



HPL ELECTRIC & POWER LIMITED

HPL Electric & Power Limited

Q4 and FY26 Earnings Webinar Transcript

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Transcript

Shankhini Saha [00:00:03.860 - 00:00:58.210]

Ladies and gentlemen, good afternoon. Welcome to HPL Electric and Power Limited's Q4 and FY26 earnings webinar produced by ElevEase. It's a pleasure to have you all here. So, I'm Shankhini, the Director of Investor Relations at Dickenson, the IR advisors to HPL, and I'll be moderating our call today. So joining us from the HPL management team is Mr. Gautam Seth. He's the joint MD and CFO of the company. To all our participants, just a disclaimer, please note that this conference is being recorded, and that 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 the HPL IR deck and press release for FY26 from the company website or the NSE. Perfect. So I'll hand over to Gautam now to begin with opening remarks. Over to you, Gautam.

Mr. Gautam Seth [00:00:58.360 - 00:06:45.009]

Yes. Yeah, thank you, Shankhini. Good afternoon, everyone, and thank you for joining us today. FY26 has been an important year for HPL. Revenue crossed 1,800 crores. And Q4 revenue crossed 500 crores for the first time. EBITDA grew ahead of revenue. Gross margins improved, and cash profit expanded, even as reported PAT reflected higher depreciation from capacity additions. HPL Electric is now visibly a two-engine electrical equipment and solutions company. smart metering, remains... Our long-cycle growth opportunity, with technology relevance. order book visibility, and a strong role in India's power distribution transformation. Consumer and industrial, the C&I segment. grounds the company through brand, channel, product breadth, and everyday customer connect. This balance is important. smart metering gives us scale and visibility, consumer and industrial gives us the resilience, market reach, faster business cycles, and a wider base of customers across residential, commercial. Institutional and industrial markets. Together, they make HPL a more diversified and more dependable business. The consumer and industrial delivered a strong year, revenue grew 26% to 784 crores, and its share of total revenue increased from 37% to 43% in FY26. Q4 was the strongest C&I quarter on record at 214 crores. This growth was not the result of a reduced focus on metering. It was, in fact, driven by stronger Internal execution, wider channel engagement, and a deeper product basket, a better traction across Multiple end markets. Within C&I, wires and cables was a standout performer, growing 50% in FY26 to 340 crores. The quality of this growth is encouraging, because it becomes broader and more volume-led.

With demand from real estate, Industrial, solar, telecom, institutional, and domestic channels. This gives us greater confidence that the category is moving from a strong growth to structural scale-up. Switchgear continues to be a steady and strategically valuable part of HPL Electric. It benefits from our manufacturing depth. Technical credentials, and long-standing presence across industrial and channel-led markets. Lighting and fans, while competitive categories, help complete the C&I basket and improve HPL's relevance with dealers. Retailers, and end customers. Our distribution network remains a key asset. With more than 900 authorized dealers and 85,000 retailers, HPL has a reach that has been built over many years. Our product portfolio across wires and cables, switchgear, lighting and fans, becomes stronger, and the same network can support higher throughput. Stronger brand recall, and better operating leverage. At the same time, smart metering remains a major growth engine. The business faced an industry-wide execution disruption earlier in the year, but recovered through the FY26 and Q4 metering revenue was the strongest quarter of the year. Our order book continues to provide visibility with metering, accounting for more than 97% of the order book of over Rs. 3,200 crores as of 22nd May 26. Within this platform, Neeram Pulse, our smart water meter, represents a strategically important adjacency for the metering segment. It allows us to expand our metering R&D Communication technology and

manufacturing capabilities into smart water infrastructure. We have also inaugurated a dedicated panel meter. an AMI water meter manufacturing facility at Gurugram. The near-term contribution will depend upon approvals, pilots, and utility adoption cycles, so we are approaching it in a calibrated manner. Strategically, it positions HPL early in a long-duration opportunity alongside electricity metering. Looking ahead, our focus across both engines, metering and systems, and consumer and industrial, is quality growth. Better product mix, pricing discipline, working capital focus, and calibrated capacity expansion with continued investments in R&D. In FY27, our priorities are executing on the smart metering order book and scaling C&I with quality while protecting our margins, managing receivables, and strengthening HPL as India's trusted Electrical equipment platform for the long term. So, on this note, let's open the floor for Q&A.

Shankhini Saha [00:06:48.400 - 00:06:52.920]

Thanks, Gautam. Request you to keep your camera on for the Q&A session.

Shankhini Saha [00:06:55.460 - 00:07:54.299]

Alright, so we'll start with the Q&A. Just a reminder to all our participants, please raise your hand to join the question queue. A quick reminder on how to raise your hand. If you're on desktop or laptop, look for the reactions button at the bottom of your Zoom window, click on it, then select Raise Hand from the options. Your name should appear in my queue, and I'll call on you in order. If you're on mobile or tablet, tap on the more dot dot dot button at the bottom right of your screen, then select Raise Hand from the menu. Great, so we'll get started with the Q&A session.

So, our first question is a question that's written in. So, Gautam, this question is mainly about this kind of two-growth engine story that we're trying to convey. Can you give us more insight as to how both of our segments, from metering to C&I, really position us strongly when it comes to our business model strength?

Mr. Gautam Seth [00:07:55.640 - 00:09:37.330]

Yeah, so we, as HPL Electric, we have two verticals, and our focus, largely in terms of The R&D, in terms of our product management, marketing, sales, is focused on both of these. Now, smart metering, as we are aware, has been our primary, You know, division where we have been seeing a good amount of growth, a very good traction by the government. And so it's got a long-term story, which we have aligned ourselves very well in terms of the product, in terms of R&D, and also in terms of the supplies. So... so that is one focus which is there, which... traditionally has been the B2B focus. So we are one company which has, over the last, you can say 15, 20 years, we have been able to align both B2B and B2C in a proper manner, and grow both. together. Of late, since the last 4 or 5 quarters, we have been seeing the B2C part also grow, the channel expansion has been there, and all the products, in fact, led by wires and cables, but even the switchgear, the lighting has really come back. And, with the introduction of fans. That is also growing. So, for us, in a medium or a long term, we see both these... two pillars of HPL, the smart metering, more on the B2B side, and the consumer and industrial on the B2C side, both to be really growing. And our focus largely remains on both of them for an aggressive growth in the coming years.

Shankhini Saha [00:09:39.120 - 00:09:56.769]

Thanks, Gautam. We'll have a participant ask some questions now. So, participant asking question will be from the line of Kunal Dube. Hi, Kunal, you can unmute your line. Go ahead and ask your question, please. Hi, Kunal. Go ahead, please.

Kunal Dubey [00:09:59.480 - 00:10:03.490]

good set of numbers. So my first...

Shankhini Saha [00:10:03.490 - 00:10:07.779]

Sorry, request you to start again. We missed you at the beginning of your question.

Kunal Dubey [00:10:08.530 - 00:10:10.629]

Can you hear me now?

Shankhini Saha [00:10:10.630 - 00:10:12.390]

Yes, loud and clear. Please start again.

Kunal Dubey [00:10:12.530 - 00:10:13.200]

Yes.

Shankhini Saha [00:10:13.200 - 00:10:14.409]

Yes, we can... Oh, you're welcome.

Kunal Dubey [00:10:14.410 - 00:10:51.450]

Gautam, congratulations... congratulations on the good set of numbers. I had two questions for you. I... first of all, I would just like to thank... you committed around 500 crores in the last con call, and you achieved that, so you walked the talk. Congratulations on that front. Question is on the numbers on the C&I business. Last year, last quarter, it did not commit, but if I assume that the Will

you be able to cross 1000 crores in this year? FY27 is my first question. Should I go ahead and continue the second question, part of the question?

Mr. Gautam Seth [00:10:51.450 - 00:10:52.800]

Yes, please.

Kunal Dubey [00:10:53.500 - 00:11:47.540]

The second part of the question is on the smart metering. I was reading that that the government has now bugged up on the smart metering thing, because the target was FY26, they could not meet it, and now they are saying FY27, 28, they will buckle up. So my question is, how is the demand on the floor? Is it picking up, or it will still be seasonality, like Q1, Q2 last year, it was on the lower side, and you in Q4 it picked up. So, how is the demand in Q1? Because we are almost 15 days left for Q1. So, that is the second part of the question. And third, if I may ask you, I see a lot of pledge, a lot of, meaning 2.5% of pledge on the promoter share. I heard you last time saying that there was no major capex involved. So, if I may ask, is there any Capex involved, or what could be the real reason for that pledge or something like that.

Mr. Gautam Seth [00:11:47.540 - 00:11:54.704]

Okay. So, so I'll take up one, each of the questions. So, if you see... So...

Kunal Dubey [00:11:58.420 - 00:12:06.839]

the C&I business, the first part of 1,000 crore rupees, was my question. Hello.

Mr. Gautam Seth [00:12:06.840 - 00:12:07.600]

Yeah, so.

Mr. Gautam Seth [00:12:08.510 - 00:12:12.330]

the C&I part? Yeah. Can you hear me now?

Kunal Dubey [00:12:12.760 - 00:12:15.380]

Yes, yes, I can hear this.

Mr. Gautam Seth [00:12:15.380 - 00:15:30.609]

Yeah, so on the C&I part, we have seen a growth of 26% last year, and I think the similar trend would continue going forward in the current year. And we are already seeing the... a good amount of traction happening within the first quarter itself, and I feel it would continue in this year, and even going beyond on that. And this would be largely, you know, of course, led by the wire and cable, but also by lighting by, the switchgears and others. So... So, I think that that would be there. So, to answer your question, yes, we should be looking at 1,000 crores of revenue this year, but normally I would not give a specific number, but yes, I think we are moving in that direction, and I think we should be looking to cross that. So that is it. So that would become, for us, in future, it would be a good starting point for us. With, around 1,000 crores of revenue. to really scale up this vertical also in a bigger way in the next 3 to 5 years, with more and more products catching on. The focus has been a lot on the channel expansion, and So that is how we have seen that paying results in the last four quarters, and I would say that would continue as we go forward. Now, looking at the smart meter part. In the first quarter, yes, there was certain, disruption, you can say, more... not on the supply side, but more because of the... Execution part. But, gradually, if you see quarter on quarter, that part has picked up. And, so, the smart metering and the trend, what we see in the Q4, we see that almost continue in the Q1 as well. Of course. Here, the... Here, you know, the final dispatches goes because of the clearances coming in from the AMISPs. But overall, I see the demand being intact. And, I think the government's, you know, target of... I think they've extended the date to 2028, somewhere in March. So I think that seems to be possible. And if you go by the industry or the... The government, figures, already 7 crore meters have been installed of smart meters. So, which is roughly, if you see that the initial, sanction was about 22 crores. So almost 30% of the execution has happened. So, it definitely now, I would say the smart metering part, the execution part isn't intact. As a company for us, the capacity is not an issue, even if the execution gets ramped up. We are there to, you know, cater to that. Now, in this year, the last year, we have done substantial capex. A lot into the metering part, onto other parts, but this year we are expecting the capex to be mainly on, on the maintenance, basically the maintenance capex.

Kunal Dubey [00:15:32.270 - 00:15:41.599]

Yes. Cool. And the third part was on the pledge. Anything, specific which I... if you want to answer on that piece also?

Mr. Gautam Seth [00:15:41.600 - 00:16:01.159]

No, so it is, no, I think it's, by one of the promoter entities, and it is about 2.42%, I think, yeah. So I think we expect that to be reduced in the, in the coming quarters, yeah. Okay. But nothing related to the capex on that.

Kunal Dubey [00:16:01.160 - 00:16:08.800]

Okay. On the Neeram Pulse, or the new... are we seeing any revenue potential in this year, by any chance?

Mr. Gautam Seth [00:16:10.420 - 00:17:24.319]

Yeah, we should start seeing some marginal revenues, starting in the second part of the year. Now, you should, you know, like, if you see, these are new products. They are currently undergoing certain, testing, like, we have the BIS mark already for this, which is mandatory, but there are other international certifications which are ongoing right now. There are also certain testings, more of a pilot with, which is done at the end customer, you know, along with their integration, so those are happening. So, I would say the couple of... next couple of months would be focused more on, more on the pilot projects, on getting approvals. In various tenders, and thereafter, the supplies would start. So it's going to be... it's a long-term opportunity for us. We, since we have, The manufacturing capability, thanks to our energy meters, and the communication technologies, what we have, the software technologies what we have. So definitely this should be... the revenues would start, but the meaningful revenues would start coming in the next 1-2 years. But this would have a big scale-up as we go forward. Yeah.

Shankhini Saha [00:17:25.730 - 00:17:40.409]

Thanks, Gautam. Our next question, written in is, what is expected TAM for the water metering? Is government coming out with major orders? How much is the remaining order from the government side on the smart meters?

Mr. Gautam Seth [00:17:42.710 - 00:21:04.859]

Yeah, so, no, so water meter, typically happens more at the municipal and the jal board level. So, I think that is more of a state subject right now, and although there are unconfirmed talks that, maybe they come out, the government comes out with a... you know, something similar to what they have done in the energy electricity meters coming out within AMISP and others, but I don't think there is any confirmation on that. Nevertheless, the demand for, at the jal board levels are high, the tenders are already out, so we are also looking at, we are studying the market, we are very new into it, but, the thing, what we have right now is on, our technology, we believe, is... much better than what is generally available in the market, so we will approach this in a different way, and definitely we should be looking at revenues coming in in the near future, but overall, I think there should be... hopefully there should be a shift by the government, but it would depend entirely on their policies coming in place. On use of new technology, on use of communication. Now, coming to, the, like, on the... energy meter, you asked about the... how many, like, the position of the installations and others, so my data is as good as yours, because I'm also, You know, we would also refer to the government websites and the data which is there in the public domain, but roughly, I think, out of the 22 crore meters, about 7 crores are installed. And, and about 15-some crores are tendered out. So... so there is a lot of... Like, for us, as HPL Electric, we are focused on the supply side, you know, we are supplying to various AMISPs. So our business is not dependent upon the tenders coming out for the AMISPs. Obviously, it is dependent, but there are still a lot of orders in hand. We ourselves are sitting on over 3,200 codes of confirmed orders. There are still a lot of orders which are pending at the... AMISP levels to be given out to the meter manufacturers. And thanks to the performance of our meters, what we have, like, the supplies, what we are doing, and the performance is what we are getting on the field. We continue to remain a preferred vendor for, I would say, almost every AMISP. So, if you look at our customer profile, we are today covering almost every AMISP in a way, and we are definitely preferred with all of them. So I think those things definitely gives us a big opportunity going forward. The numbers are definitely there. The next four or five years are going to be, again, very big in smart meters, because even after the 22 crore meters, the... if you look at the industry data, and if you hear the, you know, the expert opinions, I think People are anticipating that the total requirements would go up to 31, 32 crores. So again, that gives us, again, a big upside as we go forward. And so overall, the number should be there, definitely, going forward.

Shankhini Saha [00:21:06.600 - 00:21:27.249]

Gautam, our next question is more about the software side, on the smart metering piece. Can you give us more insight as to what our differentiator here is on the software piece, and How are we seeing this technology evolve going forward as the metering technology changes maybe going into Phase 2 of the metering transition?

Mr. Gautam Seth [00:21:28.210 - 00:22:38.390]

No, so right now, I think there's a lot to be done in the Phase 1 itself. So, I think the Phase 2 time will come, and definitely we will gear up for that, with probably better and more you know, wider solutions. We would definitely be out on that. But right now, if you see, there are a lot of, based on the changes happening, or the feedbacks coming in from the AMISP while on the installation side, so there are a lot of changes, what we have been making in the hardware, in the software. Of course. the overall specification is, frozen and, you know, that, within those parameters, that is happening. So I will not... I cannot be very specific on that, but, if you look at, the... You know, there is a lot of changes or updates or corrections happening on a day-to-day basis. And that is where our R&D is happening. So therefore, you know, the feedback, what we get from the AMISPs, based on the performance of our meters and on the software is, I would say, pretty good, you know, and that is what we stand for.

Shankhini Saha [00:22:40.650 - 00:22:49.570]

Thanks, Gautam. Our next question is from the line of Vishal Joshi. Hi, Vishal, you can go ahead and unmute your mic and ask your question, please.

Vishal Joshi [00:22:51.630 - 00:22:52.460]

Hi.

Shankhini Saha [00:22:53.530 - 00:22:54.880]

Hi, Vishal, go ahead.

Vishal Joshi [00:22:55.810 - 00:23:19.879]

Yeah, Mr. Gautam, I understand we have an order book of close to 3,000 crore. Can you just give us a flavor in terms of state? Which state would this be implemented in the current year? I understand last year, probably, this was UP. Considering the elections in the state, do we see any impact on... around our installation's progress this year? Thank you.

Mr. Gautam Seth [00:23:19.880 - 00:25:47.660]

Yeah, so I think, you know, this... Question was discussed, even in the last, con call. So, our monitoring is... because, you know, we are not, you know, doing the implementations. We are just supplying to the various AMISPs, and they, in turn, would do the implementation in various states, and the circles, what they have bid for. So, yes, some part very... but I would say our exposure to UP is very less, only through one of the AMISPs, but if you see, all the major AMISPs, we are supplying right now. So, maybe due to some elections or certain things, certain slowdowns could be there, but I think the issue in... what you are mentioning is more about changing from a... the prepaid to a post-paid. Now, just to clarify for everyone that all the smart meters are actually programmed for prepaid, postpaid, and net meters. And the changes in the specifications can be done right from the backend. So, I think from our point of view, we are, you know, we are just supplying to them. However, the customers, whether the AMISPs or the utility, if they want to use it for a prepaid or a post-paid, I think... That option is there, so it does not... change anything from a business perspective, it does not change anything from the hardware or any of our supplies in that. So... so that is it, but overall, the business is large, and look, you know, while one or two states might be going into elections, there are five states which are out of it, so we have... already started seeing, you know, supply ramp up in, like, let's say, like, West Bengal, we have started seeing that. So, I think that's a continuous process. Overall, the numbers are large, the requirements are large, so maybe one or two states might see certain slowdown here and there, but for an industry, from an industry perspective. the moment we, you know, as an industry, 7-road meters have been installed. So at least now, certain meaningful numbers have started, coming into that. You know, once about 30% of the... meters, the initial sanction meters are done, and balance are underway. So on a month-to-month basis, the implementations are happening, and I think that should be a positive for the industry.

Vishal Joshi [00:25:49.680 - 00:25:50.440]

Thank you.

Shankhini Saha [00:25:54.260 - 00:26:15.699]

Thanks, Vishal. Our next question is from Manish Gupta from Money Group PMS and AIF. So, he says, Hi Gautam, any plans... any plans to get into gas meters? We recently met another smart metering company, and they were guiding towards much higher TAM for gas meters, as opposed to water meters. Would appreciate your insights on gas meters.

Mr. Gautam Seth [00:26:17.050 - 00:26:56.470]

Yeah, so, no, so right now, of course, we have done internal testings, we have done certain, study on that part also, because Globally, if you see, most of the metering companies are into electricity, gas, and water, this thing, and there is a lot of production and R&D leverage, what one can build in it. But right now, we don't have any plans or a solution right now for that, but yes, we have internally studied that, and as and when we have something You know, to share or something once we are coming out, we will definitely keep the house informed.

Shankhini Saha [00:26:58.560 - 00:27:09.090]

Thanks, Gautam. Our next participant asking questions is from the line of Pranjal Mukija. Hi, Pranjal. Go ahead and unmute your line and go ahead with your questions, please.

Pranjal Mukhija [00:27:10.620 - 00:27:12.549]

Yeah, hi, Gauram, sir, am I audible?

Shankhini Saha [00:27:12.740 - 00:27:13.610]

Yes, Pranjal, go.

Mr. Gautam Seth [00:27:13.610 - 00:27:14.690]

Yes, Pranjal.

Pranjal Mukhija [00:27:14.910 - 00:27:43.730]

So, Gautam, sir, I had a couple of questions, more on the software side of the business. So, firstly, I would love to understand, like, you know, I would love to understand the makeup of our R&D team and the new product development team. Can you just, like, tell us, you know, how the team has divided in terms of, when you talk about the device side of things and the software side of things, like, how are we building the team there? What kind of engineers are we hiring from what kind of schools, and Jenny would love to understand, you know, the strength you're building in that part of the business.

Mr. Gautam Seth [00:27:44.320 - 00:28:32.069]

Yeah, so I think, of course, I don't think I would be sharing too much of an internal information, but yes, we have, teams which are working, and they are internally divided on various projects. They are divided also on, various, you know, let's say amendments, new developments. Plus, there are, core software, hardware, teams which are there. So, I think those alignments are there, and but for me to share on how the entire teams are structured, and how, what our over 120 people are doing, I don't think that that would be right and proper, but overall, yes, we... there are teams, there are targets, what they have, and some on a short-term, and some on long-term development work.

Pranjal Mukhija [00:28:35.600 - 00:29:38.019]

So, so, actually, why I was wanting to, like, understand a little bit on the tech side, I was recently at the Smart Metering Conference that happened in Delhi. And the government there sort of, you know, laid down a proper roadmap for the tech and the software, part of the whole, you know, AMI, AMI concept. And, you know, they were talking about how using smart meter, they want to basically unlock actionable intelligence for grid planning. And, you know, this can include maybe forecasting, grid management, reliability analytics. And, you know, optimizing the whole, distribution sector so that it's visible, and I think DER, as a concept, I think they were talking a lot... talking about a lot. So, just wanted to understand, you know, how are we sort of building our business and positioning our business to sort of capture these newer opportunities that are emerging in the whole AMI 2.0, you know, thing that is happening globally now, actually? And, like, how are we trying to integrate into the whole India Energy stack piece, which is also a very unique and You know, interesting development that's taking place in the country.

Mr. Gautam Seth [00:29:38.680 - 00:31:04.509]

Yeah, so I think, you know, I think technically I won't be able to answer so much, but what you just said is probably our teams are working on most of these, because we do, in internal reviews, do keep hearing on these type of developments, what are happening. One thing is there that, apart from, you know, our major focus as HPL Electric has been on the, on the supply side of the meter. Of course. Wherever value-add work can be done, we have always, you know, aligned those with the metering supplies. But we are also, you know, we have one AMISP where, in West Bengal, and which I think, with the new government in place now, that has gained a lot of momentum. And we hope that. within the... by the Q4, we should be able to complete the online, part on that. So there, we also have the... the softwares, the head-end, the billing, so those type of softwares are also there. So we, in our own way, we've been also working on the whole ecosystem. Although, our primary focus has been and will remain for some time on the supply side. But in terms of capability, I would say we have one of the finest R&D centers in the country, if you look at from a metering point of view, and with capabilities on all types of software and hardware development.

Pranjal Mukhija [00:31:08.360 - 00:31:21.010]

Alright, so if you could, like, if possible, maybe you could share some sort of areas where we're trying to, you know, build these softwares and solutions. Is it on the cost optimization side for the utilities, or is it, like, on the revenue generation side? All of it.

Mr. Gautam Seth [00:31:21.010 - 00:32:32.509]

All of it, Pranjal, you know, are, so, on the, like, like, what could be there, looking at... because, you know, we've also started now, focusing on the international market, so there are a lot of new requirements also which are now coming, because Indian market typically is working on a certain set of broad, you know, parameters and the specifications. And that is... that was the idea of the government, that there would be a broader specification across the country in the smart meter, let's say 1.0, you know, the initial rollout. But now we have started working on international markets, we, So we have started getting more requirements, we are seeing the international trends. So, you know, on, softwares which would eventually help the customer, would eventually help the utilities. I think that is what we are working for, and that is a basic thing, what we do in HPL, because if our customer gets benefit, they would, you know, come back for more of the product and solutions from us. And I think that is what we are working on. But specifically, what we are doing and what we are... I don't think that we'll be able to disclose on a call like this.

Pranjal Mukhija [00:32:33.420 - 00:32:51.109]

Sure, so... and so finally, because you mentioned the international market bit, is Australia an opportunity that you're, you know, looking for? Because, I think Australia meters are a completely different, configuration, like, compared to India, and so I just wanted to understand, like, if your product is ready, and by when are you thinking of launching in that market?

Mr. Gautam Seth [00:32:51.450 - 00:33:36.300]

No, so we are working on IEC specifications, which are broader. Of course, they're applicable in Australia as well, like our switchgears and others, but specifically, I'll need to check with the team, but I think we are moving in Middle East, we are moving already in SAC countries, and one or two countries in Africa, so... Overall, we are relatively new for the... metering product, and especially the smart meter in the international market, but I think in the next 3-4 years, we should cover a lot of the addressable market, what our kind of specifications can reach out to. So I think that's definitely going to be something where we are going to focus on.

Pranjal Mukhija [00:33:37.550 - 00:33:49.830]

Sure, sir, thank you. And, sir, one small request, if you could, you know, also get a chance to visit the facilities, especially on the smart meter side. I know you don't usually entertain, these requests, but would really appreciate it. Thank you.

Mr. Gautam Seth [00:33:50.200 - 00:33:51.720]

Yeah, alright, we can...

Shankhini Saha [00:33:54.940 - 00:34:25.590]

Thanks, Pranjal, for your questions. A reminder to all our participants, if you'd like to ask a question live, you can raise your hand, and we'll join you to the question queue. Great, so we'll take another written question. This is more on the C&I segment. So C&I revenue grew 25%, near to 26% in FY26. How do we think about this growth when it comes to scalability and sustainability for C&I segment?

Mr. Gautam Seth [00:34:27.960 - 00:36:33.680]

Yeah, so, as I said, even in my opening remarks and, you know, in one of the answers, that this is one part where, I feel that, Certain momentum has been built up, and the channel expansion has been going on at a fairly good rate. And this year, with the kind of growths, what we are looking at, I think a turnover around 1,000 crore should be there, on board. But this, I would believe, will be the starting point for HPL Electric to be at least looking to really grow in a major way, as far as the consumer electrical segment is there. Now, our focus is right now on a lot of product development, so if you see Each of the things, whether it is in lighting, switchgear, domestic switchgears, switches, we've, in fact, just launched a new range of switches, In fact, the first launch is tomorrow in the morning, and I'm there in Patna myself for that. We are launching a new range of switches tomorrow. But in every segment of the consumer and industrial part, there are new products which are being launched. We also have, the channel expansion now has taken a different way, where we are using a lot of data, our dealers, our manpower are connected through the various apps, so through that, we are trying to reach out to a larger part of the market, and I think the results have been showing, you know, the growths have been coming in. But again, as I said, it's quite a start. The next two to three years should see a... this segment also expanding to a major part, a major pillar in HPL, where, like in Smart Meter, we would see the HPL consumer and industrial part also. As a very strong pillar, with... not only on the revenue, but also on the margins and other, You know, things what we, what goes with it.

Shankhini Saha [00:36:36.480 - 00:36:43.730]

So, the next question is, how are we looking at, debt reduction, generally?

Mr. Gautam Seth [00:36:45.670 - 00:37:19.659]

So we, I think our debt levels, like, definitely this year we are seeing a growth in terms of revenue and, in both the segments, but I don't see the debt going up, you know, I would say that it would remain somewhere in the same levels right now, so... Probably because we have done a sufficient amount of capex in the last 3 years. So, certain long-term debts have come on that, but right now, no immediate reduction, but I think the debts to remain at this level, but with the revenues going up from here as well.

Shankhini Saha [00:37:22.070 - 00:37:32.390]

Thanks, Gautam. We'll take a live question now. From the line of Chandresh Malpani. Hi, Chandresh, you can go ahead and unmute yourself and ask your questions, please.

Chandresh Malpani [00:37:33.690 - 00:38:18.579]

Yeah, hi, thank you for the opportunity, and congratulations, sir, on a good set of numbers. So, sir, my first question is, like you mentioned, on the UP, that we don't have a higher exposure On that side, but let's say in your latest order announcement that you've done, that we have received about 230-odd crores from GMR entities. So, I mean, and you have also mentioned that there is a regular leading customers, so maybe if you can, you know, like, since you have started giving the names of AMISP in your latest order announcement, so maybe top 5 AMISPs, you can just, maybe just to understand the customer concentration risk. That we are not having in our business of the current order book, let's say, of 3200 odd crore rupees.

Mr. Gautam Seth [00:38:19.320 - 00:39:31.989]

Yeah, so, I'll just like to, you know, say that, you know, last many orders, in fact, we have, we have not been giving the order announcement. So only, I think, one announcement we did give, but otherwise, broadly, a lot of orders. What we have received... In this quarter, or the last quarters, we have not been giving, because I think the new regulation requires that every, you know, detail of the order, including the quantity, price, name, everything needs to be given, which we somehow, for competitive reasons, found it not necessary to give it. So... so I think that is as per the regulations, but we are, of course, we are supplying to GMR, but if you look at all the other, independent AMISPs, I think practically everybody we are, supplying to them. And, we are definitely their preferred vendors. And, of course, Adani is big, there are other AMISPs, so we are practically with everybody. So, our spread, if you look at from an AMISP, is not concentrated on just one or two, but all the active ones, we are supplying to them.

Chandresh Malpani [00:39:33.320 - 00:40:15.849]

Okay, so let's say, if you're not, like, giving the absolute or exact, numbers, but let's say what... why I'm asking this question is, let's say, of the total, about 15, 16, odd crore meters started out, let's say 50% of that is with, let's say. Adani plus, which is, now Intel is also being acquired by them. So, Adani plus the other listed players, so they acquire... they are close to about 8 or 8... current odd

meters. So maybe, like, Adani, like you mentioned, in your remarks, that, is it a significant customer, Adani, or... maybe I don't want the exact number of, percentage of the order book, but let's say the business with Adani, how it has been, in these last two years?

Mr. Gautam Seth [00:40:17.010 - 00:40:56.860]

Yeah, so, like, you just mentioned two names which are, like, both we've been supplying to both Adani and IntelliSmart. We are approved in both of them, and, I would say, yes, definitely we, since They have a major share. So we are also supplying to them, and we are one of the preferred vendors. So, so definitely, I think we are, if you see traditionally also from 96 also, whenever we've been always in all the utilities. all the central and state utilities we've been supplying. So, here also, right now, we cover almost every AMISP, and now whatever quantities they have. So, to those proportions, we are supplying to all of them.

Chandresh Malpani [00:40:58.010 - 00:41:34.150]

Okay, okay. And second question is on the, tendering sites. Let's say last year was a kind of a lull period, but this year, what are your expectations from the, newer, I mean, the states of Tamil Nadu and alike? how you see this tendering going ahead in one or one and a half year. And secondly, this tenders, how are you seeing the realizations, moving, basically, in percentage, if you can highlight, like, what is the reduction that is. likely to be there in this newer tenders, or... because, and on the input cost as well, as well. So, overall, that's it.

Mr. Gautam Seth [00:41:35.320 - 00:42:38.349]

Yeah, so, I think, again, when we look at... I'll be going by the industry data, which says that almost 15-some crores have been tendered out. 7 have been installed, so I think we already are sitting on good order book, and even those orders which the AMISPs need to give, we definitely have a good chance of getting in those orders. Now, the balance, I believe are almost 5 to 9 crores of, orders which are, you know, on the floor, which need to be tendered out. So we... are not, you know, because we are not an AMI SP, so we are not directly you know, participating in those tenders, because those are done by the AMISP, but all the AMISPs which are actually participating in them. we have been supplying to them. We are already approved in their existing projects, so definitely we have a very good chance of making it to be a supplier for those new projects. So, I think, that is how we look at the market. So, it's a...

Chandresh Malpani [00:42:40.780 - 00:42:44.490]

Okay, and on the realization and, input card...

Mr. Gautam Seth [00:42:44.490 - 00:44:30.460]

Those are there. Slightly, you know, you have to see it in two ways. One, obviously the realizations move a little downwards, but the quantities have been going up, because, you know, just two years back, the installation was very less, and now we've already crossed 7 crore as an industry. And I think in the next 2 years, probably, you know, we would be reaching out to maybe 18 to 20 crore meters being installed, so... The volumes go up, the realizations come down, but you have to also see that, still the, like, us being a very established and a matured player, even in the earlier setup. I think those... that experience is... definitely gives us an edge over others, and that is where our price realizations, even the orders what we are getting. Because I would say the realizations are still fairly good, the margins are good. If you see even on the Q4 EBIT, it's almost 17.5% on the, on the smart metering part. So those are there. Certain, you know, the... not exactly on the commodity, but let's say the exchange variations, or certain... because of the warlike situation, certain supply chain disruptions may be there, but right now, we don't see anything, no headwind on that part as well. And so, for us, when we go into this year, we are seeing a good amount of growth. Our, order book is strong. The implementation, the run rates are fairly good. one or two states might be a little slow on, you know, maybe due to elections or due to some other things, but I think overall, in the numbers, we don't see that to be affecting the overall revenue and the margins.

Chandresh Malpani [00:44:31.770 - 00:44:34.030]

Okay, got it, sir. Thank you so much.

Shankhini Saha [00:44:35.610 - 00:45:03.379]

Thanks, Chandresh, for your questions. Our next question is written in... So, this is pertaining to the C&I segment again. Hi, Gautam, can you explain more on the C&I segment turnaround? We saw double-digit growth Over the last 3 years, what gives us confidence to sustain this? How much is structural or volume-led? How much is commodity price movement?

Mr. Gautam Seth [00:45:05.810 - 00:47:59.379]

No, so other than, wire and cable, which has certain component on the, on, you know, based on the commodity, the prices have gone up. But still, even if you look at wires and cables on standalone base as well, we did almost, I think, over 80% growth in the Q4. So, largely, it is volume-led. Even our Q3 growths were very high. So, overall, if you see the 50% growth, the large part of it on the wire and cable has been on the volume growth. And I would say that would continue in the first quarter and even the next what is going forward. So, that is it. In the other part, if you look at the switchgear, lighting. and the fans and others, there have been certain increases in prices, but I think that has happened more in this quarter, in the current first quarter, what we have done. So, it's not too much of commodity-driven, where we have the prices being increased or passed on to the things. Certain, whatever increases happen, although in... especially in the trade market, that gets passed on, but that's where they lag. there is a two to three months

of a time period where... but the cost eventually gets passed on. And one thing interesting has been that in lighting. I think after a 7-year period, we have seen the price increase to happen, and actually get passed on to the channel and to the customers. So, I think it's a overall, That part is there, as regard to the price increase, what you talked about. Looking at the growth, we are seeing a volume-led growth. We have internally, you know, come out with a... what we call as an HPL, you know, like a one-consumer type of a campaign internally, where we are making all our existing dealers to look at the broader basket of the consumer products. So I think that has helped us. Each one of the dealers are picking up One or two of, like, the wire dealers are picking up the lighting, or vice versa, or even... Others, other things. So that is also helping us. The channel expansion is happening in a major way. There are targets for the retailers, dealers, there are a lot of beat plans on a daily and a weekly, monthly basis, so that is all helping. the brand to grow. We are also investing a lot into the BTL activities, which, just to make the brand visible, at least at the point of sale. So, a lot of new type of campaigns, new strategies are happening, but once the results are coming, so we are also now becoming much more enthusiastic on this segment, and hopefully you should see the results even in the next couple of quarters here. So, this segment, as I said earlier, also will become a strong pillar in HPL.

Shankhini Saha [00:48:00.780 - 00:48:18.359]

So there's a follow-up on this point. C&I margins were lower this year, despite some strong growth. Can you give us more idea on what caused this, and how would margins improve, whether it be wires and cables, or switchgear, or lighting?

Mr. Gautam Seth [00:48:19.350 - 00:49:18.180]

Yeah, so there are two aspects of that, because one, the share of wires and cables has... within the C&I segment has gone up, because wire has seen quite an unprecedented growth. So that has been one reason, but other thing is also, as I said, that the price increase, and from February onwards, we have seen the commodity prices go up, we have seen an increase in the industrial plastics, in the metals, all across, that has gone up. And, so there, the price increases got passed on in the first... by end of April and beginning of May, they got passed on. So I think... Hopefully, we should see the, the margins coming back, and the last one-week events has also made, you know, the inflation, and if you look at the metals, the exchange rate, crude, because industrial plastics are also dependent upon crude, so... I think we are seeing certain ease out on that, so hopefully the margin should come back.

Shankhini Saha [00:49:22.230 - 00:50:07.280]

Thanks, Gautam. Just a reminder to all our participants, if you have any further questions, please feel free to write to us at hpl@dickensonworld.com. This email ID is also on the last page of our investor deck. We'll be taking any follow-ups, through written questions offline after this earnings call. I'll now hand over to Gautam for closing remarks. Just a reminder to all participants, before we do that, you'll be receiving a survey after the end of this call. It would be really valuable to us to have your feedback, so we can align our comms to your expectations. So, on that note, over to you, Gautam, for your closing remarks.

Mr. Gautam Seth [00:50:11.570 - 00:50:54.789]

So, thank you, everyone, for your, questions, and your continued interest in HPL Electric. So, we have seen FY26 has reinforced our confidence in the company's direction with a higher scale, improved Operating quality, and two complementary growth engines. So the smart metering remains a large, that's a technology-led opportunity with a strong order book. While the consumer and industrial part continues to be a compounding platform for us, supported by the wires and cables, switchgear, lighting, fans, and a wide distribution network. So, built over the last couple of decades, the manufacturing, the technology, the distribution channel, and the trust, what we have, we are quite focused on, you know, the sustainable growth and creating a long-term value, for HPL. So, thank you for all of you, for your time and support here.

Shankhini Saha [00:51:18.930 - 00:51:42.079]

Thanks, Gautam, and thanks to all our participants for being with us today on behalf of HPL. We look forward to keeping you updated on our company's progress and updates. Once again, for any more follow-ups, please feel free to write to us, and we'll make sure your questions are answered. Thank you, everybody. Please have a pleasant day ahead. Very good afternoon. Thanks, Gautam. Cheers, everybody.

End of Transcript