrastructure requirements are also very different to accommodate them. So that makes a difference. Whenever anybody will occupy this, the capacity occupation will be anywhere from 25 to 100 megawatt. So we have to build for it in 9 to 12 months, uh, without say. So it is no more a kind of a historic growth business. It is very transformative business as of today because of the AI penetration now. So at the moment, we are, we are at a very inflex position in this sector, very privately placed, and expecting very good results out of Chennai and Noida in next, maybe this quarter, Q2 itself, but definitely not later than Q3. We'll be able to share good news with all of you.

Vaibhav Shah - Analyst, JM Financial Institutional Securities Ltd.
Ankit mentioned that the investment in total data...

Operator
Sorry to interrupt, sir, may we request that you return to question queue for follow-up? Thank you, sir. The next question is from the line of Parth Thakkar from JM Financial. Please proceed with your question.

Parth Thakkar - Analyst, JM Financial Institutional Securities Limited
Thank you for the opportunity. Cash and current investments as of June 26th

Operator
Sorry to interrupt, sir. Can you speak a little louder?

Parth Thakkar - Analyst, JM Financial Institutional Securities Limited
What would be our cash and current investments on June 26th?

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
In June 26th, you can take it about, uh, in total about 1250 CR.

Parth Thakkar - Analyst, JM Financial Institutional Securities Limited
Okay. And what would be our investment in data center as of March 26th?

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
Ankit just said about 650 CR.

Parth Thakkar - Analyst, JM Financial Institutional Securities Limited
Okay, can you provide update on smart meter projects and as per projects?

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
I just -- yeah, why not. I just now gave you that out of total of 2.3, 2. 2.25 million meters. We have already deployed by now 18.5 lakh meters, leaving only 4 lakh more to be deployed as of today. As of March, we had done 15 lakh and 7.5 lakh were pending. So that is the present status. This will be all completely deployed by December. So with 100% saturation has happened in DOT project, and the rest of the projects are ranging from 60 to 80% at Ranchi, Tripura, or Kashmir. Does that answer your question?

Parth Thakkar - Analyst, JM Financial Institutional Securities Limited
Yes, sir, broadly. Yeah, what would be our ONM part in this? Out of the backlog of 1560 crores as of March 26th, is there any O&M part in this?

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
Yeah, we continue to O&M, carry out O&M of the meters, and which is very little involvement, but they are all software-based, remotely run and controlled. But more important is to meet the SLA obligations, uh, system level availability based on which our revenues are ensured as a part of the contracted agreement, which we are generally able to meet. And, it also has an upside now on services by inducting AI, by inducting lot more services demanded by NISCOMs. So it's an interesting place to be.

Parth Thakkar - Analyst, JM Financial Institutional Securities Limited
Okay, and for my last question, what would be the current...

Operator
Sorry to interrupt, sir. May we request that you return to question queue for follow-up? Thank you, sir. The next question is from the line of Nihar Shah from Ikigai Asset Manager. Please proceed with your question.

Nihaar Shah - Analyst, Ikigai Asset Manager Holdings Private Limited
Yeah, hi sir, thanks for the opportunity. And, you know, happy to see the comments that we've made on data center side, especially on demand coming back to Chennai in a meaningful way. I think my first question is for Ankit. You know, you mentioned about increasing capacity within the Chennai data center without investing much CapEx. Can you just talk about, you know, how much is the capacity now and if the same thing can be done for modification of designs across your data center as and when they come up?

Ankit Saraiya - Whole-time Director & Chief Executive Officer, Techno Electric & Engineering Company Ltd
Yep. So, uh, let me break this down. So basically, when we designed the data center in Chennai, it was designed at a certain kilowatt per rack capacity, which was around 10 kilowatts. The moment we start talking about GPUs which serve AI requirements, the capacity required for rack increases from, let's say, 10 kilowatt to anything above 30, 70, or even 100, 150 kilowatts. So when the rack density increases, you are able to, you know, cater to more capacity within a smaller footprint, and, that helps you increase the total serviceable load.

And today, conservatively, I would believe we should be able to accommodate -- instead of 24 megawatt which was initially planned for Chennai, we should be able to accommodate almost around 35 to 40 megawatt over there. Um, and that's what, uh, has become interesting in our conversation with possible end users. It's the same case, you know, we never designed data centers for such high rack densities, but tomorrow if demand comes in for such requirements, which is possibly going to come in because that is where the next entire deployment lies, I don't think we have a single opportunity, which is non-AI. So even for Noida and Calcutta, I'm expecting that similar increase in capacity will be visible without undertaking much CapEx.

Nihaar Shah - Analyst, Ikigai Asset Manager Holdings Private Limited
Got it, got it. And, uh, you mentioned the comment about offering GPU as a service in the Noida

facility. Um, just wanted to get your thoughts, you know, when we thinking of moving to about 250 megawatts over the next 3 to 4 years. GPU as a service adds a significantly higher capex level on top of that, right? So how are we thinking of capital allocation here over the next 3 to 4 years to manage both 250 megawatt scale and then also offer GPU as a service?

Ankit Saraiya - Whole-time Director & Chief Executive Officer, Techno Electric & Engineering Company Ltd
So we don't...

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
Yeah, Ankit, you can take.

Ankit Saraiya - Whole-time Director & Chief Executive Officer, Techno Electric & Engineering Company Ltd
Yeah, so, we are not, uh, going ahead and building GPU as a service, uh, in the format which we are seeing other operators do. We are only building that capacity of GPUs where we have a committed demand from a specific customer and where the counterparties are very, very strong. And it is at a very, very nascent stage. So we are not going ahead and deploying billion dollars of GPU or multi-billion dollars of GPU. Uh, that is not the plan. We are doing it at a very measured level, at a very measured scale, where the counterparty requirements are very well known. They are small to medium-sized, uh, and, uh, and the counterparty risk is negligible. So, it's just the start. I wouldn't, uh, I wouldn't put my eggs in that basket today.

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
No, we are not buying BCUs. Let me make it clear to my colleagues, we are only providing infrastructure to house BCU owned by some third party. So our role will always be limited to infrastructure to house CPU or GPU.

Nihaar Shah - Analyst, Ikigai Asset Manager Holdings Private Limited
Great, . Understood, sir. And, uh, you know, best of luck for, uh, for the data center business scale-up, and hope to see one or two hyperscale announcements come pretty soon. Thank you.

Operator
Thank you, sir. The next question is from the line of Ravi Naredi from Naredi Investments. Please proceed with your question.

Ravi Naredi - Analyst, Naredi Investment Private Limited
Thank you. Give me opportunity. Respected Gupta sir, I knew and company very well since last 8 years. I am shareholder of this company. Why you do not give investor presentation and clear all details about order booking and data center details? So everyone is asking in the con call. If you give in that investor presentation So many questions answer automatically comes. And what is 1,500 crore hidden assets you are talking? Please clarify this.

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
There is a -- firstly, your suggestion is well taken. And Shivani, please note, from next call onwards we must come out with the investor presentation, which is of course done post-call. And parked on our website, but in future we try to do in advance.

Ravi Naredi - Analyst, Naredi Investment Private Limited
Thank you. Okay, thank you. Thank you.

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
Now coming to part 2, you see, the unbilled asset in our pleasant day in the sales accounting is called contract assets. In our case, those contract assets are nothing which are unbilled but largely in the nature of capital work in progress, like smart meters, like all our own TBCV, all the TBCV projects developed in partnership or joint -- jointly with Ingrid. So those are the CapEx carried out in those opportunities which is lying unbuilt, unmonetized. That's what I was talking about. So, you need -- this year we will be monetizing two transmission assets to Ingrid at Ishanagar and Dhule.

In Q2, Ishanagar will happen, and Q3, Dhule will happen. Whereas smart meter, one we are now eligible to monetize, that is in DOT, and the rest of the three may be available next year. So progressively, those completed facilities are available to you to monetize, as we did earlier. It was a power generating assets or in our transmission assets built jointly with Kalpataru.

Ravi Naredi - Analyst, Naredi Investment Private Limited
Okay, sir, Ankit, can you -- I ask you second question. What is our top line in the June quarter of data center of Chennai or other?

Operator
Ankit, sir?

Ankit Saraiya - Whole-time Director & Chief Executive Officer, Techno Electric & Engineering Company Ltd
Yeah .

Operator
Yes, sir.

Ravi Naredi - Analyst, Naredi Investment Private Limited
Can I ask?

Ankit Saraiya - Whole-time Director & Chief Executive Officer, Techno Electric & Engineering Company Ltd
Yeah, we are not really reporting the...

Ravi Naredi - Analyst, Naredi Investment Private Limited
Just asking, what is the top line and bottom line of this data center roughly?

Ankit Saraiya - Whole-time Director & Chief Executive Officer, Techno Electric & Engineering Company Ltd
So we are actually not reporting the quarterly revenues from data center or the bottom line, but because it is not very significant today. Maybe towards the second half of the year we will start reporting them on the call.

Ravi Naredi - Analyst, Naredi Investment Private Limited
Definitely. Okay, thank you very much.

Operator
Thank you, sir. The next question is from the line of Vishaka Jain from Veritas Research and Advisors. Please proceed with your question.

Vishakha Jain - Analyst, Veritas Research and Advisors
Thank you team for the opportunity. So I wanted to know that the order book of INR10,800 crore Could you please give us a highlight on the realization of the same?

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
What do you mean by realization, ma'am? I could not get you.

Vishakha Jain - Analyst, Veritas Research and Advisors
So like, and how much time period do you plan to, uh, generate the revenue from that order?

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
Generally, customer gives us 2 to 2 and a half years, but the zero days starts from the date of handing over all the land parcel, which is often delayed by another 6 to 9 months, you can say. So you at best can take 2 to 3 years.

Vishakha Jain - Analyst, Veritas Research and Advisors
Okay, okay. And also, any highlight on the receivables that was due and, you know, not yet reflected?

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
Ma'am, generally this sector now Dues are no more a challenge because everybody wants his project to be completed at earliest. And so although in a given date or month you may see some number as an accounting practice, but by and large if you see the balance sheet and working capital efficiency, you will see that they are self-funded and we are not providing any more working capital to take care of the growth in the revenue of these EPC business.

Vishakha Jain - Analyst, Veritas Research and Advisors
Okay, all right, thank you, thank you so much.

Operator
Thank you, ma'am. The next question is from the line of Archit Agarwal from Step Trade Capital. Please proceed with your question. Mr. Harshit, your line has been unmuted. Please proceed with your question.

Archit Agarwal - Analyst, StepTrade Capital
Yes, hello.

Operator
Yes sir.

Archit Agarwal - Analyst, StepTrade Capital
Yes, my question is, so you were planning around INR1,000 crore of data center capex in FY27 while guiding only INR40-50 crore. Of revenue. So what portion of this 1,000 is directly linked to signed customer commitment versus speculative capacity creation?

Ankit Saraiya - Whole-time Director & Chief Executive Officer, Techno Electric & Engineering Company Ltd
Firstly, the CAPEX as on date which is planned for data centers which is in Noida and Calcutta. They combined have a capital investment program of roughly about INR500 to INR600 crores in total. Second is that the capacity in Noida is being built in joint venture with RailTel. It's in strategic partnership with RailTel, so it's a revenue share model. Wherein the capacity which is being built today is about 5 megawatts to start with. And we are expecting very soon with the efforts of RailTel and Techno that the entire capacity will be absorbed by the central government ministries, departments, CPSUs, or other government ecosystem.

Given the fact that this is possibly the only government data center which is being built today and possibly the largest data center by a government entity. So Noida is least of the challenges per se, given the relationship that we are building it under. Calcutta is too early to talk about. It is still under, uh, early stages of construction where foundation and piling is happening, and it is not commissioning before FY28. So possibly we'll see traction and demand coming for Calcutta once we are little much more mature in that project, and that should be somewhere around mid next year.

Archit Agarwal - Analyst, StepTrade Capital
Okay, thank you.

Shivani Chandok - Vice President, Strategic Initiatives and Investor Relations, Techno Electric & Engineering Company Ltd
And Patents, 400 crores. Thank you, sir. Take up as and when the demand comes through, because now that the customer queries are for a larger capacity. So that is the budget that we have kept in case we need to start the Phase 2 of Chennai.

Operator
Thank you, sir. The next question is from the line of Nidhat Sarpoor from Incred Capital. Please proceed with your question.

Ninad Sarpotdar - Analyst, InCred Capital
Hi, oh, good afternoon, sir. Uh, so my question is to Mr. Ankit. Uh, first you mentioned some 2 megawatts of order for a global hyperscaler in Andhra. Uh, so is this an EPC contract that we are taking up for someone to build out a data center? And what kind of margins and revenue are we looking at if that is

Ankit Saraiya - Whole-time Director & Chief Executive Officer, Techno Electric & Engineering Company Ltd
Firstly, it is not an EPC contract. It is where we are developing a data center, uh, for a particular customer, and it is on an as usual per kilowatt per month basis. Today, uh, I'm not in a position to talk about the revenue and profitability over there, as I mentioned that it is still under -- uh, we've just signed the MOU with the customer, and, uh, we are under strict confidentiality today to talk any, more than what I had mentioned on the call. But we'll come back with more guidance towards the end of this financial year.

Ninad Sarpotdar - Analyst, InCred Capital
Okay, got it. Uh, my second question is regarding Chennai. You mentioned some, uh, number of, uh, contracts being floated in the market, are these pertinent to us, or were you speaking about overall

market traction that's happening in Chennai? And, follow up on this, that, uh, are we looking to expand this capacity from 5 megawatts to further adding some further phases? Because from last what we spoke, out of this 5 megawatt, we had sold out around 500 kilowatts. And you mentioned that you were able to sell out more, around 130 kilowatts if I'm not wrong. So some color on that.

Ankit Saraiya - Whole-time Director & Chief Executive Officer, Techno Electric & Engineering Company Ltd
Yes, you're absolutely right. Firstly, the opportunities which I spoke about are specific to us. It is not opportunities, uh, industry-wide in, uh, or, market-wide. But I cannot comment on whether those particular opportunities are being discussed by other operators or not, but those are specific to our pipeline. And, coming to the question on expansion of Chennai, as we've mentioned, that will be taken up against a particular customer demand or user requirement, and those will be planned as we proceed with the conversation. With end users. So if there is a requirement for them to have capacity beyond the existing commissioned capacity, we will surely go ahead and build up that capacity for that particular end user.

Ninad Sarpotdar - Analyst, InCred Capital
All right, so happy to hear good traction on these projects, and all the best for the future.

Operator
Thank you, sir. The next question is from the line of Aman Soni from Seven Alpha Investor. Please proceed with your question.

Aman Soni - Analyst, Seven Alpha Investors
Hello.

Operator
Yes, sir.

Aman Soni - Analyst, Seven Alpha Investors
Thanks for the opportunity. I have two questions. One is on the standalone business. I just want a clarification on -- in the terms of EPS. Earlier we have guided for an EPS of 60 for this financial year, but looking at the numbers in the terms of the top line growth, which is more likely to be 20% plus minus, and OPM margin, which is similar to the last year. So I just wanted to understand, uh, from, uh, 47 EPS that we did last year, how are we going to increase it to 60 in this particular year with these numbers? So that is my first question.

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
You see, we don't want to comment on EPS, but on growth, yes, it will be no less than 25% as we%. And last year EPS was INR37.

Aman Soni - Analyst, Seven Alpha Investors
There's a little bit of hair on this.

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
Yeah, so that is what we are saying. So it should be better, it should be more, I'm very sure. But it, may also be influenced by how much we are able to monetize. Out of the capital work in progress created or contract assets created. So all those are little variables, whether you carry it for the future or monetize in this very year. But we can definitely say that the top line and, uh, bottom line of the

company will grow by 25% at least.

Aman Soni - Analyst, Seven Alpha Investors
Okay, and, uh, only on the data centers, uh, good to hear that inquiries are coming to us, uh, but I need to understand more in terms of number, like, uh, because we have been speaking about it for a while now, uh, but, uh, it is, it is ultimately so far impacting our consolidated EPS, right? So I wanted to understand from the perspective of the future, like, how fast are we going to seeing the results? Is it in FY27 or is it in FY28? What kind of targets in terms of revenue do we have, in terms of EBITDA do we have for FY27 and FY28 from our data center business?

Shivani Chandok - Vice President, Strategic Initiatives and Investor Relations, Techno Electric & Engineering Company Ltd
Can I speak?

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
Yep, go ahead.

Shivani Chandok - Vice President, Strategic Initiatives and Investor Relations, Techno Electric & Engineering Company Ltd
Yeah, uh, hi. So, Amit, to answer your question, see You know that data center is an infrastructure asset. Even the Circular of Harmonized List for Infrastructure defines that infrastructure project. So as such, the payback period is longer. So to compare it only with the EPS, I think, would not be the right approach. The better perspective on this would be to look at the asset value that we have created, which is in terms of -- the capacity that we are building across our assets. So while EPS may take some time, because you know that these are the assets which need to be depreciated, which brings down my EPS. So on the value, and nobody is valuing data center companies on the basis of P multiples, it's driven mostly by your capacity or the EBITDA multiple.

Aman Soni - Analyst, Seven Alpha Investors
That is what I am asking about. That is where I'm asking about EBITDA from this particular segment, like what kind of revenue numbers and what kind of EBITDA people are targeting in FY27, FY28? I, think you must have that number.

Shivani Chandok - Vice President, Strategic Initiatives and Investor Relations, Techno Electric & Engineering Company Ltd
Are you talking about people or us?

Aman Soni - Analyst, Seven Alpha Investors
I'm speaking about Techno Electric data center vertical.

Shivani Chandok - Vice President, Strategic Initiatives and Investor Relations, Techno Electric & Engineering Company Ltd
Yeah, so on the data center, this will take some time. I think by next year it will start, assuming that the conversations that we are right now having will fructify into, the customers moving in, into our data center. I think by next, by next year it will start showing the impact on the, on the revenue. On the, on the revenue and EBITDA, maybe Ankit can answer. But I would say that on, the valuation side, you need to do an SOTP wherein you break in the valuation of our businesses.

Aman Soni - Analyst, Seven Alpha Investors
Sorry to interrupt. I'm trying to understand.

Ankit Saraiya - Whole-time Director & Chief Executive Officer, Techno Electric & Engineering Company Ltd
Yeah, as Shivani was trying to mention, that it is still something which is under development, and, uh, it will take some time for us to come out with guidance. As I mentioned in my opening remark as well, that today it is too early for us to start guiding on the revenue and EBITDA, but we'll have better numbers and some guidance during the second half of the year. As of today, we have pipelines, we have visible closures in the near future, and they will start dictating what the CapEx and the revenue and EBITDA starts looking. But it is little too early for us to start guiding the market on revenue and EBITDA expected out of these.

Aman Soni - Analyst, Seven Alpha Investors
Okay, understood. But I think last quarter you said 40 CR for this year. Maybe I thought, uh, because of increased inquiries, we might end up doing...

Ankit Saraiya - Whole-time Director & Chief Executive Officer, Techno Electric & Engineering Company Ltd
I think that, guidance is -- that, guidance remains.

Aman Soni - Analyst, Seven Alpha Investors
Okay, understood. Thank you. Thank you.

Operator
Thank you, sir. Ladies and gentlemen, in the interest of time, that was the last question for today. I would now like to hand the conference over to management for closing comments.

Padam Prakash Gupta - Managing Director, Techno Electric & Engineering Company Ltd
Yeah, let me bring all this together. Uh, this quarter our revenue grew by 25% and, we won about 2,200 crore of new work by now. Our first meeting project began paying, uh, after 100% completion. Go live. The data center remains strong in implementation as well and drawing customer -- and drawing huge customer interest. Uh, India is entering a significant phase of investment in power and digital infrastructure, and Techno Electric is well positioned to be one of the lead participants in both of them.

Engine 1 strengthens the power infrastructure that supports India's growth. Engine 2 is building the digital infrastructure for its next phase. We have built India's power backbone for over 40 years, and we are -- have been first movers, uh, in many opportunities in this space, uh, maybe renewable variable power, maybe TVCB, maybe Triple P concessions apart from doing EPC to any complexity and voltage levels. We are -- and built on a huge execution discipline and we will continue to bring the same for our long-term approach to our digital infrastructure business also.

Additionally, I will again like to remind my investors that digital business is long-term, unlike EPC, which you are building for others who are owning the assets. Here you have to invest, create an asset, bring a customer. He also takes about 6 months to deploy his equipment before it becomes a revenue accretive. So we have to have patience. But it is a very, very exciting and magical business to be in, and the rewards grows with every passing year in this business. We have -- to our shareholders, thank you for your continued confidence.

We remain focused on building a high-quality order book, maintaining a strong balance sheet and converting our investments into sustainable profitable growth. And I once again thank you for joining us, for your -- and for your continued support to Techno Electric . Thank you very much. Have a good day.

Operator
Thank you, sir. I will now hand the conference over to Vidit Trivedi from Asian Markets. Over to you, sir.

Vidit Trivedi - Analyst, Asian Markets Securities
Thank you. On behalf of Asian Market Securities, we thank everyone for joining this call, and a special thanks to Shri PP Gupta ji and Mr. Ankit for providing us insights about the company's business and financial performance. With that, we conclude the call. Thank you and have a good day.

Operator
[Operator Closing Remarks]