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August 25, 2025

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Symbol: HPL

Scrip Code: 540136

Sub: Transcript of Conference Call with the Investors/Analysts

Dear Sir/Ma'am,

In continuation to our earlier intimation dated August 20, 2025 regarding outcome of Investors/Analyst's Conference call held on **Wednesday, August 20, 2025** at **12:30 p.m.** (IST). A copy of transcript of the conference call held with the Investors/Analysts is enclosed herewith for your record.

The transcript of aforesaid conference call is also available on the Company's website at www.hplindia.com.

Yours Faithfully

For **HPL Electric & Power Limited**

VIVEK KUMAR

Digitally signed by VIVEK KUMAR
DN: c=IN, o=Personal, postalCode=110095, l=East Delhi, st=Delhi, street=A 125 S-1 DILSHAD COLONY 110095, 2.5.4.20=3eb36823c8b414e7e934f2e0af3da010641437e49524495d66b6b358709bf23f, serialNumber=052767230d5f1c44b1c2164eefdb84f2c760ac7359949d646e7ce9b91f23d372, email=hplcs@hplindia.com, cn=VIVEK KUMAR
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Vivek Kumar
Company Secretary

Encl: As stated above

HPL Electric & Power Ltd.

Q1FY26 Earnings Webinar Transcript

Wednesday, August 20th, 2025 @ 12:30PM IST

Answered by Management:

Mr. Gautam Seth- Joint Managing Director & CFO

Moderator:

Ladies and gentlemen, good afternoon. Welcome to HPL Electric and Power Limited's Q1 FY26 Earnings Webinar, hosted and produced by ElevEase. I am Shankhini Saha, Director of Investor Relations at Dickenson, and I will be moderating our call today.

Joining us from HPL's management team is Mr. Gautam Seth, Joint Managing Director and CFO.

Please note that this conference is being recorded. Some statements in this call may be forward-looking, based on current expectations and subject to risks that could cause results to differ materially.

You can download HPL's investor presentation and press release for Q1FY26 from the links in the community chat, the company website, or the NSE.

I now hand the conference over to Mr. Gautam Seth for opening remarks. Over to you, Gautam.

Mr. Gautam Seth (Joint Managing Director & CFO, HPL):

Good afternoon everyone, and thank you for joining us.

Let me start with Metering & Systems, a key pillar of our business, with high potential for growth. In Q1, revenues were a bit lower as a few dispatch clearances got delayed, with slowdowns due to the monsoon as well. These are timing issues, not structural ones, and we expect things to pick up immediately in H2 of FY26, as these projects move forward. This is a long-cycle business, so it's not something to look at only quarter by quarter. The bigger picture for metering is steady. Our smart meter order book stands at over ₹3,000 crore, backed by the government's push on RDSS with major AMISP orders lined up for us. This gives us long-term visibility and a clear path for high growth momentum in the metering segment as FY26 unfolds.

On the Consumer & Industrial side, the quarter was good. Revenues grew 16% year-on-year, EBIT was up 23%, and margins crossed 11%. Wires and cables grew well at 35%, and switchgear demand stayed steady. This segment is supported by the distribution network we've built: more than 900 dealers and 85,000 retailers across the country. With its shorter working capital cycle, this part of the business helps strengthen cash flows and adds more stability to earnings.

At the consolidated level, revenues were down slightly by 2.5%, but profitability improved. Gross margins expanded by 230 basis points, EBITDA margin by 85 basis points, and PAT was up 8.5% to ₹18.5 crore. This shows our product mix is moving towards higher-margin products and that scale benefits are beginning to show.

Looking ahead, both sides of the business have an important role to play. Consumer & Industrial is becoming a key earnings driver, while Metering & Systems provides long-term visibility and opportunity for exponential growth. Alongside this, our investments in R&D across smart meters, automation, and energy-efficient products keep both verticals competitive.

All in all, HPL is steadily moving from being just a product manufacturer to becoming a wider electricals company with a sustainable foundation for quality growth.
With that, let’s open it up for questions.

Moderator:

Thank you very much, Gautam. We will now begin the Q&A session.

Mr. Viraj Mahadevia:

A bit disappointed by the Q1 results, while I think the three year runway, three to five year runway of the company remains intact. Can you give us a sense if some of these inspections that were held up have happened now, and have they started shipping in Q2 and as a result, are you expected to see things coming back on track?

Mr. Gautam Seth:

Yes, we did see certain delays in the lifting of materials from the AMI SPs. These were largely due to monsoon-related disruptions and also because the SPs themselves were still ramping up their execution. The pace has now started picking up, with the government closely monitoring progress on a weekly basis and pushing the SPs to accelerate execution.

If we step back, the scale of this rollout across India is massive. Naturally, there are some execution challenges at the field level, which are largely beyond our direct control. That said, some material, both pre- and post-inspection, has already been picked up, and July was a good month for us. We expect to be back on track within Q2 itself.

Importantly, this remains a very strong medium- to long-term business. The metering program has a 5–10 year horizon. To put numbers in perspective: about 3 crore meters have been installed so far, out of roughly 22.5 crore sanctioned meters. By the time the program reaches its final stages, requirements are expected to exceed 30 crore meters. That means we are only about 10% into the opportunity.

HPL is well aligned to this growth story. While our Q1 performance was impacted by delays, we expect these volumes to reflect in Q2, with H2 also looking stronger. We also recognize that as installations ramp up, AMISPs will continue facing operational challenges, whether from utilities, field conditions, or other factors. However, the government is actively addressing these issues, and from our side, we are fully equipped to handle even double the current business levels, provided delivery schedules are met.

Mr. Viraj Mahadeva:

Understood. Gautam, one of your competitors, has talked about a very strong order book coming of about 45,000 crores in the next six to nine months and the large Chennai Discom order, I think of about three crore meters. Can you comment on that? And what are your views? And because, you know, recent order wins have been probably a little slower than what you saw six, nine months ago?

Gautam Seth:

You're referring to the orders placed with the AMISPs. As per the government's official website, around 17 crore orders have been issued so far, against a target of 25 crore. This means another 8 crore meters are yet to be allocated to the SPs.

For us, what matters more is the subsequent flow of orders from the AMISPs to meter manufacturers. On that front too, there is still a significant pipeline pending, which provides good visibility for companies like ours that are focused on supply.

Viraj Mahadevia:

Sorry, last question, you exist an order book of 3000 odd crores, which is largely smart meters, yes. When do these deliveries start picking up? So forget incremental orders, just for the existing order book. Can we expect meaningful deliveries to start happening in H2 going into FY27?

Gautam Seth:

Viraj, if we had been having this conversation a year or two ago, the big question at that time was whether meter manufacturers would have the capacity to supply such large quantities. Today, I can confidently say that the industry is fully equipped to deliver 25 to even 30 crore meters, capacity is not an issue anymore.

Back then, there were also questions around policy clarity and adoption by states. Those concerns have largely been addressed. Now, the key factor is execution, which rests primarily with the AMISPs. The orders are firm, and manufacturing capacity is in place across the industry. As execution on the ground picks up, business flow will follow.

Execution will naturally take time, and there may be temporary hurdles such as monsoons or state-level issues. However, the pace is improving. The work being done in Q1 and Q2 is already well above last year's levels. The government is also monitoring progress very closely, with weekly reviews and pressure on AMI SPs to accelerate installations.

From our perspective, we are fully ready, and we expect growth between Q1 and Q2, with momentum continuing in the quarters ahead.

Sahil Patani:

So Gautam, wanted to understand that you mentioned there was some, you know, delays in picking up so but, you know, if I look at one of your peers, they kind of said that the ramp up was really good in this quarter. So just trying to understand broadly, was it like, why was it specific to us that, you know, why there were these delays. Why did the other players not, not face these issues in this quarter?

Gautam Seth:

I can't comment on what others may have experienced, but yes, we did face some delays, and not just from one or two, but across most of the AMI SPs we supply to. Unlike companies that may have a dedicated platform or a single large AMI SP relationship, our business is spread across multiple SPs. That means our pace is naturally linked to their individual execution timelines.

That said, we don't view this as a long-term trend. It's more of a one-off situation. As I mentioned earlier, the pace of execution has already started improving, and we expect this to normalize. The delays were mainly due to stocking at the AMI SPs' end and, of course, the monsoons, which made logistics and installations difficult, especially in states like Maharashtra. These are temporary factors, and we believe execution will pick up from here.

But to reiterate, I cannot comment on specific companies or whether they faced similar issues. I can only share what we've experienced.

Sahil Patani:

Understood, understood. I think Thanks for that clarification. And then, as you said, the pace has been picking up you, you've been kind of seen that in in q2 so you're expecting, like, on a sequential basis, I think the year would end well like, q2 q3 q4 like, I think they kind of get it gets better from here?

Gautam Seth:

Yes, definitely. Based on how Q2 is shaping up, we expect it to be much stronger than Q1, and historically H2 has always been better. I don't see any reason for delays this time.

The AMI SPs are actively ramping up their infrastructure for installations, which includes deploying more manpower. Since smart meter installation is more complex than a normal meter, requiring trained and skilled personnel, this scale-up is critical. Most AMI SPs are already addressing this, so we should see a positive incremental impact going forward.

Sahil Patani :

And just finally, last question, in terms of the order book and order book pipeline, like, how is that looking? Are there fresh orders that you're expecting? Are there, like, you know, the other tenders that are supposed to be floated now, over the next few months, or in FY 26 like, how is that, broadly, that pipeline, looking like?

Gautam Seth:

At this stage, we are also in discussions with a couple of new AMISPs who have not sourced from HPL before, so we expect fresh business opportunities there. With our existing AMISPs as well, negotiations are ongoing for new circles and delivery schedules. On the utility side, a number of tenders are in the process of being finalized for allocation to AMISPs, which ultimately flow down as orders to meter manufacturers like us. Being a leading player in smart meters, we see this as a strong opportunity.

Even in Q1, we received orders, though when you look at the overall program size of ₹3,000 crore, individual orders of ₹50, 100, or 200 crore appear relatively small in material terms. Not everything gets reported, but there is steady flow in terms of inquiries and orders.

As I mentioned earlier, this business must be judged with a medium- to long-term perspective. The numbers are clearly visible, and our execution capability to supply smart meters is strong. While there may be one or two quarters where execution by AMI SPs slows due to external factors, the overall trajectory is firmly set to pick up.

Moderator:

The question is, which are the most important geographies in terms of our customer base of installations. Also, is there an approval process for a new meter manufacturer? What prevents a new player from establishing themselves in the Smart Meter business?

Gautam Seth:

This is an open and competitive market, so there is nothing stopping new manufacturers from entering. In fact, we have already seen a few new players come in.

Since the customers here are private AMISPs, they are free to evaluate and source meters from any supplier they choose. Naturally, they follow their own evaluation processes. We've already gone through this process a few years back, so I can't comment on how they assess new entrants today, but the market is certainly open.

Moderator:

What are the most important geographies in terms of our customer base of installations?

Gautam Seth:
We are currently supplying to most of the active AMI SPs. The larger ones are spread across multiple geographies, different states and circles ,and we are already present with them. For the newer AMI SPs who entered the market later, we are in the process of securing approvals, and expect to start supplying there as well.

So, while I cannot comment on specific geographies, our approach is to be aligned with all independent AMI SPs. Essentially, wherever they are present, we will also be present.

Moderator:

Your company reported an order book of over ₹3,500 crore as of 22nd May 2025, with sales of about ₹204 crore in smart meters already executed. In the presentation, the order book as of 13th August 2025 is shown as over ₹3,000 crore. Does this imply that deliveries of around ₹250+ crore have already been executed in Q2 up to 13th August 2025?

Gautam Seth:

I won't be giving specific financial guidance for Q2. That said, July has been strong, and we do expect sequential growth from Q1 to Q2. The key driver will be execution from the AMISPs, which we see picking up now. Typically, the first half of the year is slower, with stronger momentum in the second half, and that pattern remains intact.

Within Q2 itself, we anticipate good growth, but I can't put an exact number on it since it depends on inspection clearances and the pace at which materials can be dispatched. Some dispatches in Q1 were delayed despite being inspected, and only went out later. This is part of the business cycle, where timing can shift by a month depending on the process.

Moderator:

So on state level orders, which states are looking most promising for HPL? Where are we seeing the bulk of recent wins?

Gautam Seth:

We don't monitor tender activity on a state-by-state basis ourselves, since that is handled by the AMISPs who participate in these tenders across various states and circles. For example, if Tamil Nadu were to announce a tender for a few crore meters, it is the AMISPs who would quote for those opportunities. Our role begins once the AMISPs secure orders, as that is when we supply to them. Importantly, we are already pre-approved by most of the leading AMISPs, which positions us well to capture a significant share of upcoming opportunities.

Moderator:

Referring to the meters segment. I understand that this is this five to six year huge growth opportunity, but post that, numbers could materially go down. So from a terminal value perspective, what is the longer dated plan beyond smart meter opportunity in the next five to six years?

Gautam Seth:

If you look at both Consumer & Industrial and Metering, each has a clear long-term perspective. Specifically, for metering, we are still in the early stages, just our second or third active year. Over the next five to seven years, we expect most of the 25 crore meters to be installed as part of phase one.

After this initial cycle, there will be a natural replacement opportunity. Based on our 25 years of experience in metering, we know that once the 8–10 year lifecycle of these meters is complete, the market will again open up for upgrades and replacements. Moreover, technology will continue to evolve, faster communication, smarter features, which will further drive recurring demand.

Importantly, this is not the end once meters are installed, it is the beginning of a long-term cycle with continuous opportunities. Alongside the domestic market, we are also preparing for international expansion. We have already initiated the process, though it requires certifications and compliance specific to each country. In the next two years, we expect to start seeing some traction in select international markets.

With our proven scale and experience in deploying crores of meters across India, we are confident in our ability to compete globally. This represents a significant opportunity not only for HPL, but also for the entire industry.

Moderator:

this question is on the consumer industrial segment, so the C&I (Consumer & Industrial Segment) segment has grown 16% and wires and cables, specifically, 35%. So can you tell us what the C&I business is looking like in the next three years time? Can you share more on how we see growth in this segment?

Gautam Seth:

Over the last two years, excluding lighting, we've seen strong growth, particularly in the wires and cables segment, which has delivered around 25% annual growth. That momentum has continued for almost two and a half years, and we remain confident about its prospects over the next two to three years as we continue expanding our product range and portfolio.

Switchgear has been a steady business. Domestic demand has been stronger than industrial, but we expect the industrial side to pick up from the second or third quarter of this year. On the lighting front, the sharp price declines we saw earlier have now largely stabilized. While competitive pricing pressure will always remain, the extent of price erosion has reduced significantly. As a result, growth is coming back, in Q1 we posted 7% year-on-year growth in lighting.

Looking ahead, I usually avoid putting out numbers, but to give a sense of scale: by FY28, we expect the Consumer & Industrial business to cross ₹1,000 crore in revenues, which would make it a very meaningful part of our overall business. Channel expansion remains a priority, three years ago we set ourselves the target of reaching 100,000 retailers, and with over 85,000 already onboard, we should achieve that by FY26. Our brand investments and marketing spends are also increasing in line with this growth.

Overall, we see steady progress across switchgear, wires and cables, and now fans, which should start contributing meaningful revenues from next year. With lighting also recovering, we are optimistic that the Consumer & Industrial portfolio will continue to scale consistently.

Moderator:

This is a question on metering again. So are we in a position to provide smart meters to industries like aerospace defense or ship building, railways, etc, considering bulk of government capex are focusing on these sectors?

Gautam Seth:

You have to understand that in metering, if it's for tariff applications, those are typically serviced through the AMI, AMISPs, and eventually the utilities. In our regular channel, we supply meters that can be used there, but beyond the standard single-phase smart meters, we also provide three-phase smart meters, LTCT meters, and grid meters.

So, we are present across all the key segments. In addition, there's a private market, for example, many builders use our products for internal metering, which is separate from tariff meters. Essentially, wherever power needs to be measured, whether for utilities, private applications, or even defence requirements, we have solutions to cater to that need.

Moderator:

Another question on the C&I segment, we've seen a margin expansion of about 11.3% in this segment, which is encouraging. So what's really driving this and can we sustain these levels?

Mr. Gautam Seth:

Yes, we have seen a slight improvement in margins. Commodity prices have been fairly stable, particularly in the Wires and Cables segment. Copper remains somewhat volatile, but in this industry, any movement in copper prices, whether up or down, eventually gets passed on to the consumer. The impact on us is therefore minimal, apart from a short time lag. So, margins in that segment have been well maintained.

On Switchgears, commodities have also been stable. At the same time, we are working across our factories to reduce material costs through design improvements, for example, by redesigning components to use more cost-effective materials, and through centralised procurement to secure better rates.

Importantly, volumes have grown strongly across businesses, especially in metering and wires and cables. As a company, we have doubled turnover in the past four years. This volume growth gives us greater leverage with vendors, which also helps us protect and improve margins.

Going forward, margins are not only sustainable but should improve. Our wide product portfolio allows us to focus on higher-margin products, and new launches are typically positioned in the premium segment to drive better realisations. So, with these multiple efforts, we are confident of sustaining and enhancing margins.

Moderator:

So can you provide the volume number for smart meter business in terms of sales volume, and if one has to translate the order book into number of meters, then how much would that be?

Gautam Seth:

We are not disclosing quantities at this point. What I can share is that we currently have a capacity of about 1 million meters per month, which is quite significant. However, for competitive reasons and given the strong order book we are working on, we won't be sharing detailed numbers. As I mentioned in the last call as well, we continue to see healthy growth, and last year was strong for us. We are confident that this year too will reflect good growth, though we will not be providing specific quantitative details on this call.

Moderator:

A follow up question on that is, when do we book revenue on ex-work??

Gautam Seth:

Our revenue is booked at the time of supply. Once we bill and deliver the meters to the AMISP, the revenue is recognized. The actual installation of the meters at the consumer end is managed by the AMISP and does not impact our revenue recognition.

Moderator:

So another question on the C&I segment, Gautam, are we looking to expand the wire and cables business to the African market? How big can this opportunity be and when can we expect to see results?

Gautam Seth:

Yes, we have been supplying wires and cables to the African market, but now we are taking a more focused approach. We are expanding our portfolio into LT power cables, and this broader range will help us strengthen our presence in Africa in a much bigger way.

Currently, our main exports are domestic house wiring and flexible cables. These segments often see competition from local manufacturers, but our acceptability in export markets has grown significantly, particularly in the SAARC region, the Middle East, and parts of Africa.

At the same time, we see strong opportunities in our lighting business overseas. India, after China, has emerged as a major global manufacturing hub for lighting products, and we are putting greater focus on this segment to capture the opportunity alongside wires and cables.

Viraj Mahadevia:

Hi, Gautam, regarding the lives beyond smart metering, can you comment a little bit on smart switch gears, which will be the next piece of evolution in making the grid intelligent, and also on the relays, where I reflect you had a partnership with the Chinese company for technology transfers?

Gautam Seth:

We've been investing significantly in smart switchgears. In fact, just last month we opened a new R&D center at our Kundli factory, which houses our switchgear division. We already have certain industrial products with two-way communication capabilities, and we see smart switchgears emerging as the natural next step, much like smart meters.

The hardware base is already with us, but these products need to be redesigned with new technologies, electronics, and materials. HPL has strong in-house capabilities across mechanical, electrical, electronics, and tooling, and we've strengthened our R&D team with senior experts in this area. We want to be ready as this market evolves, alongside global players entering India.

On the component side, especially for smart metering, we are committed to backward integration for all critical parts. Our value addition in India is already higher than government mandates, and we continue to expand in that direction.

Now, to your question, does the adoption of smart meters automatically lead to equivalent demand for smart switchgears? The answer is no, not in a one-to-one sense. The grid and power systems have always functioned, what's changing now is how they operate. Globally, grids are becoming smarter, with less human intervention, better communication, and more data-driven efficiency. This transition impacts every part of the transmission and distribution system, from transformers to cabling to switchgears.

So while smart switchgears are not a mandatory follow-on to smart meters, they are part of the broader evolution. As replacements and upgrades happen across the system, smarter products will naturally be adopted because they improve efficiency, maintenance, and reliability.

Looking ahead, when the 25–30 crore smart meters are in place over the next 7–10 years, new technologies will emerge to replace even those. Just as we've seen with mobile phones, the first generation of smart products will give way to the next. Over time, the integration of smart meters, smart switchgears, and smarter grids will become the norm, offering transparency and efficiency at every level.

Viraj Mahadevia:

And lastly, can you comment on any progress you're making on getting empaneled with utilities and export markets, you know? Because that's also a journey. So hopefully you can be ready for that. Yeah, export supply in the next few years?

Gautam Seth:

Yes, I touched on this earlier. We've strengthened our manpower and are now moving into IC-compliant meters. These require international certifications as well as country-specific approvals. The technology is already with us, it's mainly a matter of completing the certifications and compliances. We expect this to take shape over the next two years, and once it does, our Indian market experience will be a strong advantage internationally.

India is one of the toughest markets in terms of operating conditions. If a meter can perform here for 10 years, it can perform anywhere. In fact, over the last two to three years, we've implemented a zero-defect process across our factories, and we can confidently claim our meters are built for 10-year life cycles. This gives us the confidence that our products can meet international quality standards, including in developed markets.

So, over the next 2–3 years, you should start hearing some good news from us on the international front.

Moderator:

Gautam, so this is on the metering side. So given a lot of the industry is increasing capacity and not very hard to do, are you seeing any sort of increase in competitive intensity and pressure on pricing in the tenders? Are most tenders based on L1?

Gautam Seth:

Designing and manufacturing smart meters is highly specialized work. Our strength lies in over 30 years of active experience, which has enabled us to consistently deliver zero-defect products that can be deployed with any AMISP or utility.

Now, coming to your question, yes, it is an open market and naturally there will be competition. But for an AMISP, the quality of the meter is critical. Their entire project, including O&M for the next seven to eight years, is bound by stringent SLAs. If the metering system fails, their revenues are at risk. This is where the quality of our meters gives us a strong edge.

New players will certainly enter the market, but how they perform remains to be seen. Our three decades of experience, combined with recent investments in R&D and capacity, such as the new electronics area we commissioned at our Gurgaon factory a couple of months ago, position us strongly.

Yes, competition will always exist, but we view this as an opportunity. With clear visibility on business for the next two and a half years, we are also working on optimizing costs. This ensures that even if prices come down in the future, our costs will decline more than proportionately, allowing us not only to remain competitive but also to potentially enhance our margins.

Moderator:

Thanks for that. Gautam, so on the metering segment again, what is the warranty like on our meters? And when? What is the life cycle of our meters with the AMISP, and what is, when does the replacement market begin after installation?

Gautam Seth:

Right now, the replacement market will only come into play over the longer term. At present, we're still at an early stage with just about 10% of meters installed, which means nearly 90% still needs to be rolled out, and that base itself will continue to grow.

Under the government's framework, every meter supplied by an AMISP comes with a 10-year warranty. Given this requirement, even though we've been in the metering business for over three decades, we had to completely re-engineer our product so that all critical components are designed to perform at an optimum level throughout this 10-year period. The supplies we are delivering today already meet those standards.

This has, of course, involved significant engineering effort and investment, but it's something we were fully prepared for. Importantly, we don't expect any extraordinary costs arising from the warranty, only the usual business expenses we've been managing for decades. In fact, this strong product performance will not only ensure compliance with the warranty but also enhance customer confidence and position us well for securing future orders.

Moderator:

On the metering side, so on state level orders- which states are looking most promising for HPL? Are we seeing that there's a bulk of recent wins from a particular geography?

Gautam Seth:

I think I already touched upon this earlier, but to reiterate, business at the state level is now monitored more at the AMISP level. Once state-level orders are awarded to different AMISPs across various circles, that's when the opportunity for us to supply arises.

Today, the larger AMISPs are active across five to seven states, often handling multiple circles within each state. So our business focus has shifted, earlier, for decades, we were supplying directly to state utilities. Now, it's more about managing relationships with key AMISPs, rather than focusing on specific geographies.

Moderator:

Gautam, this is a question we've gotten on working capital. So working capital has historically been stretched in the metering business. So now, with the consumer and industrial contributing 47% of revenue, can we see tangible improvements now in cash flow and ROCE?

Gautam Seth:

If you look at our working capital cycle, it has been improving steadily over the last one to two years. In the past 12 months alone, our debtor days have reduced by 28 days, and overall net working capital is down by about ₹60 crores, despite sales growth.

This improvement is driven by two factors: first, payments from AMISPs are much better structured compared to earlier utility-led processes; second, our Consumer & Industrial business naturally operates with a stronger working capital profile. While Consumer & Industrial will continue to grow, the larger Metering business is also now benefiting from improved payment cycles and working capital discipline.

We expect these efficiencies to sustain, and working capital to improve further over the coming year.

Moderator:

So Gautam on the R & D front. Can you give us more color on what some of our ongoing R & D is in smart meters and automation, and even on the C&I side, are we really investing in building the current portfolio in the consumer and industrial segment?

Guatam Seth:

Yes, with our strong experience in smart metering, R&D has always been a core strength. We had over 100 engineers dedicated to metering alone, working on communication and related technologies. Building on that, we recently opened a new R&D centre at our Kundli facility focused on switchgear and lighting. Today, every one of our product verticals, wires and cables, domestic switchgear, lighting, and metering, has dedicated R&D teams in place.

R&D has become a central focus for HPL because sustaining growth and margins is not possible without continuous innovation. Across our verticals, we are running multiple projects, some focused on cost optimisation, others on developing new products within existing categories, and several aimed at international markets. For example, our MCBs are now internationally certified, and our laboratories, including a newly commissioned NABL-certified lab at our wires and cables facility, meet global testing standards.

We are also investing significantly in automation. In metering, most of our production lines are now fully or semi-automated, enabling higher efficiency, better accuracy, reduced manpower, and real-time data capture that supports both manufacturing quality and long-term after-sales service. Similarly, in MCBs, we are in the process of setting up a new large automated line, expected by the end of Q3, which will further enhance efficiency and precision.

Overall, the combination of stronger R&D and greater automation is positioning us well to drive innovation, improve cost efficiency, and support sustainable growth across all our major verticals.

Moderator:

Do we have any plans to reduce debt and borrowing

Gautam Seth:

Our debt-equity ratio is comfortable at 0.69. Interest costs have also come down, and if you look at our borrowings over the last 12 months, they have reduced as well. This has been a conscious decision. Over the last four years, our turnover has nearly doubled, while debt has only gone up marginally. Over the next two to three years, we expect a similar trend to continue. Additionally, with two rating upgrades recently, our borrowing costs have reduced further, which will have a positive impact going forward.

Moderator:

Thank you Gautam, we will now proceed with your closing remarks.

Gautam Seth:

Yeah, so, so thank you for the Q and A and thank you for joining us today. So before we close, let me re emphasize our confidence in the metering business. While this quarter saw some delays, those are certain short term timing issues. Fundamentally, the business remains intact. In fact, it still remains the biggest growth driver for us, and we have an order book of over 3000 crores that should help us again. And this is a long term business cycle that gives us a steady visibility and growth momentum going forward. So we appreciate your interest in HPL and look forward to updating you on our growth journey in the coming quarters. So thank you very much, and have a pleasant day ahead. Thank you.

Moderator:

Thanks. Gautam, on behalf of HPL, thank you for your time and attendance. For today's earnings call, you'll receive a feedback survey after this call, kindly take a few minutes to complete it. For any other further questions, please feel free to reach out to Dickenson and we'll make sure your questions are answered. So thank you for your time today, Gautam, and thank you for everybody's participation in today's call. Thank you and have a pleasant evening. You may now disconnect your lines. Thank you.
