

14th November 2025



TECHNO ELECTRIC &
ENGINEERING CO. LTD.

Techno Electric & Engineering Ltd



SNM VALUE EDUCATOR RESEARCH
SERVICES LLP:
Emerging Titans

RA No: INH000019789



Techno Electric & Engineering | ADD

A proxy play on transmission, smart meters and data centers.

We initiate coverage on Techno Electric & Engineering Ltd, a leading EPC and digital infrastructure company with a BUY rating. The company has built a reputation for flawless execution and deep client relationships, consistently delivering complex projects on time and without penalties. With its foray into hyperscale and edge data centers, Techno is not only strengthening its role in India's energy transition but also building a margin-accretive growth engine in the country's fast-growing digital economy.



TECHNO ELECTRIC & ENGINEERING CO. LTD.

INVESTMENT RATIONALE

1) Proven Execution & Track Record

With 40+ years of experience and 500+ projects delivered, Techno maintains a zero-penalty record and continues to demonstrate strong visibility backed by a ₹10,350 Cr order book, along with ₹782 Cr of L1 orders (₹300 Cr US project and ₹482 Cr across two PGCIL packages). The company remains confident of conversion, supported by a ₹1,500 crore FY26 bid pipeline (including DC orders) and an FY26 order-intake guidance of ₹3,000 Cr, reinforcing the consistency and depth of its execution capabilities.

1) Data Centers – Margin-Accretive Growth Engine

Techno is diversifying into digital infrastructure with hyperscale and edge data centers across Chennai, Gurgaon, Noida and RailTel sites. Q2 witnessed the launch of the 5.6 MW Chennai DC and commercial operations at Gurgaon. This business is structurally higher-margin, with ~80% bare-rental EBITDA and 50–60% blended margins. With expected ₹125 crore contribution in FY27 and ₹85–100 crore capex planned in FY26, data centers remain a long-term growth lever and margin enhancer.

1) India's Power & Data Center Growth

India's power sector is entering a multi-year upcycle, with ₹9.15 lakh crore planned in transmission, ₹3 lakh crore under RDSS for distribution, and ~₹2.22 lakh crore in smart metering. In parallel, the data-center industry continues to scale, with 160 MW added and total capacity reaching ~1,280 MW, supported by 28 operators managing ~130 facilities across major cities. With both sectors moving into a more consolidated and mature phase, the overall growth environment remains strong and structurally supportive.

Recommendation ADD

Allocation 5%

CMP (at initiation) ₹1,225

Market Cap (₹ Cr) ₹ 14,265

52 Week High/Low ₹1720/
₹785

NSE code TECHNOE

Shareholding pattern

Promoter	56.93%
FII+DII	33.02%
Others	10.07%

Financial Summary

(₹ Cr)	FY23	FY24	FY25
Revenues	830	1,502	2,269
EBITDA (%)	11%	14%	15%
PAT	187	268	423
ROCE (%)	8%	17%	17%



Company Overview

Techno Electric & Engineering is a leading player in India's power infrastructure industry with over 40 years of experience. The company has built robust capabilities across power generation, transmission, and distribution, while also diversifying into emerging digital sectors such as data centres.

Its integrated business model spans EPC services, asset deployment, and asset ownership, positioning the company to benefit from India's ongoing energy transition, grid modernisation, and digital transformation.

The company has successfully executed 500+ projects in India and overseas, supported by a team of 575 professionals, including engineers, commercial specialists, and post-graduates. Techno Electric remains a debt-free company, which provides financial flexibility and resilience in scaling new growth opportunities.

Leveraging its strong domain expertise in electromechanical works, the company has strategically expanded into the data centre segment, tapping into one of the fastest-growing infrastructure verticals. This diversification complements its core competencies in transmission, distribution, and power generation EPC services, reinforcing its role as a critical enabler of India's power and digital infrastructure.

Business Division

1. EPC

Techno Electric's EPC business spans three verticals – Transmission, Power Generation, and Distribution

EPC Business Segments

Transmission



Distribution



Power Generation





❖ Transmission EPC

Transmission has been the core business of the company since its inception in 1990, where Techno has established itself as a market leader. The company specializes in the design and construction of Extra High Voltage (EHV) substations up to 765 kV and has demonstrated execution capability even in difficult terrains and multi-utility corridors.

The company has executed over half of PGCIL's substations, underscoring its dominant position in this segment. This proven execution record reinforces its leadership in India's transmission infrastructure.

❖ Power Generation EPC

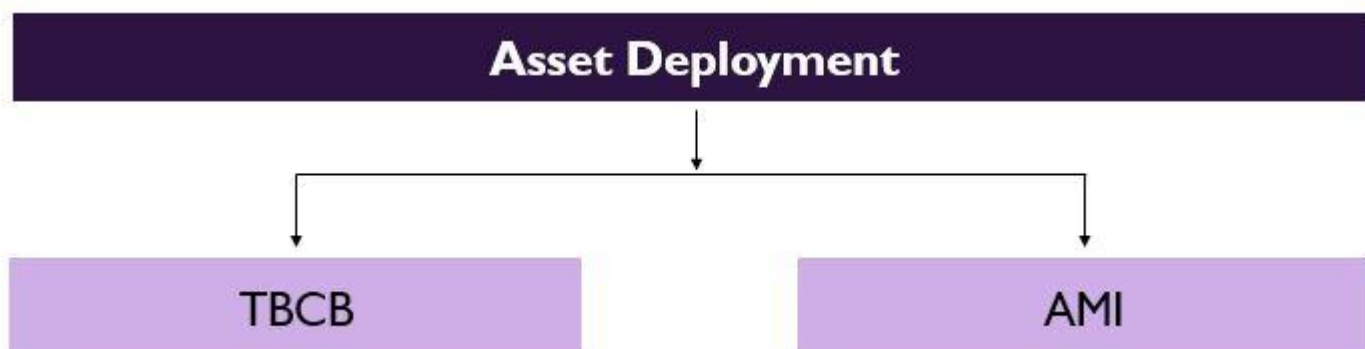
In the power generation space, the company provides turnkey delivery of conventional power plants up to 200 MW, captive power plants, and Balance of Plant (BOP) works. In line with government regulations to reduce sulphur emissions, Techno has also diversified into Flue Gas Desulphurisation (FGD) projects through a Korean technology partnership, though execution visibility remains dependent on evolving policy timelines.

❖ Distribution EPC

In distribution, Techno executes both rural and urban projects, including Distribution Management Systems (DMS) under various government schemes. Its capabilities also extend to complete plant electrical systems — MV/LV distribution, lighting, and control systems — as well as offsite power evacuation and auxiliary systems for industrial and energy sector clients.

2. Asset Deployment

Techno Electric also participates in long-tenure power infrastructure concessions through competitive bidding. Its asset deployment activities are primarily focused on Transmission Projects under the TBCB model and Advanced Metering Infrastructure (AMI), enabling the company to build and operate critical projects supporting India's energy transition and grid modernisation.





❖ Transmission Projects – TBCB

Under the Tariff-Based Competitive Bidding (TBCB) framework, the company designs, builds, and operates transmission systems on a 35-year BOOT model. Techno has end-to-end capabilities, including route survey, right-of-way, civil works, line construction, and substations, supported by strong expertise in bid preparation and regulatory approvals.

❖ Advanced Metering Infrastructure (AMI)

Techno has strategically entered the AMI segment as an Advanced Metering Infrastructure Service Provider (AMISP), working directly with DISCOMs under the DBFOT model.

Value chain of AMI



This segment basically consists of component manufacturers, who manufacture smart meters, AMISP who work in the installation & infrastructure of the smart meters line and DISCOMs who issue tender for AMISP for the project. Their main work is supervisory here. Techno has here established itself as an AMISP who work with DISCOMs under the DBFOT model. Their revenue generation here is based on a per month, per meter basis over 94 installments. These meters were initially procured from a Chinese vendor based in India but due to government rule they have switched to Schneider as their vendor. This segment would capture only 5% of the market share.

3. Asset Ownership Business

Techno Electric is steadily building a portfolio of long-term digital infrastructure assets, primarily hyperscale and edge data centers, under ownership and concession models. These assets are designed to support India's accelerating digital economy and distributed computing growth, while integrating renewable power to meet rising ESG requirements.

This is a high-CAPEX, high-margin business where hyperscale projects typically take ~3 years to build, while edge centers can be delivered within 9–12 months. A key USP lies in sourcing ~60% of energy requirements from renewable plants, giving Techno's clients a strong sustainability advantage.



Data Center Business (Updated – Q1FY26)

Techno Electric's data center strategy is entering its execution phase, with meaningful progress across hyperscale and edge projects.

1. Hyperscale Data Center – Chennai

The Chennai facility is Techno's pilot and proof-of-capability project. Designed as a 40 MW / 24 IT MW hyperscale data center across four phases, the company has already deployed ₹500 crore in CAPEX. Phase 1 has been completed & was inaugurated in August 2025 and is now in the deployment stage with customer onboarding underway. Importantly, the project will be powered by Techno's 111.9 MW wind plant in Chennai, ensuring renewable integration and making it one of the few green hyperscale facilities in the country. The company expects this site to contribute around ₹25 crore in revenue during FY26, with scale-up in future years as utilization improves.

2. Hyperscale Data Center – Noida

Techno has also secured a concession from RailTel to develop an 18 MW hyperscale data center in Noida, marking its entry into North India's critical DC hub. Construction is currently underway, with partial commissioning targeted for H2FY26. This facility will strengthen Techno's footprint with direct access to hyperscale cloud demand in the NCR region, complementing its southern presence in Chennai.

3. Hyperscale Data Center – Kolkata

In the east, Techno is progressing on a 24 MW / 15 IT MW hyperscale project in Kolkata. The master layout has been finalized, and pre-construction activities are in motion. The first phase is expected to be commissioned between mid and late 2027, adding a third strategic node to the company's hyperscale network.

4. Edge Data Centers (RailTel Contract)

On the distributed side, Techno is executing its landmark RailTel contract to build 102 edge data centers under the DBFOT model, which ensures 20–25 years of annuity revenues before transfer.

These edge centers carry clear advantages:

RailTel provides land at prime railway locations, connectivity to its 70,000+ km optic fiber backbone, and interconnection with Techno's hyperscale facilities in Chennai and Kolkata. Together, this network will create a robust and interconnected DC ecosystem.

Projects:

- The Gurgaon Edge DC under EPC is now commercially live, with client onboarding underway. Demand is driven by media, domestic cloud, telecom, and RailTel, which alone will take up ~60% of the capacity.
- The Mumbai edge center will be completed by FY26, where discussions are underway with a large Indian conglomerate to lease the entire capacity.
- Additional edge sites are progressing in Gandhinagar, Indore, and Bhopal, while New Delhi, Hyderabad, and Guwahati are being planned for future rollout.



Wind segment

Previously techno was engaged in the wind segment industry but they have recently exited from this segment. They previously did wind turbine projects in Tamil Nadu and Karnataka. Some of their projects were among the first to secure registration for Carbon Credits under the United Nations Framework Convention on Climate Change (UNFCCC). They previously faced many issues due to government interference & delayed payments from the DISCOMs in this segment. As of date they generate green power by operating 3MW and 18MW capacity wind turbines in Tamil Nadu and Karnataka which will be used in their data center. Below is a table of the wind assets sold by them until today.

Year	Asset sold	Effective Valuation (in ₹ Cr)
2015-16	44.45 MW	₹215
2017-18	33 MW	₹165
2022-23	108.9 MW	₹425

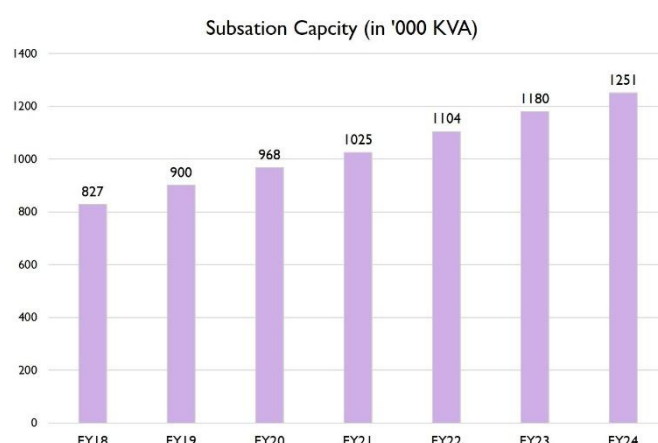
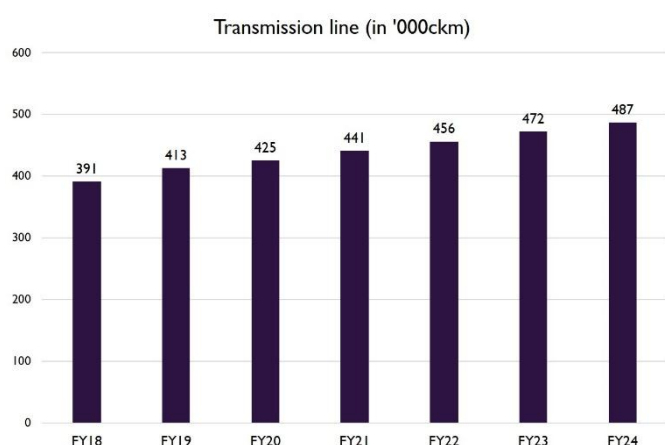
They have been able to generate 80% of their purchase value from the recent exit of 2023. With this exit they can now focus on the other growing segments.

India Power Industry – General Outlook

India's power sector is highly diversified, covering conventional sources (coal, gas, hydro, nuclear) and renewables (wind, solar, biomass). Electricity demand has grown steadily, driven by industrialisation, urbanisation, and economic expansion.

The government aims to achieve 500 GW of renewable capacity by 2030, requiring substantial investments in transmission infrastructure and substations. The National Electricity Plan projects investment opportunities of over ₹9 lakh crore in transmission by 2032, with Power Grid Corporation's annual capex expected to rise from ₹25,000 crore to ₹50,000 crore by FY25–26, supporting grid strengthening and renewable integration.

Below graph shows the growth in transmission lines & substation over the years.





Generation, Transmission & Distribution

Generation is expanding steadily, with the FY25–26 target set at 2,000 BU, supported by renewables, nuclear, large hydro, and environmental compliance measures such as FGD installation. Transmission is evolving into one of the world's largest integrated grids, driven by renewable integration, modernisation with advanced technologies (765 kV AIS/GIS, HVDC, BESS), and a growing hydrogen-ready infrastructure. Distribution is undergoing reforms to enhance operational efficiency, financial sustainability, and digital adoption, including smart meter rollouts, RDSS-backed upgrades, and integration with renewable energy.

Overall, India's power sector is entering a high-investment, technology-driven phase, with opportunities across generation, transmission, and distribution driven by rising demand, clean energy targets, and digitalisation. This integrated growth outlook provides a strong backdrop for players like Techno Electric, which are positioned to capture opportunities across EPC, asset deployment, and emerging digital infrastructure.

Smart Meters

India's distribution sector is undergoing rapid digitalisation, driven by the Revamped Distribution Sector Scheme (RDSS). As of March 2025, over 25 million smart meters have been installed, with deployment rates rising from 80,000 per day toward a projected 100,000 per day. RDSS targets 250 million meters by March 2026, aiming to reduce AT&C losses to 12–15% and narrow the ACS-ARR gap, improving DISCOM operational and financial performance.

The government has allocated ₹12,585 crore for FY24–25 under RDSS, representing 61% of the Ministry of Power's budget, with plans to extend the scheme to FY27–28 to ensure full implementation and technological readiness. Policy support, including the Electricity Amendment Bill 2022, introduces competition and partial privatisation, enhancing service quality and efficiency. Coupled with nearly 30 GW of renewable capacity addition in FY24–25 and green energy corridor expansion, these measures strengthen grid stability, financial sustainability, and pave the way for a future-ready, technology-driven distribution network.

Data centers

India's data centre sector is a critical pillar of the country's digital infrastructure, supporting cloud computing, AI workloads, enterprise IT, and emerging technologies. Data generation is doubling every 3–4 years, driven by rising mobile and internet penetration, OTT services, e-commerce, digital payments, and accelerating AI adoption. Public cloud services in India are growing at over 20% CAGR, while enterprises across BFSI, retail, and manufacturing increasingly rely on colocation and hyperscale facilities.

Despite this growth, India currently accounts for only ~3% of global data centre capacity, highlighting the gap between demand and domestic infrastructure. Installed capacity stands at approximately 1 GW (FY24–25) with tight vacancy of 4%, concentrated in Mumbai and Chennai. Hyperscale facilities now represent 56% of top-city capacity, while edge and distributed infrastructure are expanding rapidly to support IoT, 5G, and latency-sensitive applications.



Government support—including the Digital Personal Data Protection Act 2023, National Data Centre Policy, state incentives, and infrastructure classification—along with renewable energy integration, is driving investment. Annual investments of \$1–1.5 billion are expected to reach \$2–3 billion, potentially tripling capacity to ~3 GW by 2030. The sector offers high growth potential through hyperscale, colocation, and edge facilities, with emphasis on energy-efficient and AI-ready infrastructure. Techno Electric, with its ongoing hyperscale and edge projects, is positioned to capture a share of this expanding market.

Future Outlook

- **Strong Growth Trajectory:** Monthly revenue has scaled from ₹75 crore in FY23 to ₹200 crore in FY25, with a target of ₹300 crore per month in FY26.
- **Revenue Guidance:** The company projects ₹3,500 crore revenue in FY26, followed by ~25% growth in FY27.
- **Earnings Visibility:** EPS forecast stands at ~₹50 in FY26 and ~₹75 in FY27, reflecting strong operating leverage.
- **Robust Order Pipeline:** With an unexecuted order book of ₹10,350 crore and L1 position worth ₹782 crore, Techno has guided for fresh inflows of ~₹3,500 crore in FY26, ensuring multi-year revenue visibility and supporting 40–50% CAGR growth over the next two years.
- They plan to spend ₹8000 - ₹10000 Cr CAPEX for data center, smart meters & EPC business over 2-3 years.

• Order book & Targets:

1. Transmission: India's transmission sector, valued at ₹3.57 lakh crore, presents significant opportunities. Techno's strong positioning is reflected in an order book of ₹7,127 crore, with an annual execution target of ₹2,000–2,500 crore.

2. Smart Metering: India's smart meter market, valued at ₹80,347 crore, is seeing rapid adoption under nationwide distribution reforms. Techno holds an order book of ₹2,087 crore and targets ₹1,500–2,000 crore annually, with installations progressing smoothly at 80,000–100,000 meters per month. The company expects to deploy 1.7–1.8 million meters by FY26 year-end, aiming for the full 2.5 million-meter rollout by September 2026..

3. FGD: In the Flue Gas Desulphurisation (FGD) segment, with a market potential of ₹79,530 crore, Techno's order book of ₹1,027 crore positions it to target ₹500 crore per year, leveraging the ongoing push for environmental compliance in power plants.



FINANCIALS(All figures in ₹ crore, unless mentioned otherwise)

Profit & Loss Statement

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sales	120	1283	986	871	884	999	830	1502	2269
Sales Growth %		966%	-23%	-12%	1%	13%	-17%	81%	51%
Expenses	10	988	736	654	668	840	742	1292	1929
Operating Profit	110	295	250	217	216	159	87	210	339
OPM %	91%	23%	25%	25%	24%	16%	11%	14%	15%
Other Income	19	42	73	48	67	175	165	134	205
Interest	21	25	13	7	9	7	11	17	11
Depreciation	37	42	42	42	41	7	8	8	8
Profit before tax	70	271	268	216	232	319	233	319	525
Tax %	20%	24%	28%	17%	22%	19%	20%	16%	20%
Net Profit +	56	206	139	179	182	264	187	268	423
EPS in Rs	0.63	2.31	17.16	16.28	16.53	23.99	17.36	24.95	36.37

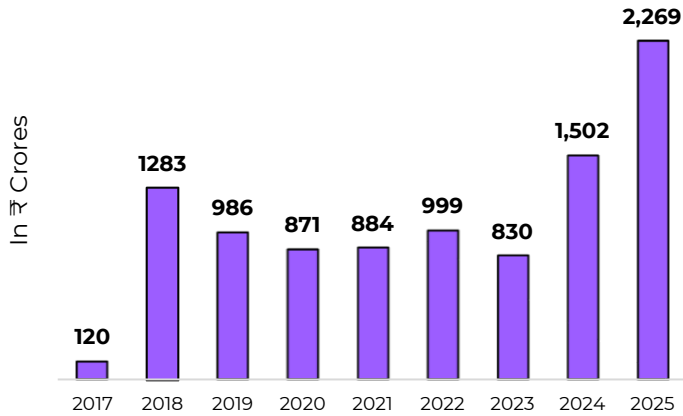
Balance Sheet

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Equity Capital	178	23	23	22	22	22	22	22	23
Reserves	484	1,209	1,404	1,474	1,594	1,815	1,909	2,142	3,716
Borrowings +	273	67	44	-0	40	-0	-0	-0	39
Other Liabilities +	32	621	547	583	546	679	839	658	1,265
Total Liabilities	967	1,920	2,017	2,079	2,203	2,516	2,769	2,821	5,044
Fixed Assets +	616	585	546	508	467	459	81	76	70
CWIP	-0	-0	-0	-0	-0	-0	95	276	442
Investments	209	450	581	691	714	1,049	1,305	1,142	2,836
Other Assets +	141	885	891	881	1,022	1,008	1,288	1,327	1,696
Total Assets	967	1,920	2,017	2,079	2,203	2,516	2,769	2,821	5,044

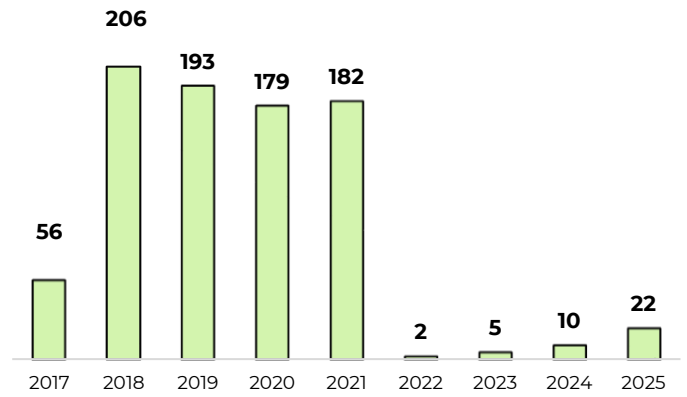


Financials

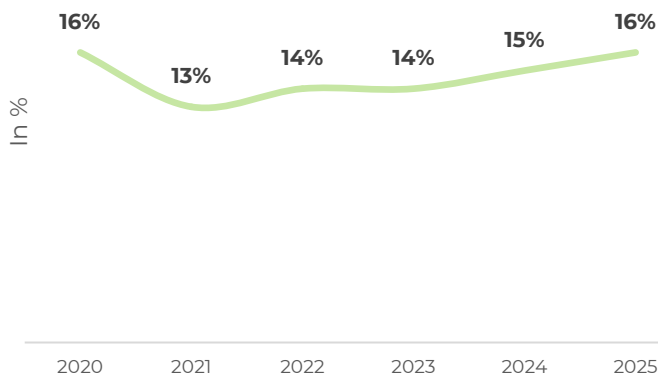
Revenues



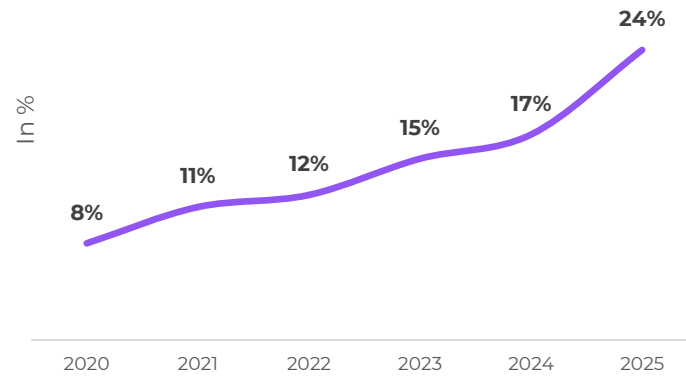
Net Income



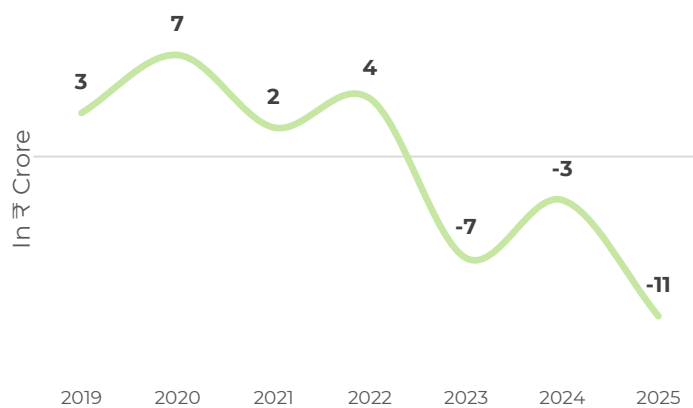
EBITDA Margin



ROCE



CFO





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