Hardwyn India

Operator: Good afternoon participants. Welcome to the Hardwyn India Ltd. Q4 FY26 earnings call. Joining us on the call today is Mr. Rubaljit Singh Sayal, Managing Director of the company. Before we begin with the opening remarks, a quick announcement for the attendees: As a part of safe harbor, I would like to inform you that this call may contain certain forward-looking statements and should be viewed in conjunction with the risk and uncertainties of the company matters. Also, as a part of compliance, please note this call will be recorded. I will now hand over the call to Mr. Rubaljit for the opening remarks.

Rubaljit Singh Sayal – Managing Director: Good afternoon everyone. Thank you and a very warm welcome to everyone joining us today. This is a historic moment for Hardwyn India Ltd. as we host our first ever earnings conference call. We are deeply grateful for your time, your interest, and your trust in our journey. For the last 60 years, Hardwyn has been synonymous with trust, reliability, and precision. From our humble beginnings in 1965, we have grown into India's first listed entity in the architectural hardware and glass solutions space. Today we serve over 30 marquee institutional clients, leverage a vast network of more than 4,000 dealers across the country, and manage a robust portfolio of over 1,000 unique products.

Let us take you through the key financial highlights for the quarter and the full year ended March 31, 2026. For Q4 FY26, our revenue stood at 57 crores, representing a 25% year-over-year growth from 45 crores in Q4 FY25. For the full year FY26, our revenue crossed a milestone to reach 90.98 crores, representing a steady growth of 8.5% over FY25.

EBITDA expansion in Q4 FY26 surged significantly to 5.7 crores compared to 2.9 crores in the corresponding quarter last year. Our full year EBITDA reached 2,120 lakhs, registering a growth of roughly 17.5% year-on-year. Our profit after tax from operations in Q4 FY26 stood at 3.42 crores, registering an extraordinary growth of 84.25% year-on-year compared to 1.86 crores in Q4 FY25. For the entire financial year ended March 31, 2026, our consolidated PAT reached 13.2 crores, showing a solid double-digit expansion of 17.58% from 11.23 crores in FY25.

Our product leadership remains central to our growth story. During this period, the company successfully introduced five products in the mortise handle segment along with modern and contemporary designs, further strengthening our product portfolio and reinforcing our position in the architectural hardware industry. These launches have significantly enhanced our product diversity and aligned beautifully with evolving consumer preferences. Additionally, a key contributor to our growth has been the significant increase in sales of the kitchen basket series, called the Y series, a durable, reliable hardware solution tailored for modern modular kitchens. This specific success reflects our effective cross-selling strategies and improved dealer penetration.

To further strengthen the distribution foundation, we recently hosted a large-scale dealer meet in Kerala with participation from over 500 dealers. This initiative has helped us build deeper institutional relationships, enhance brand loyalty, and unlock new regional growth pockets. On the institutional side, Hardwyn has further expanded its market footprint by launching a new hardware range and successfully securing multiple orders from prominent institutions and government-backed infrastructure projects across India, reinforcing our overall credibility and market presence.

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Further, India's real estate, infrastructure, and urban rejuvenation sectors are seeing unprecedented momentum. As developers and end-users look for premium, high-durability architectural and kitchen fittings, Hardwyn's deep supply chain, rigorous R&D, and legacy brand equity put us in a sweet spot to capture this massive market shift. On the demand side, we see significant headroom in Tier 2 and Tier 3 cities, which remain largely under-penetrated for quality hardware solutions. Simultaneously, our strategic export push into South Asia, the Middle East, and Africa opens up a massive addressable market that we intend to capture systematically.

Looking forward, our focus will remain on expanding our dealer footprint, driving deeper market penetration for our specific brand Slim-X, continuing our disciplined cost controls, and maintaining our standards of absolute perfection. We are actively expanding our portfolio into premium smart and bundle hardware categories covering doors, kitchens, wardrobes, and access systems. Bundle high-ticket solutions will improve both our revenue per transaction and our overall margin profile. Looking ahead, we have set an ambitious yet achievable target of reaching 1,000 crores revenue in FY32, implying a 30-35% CAGR growth. This is backed by a structured seven-pillar strategy that addresses every single dimension of our business: markets, products, operations, customers, sustainability, margins, and digital infrastructure. With this, I would like to thank our entire team, our dealer network, and our shareholders for their unwavering support. Now I open the floor for the question-and-answer session. Thank you so much everyone.

Operator: Thank you, sir. Participants, we will now be starting with the Q&A section of the call. If you wish to ask a question, please use the raise hand feature available. We will now announce your name on the call, post which you can proceed with your question. We will wait for a minute while the question queue assembles. Kindly introduce your name and the firm you represent before asking the question. Thank you.

We will take the first question from Mr. Aditya Dwivedi. Please go ahead.

Aditya Dwivedi – Family Office: Hi sir. This is Aditya from a Family Office. Congratulations on the great set of numbers that you have shown. As I was going through your presentation, on slide number 10, I can see you are aiming to reach around 1,000 crores of revenue by FY32. I wanted some explanation on that part. How are we aiming to achieve that while the market is growing by almost 4-5%? How are we able to grow by 30-35%? Is our base simply small? Please shed some light on that.

Rubaljit Singh Sayal – Managing Director: Let me brief you on that. We aim to achieve this target through three major initiatives. First, we are going to expand our dealer network. Currently, we are catering to 4,000-5,000 dealers and have around 50 distributors. In the next 2-3 years, we want to double this. This expansion of dealers and distribution will drive our revenue growth.

Second, our company has historically been popular domestically, but we never focused on exports. Since last year, we have been focusing very heavily on exports. As a result, we received two big orders from the Middle East this year, and several orders are in the pipeline. We have purchased an additional land parcel in Delhi for this purpose. we already have four units in Delhi, and this will be our fifth unit, which will be dedicated entirely to exports. I expect around 30-40% of the growth to come from exports, which we never pursued before. We are very positive about this.

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Rubaljit Singh Sayal – Managing Director: Third, we are going to expand our business by diversifying more into digital products. In this financial year, we are going to launch a new digital series. People in India are increasingly focused on security systems, so we are expanding into digital locks, digital safes, and home automation.

We have also started a new project under the brand name Slim-X. This involves aluminum profile businesses with partitions. The total market strength for this segment is growing significantly. These days, when people build houses, they prefer modern partitions over traditional wood or bulky aluminum sections. Slim-X offers very thin sections that are popular now. These segments, if managed properly, will allow us to achieve our targets. Additionally, in our regular business, we expect to achieve 15-20% growth annually. This makes the 1,000 crore target achievable by 2032.

Aditya Dwivedi – Family Office: Sir, I also wanted to ask about the sustainable EBITDA margins going ahead. Quarter-on-quarter, there is a fluctuation in the margin—sometimes it is 7%, then 12%, and then 17%. Is there something you want to share about what changed in the business? In 2020, we were operating at 18-19.1%, then in 2021 and 2022 it was 4-6%, and then suddenly it went to 11-13%.

Rubaljit Singh Sayal – Managing Director: I will brief you on that. The main reason for the profit increase is that in 2021, we entered the kitchen business. Specifically, if you look at the EBITDA growth in Q4 FY25 and Q4 FY26, we have substantially increased our profit. One of our kitchen series wire baskets originally had an 18% GST rate, but that particular item was moved to a 5% GST bracket. Consequently, the pricing and margins increased greatly. Out of the 57 crores in revenue this quarter, 10 crores came from wire sales alone, which is why we have a better profit and EBITDA margin this quarter.

Regarding the period from 2020 to 2023, let me explain. Primarily, consistent with Prime Minister Modi's focus on "Make in India," we shifted our strategy. We were previously importing many items from China. When you import, the margin is typically around 8-15%. In 2024, we started manufacturing in Delhi through our concern, Fivart Locks Limited. By manufacturing items in India that we previously imported, we are achieving better margins. Manufacturing in India provides higher margins than importing.

Aditya Dwivedi – Family Office: That is great to hear, sir. One last question: in the management commentary, you mentioned focusing on Tier 2 and Tier 3 cities and modular kitchens. I read that as cities modernize, kitchens are being converted to modular ones. How do you expect that market to grow, and do you see it as a significant demand driver for us?

Rubaljit Singh Sayal – Managing Director: When people buy a flat or a house, they usually focus on two main areas: the kitchen and the washroom. These days, the kitchen has become a modern priority, and nobody wants to compromise on it. While we do not make the kitchens ourselves, we provide all the hardware and accessories. We are focusing on providing hardware to professional kitchen makers. Our after-sales service is a key differentiator; we have a network of 100 paid mechanics throughout India providing service in towns like Raipur, Indore, Bhopal, Trichy, Salem, and Erode.

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Aditya Dwivedi – Family Office: Okay, sir. Thank you for answering and all the best for your FY32 ambition.

Rubaljit Singh Sayal – Managing Director: Thank you so much.

Operator: Thank you. We will take the next question from Miss Priya Shah.

Priya Shah: Hello, am I audible? Sir, I wanted to know what our current revenue mix is across different product segments.

Rubaljit Singh Sayal – Managing Director: We basically have four series: the glass series, the furniture hardware series, profiles, and glass fittings. These segments are all related to construction activity. In terms of maximum revenue, I believe the glass series contributes the most because it was our initial product launched in 1965. We are well-known in India for our floor springs and door closers, which are number one in the country.

Priya Shah: Moving forward to the 1,000 crore revenue target, which segment are we planning to increase our revenue share from?

Rubaljit Singh Sayal – Managing Director: As I mentioned, all four segments are related to construction, and each has potential for growth. Glass is used increasingly in both commercial and residential buildings. Kitchens are evolving and being renovated at a fast pace. Other hardware segments like locks, hinges, and furniture fittings are also growing.

I am not concentrating specifically on just one of these four. However, we are introducing a fifth segment: the digital series. This financial year, we will launch digital locks, digital safes, and electronic security systems. The combination of these five segments, plus our expanded focus on exports, will help us achieve the 1,000 crore target by 2032.

Priya Shah: Okay, got it. Thank you, that is all from my end.

Operator: Thank you. We will take the next question from Mr. Jahan Shah. Please go ahead.

Jahan Shah: Hi sir, good evening. My first question is on our growth outlook. Over the last three years, we had almost flat revenues, but now we are targeting 1,000 crores. What has changed lately that gives us the confidence to scale from 162-200 crores to 1,000 crores?

Rubaljit Singh Sayal – Managing Director: We aim to achieve the 200 crore target this year. As I mentioned, we never had the confidence to export before. However, since last year, we have focused on exports and have already secured two large orders from the Middle East, with many more in the pipeline. We are participating in exhibitions globally. We expect 40% of our revenue to come from exports.

We are also adding security systems and doubling our dealer and distribution network. We currently have 4,000 dealers and 50 distributors. My son will also be joining the business next year after completing his studies in the US, which will be a great help. We have purchased land in Delhi for a fifth manufacturing unit to support this growth.

Jahan Shah: So by FY28, can we look at around 320-350 crores of revenue?

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Rubaljit Singh Sayal – Managing Director: For FY27 and FY28, our target will be 350–400 crores.

Jahan Shah: Regarding margins, could you share what kind of percentages we can expect over the next 2–3 years and what will drive them?

Rubaljit Singh Sayal – Managing Director: The primary profit drivers will be exports, which offer higher margins compared to domestic sales, and the introduction of the digital segment. Additionally, the kitchen wire basket series has big potential and now falls under the 5% GST slab, which is very attractive for customers and dealers. The expansion of our distribution network and product divisions will be the key drivers.

Jahan Shah: Is it fair to assume margins will be above 15% in the next couple of years?

Rubaljit Singh Sayal – Managing Director: Yes, absolutely. EBITDA would be around 23–24%, and net profit would be between 13–15%.

Jahan Shah: Regarding architectural hardware, the segment in India is largely unorganized. If demand is so strong, why don't we see more organized players entering this segment?

Rubaljit Singh Sayal – Managing Director: The Indian architectural hardware market is indeed mostly unorganized. However, customers are diversifying toward branded products because of after-sales service and warranties.

Rubaljit Singh Sayal – Managing Director: We have been in this line for six decades, and we have built significant trust with dealers, distributors, and customers. While the industry is fragmented, shopkeepers often try to sell unbranded products because of higher individual margins. However, they cannot provide service for those products. Since our products, like floor springs or locks, are mechanically driven, service is essential. Providing after-sales service across India is our USP.

Jahan Shah: What percentage of our revenues are driven by manufacturing versus trading?

Rubaljit Singh Sayal – Managing Director: Five years ago, 90–95% of our revenue was from trading, as we were sourcing from China or other factories in Rajkot, Moradabad, and Aligarh. However, following the focus on "Make in India," we have shifted. We have five units in Mayapuri, Delhi. We are the only company in Delhi with the specific plating licenses required for gold, silver, and PVD finishes on locks and handles. We have also received five BIS licenses (ISI mark) for door closers, floor springs, locks, and kitchen accessories. Currently, 60% of our products carry an ISI mark. In the next 3–4 years, we expect manufacturing to contribute 70% of revenue, with 30% from trading.

Jahan Shah: A question on the shareholder pattern: the promoter group holds around 43%, while one public investor holds around 19%. Could you explain that?

Rubaljit Singh Sayal – Managing Director: That investor was a major shareholder in another company that we took over in a swap deal. When we acquired that company, he became a major shareholder in Hardwyn.

Jahan Shah: Do you have plans to increase your promoter shareholding to at least 50%?

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Rubaljit Singh Sayal – Managing Director: Yes, definitely. Our focus is to increase the promoter stake above 50% very shortly.

Operator: Thank you. We will take the next question from Mr. Advait Sharma. Please go ahead.

Advait Sharma: Hi Rubaljit. Regarding geographic presence, you've emphasized international expansion. Can you give insight into your dominant domestic geographic share and your international plans?

Rubaljit Singh Sayal – Managing Director: We work throughout India; our brand is known from Kashmir to Kanyakumari. However, our major revenue comes from South India—Tamil Nadu, Telangana, Andhra Pradesh, and Kerala—where we are very strong. We are also strong in Mumbai. For exports, we are concentrating on Africa, South Asia, and the Middle East. I see a massive opportunity in Africa because it is a developing continent with significant demand and very little local manufacturing. We are considering setting up a subsidiary unit in Africa to cater to that market.

Advait Sharma: Can you walk me through the unit economics of your best-selling products? What is the margin distribution between the manufacturer, the company, and the distributor?

Rubaljit Singh Sayal – Managing Director: We provide a minimum gross profit of 10-12% to our distributors. When we import, our own minimum margin is 15-20%. However, as we shift toward manufacturing, our margins will increase because we will capture the profit that previously went to international manufacturers. We expect manufacturing to yield a gross profit of 35-40%.

Advait Sharma: Regarding marketing, do you have plans to onboard a celebrity brand ambassador?

Rubaljit Singh Sayal – Managing Director: Yes, we plan to onboard a brand ambassador by this Diwali. I am waiting to launch our digital series, and that launch will be fronted by a new ambassador.

Advait Sharma: You mentioned setting up a subsidiary in Africa and recently did capex in Delhi. Are you eyeing an equity fundraise or a debt increase to support this?

Rubaljit Singh Sayal – Managing Director: Currently, our company is almost debt-free, and our debt has decreased this year. Regarding expansion, we may look at raising fresh equity in 6-12 months if the market and timing are right.

Advait Sharma: Can you explain what the brand Slim-X is?

Rubaljit Singh Sayal – Managing Director: Traditionally, people used wood or thick aluminum sections for partitions in homes and offices. Slim-X represents very slim aluminum profiles available in colors like gold, bronze, black, and grey to match modern interiors. This is currently a very popular style. While we are currently trading these items because the specific finishes are difficult to produce in India, it is a fantastic product line that we expect will generate good revenue in the coming years.

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Operator: Thank you. Since there are no further questions, I would like to hand over the call to Mr. Rubaljit for the closing remarks.

Rubaljit Singh Sayal – Managing Director: Thank you everyone. As we conclude our first earnings call, I want to reiterate that Hardwyn is at a vital inflection point. Over the last six decades, we built a foundation of trust. In FY26, we proved we can turn that trust into highly profitable, efficient growth. We enter FY27 with an expanded margin profile, a stronger balance sheet, an optimized cost structure, and an energized distribution network. We are fully committed to creating long-term value for our customers, partners, and shareholders. Thank you so much.

Operator: Thank you everyone.

Rubaljit Singh Sayal – Managing Director: Are we finished?

Operator: Yes, sir.

Rubaljit Singh Sayal – Managing Director: Right. Thank you so much.

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Operator: Good afternoon, ladies and gentlemen. Welcome to the Q3 and 9 months FY24 earnings conference call of Inox Wind Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Please note that this conference is being recorded. I now hand the conference over to the management. Thank you, and over to you.

Management: Thank you. Good afternoon everyone and thanks for joining us today for Inox Wind Limited's Q3 FY24 earnings call. I am joined by our Group CFO, Mr. Jitendra Mohananey, and our CEO, Mr. Kailash Tarachandani.

It gives me immense pleasure to say that after several years of significant pain and hard work, we have reached a very exciting stage. This quarter was significant for multiple reasons. First, we have turned PAT positive this quarter. Second, we successfully completed the transition to our 3 MW turbine platform, which is now in series production. Third, our balance sheet has been significantly strengthened through a recent fundraise, and our debt levels are now at their lowest in many years.

Management: Thank you. On the operational side, the transition to 3 MW is our most significant achievement. This turbine is designed for low wind regimes in India and offers 15-18% higher energy yield compared to the 2 MW platform. We establishing our supply chain and have started series production. For the quarter, we executed 77 MW. While this seems low, it was due to the focus on the 3 MW transition. We expect this to ramp up significantly in Q4 and next year.

Our order book as of December 31 stands at 2.6 GW. We also won significant orders this quarter from PSUs and large IPPs. Our O&M business continues to perform well with a portfolio of over 3.2 GW. For Q3, revenues were 506 crores, an 83% increase year-on-year. EBITDA was 99 crores with margins at 19.6%. We reported a PAT of 1.8 crores for the quarter.

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Management: Thank you. During the current year, we reduced our debt significantly. Our gross debt decreased from over 2,000 crores to approximately 900 crores as of December. This was achieved through promoter fund infusion and a QIP. Our net debt stands at 650 crores. Our goal is to become net debt-free in the near future. Working capital management has also improved, and we are focused on reducing inventory and improving collection cycles.

Operator: Thank you. The first question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar – ICICI Securities: Good afternoon and congratulations on turning PAT positive. What kind of execution volumes are you targeting for FY25, and what portion will be the 3 MW?

Management: For FY25, we are looking at an execution target of roughly 800 MW to 1 GW. More than 80% of this will be the 3 MW turbine.

Mohit Kumar – ICICI Securities: What kind of EBITDA per megawatt are you expecting for the 3 MW turbine?

Management: On a steady-state basis, we are looking at an EBITDA of 0.8 to 0.9 crore per megawatt for equipment supply.

Mohit Kumar – ICICI Securities: Is there a timeline for reaching a net debt-free status?

Management: We are aiming to be net debt-free within the next 12-15 months. The sources will be internal accruals, working capital improvements, and the sale of non-core assets.

Operator: Thank you. The next question is from Anish De from KPMG.

Anish De – KPMG: Regarding the supply chain for the 3 MW turbine, how well-placed is Inox Wind regarding reported global shortages of bearings and castings?

Management: We have long-term supply agreements in place. For blades, we have our own manufacturing and outsourced partners. For bearings and gearboxes, we have diversified our supplier base and have firm commitments. A significant part of our 3 MW turbine is localized, which helps avoid bottlenecks.

Anish De – KPMG: How do you see O&M revenues and margins evolving?

Management: As our installed base increases, the O&M portfolio naturally grows. Margins in this business are very healthy, in the 50-55% range at an EBITDA level, providing steady cash flow.

Operator: Thank you. The next question is from Amit Golchha from Motilal Oswal.

Amit Golchha – Motilal Oswal: Can you give a break-up of the 2.6 GW order book and the typical execution timeline?

Management: The order book is roughly 35% PSU, 45% IPP, and 20% C&I. These orders are generally executed over 18-24 months.

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Operator: Thank you. The next question is from Nikhil Abhyankar from ICICI Securities.

Nikhil Abhyankar – ICICI Securities: Could you talk about the competitive landscape and pricing?

Management: The market is large enough for multiple players given the government's 10 GW annual auction target. Pricing has been stable, and we focus on maintaining margins.

Nikhil Abhyankar – ICICI Securities: What is the capex plan for the next couple of years?

Management: Most major capex for the 3 MW transition is behind us. Maintenance capex will be around 30-40 crores annually. Our current facilities can handle up to 1.5 GW of production.

Operator: Thank you. The next question is from Rahul Dani from Monarch Networth.

Rahul Dani – Monarch Networth: Regarding the asset sales for debt reduction, what are these assets?

Management: These include non-core assets like land parcels and specific project SPVs. Along with cash flow from operations, these sales will help us reach our net debt-free target by FY25.

Operator: As there are no further questions, I would like to hand the conference over to the management for closing remarks.

Management: Thank you for joining us. We are confident in our growth trajectory. We have navigated a challenging period and are well-positioned for the renewable energy sector tailwinds. Our focus remains on execution and a strong balance sheet. Thank you for your support.

Operator: Thank on behalf of Inox Wind Limited, that concludes this conference. Thank you for joining us.

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