



## **HPL Electric & Power Limited**

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28<sup>th</sup> June, 2021

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**  
25<sup>th</sup> Floor, New Trading Ring, Rotunda  
Building, PhirozeJeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

**Scrip Code: 540136**

**Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Earnings Presentation**

Dear Sir

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Earnings Presentation that we propose to make during the conference call for investors scheduled to be held on Wednesday, 30<sup>th</sup> June, 2021 at 4:00 PM IST is enclosed herewith.

The said Earnings Presentation has also been uploaded on the Company’s website i.e. [www.hplindia.com](http://www.hplindia.com).

We request you to kindly take the same on record.

Thanking You

Yours Faithfully,  
For HPL Electric & Power Limited

Vivek Kumar  
Company Secretary

Encl: As above



**HPL ELECTRIC & POWER  
LIMITED**

**Q4 FY21 RESULTS UPDATE**

**JUNE 2021**

*This presentation and the following discussion may contain “forward looking statements” by HPL Electric & Power Limited (“HPL” or the Company) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of HPL about the business, industry and markets in which HPL operates.*

*These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond HPL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of HPL.*

*In particular, such statements should not be regarded as a projection of future performance of HPL. It should be noted that the actual performance or achievements of HPL may vary significantly from such statements*



## DISCUSSION SUMMARY

- 04** COMPANY OVERVIEW
- 11** Q4 FY21 - PERFORMANCE UPDATE
- 23** BUSINESS STRATEGY





# Smart Meter



**COMPANY OVERVIEW**



## Trusted Electric Equipment Manufacturer

- **'One-stop shop'** offering wide range of low-voltage electric products -
  - Metering Solutions (conventional and smart meters)
  - Switchgears
  - Lighting Products
  - Wires & Cables
- Innovative, quality and technologically superior products catering to varied market segments and at different price points

## Market Leader in Electric Meters & On-load Change-over Switches

- **'50% Market Share'** in the Domestic On-load Change-over Switches Market \*
- **'20% Market Share'** in Domestic Electric Meters Market \*
- **'5% Market Share'** in the Low-voltage Switchgear Market \*
- **'5th Largest'** LED Lighting Products Manufacturer \*

## Integrated Manufacturing Operations Combined with Strong R&D Capabilities

- **7 state-of-the-art Manufacturing facilities** with capabilities across design & product development, component designing, tool making and commercial production
- **2 R&D centers housing 100+ expert engineers** having rich experience in the electrical industry and a proven track record of product innovation



## Established Pan-India Distribution Presence

- **Established Pan-India Distribution network consisting of –**
  - **90+ Branch & Representative Offices**
  - **900+ Authorized Dealers**
  - **27,000+ Retailers**

## Long-standing Customer Relationships, Experienced Leadership Team, and Strong Pre-qualification Credentials

- **40+ year old Established Brand** with strong recall across various customer segments – *Power Utilities, Government Agencies, Retail & Institutional Customers*
- Highly Experienced management team
- **Strong prequalification credentials** in the metering and switchgear businesses creating high benchmarks



HPL is the “ONE-STOP SHOP” for Low Voltage Electrical Equipments across market segments and price ranges

HPL’s complementary product offerings enable cross-selling and lead to STRONG BRAND RECALL

With a large product portfolio, HPL is at forefront to capture GROWTH OPPORTUNITY



## Metering Solutions

Smart Meter



Net Meter



Prepaid Meter



Trivector Meter



**emfis**

## Switchgears

Industrial Applications



Domestic Applications



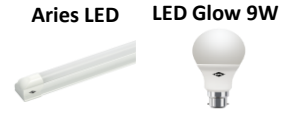
Modular Switch & Accessories



**TAB™** intelliPROTECT  
intelliCONTROL  
**Osafe**  
MCB | DB | RCCB

## Lighting Equipment

Consumer LED Products



Commercial LED Products



Outdoor LED Products



**Pathite**  
**smART**  
ART MEETS STATE-OF-THE-ART

## Wires and Cables

Fire Resistant Cables



Co-axial Cables



Solar Cables



Networking & Data Cables



Power Utilities

Public & Private Enterprises

Residential & Commercial Users

# STATE OF ART MANUFACTURING FACILITIES



## GURUGRAM



**Gurugram Facility I:** Electronic Meters, R&D Center for Smart Meters

**Gurugram Facility II:** Lighting Equipment and Electronic Meter Parts

## JABLI



**Facility I:** Switchgear, Electronic Meters, and Parts of Lighting Equipment

**Himachal Energy Facility:** Electronic Meters, Panel Meters and Clips for Panel Meters

**Product Segments**

**Capacity (per annum)**

Electronic Meters 11 million units

Lighting Equipment 26 million units

Switchgear 16 million units

Wires & Cables 194 million meters

## KUNDLI



**Facility I:** Switchgears, Parts of Electronic Energy Meters and Parts of Lighting Equipment

**Facility II:** Lighting Equipment

## GHARAUNDA



**Products:** Wires and Cables

## QUALITY & COMPLIANCE CERTIFICATIONS



ISO-27001:2005





## CONTINUOUS R&D TO LAUNCH AND MARKET EXCITING NEW INNOVATIVE PRODUCTS

- Launched '5 new products' in the Meters Category, '6 new products' in Switchgear, and '12 new products' in Lighting in FY21
- Solar Electrical Products - Developed a complete range of solar solutions across meters, switchgears, lighting and wires & cables

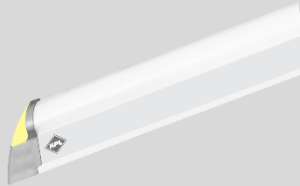


### IN-HOUSE R&D CAPABILITIES:

- 2 R&D facilities in Gurugram & Kundli with more than 100 engineers
- 1 Testing facility in Gurugram – NABL accredited and ISO/IEC 17025:2005 compliant
- 2 Tool Rooms for rapid prototyping & component designing for complete range of MCBs, MCCBs, Meters, Changeover Switches, Switch Fuse Units, LED lamps

### Lighting

Bright Neo  
LED Batten



Kasper Gold -  
The Inverter Lamp  
with removable battery



Spark Gold



Tri-Glow  
LED Tri-Colour Batten



### Switchgear

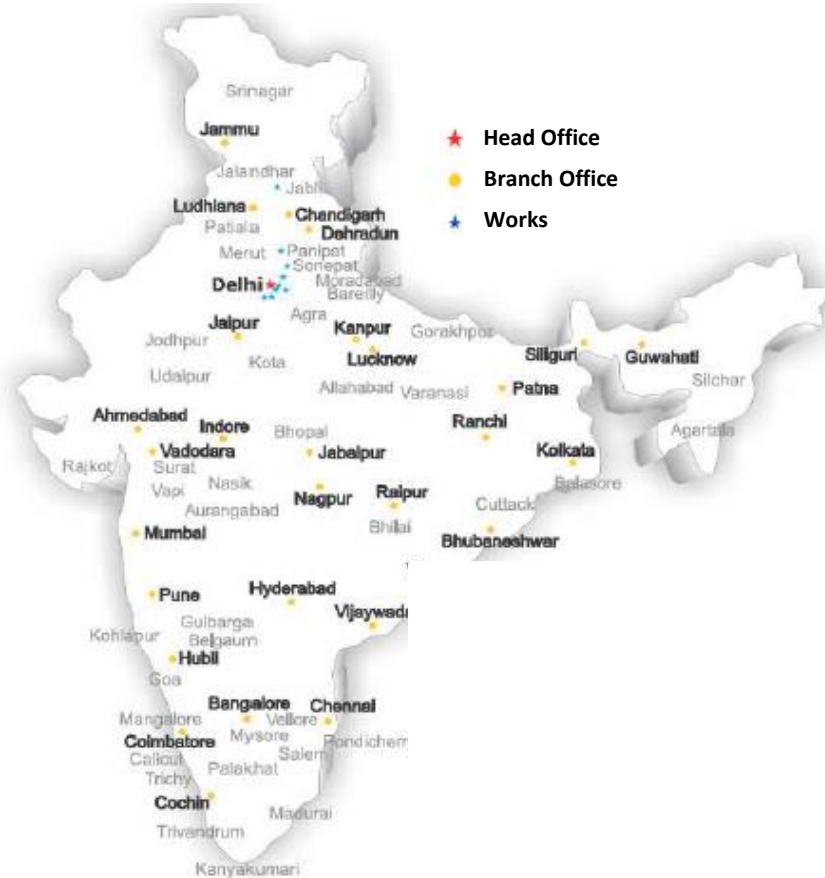
Solid range of AC Contractor



Switch Disconnecter



# ESTABLISHED PAN-INDIA DISTRIBUTION NETWORK & BRAND PRESENCE



**ESTABLISHED PAN-INDIA DISTRIBUTION NETWORK  
& BRAND PRESENCE  
TO CAPTURE SIGNIFICANT GROWTH POTENTIAL IN  
ELECTRICAL EQUIPMENT INDUSTRY**

**90+ Branch & Representative Offices  
21 Warehouses across India**

**900+ Authorized Dealers and  
27,000+ Retailers**

**Carrying and forwarding agents model for sale  
and supply through authorized dealers**

**620+ full time employees responsible for promotional  
and brand building activities for our products**

STRONG EXECUTION, ESTABLISHED RELATIONSHIPS AND STRONG PRE-QUALIFICATION CREDENTIALS  
MAKE HPL A PREFERRED SUPPLIER OF THE SPECIALISED ELECTRICAL EQUIPMENTS



## EXTENSIVE EXPERIENCE

- Strong Promoter pedigree with more than 40 years of experience
- More than 20 years of average experience of senior management team
- Strong R&D and manufacturing capabilities



## ESTABLISHED RELATIONSHIPS

- Established relationships with Institutional customers, Power Utilities and Governmental Agencies across India
- HPL has created a “*niche*” for itself in technologically advanced products like Metering and Switchgear businesses



## STRONG PRE-QUALIFICATION CREDENTIALS

- HPL works with Power Utilities and Government Agencies pursuant to direct contractual arrangements, obtained through bidding processes, requiring certain pre-qualification requirements
- HPL meets all pre-qualification credentials including past experience, technical requirements, quality and safety compliances, financial strength, and price competitiveness

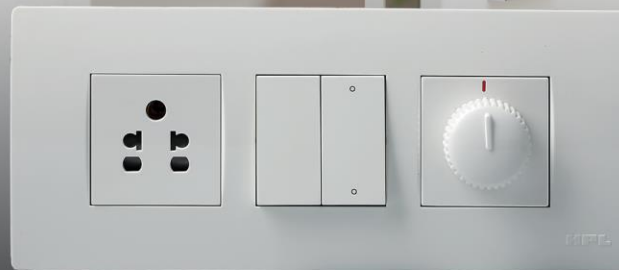
## ‘ONE-STOP SHOP’ OF LOW-VOLTAGE “CONSUMER” ELECTRIC PRODUCTS –

- Offer a wide range of innovative, and technologically superior products in the “Lighting, Switchgears, and Wires & Cables segments” which cater to varied market segments and at different price points



# Smart Modular Switches

**Q4 & FY21 -  
PERFORMANCE  
UPDATE**

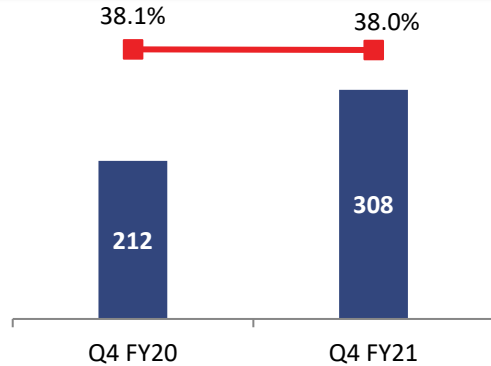


# Q4 & FY21 : YoY PERFORMANCE ANALYSIS

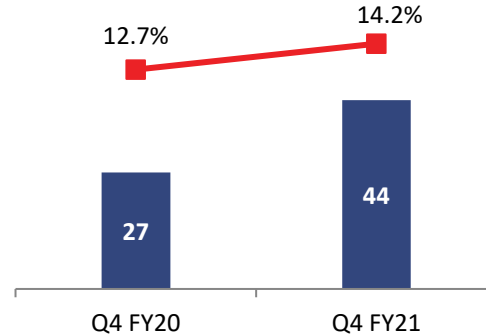


In Rs Crore

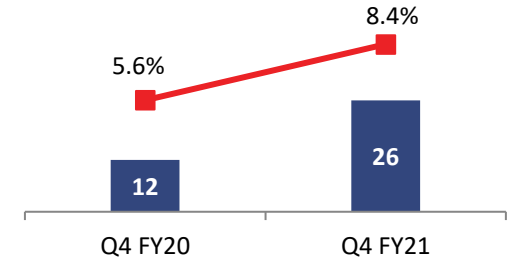
**NET REVENUES & GROSS MARGIN %**



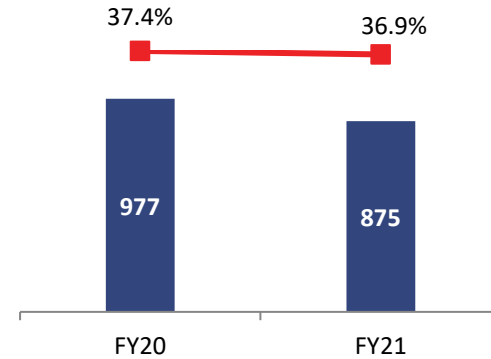
**EBITDA & EBITDA MARGIN % #**



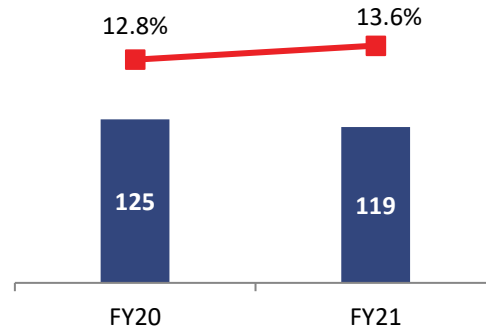
**CASH PAT & CASH PAT MARGIN % #**



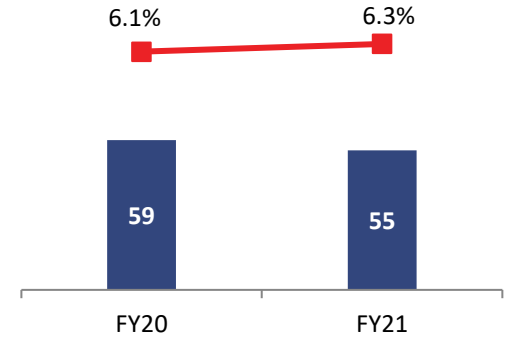
**NET REVENUES \* & GROSS MARGIN %**



**EBITDA & EBITDA MARGIN % #**



**CASH PAT & CASH PAT MARGIN % #**



Note:

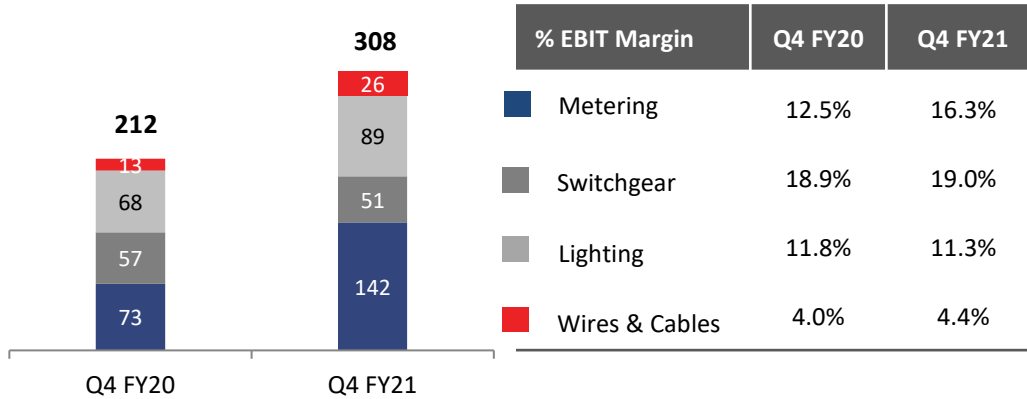
- \* Restarted operations only from 3<sup>rd</sup> week of May 2020 onwards, essentially doing business for only little more than a month in Q1 FY21
- # Adjusted for revenue lost/deferred on account of Covid-19, PAT and EBITDA in FY21 would have been substantially higher than reported

# Q4 FY21: YoY SEGMENT ANALYSIS



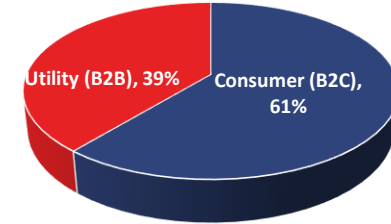
In Rs Crore

## SEGMENT NET REVENUE & EBIT MARGIN



% EBIT Margin	Q4 FY20	Q4 FY21
Metering	12.5%	16.3%
Switchgear	18.9%	19.0%
Lighting	11.8%	11.3%
Wires & Cables	4.0%	4.4%

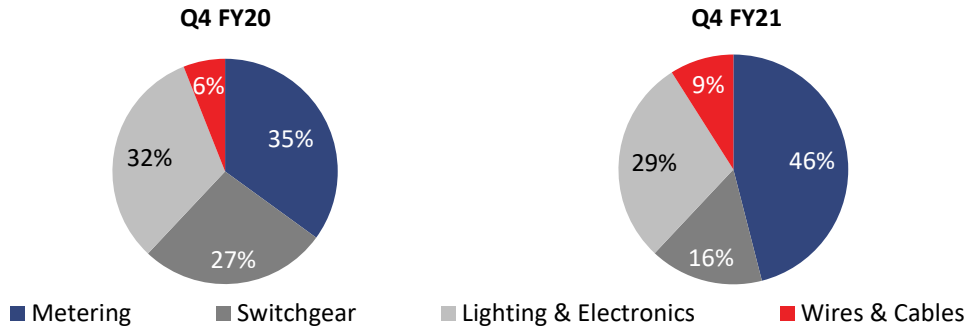
## REVENUE BREAK-UP - 'UTILITY' (B2B) & 'CONSUMER' (B2C)



**Consumer (B2C) Segment** includes Non-utility Metering, Switchgear, Lighting and Wires & Cables Segment Revenues

**Utility (B2B) Segment** includes Metering Revenues from Utilities and EESL

## SEGMENT REVENUE SHARE %

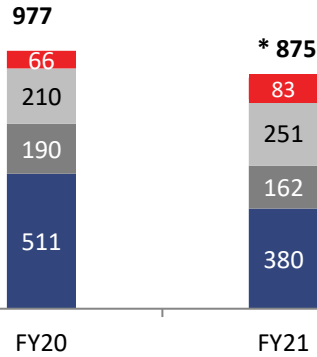


# FY21 : YoY SEGMENT ANALYSIS



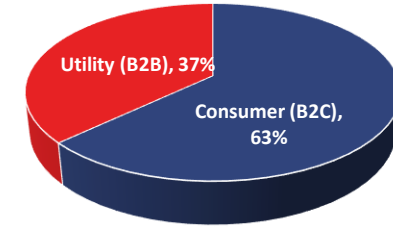
In Rs Crore

## SEGMENT NET REVENUE & EBIT MARGIN



	% EBIT Margin	FY20	FY21 <sup>#</sup>
Metering	14.9%	14.9%	14.4%
Switchgear	18.6%	18.6%	16.6%
Lighting	11.0%	11.0%	9.6%
Wires & Cables	4.0%	4.0%	2.8%

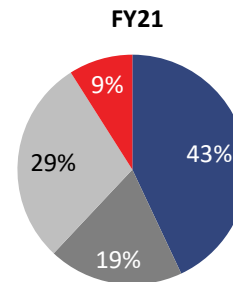
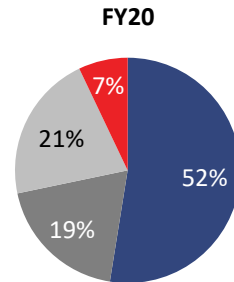
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## SEGMENT REVENUE SHARE %



■ Metering    ■ Switchgear    ■ Lighting & Electronics    ■ Wires & Cables

Note:

- \* Restarted operations only from 3<sup>rd</sup> week of May 2020 onwards, essentially doing business for only little more than a month in Q1 FY21. Covid induced disruption impacted the dispatches & consequently sales of meters in FY21
- <sup>#</sup> Adjusted for revenue lost/deferred on account of Covid-19, PAT and EBITDA in FY21 would have been substantially higher than reported

### ❑ Strong Performance in Q4 FY21 led by robust growth in the Metering and Consumer segment (B2C)

- The Metering business as anticipated has witnessed improved performance in Q4FY21 than previous three quarters due to increased inspections and dispatches. The Metering business clocked a revenue of ₹ 142 crores in Q4FY21, thereby registering a growth of 93% YoY and 29% QoQ.
- The 'Consumer & Trade' segment (including non-utility meters) witnessed a strong traction and posted a robust 20% YoY growth in revenues to ₹ 166 crores in Q4 FY21. (Excluding non-utility meters, the 'Consumer' segment grew by 26% YoY to Rs 187 crores in Q4 FY21).
- The Company achieved the highest revenues of Rs. 308 crores in the last eight quarters led by traction in Consumer and Metering business
- Exports grew at a robust pace of 174% YoY in Q4 FY21 and 69% YoY in FY21, respectively.

### ❑ Growth in 'Consumer' products segment was driven by stupendous double-digit growth in lighting and wire and cable.

- The lighting segment revenue grew by 31% YoY and 37% QoQ to ₹ 89.2 crores in Q4 FY21. The wires and cables segment revenue grew by 99% YoY and 31% QoQ to ₹ 26.3 crores in Q4 FY21. The growth in wires and cable segment was also aided by increase in copper prices. The switchgear segment revenue stood at ₹ 50.8 crores in Q4 FY21.
- Share of Consumer segment stood at 61% in Q4FY21 compared to 70% in Q4FY20.

### ❑ Rationalisation of capital expenses and overheads led to improvement in profitability margins.

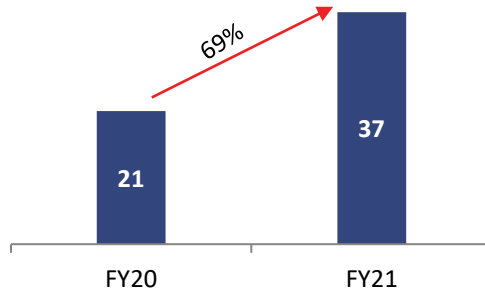
- Low capex ~ ₹ 15 Cr in FY21. No significant capex currently required for the future growth.
- Despite increase in the raw material prices during the quarter, rationalisation of employee expenses and overheads helped the company to report an EBITDA of ₹ 44 crores (EBITDA Margin of 14.2%) in Q4 FY21, while Cash PAT grew exponentially by 117% YoY to ₹ 26 crores.

### ❑ Current Order Book (net of GST) stood at ₹ 704 Crore - Meters (₹ 292 crore), Switchgear (₹ 142 crore), Lighting (₹ 76 crore) and Wires & Cables (₹ 194 crore)



- ❑ **Strong order book of ₹ 704 crore ensures revenue visibility for the short and medium term-**
  - HPL won orders worth over ₹ 372 crores for switchgear, wires and other related accessories for housing project in Andhra Pradesh.
  - HPL has 'smart meter orders' worth ₹ 100+ crores in FY21
  - Enquiry base for Metering tenders is at a healthy level as tenders amounting to ~ ₹ 2,000 crores have been floated or expected to be floated in near-term.
- ❑ **Received approval and production clearance from leading Private Distribution Company for the implementation of Narrow Band-Internet of Things (NB-IoT) based smart meters in various part of Delhi**
- ❑ **The 'Metering' segment is anticipated to witness recovery in FY22 -**
  - Inspection and enquiries has started gaining traction. We expected the momentum to continue in FY22.
  - **One-time liquidity injection of ₹ 1,200 billion into "Power Discoms" is likely to improve their financial position materially.** In fact, the PFC has already released ₹ ~300 billion in August 2020. This will help support the demand for new metering orders over the next one year while also ensuring timely payment of dues to equipment suppliers like HPL.
- ❑ **Smart Meters to drive the next wave of growth -**
  - Smart Meter provides a great opportunity and HPL being one of the key players likely to be benefitted the most.
  - Current order book has around 1/3rd Smart Meters orders and as Govt is pushing hard for conversion of Conventional Meters to Smart Meters, the share of Smart Meters to rise even further. Smart meters to attract higher realisations, thereby resulting to increase revenue and enhanced profitability.
- ❑ **The 'Consumer' segment is expected to maintain its robust growth momentum backed by favourable consumer sentiment, revival in the economic activities and higher government spending.**
  - The consumer segment is likely to continue the growth trajectory in the coming quarters coupled with prudent market strategies and enhanced dealer & retail network. Given the better working capital cycle and margins in the consumer business, the overall working capital cycle and margins are expected to improve with the increasing share of the consumer segment to the overall revenue.
- ❑ **The ongoing vaccination drive is expected to lift the consumer sentiments. However, the lockdown witnessed in May 2021 and the subsequent lockdowns/trade restrictions due to the anticipated third wave of COVID-19 may impact our performance, going forward.**
- ❑ **HPL's in house R&D strength will enable higher exports. HPL's testing lab for LED lighting was certified by National Accreditation Board for Testing and Calibration Laboratories (NABL) for independent testing of LED lighting. The Kundli, based testing laboratory is awarded the ISO/IEC 17025:2017 certification.**
- ❑ **Overall, the Company is confident of overcoming near-term challenges and driving sustainable growth as the economic conditions normalize.**

## Exports (In Rs Crore)



## HPL's Global Network



### HPL's in house R&D strength to enable higher exports.

- HPL's LV switchgear testing laboratory in Jabli, Himachal Pradesh is accredited with IECEE certification for independent testing of MCB & RCCB for KEMA and CB certification from DEKRA, Netherlands.
- The above test certifications enable HPL's product access to new 53 countries, thereby adding to their global footprints of existing 45 countries.
- Despite the global lockdown, HPL products has made inroads into 37+ countries in the last few months.

Switch gear segment drives the export share with ~ 20% of its revenue coming from exports in FY21

# CONSOLIDATED PROFIT & LOSS STATEMENT



Particulars (In Rs. Cr.)	Q4 FY21	Q4 FY20	YoY%	FY21	FY20	YoY%
<b>Net Revenue from Operations (Net of Excise)</b>	<b>307.8</b>	<b>212.2</b>	<b>45.1%</b>	<b>875.1 *</b>	<b>976.5</b>	<b>-10.4%</b>
COGS	190.7	131.3	45.2%	551.8	611.6	-9.8%
<b>Gross Profit</b>	<b>117.1</b>	<b>80.8</b>	<b>44.9%</b>	<b>323.3</b>	<b>365.0</b>	<b>-11.4%</b>
<b>Gross Margin (%)</b>	<b>38.0%</b>	<b>38.1%</b>	<b>-5 bps</b>	<b>36.9%</b>	<b>37.4%</b>	<b>-43 bps</b>
Employee Expenses	38.3	32.6	17.6%	111.9	134.7	-16.9%
Other Expenses	35.1	21.2	65.5%	92.4	105.4	-12.3%
<b>EBITDA</b>	<b>43.7</b>	<b>27.0</b>	<b>61.8%</b>	<b>119.0</b>	<b>124.9</b>	<b>-4.7%</b>
<b>EBITDA Margin (%)</b>	<b>14.2%</b>	<b>12.7%</b>	<b>146 bps</b>	<b>13.6%</b>	<b>12.9%</b>	<b>81 bps</b>
Other Income	1.3	1.8	-29.4%	4.1	4.6	-11.2%
Finance Costs	16.2	15.6	4.0%	64.4	61.4	4.8%
Depreciation	11.7	9.3	25.7%	44.9	37.4	20.1%
<b>PBT</b>	<b>17.0</b>	<b>3.9</b>	<b>336.7%</b>	<b>13.7</b>	<b>30.6</b>	<b>-55.2%</b>
Taxes	2.9	1.3	119.1%	3.7	8.7	-57.5%
<b>Reported PAT</b>	<b>14.1</b>	<b>2.6</b>	<b>448.9%</b>	<b>10.0</b>	<b>21.9</b>	<b>-54.3%</b>
<b>Cash PAT</b>	<b>25.8</b>	<b>11.9</b>	<b>117.2%</b>	<b>55.0</b>	<b>59.3</b>	<b>-7.4%</b>
<b>PAT Margin (%)</b>	<b>4.6%</b>	<b>1.2%</b>	<b>337 bps</b>	<b>1.1%</b>	<b>2.2%</b>	<b>-110 bps</b>
<b>Earnings Per Share (EPS)</b>	<b>2.19</b>	<b>0.39</b>	<b>461.5%</b>	<b>1.55</b>	<b>3.39</b>	<b>-54.3%</b>

Note:

\* Restarted operations only from 3<sup>rd</sup> week of May 2020 onwards, essentially doing business for only little more than a month in Q1 FY21. Covid induced disruption impacted the dispatches & consequently sales of meters in FY21.

# CONSOLIDATED BALANCE SHEET



Particulars (In Rs Cr)	Mar-21	Mar-20
<b>Equities &amp; Liabilities</b>		
<b>Shareholder's Funds</b>	<b>758.3</b>	<b>748.7</b>
Equity share capital	64.3	64.3
Other Equity	694.0	684.4
<b>Minority Interest</b>	<b>1.7</b>	<b>1.7</b>
<b>Non-Current Liabilities</b>	<b>70.3</b>	<b>76.7</b>
Borrowings	44.0	51.1
Other Financial Liabilities	16.6	16.6
Provisions	9.8	8.9
<b>Current Liabilities</b>	<b>759.9</b>	<b>742.3</b>
Borrowings	507.9	522.8
Trade Payables	190.1	173.7
Other Financial Liabilities	44.9	31.2
Provisions	6.9	7.7
Other Current Liabilities	10.1	6.9
<b>Total Equity &amp; Liabilities</b>	<b>1,590.2</b>	<b>1,569.3</b>

Particulars (In Rs Cr)	Mar-21	Mar-20
<b>Assets</b>		
<b>Non-Current Assets</b>	<b>510.9</b>	<b>547.9</b>
Property, Plant & Equipment	450.9	472.2
Intangible Assets	13.5	21.4
CWIP	1.7	3.4
Investments	0.0	0.0
Loans	2.6	2.9
Deferred Tax Assets (Net)	32.6	34.1
Other Non-Current Assets	9.6	14.0
<b>Current Assets</b>	<b>1,079.4</b>	<b>1,021.4</b>
Inventories	442.9	439.4
Trade receivables	512.9	463.1
Cash & Bank Balances	72.4	66.5
Loans	0.5	0.4
Other Financial Assets	14.9	14.3
Current Tax Assets (Net)	1.0	2.7
Other Current Assets	34.8	35.0
<b>Total Assets</b>	<b>1,590.2</b>	<b>1,569.3</b>



*“Garnered Over 20 Million Reach”*

Amplified our Brand Presence Through Social Media Handles  
Conducted as well as Sponsored various Industrial Webinars and Virtual Exhibitions

**HPL Electric & Power Ltd**  
676 Tweets

HPL Electric & Power Ltd @HPL\_Official · Mar 29  
The colours will blend in and make your lives fill with beautiful shining memories. HPL wishes you a very Happy Holi.

#HappyHoli #HoliWishes #HPL #HPLIndia #HPLElectric #VocalForLocal

WITH LIGHTS COME THE COLOURS

0:06 42 views LED SPOTLIGHT

**HPL Electric & Power Ltd**  
March 20

We at HPL work only towards excellence which results in providing you quality products just like our Wires & Cables.

#HPL #HPLIndia #VocalForLocal #HPLWires

**IN-LINE WITH PERFECTION**

HPL Wires & Cables  
High band width Moisture proof, low loss signal Quality.

**HPL Electric & Power Ltd**  
77,190 followers  
5mo

We salute our martyrs who sacrificed their lives selflessly for the betterment of our nation.

#HPL #HPLIndia #MartyrsDay #VocalForLocal

THE BRIGHTEST ARE THE ONES WHO SACRIFICE  
THEIR OWN LIGHT TO MAKE OTHERS SHINE.

**MARTYRS' DAY**

www.hplindia.com

29 - 4 comments

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# RAISING THE BRAND VISIBILITY QUOTIENT



*Reinforcing the Presence in the ecommerce and Modern Trade along with BTL activities*



*Organized Top Dealer Meets in 15 cities in FY21 with over 450 dealers*





# LED Lights



**BUSINESS STRATEGY**



## FUTURE BUSINESS STRATEGY

***Leading Electric Meter Manufacturer  
Fully Geared To Meet The 'Smart  
Meter Opportunity'***

- ✓ Commands a 'market share of ~20%' in the domestic meters market with an 'installed capacity of 1.1 crore meters per year'
- ✓ **Well Positioned to Capitalise on the Smart Meter Opportunity backed by our competitive strengths (details given on the next slide)**

***Robust Traction in the Consumer  
Business to Drive Growth***

- ✓ 'Drive healthy growth in the Lighting & Switchgear business' through brand building, network expansion & product development initiatives
- ✓ These divisions have shorter working capital cycle (compared to the meters business) - 'Thereby helping to generate higher overall ROCE for HPL'

***Sectoral Opportunities to Provide  
Growth Momentum***

- ✓ Positive policy initiatives along with favorable industry outlook expected to boost demand for HPL's products especially for switchgears & meters
- ✓ \* Indian Switchgear Market projected to grow @ 15% CAGR over 2019-23
- ✓ # Indian LED Lighting Market projected to grow @ 23% CAGR over 2019-25
- ✓ Crisil Research expects the Indian wires & cables market to grow @ 15% CAGR over the next 4 years (2019-23)

# SMART METERS – “GAMECHANGING INITIATIVE” WITH ENORMOUS POTENTIAL

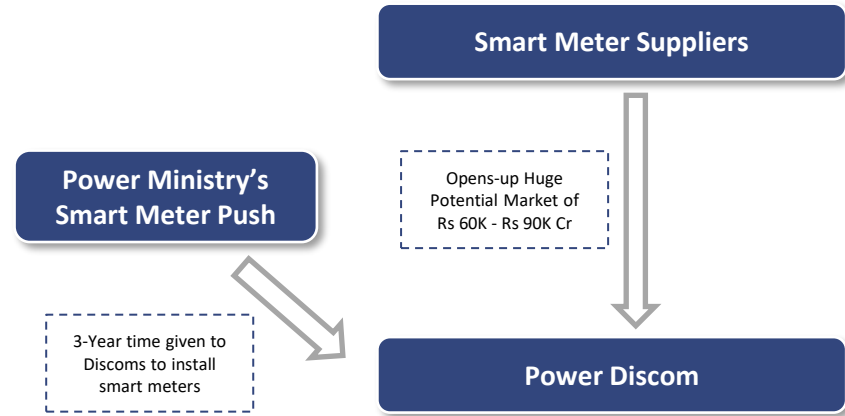


## ❑ What are smart meters? What is the opportunity size?

- Meters with embedded software to enable automation and communication
- Ministry of Power plans to install 25 to 30 crore smart meters across India – *‘which translates into a cumulative opportunity size of Rs 60,000 to Rs 90,000 crore’*

## ❑ Why should the “Utilities” install smart meters?

- India’s discoms owed Rs 78,379 crore to power generating companies in FY21
- Smart meters can help address this situation effectively by minimizing human intervention in metering, billing and collection



## ❑ Likely Benefits of the Smart Meter Program for HPL

- ✓ Being a leading player with a successful track record of supplying meters over the last 2 decades, HPL is well positioned to capitalise on the smart meter opportunity
- ✓ Bagged orders worth Rs. 100+ crore for meter with smart communication technology and with RF and IRDA communication in the last couple of years

## HPL's Competitive Edge

- |   |  |  |
|---|--|--|
| ✓ | <b>Market Leading Player</b>   | ▪ ~20% market share. Installed capacity of 11 MPPA – <i>‘this capacity is fungible and can be used for smart meters as well’</i>   |
| ✓ | <b>Comprehensive Product Portfolio</b>   | ▪ Conventional, and smart meters (including prepaid meters, software communication driven meters)  |
| ✓ | <b>Long-standing Relationships</b>   | ▪ Successful track-record of supplying to most state and central utilities for the last 2 decades  |
| ✓ | <b>Strong Pre-qualification Credentials</b>                                    | ▪ IS 16444 certified products  |
| ✓ | <b>Strong Thrust on Quality, Product Innovation &amp; Cost Competitiveness</b> | ▪ 2 R&D Centers housing over 100 experts having rich experience in the electrical industry ( <i>launched 3 new products in FY21</i> )<br>▪ Integrated Operations help achieve cost competitiveness |

# FOCUS ON DRIVING HEALTHY GROWTH IN THE 'CONSUMER' BUSINESS



- ✓ 'Consumer' segment includes Non-utility Metering, Switchgear, Lighting, and Wires & Cables. In FY21, this segment comprised ~63% of the total revenues
- ✓ HPL is looking to drive healthy growth in this business by using a 3-pronged approach →
  - 1) Enhancing distribution reach & relations
  - 2) Undertaking brand building initiatives and
  - 3) Constantly developing new & innovative products (see below for details)
- ✓ *Since, the Consumer business has shorter working capital cycle of ~3 Months, higher share from this segment will lead to higher ROCE and free cash flow*

## □ Brand Building Initiatives

- In FY20, HPL tied-up with the Delhi Capitals Team for the IPL 2019 Campaign
- Building upon the successful campaign in IPL, HPL tied-up with 'The Haryana Steelers' Pro Kabaddi Team as its 'official LED 'Lighting Partner''
- *'This provides an effective platform to create strong brand visibility in especially in the Tier 2 & 3 towns and rural areas enabling HPL to drive aggressive growth in these regions going ahead'*

## □ Continuous Product Development & Innovation

- Launched new innovative range of products in the lighting and switchgear segment in FY21 -
  - **Switchgear:** Launched 'over 6' new products including the industrial and domestic range, along with new products in solar category
  - **Lighting:** Launched 12 new products including 'Bright Neo LED Pattern', 'Spark Gold', 'Tri-Glow LED Tri-Colour Pattern', 'Kasper Gold', etc.
- *Most of the new products have received very good dealer response so far*

## □ Enhancing Distribution Reach & Relations

- *Expand retailer touch-points by than 3x – from the existing 27,000 retailers to 1,00,000 retailers within next 3 years*
- Regular hold channel connect events in the form of dealer meets, retailer meets and technical seminars

**Brand Building Initiatives**

**Product Innovation**

**Enhancing Distribution Reach & Relations**

**Driving Healthy Growth in the 'Consumer' Business**

- ✓ *Lower Overall Working Capital Cycle*
- ✓ *Higher ROCE*



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