



HPL Electric & Power Limited

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9th July, 2020

The Manager,
Listing Department,
National Stock Exchange of India Ltd.
"Exchange Plaza", C-1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051
Symbol: HPL

BSE Limited
25th Floor, New Trading Ring, Rotunda
Building, Phiroze Jeejeebhoy Towers, Dalal
Street, Fort,
Mumbai – 400 001
Scrip Code: 540136

Subject: Press Release

Dear Sir,

Please find enclosed a copy of the communication being released to Press today.

Thanking You

For HPL Electric & Power Limited

Vivek Kumar
Company Secretary

Encl: As above



For Immediate Release

July 9th, 2020

HPL Electric and Power Ltd reports Q4 & FY 2020 Results
FY20 Revenue stood at ₹ 977 Crores & Cash PAT of ₹ 59 Crores
Won Smart Meter Orders of ₹ 90 Crores in May 2020

New Delhi, India, July 9th, 2020 – HPL Electric and Power Ltd (referred to as the “Company”; NSE Symbol: HPL, BSE Scrip Code: 540136), an established electric equipment manufacturing company in India, manufacturing a diverse portfolio of electric equipment, announced its financial results for the quarter and financial year ended March 31st, 2020.

Consolidated Performance Highlights

Particulars (In Rs Cr)	Q4 FY20	Q4 FY19	FY20	FY19
Revenue from Operations	212.2	352.5	976.5	1,158.5
EBITDA	27.0	40.7	124.9	133.5
EBITDA Margin %	12.7%	11.6%	12.8%	11.5%
Cash PAT	11.9	21.2	59.3	64.7

- Performance during the fourth quarter was adversely impacted - as product sales were severely hit by the Covid-19 induced disruption in March 2020. Essentially, the company did business for almost only 2 months in fourth quarter, leading to a revenue loss of ~₹ 120 crore in Q4 FY20.
 - In the “metering” segment, inspections came to halt since the start of March 2020 due to the Covid-19 uncertainty and this acutely hit the dispatches and consequently sales.
 - In the B2C segment as well, product sales were hit as the last 15 days of March were a complete washout; this is a period that otherwise typically sees higher sales. Nevertheless, the company witnessed strong traction in the lighting & switchgear during January & February 2020.
- “Adjusted for the lost revenue on account of Covid-19, the company's overall revenue in Q4 FY20 would have been only marginally lower versus Q4 FY19. Furthermore, on the B2C side, the lighting & switchgear revenues would have likely been higher by 15-20% on a YoY basis.”
- Despite the Covid-19 disruption, EBITDA margins expanded by ~117 bps YoY to 12.7% in Q4 FY20 owing to rationalization in operating overheads and lower marketing expenses.

Mr. Gautam Seth, Joint Managing Director, said, “Notwithstanding the disruption caused by Covid-19, HPL delivered a modest performance for the year. Adjusted for the lost revenue due to Covid-19, Company’s revenue for FY20 would have been marginally lower, whereas profitability would have been higher than FY19.

A silver lining amidst these tough times is the thrust by Central Government on reducing the AT&C losses of Discoms; which is likely to propel the demand for smart meters going forward. In fact, post the opening of the lockdown, we have received smart meters orders worth ₹ 90 crore. This is a very positive development and we are fully geared-up to capitalize on the enormous smart meter opportunity in the long-term.

HPL Electric & Power Ltd.

1/20, Asaf Ali Road, New Delhi-110002, Tel.: 011-23236811/4411, website: www.hplindia.com



Furthermore, with the Government announcing economic support for the Power Discoms by providing a one-time loan of ~ ₹ 900 billion is expected to improve the financial position of Discoms materially; and support demand for new metering orders over the next one year ensuring timely payment of dues of equipment suppliers like HPL.

Going forward, due to the lockdown, financial performance will be adversely impacted in Q1 FY21 as well. However, the Company has a robust order book of ₹ 368 crore which ensures revenue visibility for the next fiscal year. We also expect to see demand recovery in the B2C segment in H2 FY21 as the impact of lockdown gradually recedes, further supported by the on-set of the festival season, and higher government spending.

Looking beyond the near-term challenges, we expect to see robust demand for smart meters by SEBs/Discoms in the medium-to-long term; and also a healthy demand for HPL's other products as the consumer demand, infrastructure and real estate sector see a gradual revival. We are confident of overcoming the near-term challenges and driving sustainable growth over the medium term as the economic conditions normalize.

Robust Order Book & Strong Revenue Visibility

- Consolidated current order book stands at ₹ 367.7 crores (net of GST)
 - Metering orders of ₹ 301.6 crores
 - Switchgear orders of ₹ 6.6 crores
 - Lighting orders of ₹ 56.7 crores
 - Wires & Cables orders of ₹ 2.7 crores
 - Enquiry base for Metering tenders is at a healthy level. Tenders amounting to ~₹ 2,000 crores have been floated or expected to be floated in the near-term

About HPL Electric and Power Ltd

HPL is an established electric equipment manufacturing company in India, manufacturing a diverse portfolio of electric equipment, including, metering solutions, switchgears, lighting equipment and wires and cables, catering to consumer and institutional customers in the electrical equipment industry. HPL had the largest market share in the electricity energy meters market in India, with one of the widest portfolios of meters in India and the fifth largest market share for LED lamps during the corresponding period (Source: Frost & Sullivan Report, February 2016). HPL's manufacturing capabilities are supported by a large sales and distribution network with a pan-India presence. HPL currently manufactures and sells its products under the umbrella brand 'HPL', which has been registered in India since 1975.

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For further information on HPL Electric & Power Limited see www.hplindia.com

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Safe Harbour

This release contains statements that contain “forward-looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to HPL Electric and Power Ltd future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, several risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. HPL Electric and Power Ltd undertake no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.