



HPL Electric & Power Limited

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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 November 18, 2025 regarding outcome of Investors/Analyst's Conference call held on **Tuesday, November 18, 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
Company Secretary

Encl: As stated above



HPL Electric & Power Ltd.

Q2 & H1 FY2026 Earnings Webinar Transcript

Tuesday, November 18th, 2025 @ 12:30PM IST

Answered by Management:

Mr. Gautam Seth- Joint Managing Director & CFO

Moderator, Ms. Shankhini Saha (Director, Investor Relations, Dickenson World):

Ladies and gentlemen, good afternoon. Welcome to HPL Electric & Power Limited's Q2 and H1 FY26 Earnings Webinar, produced by ElevEase. I'm Shankhini Saha, Director of Investor Relations at Dickenson, and I'll be moderating our call today.

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

Please note that this conference is being recorded and that some statements made on this call may be forward-looking in nature. These statements are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially.

We'll get started with some opening remarks from Gautam. Over to you for your opening comments.

Mr. Gautam Seth, Joint Managing Director & CFO, HPL Electric & Power Ltd.:

Thank you, Shankhini. Good afternoon everyone, and thank you for joining us today.

At the outset, I'm pleased to inform you that our balanced business model continues to strengthen, with the Consumer & Industrial segment now contributing 47% of total revenue and growing 30% in Q2 and 23% in H1. This segment, supported by wires and cables, switchgear and a revised lighting portfolio, has delivered consistent multi-quarter momentum and improved margins, provided stability, and offset temporary, timing-related moderation in metering.

Let me start with the Metering & Systems business, a key pillar of our dual growth engine that affords us long-term visibility. At the end of the quarter, we carried an order book of over ₹3,300 crore, of which roughly 99% is smart meters. This is largely AMISP-driven and sits directly on the nationwide smart metering and RDSS opportunity, giving us multi-year execution visibility.



We are seeing a pick-up in Q2 compared to Q1 metering revenues. Execution is already normalising. Smart meter uptake improved by over 12% sequentially in Q2. Going forward, we expect a further step-up in deliveries from November to March FY26 as on-ground inspections accelerate and AMISP roll-outs gather pace.

On the supply side, over the last few quarters, we have expanded both our smart-meter assembly and key-component capabilities so that we are fully prepared for the next leg of scaling up in this opportunity. Our inquiry pipeline from AMISPs remains healthy, and our long-standing relationships, pre-qualification credentials and R&D capabilities place us well to continue winning and executing orders.

Another interesting point to note is that, even in a quarter of softer metering revenues, segment EBIT margins improved to around 17.5%, thanks to pricing discipline, procurement efficiency and a richer mix of smart meters. This gives us confidence that as execution picks up in H2, metering will contribute not just to growth but also to sustaining a healthier margin profile for the Company.

On the Consumer & Industrial (C&I) business, wires and cables continue to scale strongly, delivering around 24% growth in Q2. Lighting and electronics have also clearly seen a turnaround after several softer quarters, recording growth in the low-20s this quarter, an encouraging sign of healthier channels and better acceptance of our premium and value-added ranges.

Switchgear together with wires and cables continues to anchor the C&I growth story, supported by network expansion, deeper market penetration and a broader, more contemporary product portfolio. Over time, this segment also supports a shorter working-capital cycle and enhances our overall return on capital employed and cash generation for the Company.

A crucial part of making this growth sustainable is our ongoing investment in the HPL brand. In the first half of FY26, we invested about 2% of C&I sales in advertising and promotion. We intend to step this up further in the second half of FY26, as we clearly see evidence that brand salience and distribution depth are translating into better-quality growth and pricing power over time.

Looking ahead, we expect growth to progressively pick up. We believe the foundations of both the metering and C&I segments, combined with the structural tailwinds of electrification, urbanisation and digitisation, position HPL well to deliver sustainable and profitable growth over the medium to long term.

With that, I will pause here and hand it back to Shankhini to start our Q&A session.

Moderator, Ms. Shankhini Saha:

Thanks, Gautam, for those insights and for shedding light on how the quarter has shaped up for us.

We'll now start with the Q&A session. As a reminder, please raise your hand to join the

All right, great. So, our first question will be from the line of **Viraj Mahadevia**. Viraj, you can unmute your line and go ahead with your question.

Participant, Viraj Mahadevia:

Hi Gautam, congratulations on the improvement in margins despite the absence of a meaningful revenue uptick. I think that really solidifies the improving mix in the business towards smart metering.

A couple of questions from my end, Gautam. One is on the recently announced settlement with Havells. What was the consideration received in this settlement or paid, and was this entirely accrued to or paid by HPL Electric, or was there an element for promoters or other businesses as well? If you can clarify that, please.

Moderator, Ms. Shankhini Saha:

Sorry Gautam, you're on mute, we can't hear you.

Mr. Gautam Seth, Jt. MD & CFO:

Yes. Good afternoon, Viraj. I'll be very brief on this part because there are certain confidentiality requirements surrounding this until we have the decree of the court and the whole agreement goes through execution.

But, very briefly, we've been having long-standing disputes going on for over 40 years, mainly with the promoter companies. The consideration is received by the HPL group as a whole, consisting of the promoters and a few others, and these promoter companies are wholly owned by us.

Once the settlement goes through, there is certain information already given in the public domain by both groups. Overall, I think it's been very positive for both groups to set aside the dispute and move forward. I would say it has been positive for both sides.

Participant, Viraj Mahadevia:

Yes, no, very encouraging, Gautam. Just my question is, it's obviously many years in the making as you mentioned, how much of this consideration, and I'm assuming HPL is not paying but receiving, is accrued, and how much of that, as a percentage if you will, will accrue to the listed company to be used as cash balances?

Mr. Gautam Seth, Jt. MD & CFO:

Right now, I cannot give out those specific details, but it will definitely be known in due course.

Participant, Viraj Mahadevia:

Understood. But the listed company will receive a part of it?

Mr. Gautam Seth, Jt. MD & CFO:

Largely, the dispute was with the promoter entities, where the change of name would come in.

Participant, Viraj Mahadevia:

Understood. My second question is, Gautam, given the tepid first half, are you expecting a meaningful uptick based on your scheduled deliveries for the second half that you have in smart metering? You'll know when these deliveries are expected. Do you think you can finish the year at a ₹2,000-plus crore topline?

Mr. Gautam Seth, Jt. MD & CFO:

So, if you look at both segments, in smart metering we are sitting on orders. Even for the first half, we had confirmed delivery schedules which, due to rains or for other reasons at the AMISP level, got pushed back, first into a certain part of Q2 and now some into Q3 and going forward. So we did see a certain drop in sales.

Overall, if you look at it, the second half definitely seems like it is going to be much better than the first half, for the simple reason that we are expecting most, or practically all, of our AMISPs to be buying a lot of meters. And we are talking about specific confirmed schedules that we have received from all of them.

Q3 is definitely going to be better than Q2, and Q4 should see much stronger growth. From our point of view, our teams are working to make sure that we are able to cover up the shortfall and then have growth as expected in the metering part.

What is also good is that over the last two quarters we have seen good growth in the C&I segment, the consumer part, and looking ahead into Q3 and beyond, we again see growth continuing.

So overall, for the Company, with both engines firing, things are moving well. Metering has a very strong medium- to long-term story and growth potential, there is no doubt about that. But, as I said in my last call as well, there could be some quarters where

schedules get postponed or some slowness appears. I think right now, things seem to be good.

The last figures in the public domain are about 4.5 crore smart meters already installed. So now at least some meaningful numbers are coming in, because we are already talking about double-digit implementation rates. The earlier discussion about whether there was a “go / no-go” on smart meters, we are well past that stage now.

Participant, Viraj Mahadevia:

Yes, almost every state now...

Mr. Gautam Seth, Jt. MD & CFO:

Almost every state is now going into that phase, and maybe due to elections or other factors there could be some slowness for one or two months, but otherwise, overall, almost every state is now moving ahead.

From our point of view, Q3 and Q4 are going to be very strong for sure. With that, we'll be making all efforts to ensure we reach the required numbers. Whether it's ₹1,900 crore or ₹2,000 crore, we should be looking at somewhere in that zip code.

Participant, Viraj Mahadevia:

Understood. And in terms of incremental order wins, are you seeing lots of orders in the pipeline that you're bidding for? Obviously you have this ₹3,300-crore order book currently, you've done ₹800 crore in the first half, you'll do retail sales of ₹300 crore, so ₹1,100 crore. Even if you do ₹800 crore out of the ₹3,300 crore in smart metering, you'll still have another ₹2,500 crore spilling over to the following year. Are you seeing incremental orders over and above that, to take you through FY27 and FY28? What is that bidding pipeline looking like?

Mr. Gautam Seth, Jt. MD & CFO:

Yes. I think that's also very strong. Orders are coming in. Even if you see the last quarter, the only thing is that now, as per the compliance requirements, any order reported has to be with the customer name. So sometimes, from a business perspective, because these are still orders in the normal course of business, we are not disclosing some of them, just giving out every customer name may not make so much business sense for us.

That's why we have fewer announcements in recent times, but nevertheless the orders are coming in, that is for sure. It's just that it may not be wise to announce each one.

If you look at it, we have added two new AMISPs. The order book is good, and even right now as we speak, over the next couple of months we are expecting some good breakthroughs from existing AMISP players and also some newer ones.

If you see my opening remarks, I did say that we are covering almost everybody now in the AMISP universe as a customer. Anybody who is there, big or small, we are somehow connected with them and we are supplying to them. That's a good thing. Overall, business should pick up. Maybe one or two months here and there could be a little slow, and traditionally the second half is always strong in implementations. So we are also hoping that sales will pick up in the second half.

Participant, Viraj Mahadevia:

Right. Would you like to guide us towards the capex for this year, and is this a peak capex for the Company so you won't have any major capex in the following few years?

Mr. Gautam Seth, Jt. MD & CFO:

In the first half we have seen certain capex happening and we did raise some long-term funds for that. This is mainly for the smart switchgear that we've been working on, plus enhancement of metering production, which is again happening on a selective basis.

Right now, if you look at the medium-term capacities that we are expecting, I would say that most of the capex on the metering front is more or less done.

Participant, Viraj Mahadevia:

Excellent. So from FY27 onwards, it will be mainly maintenance capex?

Mr. Gautam Seth, Jt. MD & CFO:

Yes.

Participant, Viraj Mahadevia:

Fantastic. I'll come back with some more questions. All the best.

Mr. Gautam Seth, Jt. MD & CFO:

Thank you.

Moderator, Ms. Shankhini Saha:

Thanks for your questions. You can raise your hand again to re-join the queue for any follow-ups.

Our next line of questions will be from **Sam Kandela**. Sam, you can unmute yourself and go ahead with your questions.

Participant, Sam (Samarth) Kandela:

Hello, am I audible?

Moderator, Ms. Shankhini Saha:

Yes, please go ahead.

Participant, Sam Kandela:

So, right now we have reached 47% of total revenue from the Consumer & Industrial segment in H1, right? Going ahead in H2, with metering picking up, how do we see the revenue mix in H2 and FY27, if you could guide us?

Mr. Gautam Seth, Jt. MD & CFO:

On H2 for FY26, we do expect metering revenues to pick up, the orders are there, as I explained earlier. We also hope for good growth coming in wires and cables, and we are looking at switchgear and lighting to perform as well.

Overall, metering could grow at a much faster pace because the uptake could be higher. But I think anywhere between 45–50% is where C&I should be. In the short term, if schedules are advanced by AMISPs, we should see a jump in the metering part, especially in Q4.

We are also hoping that, since momentum has now picked up in C&I, our teams can ensure that we perform better as we go ahead. The second half is generally a better time in the trade business. So, broadly, around 45% is where we would expect C&I to settle.

Participant, Sam Kandela:

Right. So, sir, that would also imply what kind of growth rate on an annual basis in C&I?

Mr. Gautam Seth, Jt. MD & CFO:

I would say strong double-digit growth for sure. Wires and cables have been growing at a much higher rate, we've had almost two years of around 25% growth; in this year we did 30% and 24% in the first and second quarters.

So overall, the business is picking up; the momentum is there. Accordingly, we are looking at channel expansion and brand investments. This is not only for the next two–three quarters, over the next two–three years, in three years' time, the ideal would be to double our C&I business. That is how we are looking at it. It's a strong vertical for us and a strong focus area.

As a Company, we've always focused on B2B and B2C, for the last 10 years we've been talking about that. C&I had been a little subdued earlier because, for example, when wires were doing well, lighting had gone down due to price erosion. Turnover had gone down by almost ₹70–80 crore there.

Right now, the timing is good across most segments, and when we have more than two or three product categories performing together, overall HPL as a consumer electrical brand can grow. That is the aim, to develop this further over the next three years, expand our portfolio, and within each category bring in a lot of new products.

We have invested strongly in R&D even on switchgears and wires. Lighting again is a very dynamic line which requires a lot of R&D work and cost optimisation because pricing is competitive. So right now, things seem to be moving in a good direction and we hope to capitalise on this to make the growth a long-term story for us.

Participant, Sam Kandela:

Yes, very well, sir. Lastly, on margins, we are investing in distribution and channels. How will our margins fare in the C&I segment?

Mr. Gautam Seth, Jt. MD & CFO:

Right now, as I just said, we are seeing good movement, we are probably around 11% on EBIT basis. As volumes go up, maybe by FY27 or FY28, if the same momentum continues and we are able to make that happen, then we can work towards better margins.

Traditionally, if you look at HPL as a brand, we have never under-sold ourselves. We are known for good quality and technology. We don't compete by cutting prices, that has been our strategy for the last 10–20 years. We believe our quality is always slightly ahead of the market.

Premiumisation and rolling out newer products has always been our strategy. We will build on that, but margins will improve meaningfully when higher volumes combine

with premiumisation. Immediately, I would say similar margins are likely to continue until we hit much bigger volumes.

Participant, Sam Kandela:

Thank you. Thank you for the opportunity.

Mr. Gautam Seth, Jt. MD & CFO:

Thank you so much.

Moderator, Ms. Shankhini Saha:

Thanks for your questions.

Our next line of questions is coming in written form. This question is from **Mr. Nitesh Chuba**.

Gautam, the question is: we've seen good growth in the C&I segment and metering is also picking up now. Over the next 3–5 years, do we want both segments to remain equal, or will one clearly lead?

Mr. Gautam Seth, Jt. MD & CFO:

I cannot predict exactly how it will play out over the next 3–5 years, but the focus from the Company is very strong on both segments, not only on sales, but also on manufacturing, R&D and overall development. They also have separate channels.

On metering, it moves with the industry. There is a very strong opportunity, and the next five years are going to be very strong for metering. We are already seeing strong growth and have orders and a healthy pipeline.

On the C&I business, it is made up of different types of products, consumer lighting, professional luminaires, wires and cables, switches, domestic and industrial switchgear, and fans. Each of these has a different strategy, but overall, as a segment, we would look at big growth.

If you ask me, wherever we are in five years, if we are doubling or growing even more, I think they will be broadly equal. I cannot put one clearly above the other. Both have clear strategies and large addressable markets for us.

Moderator, Ms. Shankhini Saha:

Thanks for your answer, Gautam.

We'll take the next line of questions from **Mr. Sahil Patani**. Sahil, your line is unmuted. You can go ahead and ask your question.

Participant, Sahil Patani:

Hi, thanks for the opportunity. A few questions, Gautam.

I wanted to understand, most recently we've seen news from different states like Rajasthan, MP and Tripura where consumers are complaining about extraordinarily high bills because of smart meters, and in some cases there were reports that smart meters caught fire.

Have you seen any impact of this on DISCOMs and the AMISP ordering, or anything around these issues? Have you seen any impact on smart-metering orders?

Mr. Gautam Seth, Jt. MD & CFO:

No, we haven't seen any impact. Since we are supplying to AMISPs, if issues come up at the ground level, they are seeing and addressing them.

Right now, consumer awareness programs by most utilities, along with AMISPs, are being carried out. They are addressing these concerns.

"Running fast" is something we also heard when electronic meters came in around 1996, that was the biggest concern then. Every time there is a technology change, there is some resistance by RWAs or certain groups. But now the mechanism is such that they are very well addressed.

As more awareness comes in, and people see the benefits of smart meters, especially with a lot of data available to end consumers as well as to AMISPs and utilities, these concerns will eventually get washed away.

There has been some execution slowdown, especially on installations. In my reading, this is more because of having proper skill sets on the ground to install smart meters as volumes ramp up. Those issues are now getting addressed. The ministries have been pushing AMISPs to speed up implementation.

So, these are broader execution issues, but the localised news items are being addressed locally and do not affect our business where we supply meters.

Participant, Sahil Patani:

Understood, thanks for that clarification, Gautam.

Now I want to understand, the government is pushing towards adoption of rooftop solar as well. A lot of individual homes are adopting rooftop solar, which requires net meters or solar meters. How is HPL contributing there? Is it still through smart meters, or what is our strategy in capturing that piece of the market?

Mr. Gautam Seth, Jt. MD & CFO:

We have been in net metering for a long time. We've been supplying net meters throughout. Even smart meters can be configured for that.

Smart meters are mainly going as a system to AMISPs and utilities, but as a technology, smart meters can also work with features to measure bi-directional energy flow.

Net meters otherwise, we are already in that space and have been supplying them.

Participant, Sahil Patani:

Okay, got it. And just one last thing, I want to understand the fans division that we started about 18–24 months ago. We did a test production roll-out mostly for exports. How is that coming along? If you could give a business update on the fans segment.

Mr. Gautam Seth, Jt. MD & CFO:

We launched fans in exports first because there were a lot of changes happening in the domestic market, the star-rating norms, the BIS mark becoming mandatory and so on. These changes tend to disrupt the market for 6–8 months at a time.

Right now, in exports, I would say we have supplied our fans in at least 14 countries. We've received international approvals for the Middle East (G-Mark), the Sri Lankan SLS approval, and a couple of other international approvals that are more universal.

In India, we have all the mandatory approvals, including for star rating. For the Indian market, we are looking at starting in December and then building up into June–July of FY26, which will be the first full season where we will participate.

We are already preparing for it. Our product range is complete and duly tested. Wherever we have supplied, we've got very good feedback on quality. By June-end, we expect to be present in about 70–80% of the market across the country and for decent numbers to start coming through.

Overall, we are upbeat on that segment as well, and with the overall C&I segment growing, fans can provide another pillar to strengthen our connect with channels and end consumers.

Participant, Sahil Patani:

Got it, thanks for that, Gautam. And on the margin front, are you expecting margins to be stable in the current range, or any improvement in the second half of the year?

Mr. Gautam Seth, Jt. MD & CFO:

Right now, I would say margins should be stable. Growth should come in, but in the longer term, maybe next year, we could aim for better margins once volumes pick up to a larger extent. Immediately, I'd say around 11–12% on the consumer side.

Wires and cables still contribute a good chunk of the business and remain commoditised. There is a lot of play on copper prices. Only in the last two–three weeks we've seen some stabilisation; otherwise they've been volatile, with almost three price increases in September–October.

As geopolitical situations stabilise, metals should stabilise too. For now, C&I margins would be in that range.

Participant, Sahil Patani:

And on a consolidated basis, including metering?

Mr. Gautam Seth, Jt. MD & CFO:

In metering, last quarter has been pretty good. On the supply-chain side, I don't see any major issues. It's becoming a buyers' market, where anyone with volumes can demand better pricing. We are experiencing procurement efficiencies.

Of course, exchange rates or electronic components could be affected by geopolitical events, but the last 2–3 months have been fairly stable. We are doing global sourcing for many items, ICs, active and passive electronic components, polycarbonate, etc. Wherever we get the best pricing and quality, we source from there.

So, consolidated margins should remain healthy, with room for efficiency-driven improvements.

Moderator, Ms. Shankhini Saha:

Thanks for your questions. You can raise your hand again to ask more follow-ups and I'll re-add you to the queue.

We'll move on to the next participant. The next participant asking a question will be **Mr. Ashit Koti**.

Ashit, your line is unmuted. You can go ahead and ask your question.

Hi Ashit, you can unmute yourself and ask your question.

We'll move on to the next participant in the meantime. Our next participant asking a question will be **Mr. Pranjal Mukhija**. Pranjal, you can unmute yourself and go ahead and ask your question.

Participant, Pranjal Mukhija:

Hi, am I audible?

Moderator, Ms. Shankhini Saha:

Yes, please go ahead.

Participant, Pranjal Mukhija:

Thank you for the opportunity. I have a couple of questions, sir.

Firstly, in our order book, what percentage is coming from Maharashtra right now?

Mr. Gautam Seth, Jt. MD & CFO:

We haven't been disclosing that. We go by AMISPs. If one AMISP is working in eight or ten circles, we treat them as one customer. We are not an AMISP, so our business is aligned on a customer basis rather than state-wise. So I won't be able to answer that specifically.

Participant, Pranjal Mukhija:

Sir, is it a material contribution though?

Mr. Gautam Seth, Jt. MD & CFO:

No. We were studying this just last week, the order book is fairly well spread out. No particular state has such a large share that it can significantly impact our overall order book. Since ours is mainly a supply business to AMISPs, it is the AMISP that matters more than any single state. No single state would materially impact us.

Participant, Pranjal Mukhija:

Right. Secondly, I wanted to understand the pace of execution in terms of smart meters in India, cumulatively. Do you have any idea on that right now?

Mr. Gautam Seth, Jt. MD & CFO:

From public data, cumulative installations are around 4.5 crore meters. The government announced that they did 1 crore meters in one month; even if we take 60–70 lakh per month, that's the rough run-rate.

My information is as good as yours here, we both look at public data. One thing for sure is that, from our own experience, almost every AMISP has much stronger demand in the second half of this year than in the first half.

We have confirmed schedules starting November–December, especially January, February and March, which are much stronger. So overall, execution is gaining pace. Exact numbers you would need to cross-check across various sites, but the trend is clearly upward.

Participant, Pranjal Mukhija:

Right. The reason I was asking is that in one of the previous calls we mentioned daily execution at 1.2 lakh meters, but if you look at National Smart Grid Mission data for October...

Mr. Gautam Seth, Jt. MD & CFO:

Your voice is breaking a bit.

Participant, Pranjal Mukhija:

Sorry. Essentially, the government recently extended the timeline for the 25-crore target from March 2026 to March 2028. If you break down the execution needed to achieve this target in the next two years, the pace needs to increase further.

So I'm trying to understand whether you see industry ramp-up in execution strengthening from here.

Mr. Gautam Seth, Jt. MD & CFO:

Yes, for sure the pace of execution will pick up. Many of these orders have delivery schedules of 2.5–3 years, plus a 3–6 month ramp-up period. Many projects are reaching the stage where they really need to push numbers; a lot of preliminary groundwork has been done.

My view is that overall execution will pick up across all AMISPs, not just one or two. In the next 2–3 years, industry-wide ramp-up should be visible. Whether they complete the entire target or need some more time is difficult to comment on today, but overall, execution should strengthen.

On the software side, we are working on our own solutions, and for certain projects we have already been quoting those. Apart from just the smart meter hardware, we are exploring the overall ecosystem. A lot of work is going on, and we are due to get some orders that include these solutions beyond just the smart meter, including software.

Participant, Pranjal Mukhija:

Could you provide some colour on the kind of products you're working on?

Mr. Gautam Seth, Jt. MD & CFO:

Not specifically on this call. I can ask Shankhini to share some details with you offline once I have my technical team align on it.

Participant, Pranjal Mukhija:

Awesome. Thank you, and good luck for future results.

Mr. Gautam Seth, Jt. MD & CFO:

Thank you.

Moderator, Ms. Shankhini Saha:

Thanks for your questions, Pranjal. We'll be sure to share those details with you offline.

Our next line of questions will be from **Mr. Reesh Gandhi**. Reesh, you can unmute yourself and go ahead with your question.

Participant, Reesh Gandhi:

Hi sir. I just want to understand, on your first-quarter concall you indicated that a few orders were deferred and rolled into Q2, and now that isn't exactly reflecting in Q2. You've indicated that the ramp-up has been slower because of skilled labour required to install them.

When, in your estimate, are we going to see the "hockey-stick" growth in smart-meter business, or do you see it being a lot more linear growth?

Mr. Gautam Seth, Jt. MD & CFO:

On a short-term basis, Q3 is expected to be better than Q2 for sure. We're being a little conservative because in the last couple of months the confirmed orders and schedules from AMISPs could not be honoured, so there were slight delays.

Q3 is going to be much better, but Q4 looks very strong because, for most AMISPs, delivery schedules are much higher in that quarter. Even if there is some slowdown here and there, overall business would still grow substantially.

For the industry as a whole, similar trends are visible. H2 should be better for the industry overall.

As to why it has been slightly slower than expectations, my understanding is that, at times, meters and data are available but the requisite skilled manpower for installation is missing. That is my view; there could be other issues too.

We have also helped some AMISPs with specific installations to ensure requisite skill sets are available at site. There will always be a few initial challenges and some new ones, but overall, I would say things will move ahead for sure.

Participant, Reesh Gandhi:

Got it. So, except for labour issues, what are the other specific issues they are experiencing and sharing with you for the slowdown? Are clients signing off slower, is it budgetary issues, red tape?

Mr. Gautam Seth, Jt. MD & CFO:

From a policy and budget perspective, things seem very clear. There is a lot of clarity from the government's side.

The main challenges are on the execution front, which AMISPs themselves are taking up. In one of the meetings, the ministry highlighted these execution issues and pushed for them to be resolved.

So, I think the challenges are more on execution, not policy or funding. On the contrary, the government has been pushing for smart meters to be implemented.

Participant, Reesh Gandhi:

Got it. Just to understand, if we receive a large order, that order will have a timeframe attached, or is it that as and when installations are done they place follow-on orders?

Mr. Gautam Seth, Jt. MD & CFO:

Whenever an order comes, it has a specific time schedule. Many AMISPs may receive, say, a 100-unit order (hypothetically), but they might initially place orders of 20–30 units with manufacturers. There's a gap between orders they receive and orders they pass on to manufacturers.

They give orders against specific schedules and circles. That's how the industry is currently working.

In our Q2 experience, certain fixed schedules got postponed by 30–45 days. When you talk strictly quarter-on-quarter, anything moving from one quarter to another affects reported figures, but on a medium- to long-term basis, there is no change. The meters will go in and volumes will pick up.

Participant, Reesh Gandhi:

Last question, you had indicated that you expect a quick ramp-up from Q4. Is that an expectation, or is it based on specific orders we already have and clear schedules?

Mr. Gautam Seth, Jt. MD & CFO:

I am talking about specific information that we have right now, confirmed schedules on existing orders.

Participant, Reesh Gandhi:

Got it. Thank you. I'll re-join the queue for any follow-ups.

Mr. Gautam Seth, Jt. MD & CFO:

Thank you.

Moderator, Ms. Shankhini Saha:

Thanks for your questions, Reesh.

Our next line of questions will be from **Mr. Manish Gupta**. Manish, you can unmute yourself and go ahead with your question.

Participant, Manish Gupta:

Hi, am I audible?

Moderator, Ms. Shankhini Saha:

Yes, please go ahead.

Participant, Manish Gupta:

I have two questions. One is on the Consumer & Industrial side. We have done about ₹384 crore of revenue in the first half. I wanted to understand, in terms of go-to-market strategies, what avenues we are present in, especially online versus offline, and what the business strategy is, to the extent you are comfortable sharing.

Mr. Gautam Seth, Jt. MD & CFO:

Sure. Right now, our strategy is mainly traditional and offline. We address the market through the traditional retail channel. We have seen growth in terms of outlets or points of sale we are addressing, across all product lines.

On the projects side, especially in the builder segment, our portfolio of switches, MCBs, wires and lighting goes strongly into that segment, and we have also seen growth there.

For online, we have done some work in the past, mainly in lighting, but our experience was not very good. Wires and MCBs don't yet have a large online market.

When we look at fans, we will be focusing on online as we enter the season. We will rebuild our online strategy in a bigger way because per-unit pricing is good and the products are not as fragile as lighting. We will roll out a stronger online strategy probably by Q4 as fans ramp up, and then extend it to lighting and some accessories.

I don't see a big online business for wires, MCBs and switches at this stage. Many competitors display these online, but the actual numbers in these categories are not very encouraging. We will, however, define a strategy within that space.

Participant, Manish Gupta:

So you think this kind of growth, 23% in the first half and 30% in Q2, around 20–30% is achievable for the next two–three years in this segment?

Mr. Gautam Seth, Jt. MD & CFO:

Yes, I think so. The market is supporting us and our market share is still not very high, so we have headroom for growth. Our growth in most segments is above reported industry growth (EMA figures etc.).

If H2 comes in strong, we will put longer-term strategies in place to make this sustainable. For a company like us, with our product range, doubling from here in the next three years in C&I is quite doable.

Participant, Manish Gupta:

And we are okay in terms of capacities for producing these?

Mr. Gautam Seth, Jt. MD & CFO:

Yes. As I mentioned, HPL's focus has always been on technology and good products. On manufacturing, we have strong capacity. We have also added a lot of automated machines, especially on the switch side, over the last one–two years.

That enhances quality, consistency and reduces human intervention, even in final testing. Wires and cables, we will come out with more details as we expand our range and categories and increase capacity, because we are seeing steady growth there. Those numbers we will disclose as and when we are ready to roll them out.

Participant, Manish Gupta:

Second question is on the settlement with Havells. Apart from the monetary aspect, does it open up any new segments for the listed company as part of the settlement? Anything we could not do before, which we can now do, or is there no change and the status quo remains?

Mr. Gautam Seth, Jt. MD & CFO:

There is going to be no change in that sense, because there was no restriction earlier either. The settlement doesn't alter our operating freedoms.

Participant, Manish Gupta:

Got it, thank you.

Moderator, Ms. Shankhini Saha:

Thanks for your questions, Manish.

Our next line of questions will be from **Mr. Rishab Hingre**. Rishab, you can unmute yourself and go ahead.

Participant, Rishab Hingre:

Hi, am I audible?

Moderator, Ms. Shankhini Saha:

Yes, go ahead please.

Participant, Rishab Hingre:

Hi Gautam. I have a couple of questions.

First, is HPL looking to launch next-generation products such as solar panels, something like what Polycab and Havells have done, given these products are a natural complement to the markets that we serve?

Second, I also want to know the split within the Consumer & Industrial segment, how much do switches constitute as a percentage of overall C&I?

Mr. Gautam Seth, Jt. MD & CFO:

So, Rishab, regarding solar, we already have a complete solar portfolio. We have net metering, solar cables across the range, and in solar switchgear we have DC breakers and various DC distribution products like string junction boxes and DC distribution boards.

This is a large portfolio but goes as “balance of equipment” in any solar plant or rooftop installation.

Getting into solar panels themselves, we have no plans right now. It is a very fast-changing field with heavy R&D requirements and significant capex. We will study it and see how it could complement our products in future and how it would work commercially, but currently we have no concrete plans to manufacture panels.

In the C&I segment, switchgear, including industrial and domestic, is about 40% of C&I sales.

Participant, Rishab Hingre:

Sure, thanks Gautam, that answers my questions.

Moderator, Ms. Shankhini Saha:

Thanks for your questions, Rishab.

We'll now take a written question from **Mr. Vikram Pande**.

Vikram wants to know: can you give us a breakdown of the C&I segment in more detail, lighting, switchgear, wires and cables?

Mr. Gautam Seth, Jt. MD & CFO:

Yes. Roughly 40% is switchgear, 40% is cables, and about 20% is lighting. Fans are still small and can be clubbed within lighting for now. That's the mix from a revenue perspective in C&I.

Moderator, Ms. Shankhini Saha:

And do you see this mix continuing, or do you see any change in the near to medium term?

Mr. Gautam Seth, Jt. MD & CFO:

There could be some internal variation. Lighting can be a bit seasonal, Diwali, for instance, though many luminaires for projects and commercial use now sell all year round. So lighting's share may move up or down a bit.

More important for us is that the complete C&I portfolio grows at a double-digit rate over the next few quarters. Our teams and the trade will find something or the other to

take from HPL's portfolio. We need to enhance this portfolio, and that is more important for us right now.

Moderator, Ms. Shankhini Saha:

Thanks for your answer, Gautam.

Our next question will be from participant **Mr. Raman K.V.** Raman, you can unmute yourself and go ahead with your question.

Participant, Raman K.V.:

Hello sir, can you hear me?

Moderator, Ms. Shankhini Saha:

Yes, please go ahead.

Participant, Raman K.V.:

I have a question on the smart-meter side. From the presentation I understand that we have around ₹3,300 crore of unexecuted order book with respect to smart meters. What will be the execution cycle for this?

Also, the government has increased the target of 25 crore smart-meter installations from March 2026 to March 2028. I want to understand the current industry-wide installation momentum and by what percentage it must pick up to meet the March 2028 deadline if it remains unchanged.

Mr. Gautam Seth, Jt. MD & CFO:

I think we discussed some of this earlier, but I'll put it together again.

Execution is around 4.5 crore meters installed cumulatively right now. The initial estimate was 25 crore; I think 22 crore was sanctioned, again, I'm going by government data in the public domain.

By the time we reach the next 2–3 years, that 25-crore requirement could go up to 30 crore because the 25-crore figure was fixed about four years back and there have been many new connections since. So requirements will naturally increase.

Execution is now picking up state-wise. Most of our AMISPs are ramping up in the second half of this year, and next year will be much better. The government had earlier

extended the deadline and this time I think there will be a much bigger push to adhere to it.

A bulk of the metering will probably happen in the next 2.5 years. Whether they reach the full figure or leave some tail may not be so relevant for us, as an industry the pace of execution is going to go up across states.

On capacity, earlier there were concerns whether the industry could supply such volumes. I think that is largely sorted out. Any upswing in demand can easily be met. Even the top 2–3 manufacturers can meet a large share of total demand.

We are sitting on large capacities and strong orders, and even if the order book were to double and the timeline reduce by half, we could still manage.

The slowdowns we are seeing are part of any major system change. This is the world's largest smart-meter rollout, mostly on a prepaid basis, it is huge and structurally complex. Slight delays of 6–12 months don't change the underlying story.

On the order book of about ₹3,300 crore, normally any order we get is to be supplied over about 2.5–3 years. Many of the orders currently in our order book are actually scheduled for the end of this year, FY27 and FY28. They are not all for immediate delivery; they are structured over time.

Participant, Raman K.V.:

Understood, sir. Just to follow up, you said the industry is doing around 4.5 crore smart meters. To execute, say, 30 crore in the next 3–4 years, my understanding is that execution should double from here in the next two years. Correct me if I'm wrong.

Mr. Gautam Seth, Jt. MD & CFO:

Just a small correction, the 4.5 crore is cumulative, not annual.

If the government is doing, say, 60–70 lakh meters a month, there have been claims of 1 crore in a month, then you are talking about 8.5–9 crore a year at that run-rate. In 2–2.5 years they could reach above 20 crore.

Incrementally, on a quarterly basis, it should go up as initial challenges get ironed out. Fresh challenges may arise, but that's normal in any large programme. If they look at March 2028 with the current pace plus some uplift of, say, 10–15%, it is quite doable.

Participant, Raman K.V.:

Understood, sir. And you said Q3 will be better and Q4 will be execution-heavy for

smart meters. Can we expect margins to improve because metering has a better EBIT margin than the C&I segment?

Mr. Gautam Seth, Jt. MD & CFO:

We've already seen margin improvements. Going up further from here, I cannot commit, but even sustaining margins at these levels will be a good achievement.

Margins depend on many factors, sourcing prices, volatility of components, etc. The last 2–3 months have been stable but going forward we can't assume that. As volumes go up, margins should be sustainable; I don't see them necessarily rising every quarter unless there is a major favourable product-mix change.

Sustaining current margins with higher volumes would itself be positive.

Participant, Raman K.V.:

Understood, sir. Thank you so much.

Mr. Gautam Seth, Jt. MD & CFO:

Thank you.

Moderator, Ms. Shankhini Saha:

We'll take a follow-up question now from **Ms. Viraj Mahadevia**. Viraj, you can go ahead with your follow-up.

Participant, Viraj Mahadevia:

Hi Gautam, thanks for taking this again.

Some time ago, you mentioned that working-capital terms or receivable days from AMISPs are superior to the retail channel. Given that your order book has largely pivoted to smart-metering and AMISP business, are you seeing an improvement in working-capital days? What are your receivable days currently?

Mr. Gautam Seth, Jt. MD & CFO:

If you look at it including GST, it's about 125 days overall on debtor days, which is about 50–60 days better than March.

Metering was a little subdued this quarter but, overall, utility debtor days, which used to be 165–180 days, have improved. Going forward, this segment should help improve working capital further.

In the short term, stocks went up because certain confirmed orders that were manufactured and ready to go were shifted out by a month and a half. So inventory went up and sales did not come through in that quarter. That is now getting sorted, stocks will come down and sales will go up.

Participant, Viraj Mahadevia:

Would inventory days settle at sub-200 days going forward?

Mr. Gautam Seth, Jt. MD & CFO:

Inventories in Q3 and Q4 should come down by about ₹50–60 crore as those sales happen.

Participant, Viraj Mahadevia:

Understood. Assuming this generates more cash flows with improved performance in H2 and better receivable days versus last year, you should generate decent operating cash flows. Obviously you are investing some in capex, but would the balance cash flows be used to de-lever the balance sheet and pay down debt?

Mr. Gautam Seth, Jt. MD & CFO:

Yes. There has been capex in the first six months and long-term borrowings have increased by about ₹60 crore. On working-capital borrowings, any additional realisations will go towards bringing short-term debt down.

So, net cash flows post-capex will effectively help reduce working-capital borrowings.

Participant, Viraj Mahadevia:

Excellent. All the very best.

Mr. Gautam Seth, Jt. MD & CFO:

Thank you.

Moderator, Ms. Shankhini Saha:

Thanks for your questions, Viraj.

We'll do one more follow-up from the line of **Mr. Raman K.V.** Raman, you can unmute your line and go ahead with your follow-up question.

Participant, Raman K.V.:

Hello sir, thank you for the follow-up. I just want to understand the split in the switchgear and wire & cable segment, how much of your C&I segment is cables and wires versus switchgear?

Mr. Gautam Seth, Jt. MD & CFO:

As I mentioned earlier, about 40% of revenue is switchgear, another 40% is wires and cables, and 20% is lighting.

Participant, Raman K.V.:

Understood sir, thank you.

Moderator, Ms. Shankhini Saha:

Thank you.

On that note, I think we'll wrap up the Q&A session. If you have any more follow-ups, you can write to us at the email ID mentioned on the last slide of the investor deck, and I'll make sure to get back to you with an answer that is to your satisfaction.

As soon as this call finishes, you'll be directed to a short survey for your feedback. Kindly take a few moments to participate.

I'll now hand over to Gautam for closing remarks. Over to you, Gautam.

Mr. Gautam Seth, Jt. MD & CFO (Closing Remarks):

To close, our priorities remain straightforward:

1. Execute on our smart-metering order book.
2. Scale our Consumer & Industrial franchise in wires and cables, switchgear and lighting.
3. Stay disciplined on margins, cash flow and capital deployment, so that we keep investing selectively in our brand, products and capabilities.



With this approach, HPL aims to deliver steady and sustainable value for all stakeholders over the medium to long term.

Thank you for joining us today and for being part of our growth story. Wishing you a good day ahead. Thank you very much.

Moderator, Ms. Shankhini Saha (Closing):

Thanks for your time today and for your insightful answers, Gautam. And thank you to everyone who participated in our call.

On behalf of HPL Electric & Power Limited, that concludes our Q2 and H1 FY26 earnings webinar. Please do write to us if you have any remaining questions and we'll be happy to get them answered.

We can now disconnect our lines. Please have a very pleasant day ahead, everybody. Thank you and goodbye.

Disclaimer

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