

**July 28, 2025**

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001  <b>Scrip code: 502219</b>	<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051  <b>Symbol: BORORENEW</b>
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Dear Sirs,

**Subject: Transcript of Analysts / Investors Conference Call**

Please find enclosed transcript of conference call with Analysts / Investors held on Thursday, July 24, 2025.

You are requested to take the same on records.

Yours faithfully,

**For Borosil Renewables Limited**

**Ravi Vaishnav**  
**Company Secretary and Compliance Officer**  
**(Membership no. ACS – 34607)**

Encl.: As above.

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## “Borosil Renewables Limited Q1 FY-26 Earnings Conference Call”

**July 24, 2025**



**MANAGEMENT:**

**MR. SHREEVAR KHERUKA – VICE-CHAIRMAN**

**MR. ASHOK JAIN – WHOLE-TIME DIRECTOR**

**MR. SUNIL ROONGTA – WHOLE-TIME DIRECTOR &  
CHIEF FINANCIAL OFFICER**

**MR. BALESHTALAPADY – VP, INVESTOR RELATIONS**

**MODERATOR: MR. ROHAN GHEEWALA – AXIS CAPITAL LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Borosil Renewables Limited Q1 FY26 Results Conference Call hosted by Axis Capital Limited.

As a reminder all participants' line will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this call is being recorded.

With this, I now hand the conference over to Mr. Rohan Gheewala. Thank you and over to you, sir.

**Rohan Gheewala:** Thank you, Samia. Good evening. On behalf of Axis Capital, I am pleased to welcome you all for the Q1 FY26 Earnings Conference Call of Borosil Renewables Limited.

We have with us the Management represented by Mr. Shreevar Kheruka – Vice-Chairman, Mr. Ashok Jain – Whole-time Director, Mr. Sunil Roongta – Whole-time Director and Chief Financial Officer, and Mr. Balesh Talapady – VP, Investor Relations.

We will begin with the "Opening Remarks" from the Management, followed by an interactive Q&A session. Thank you and over to you, sir.

**Shreevar Kheruka:** Good afternoon, everyone. I am Shreevar Kheruka here and I welcome you all to the Borosil Renewables Q1 FY26 Investor Call. The Standalone Financial Results for the quarter ended 30<sup>th</sup> June 2025 were approved by the Board of BRL on Wednesday, 23<sup>rd</sup> July. Our Results and an Updated Presentation have been sent to the Stock Exchange and have also been uploaded to the Company's website.

We will now discuss the operations of our Company on a standalone basis. But first, I would like to update you on some important events which have happened recently:

The Board has approved a preferential issue of Rs. 70,93,874 equity shares of the Company for INR 379.52 crores to eligible investors who have given expression of interest and whose documents were found compliant. The share issue is subject to the approval of members at the EOGM to be held on 14<sup>th</sup> August 2025, as well as the Stock Exchanges. You will recall that the Company had done an issuance of warrants of INR 600 crores to part-finance the 500 TPD expansion of INR 675 crores in February 2025, against which it has received applications for INR 417 crores. The project size and cost were later revised to 600 TPD and the CAPEX was increased to INR 950 crores. The additional issuance will be utilised for the CAPEX and other objects as per the object of the issue. The revised means of finance would include INR 650 crores from equity and internal accruals and INR 300 crores of debt.

The other important development relates to the filing of bankruptcy by the German step-down subsidiary of BRL on 4<sup>th</sup> July 2025 due to the absence of clear indications of demand recovery

in the near future in Europe, as well as possible liquidity issues. We had in the previous calls indicated that the furnace at GMB had to be cooled down due to the paucity of demand and depleted market conditions across the European Union. This was the aim to reduce losses. Since then, even despite our best expectations, there were no material improvements in the European markets which would allow GMB to resume the operations of its furnace. The Company and GMB approach concerned authorities to get some quick measures in place to support local industry. Unfortunately, nothing has been forthcoming, although policy-level announcements have been made in Europe in order to support domestic manufacturing.

However, these announcements have not yet materialised into any specific policy action. Moreover, any policy action, if and when announced, will take considerable time to show any results in terms of resumption of production of our customers as the closed solar module plants will take some time to restart. For the Company, this would mean that we would need to have heavy continued losses without much hope of substantial recovery. In the past few months, GMB also attempted to resume cold-end operations by sourcing annealed glass with an idea to provide tempered glass locally. However, this too could not work out for many different reasons. As such, the Company did not feel it prudent to continue funding the standing charges to the tune of INR 9 crores per month through its wholly owned subsidiary, Geosphere. For our Company, this filing of insolvency of the subsidiary would arrest recurring losses and permit reallocation of capital and managerial focus towards the India operations where we see a long-term potential and policy support.

I would like to further inform you that Geosphere Glassworks GmbH, a wholly-owned subsidiary of the Company, intimated that it is yet to receive the financial results of the said quarter from GMB, whose application for insolvency is currently in process in Germany, as previously disclosed via our letter dated July 5<sup>th</sup>, 2025. The affairs of GMB are now being managed by an administrator appointed by the Insolvency Court, who works as per prevailing German laws. Keeping in view that the administrator has been appointed recently, preparing financial results of GMB for the quarter ended 30<sup>th</sup> June 2025 is expected to take time as communicated by GMB. Until these results are received by Geosphere, it cannot consolidate GMB's financials into its own financial results and in turn would not be able to provide consolidated financial results to the Company. Due to uncertainty and reasons as explained above, the Company will be able to approve and submit its consolidated financial results for the quarter ended June 30<sup>th</sup>, 2025 at a later date. So, therefore, we are presently only discussing standalone results.

Coming now to the performance:

The Company achieved sales of INR 332.26 crores versus INR 327.23 crores in the trailing quarter and INR 241.82 crores in the same quarter last year. The Company registered an absolute EBITDA of INR 92.53 crores, which corresponds to an EBITDA of 27.8%. This shows a quantum leap of 211% from INR 29.71 crores in the corresponding quarter, whereas the EBITDA stood at INR 77.03 crores in the preceding quarter. Sales rose by 37% during this

period compared to the corresponding quarter last year and a major increase has come from the increase of selling prices as the average selling prices during the quarter increased to INR 138.1 per millimetre as compared to INR 105.5 per millimetre (INR 127.6 /mm in the preceding quarter). This has led to an improvement in margins.

The imposition of anti-dumping duty on imports of solar tempered glass from China and Vietnam in December 2024 has provided a great relief on the prices, which have now reverted back to where they were a few years ago. Exports amounted to INR 35.67 crores, accounting for 10.7% of the turnover, compared to INR 18.9 crores in the preceding quarter when exports made 5.8% of the turnover.

In view of the filing of insolvency by the step-down subsidiary GMB, it was considered necessary to estimate the value of net assets to ascertain whether and how much provision needs to be made against the exposure in GMB and Geosphere, although the outcome of insolvency proceedings will only be known after a few quarters. Accordingly, based on the valuation confirmed by a valuer, GMB is not likely to leave any surplus available for the Company after paying off the outside liabilities. Hence, a provision for the entire exposure of INR 325.91 crores in a German subsidiary has been made in the accounts as a one-time loss. However, this one-time provision will ensure that there is no continued drag on the consolidated results and performance, and that the ROCE and EPS will substantially improve.

The Company is confident to achieve good improvement both in sales and EBITDA numbers for the year, on the back of better performance of the Indian operations as its selling prices maintain an upward bias, in addition to cost-saving measures and the stoppage of the drag of losses from the German operations. Our work on the expansion project is in progress, and we expect the project to be commissioned by the third quarter of financial year '26-27.

The domestic demand continues to be robust. Manufacturing capacity for solar modules has already reached (+90) gigawatts and is expected to rise to 150 gigawatts by March 2027. The country has also seen its highest ever solar installation at 25 gigawatts (which means modules/glass consumption of about 35 GW) in 2024-25, , as against 15 gigawatts during the previous year, which corresponds to a 60% increase. We estimate the domestic demand to be about 50 gigawatts in the current year. Use of locally produced modules has risen sharply after the implementation of ALMM mechanism from April 2024, which is leading to increased demand for all components, including solar glass.

The present solar glass capacity in the country is 2,300 tons per day, that is 15 gigawatts. Another 12 gigawatts capacity is getting commissioned by the end of FY26. With the expected current demand of about 50 gigawatts for domestic installation, imports are occupying about 70% share of the consumption, leaving huge scope for capacity addition and import substitution. That is the area we are planning to play when our new project comes on stream. Therefore, we see good prospects for the Company over the next few years, looking at the growth in the sector, robust demand and stable selling prices of solar glass.

Just to round off the sectoral outlook, renewables are poised to transform the global power landscape by 2030. India is driving this revolution. According to the International Energy Agency, over 5,500 gigawatts of new renewable energy capacity shall be added worldwide by 2030, equivalent to the current power capacity of China, the EU, India, and the US combined. Solar PV will dominate this, accounting for 80% of global renewable capacity growth. This surge will come from both large-scale utility projects and rapidly rising rooftop installations. Therefore, we see the future of solar is very bright and India's place in the whole solar ecosystem as strong and with a very positive outlook.

So, with that, I thank you for your patience in listening to me. I would now like to open the floor to any questions that you may have.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Jayshree Bajaj from Trinetra Asset Managers. Please go ahead.

**Jayshree Bajaj:** Thanks for the opportunity. And my question is, the board has approved for the setting up of the new furnaces, adding 600 TPD with the current capacity. So, can you provide a more detailed project timeline and a specific milestone for this extension and especially regarding land acquisition and all?

**Shreevar Kheruka:** So, as far as the project is concerned, this is happening at the current location. It's a brownfield expansion and whatever land acquisition needed to happen has already happened. And therefore, there is no risk of that being a delaying factor. The project itself, as I already mentioned, is likely to be commissioned in the October to December quarter of 2026. At the moment, we do not see any reason for delaying beyond that. So, I hope that answers your question.

**Jayshree Bajaj:** Okay. And as you stated that the Germany plant will remain unfeasible in the longer term. So, what is the strategic vision for its European presence, particularly for the GMB plant?

**Shreevar Kheruka:** So, that plant has been declared insolvent or rather the Company has been declared insolvent. So, now there is an insolvency process, which is managed by a third party, which is an administrator under German law and frankly, they will follow their own process. And even though we are shareholders, we have a very limited say in this process, and it totally depends on what they do. And we are out of this whole equation. As far as our customers are concerned, we are still continuing to sell our customers in Europe from our Indian operations and that will continue.

**Jayshree Bajaj:** Okay, sir. And my last question is the standard EBITDA margin has improved for this quarter. So, is there any revised EBITDA margin for the FY26?

**Shreevar Kheruka:** I think there will be some. As I mentioned, the pricing will be improving somewhat. Every month there is a slight increase. So, on the margins, there will be somewhat a little bit better margin

than what we had in this quarter. But we are already at 28%. So, it's a reasonably good margin and maybe a couple of percent more we can expect.

**Jayshree Bajaj:** Okay, sir. Thank you.

**Moderator:** Thank you. The next question comes from the line of Swanand Mittal from MRM Please go ahead.

**Swanand Mittal:** Sir, thank you for the opportunity. I have three questions lined up. The first question being, in the last con-call, we had guided for approximately the prices of, the expected price being approximately Rs. 135 per mm. But we have exceeded it by touching Rs. 138 per mm. So, if you could give any colour that as for the industry in the coming financial year, are we expecting any further price increase, like as to in what range? And if there is any price increase, how will it impact EBITDA margin for the FY? And lastly, as a third question, basis the above EBITDA margins, can we guide that at least the cash flow conversion for that should be upwards of 75% to 80% on a quarterly basis?

**Shreevar Kheruka:** See, as far as pricing is concerned, it's the only an estimate. And there may be (+/- 5%) on the pricing, which may differ than whatever is projected. So, if we have guided Rs. 135 and come out at Rs. 138, then I do not think that there is a material difference there. And it depends on product mix. It depends on value addition sometimes that we do for our customers. So, there are many reasons. Broadly, yes, there may be somewhat an improvement in pricing. But I think it's not going to be dramatic. And therefore, any increase in pricing will definitely add to EBITDA margin that is clear and I have already guided on margins. So, I think that should take care of that question. And all of that EBITDA basically comes into cash conversion. I think 75%-80% is absolutely a fair number because....

**Swanand Mittal:** More than 90%.

**Shreevar Kheruka:** Yes.

**Swanand Mittal:** Okay. Thank you so much.

**Moderator:** Thank you. The next question comes from the line of Raman from Sequent Investments. Please go ahead.

**Raman:** What is the current average selling price? And how will this selling price improve post ADD imposed on Vietnam by India comes into place?

**Ashek Jain:** So, we already indicated the current average selling price which has been achieved during the quarter. And also indicated that couple of basis points, it can still go up in the coming quarters. And anti-dumping duties are valid for 5 years. So, we should see stable pricing.

- Raman:** Okay. And how much upside are you expecting post this, probably after a year of implementation?
- Ashok Jain:** So, duties are already implemented, and the prices are already up. So, the increase has already taken place in prices.
- Raman:** Okay, sir. My second question is, what is the domestic market size with respect to solar glass? And I also wanted to understand the unit economics. From the presentation, I think, can we say that 150 tons of solar glass is required per gigawatt?
- Ashok Jain:** Yes, your estimate is right. It is almost around that 150 tons per day from the perspective of gigawatt conversion.
- Raman:** And sir, what is the entire domestic market size of this solar glass manufacturing?
- Ashok Jain:** Market size was mentioned in the opening remarks to be around 50 gigawatts of module production, which is the market and India is currently supplying about 15 gigawatts from the domestic production of glass. So, the gap is about 35 gigawatts in terms of the availability of glass domestically.
- Raman:** Okay. Thank you, sir.
- Moderator:** Thank you. The next question comes from the line of Vivek Gupta, an investor. Please go ahead.
- Vivek Gupta:** Thanks for the opportunity. Congratulations for a good set of numbers. I have some basic questions. So, this GMB acquisition, which was done, it has proved to be a blunder. So, what precautions and what learning management has taken from this wrong acquisition? That is the first question.
- Ashok Jain:** You want to take the second question also or we reply to this?
- Vivek Gupta:** The second question is, so management has proposed for additional capacity of 600 tons per day. So, I was going through the presentation, and I understand that that capacity is to be on stream by December 2026. So, is that understanding that both the furnaces would be up in one go or we can expect some like 300 tons per day on stream before December 2026 also?
- Ashok Jain:** So, taking the second question, first, we are planning to start the two furnaces one by one which may have some gap of one or two months. But both the furnaces should be commissioned by end of December 2026. That is the target. And in the case of first question regarding GMB, when the decision is made, it is based on certain situations and certain parameters. When we started to look at this opportunity in 2022 beginning, the EBITDA and the turnover was very good for this Company. The brand and the quality was absolutely fantastic and we were all hoping that this acquisition will pave our way for our growth in the European and overseas markets. But things

have not always worked out as per your plans and designs. And that is what happened with us as well. In June '23, just immediately after 6 to 7 months of our takeover of the Company, the imported Chinese modules started to be dumped in European markets, almost 80 gigawatts of modules were dumped in couple of months' time over there, which destroyed the local manufacturing. Now, this is a very abnormal situation which we had to face. And with the result that the customers started to disappear. And the solar glass is made for the sizes and thicknesses and various parameters of the requirement by each customer. So, these are very tailor-made items. And unless you have a customer and a demand, it is not easy to produce and keep in stock. So, we were trying to tide over the situation by diverting our goods to other markets like Turkey, USA, and even to sell in European markets at a cheaper price. But finally, the demand was not up to the mark, and we were not able to sell beyond 50% of the production. In glass furnaces, if you keep operating at a lower percentage, it doesn't work out. So ultimately, we had to cool down the furnace in January '25. And finally, when the hopes of German policy intervention were dashed and there was nothing coming forward, then we had taken a call. So ultimately, you have to see that the management and the business is able to take call as per the necessity of the situation and move decisively in the direction in which the growth can be achieved and value addition for the stakeholders can be still ensured despite facing such rough times.

**Vivek Gupta:**

Okay, thank you.

**Moderator:**

Thank you. The next question comes from the line of Sunny from IAS. Please go ahead.

**Sunny:**

Sir, I have two questions. First one is on GMB side. Sir, can we use the GMB equipment to do our CAPEX in India?

**Ashok Jain:**

Yes, some of the equipment which are post-glass production equipment like processing lines are possible to use in India because they are doing the similar jobs. And these were purchased recently in 2023 only. So, it is quite possible to buy and start using here. But we have to do evaluation based on the alternate costing and alternate equipment available from other sources. So, yes, possibility is there to use, but we will have to eventually evaluate what is good for the Company in India to buy in terms of the next requirement. And if you have to buy the German equipment, it will be under insolvency proceedings now, which is quite uncertain as of now. So, we can't depend whether we can get some equipment from there and then budget it in our CAPEX plan.

**Sunny:**

Okay. And the next question is, can we see further EBITDA margin increase on a standalone basis?

**Ashok Jain:**

Yes, that was already said by our vice-chairman in the opening remarks that a couple of percentage points can still go up because there are continuous efforts to improve the efficiencies and also the price increase by a few basis points is still possible to get. So yes, EBITDA can still go up beyond this level slightly.

**Sunny:** Sir, any guidance for EBITDA margin?

**Ashok Jain:** We have not been giving any specific guidance, but this should be enough for you to understand how much it could be.

**Sunny:** Okay, sir. Thank you.

**Moderator:** Thank you. The next question comes from the line of Nidhi Saha from ICICI Securities. Please go ahead.

**Nidhi Saha:** Thank you so much for taking my question. So firstly, the depreciation with quarter-on- quarter basis is slightly low. Is there any reason on the standalone basis? Is there any reason why the depreciation?

**Ashok Jain:** Yes, so actually the initial furnace which we had set up long back in 2010, that is completely depreciated now. And no depreciation of that first unit has started to come in the accounts. So, which is why the depreciation has gone down, not for any other reasons.

**Nidhi Saha:** All right. And secondly, so you mentioned that you realized Rs.138 per square meter in the quarter. Now post the duties, what is the landed price of the Chinese glass in the market? Is it at similar levels or is it higher?

**Ashok Jain:** Well, landed price from China is close to Rs.145 per square meter and our prices are close to that number only.

**Nidhi Saha:** Thank you so much. Those were my question.

**Moderator:** Thank you. The next question comes from the line of Akshay Malhotra from HSBC. Please go ahead.

**Akshay Malhotra:** Thanks a lot for the opportunity. Congratulations on a good set of numbers. I had a couple of questions. Starting from the first one on the European subsidiary, I see that while you provided provision in the books of accounts. Wanted to understand what is the monthly cash burn with respect to this closure of the subsidiary? Secondly when do you expect this to close, and do we have any additional liability there in that subsidiary? That is the question.

**Ashok Jain:** This insolvency has been filed by the managing director of the unit over there and which is after the assessment of the cash flow situation, the order situation and business scenario of the Company. And under the provisions of German law, he is the person who is responsible to report to the court that if the liquidity is not available, then he should go and file for the insolvency. So, he has gone and done it because no more funding was available from the shareholders, and the business was not looking to start again in terms of the cash flow generation. So after having filed for the insolvency, the shareholders are actually not in control of the unit or Company, and

they are outsiders from the perspective of court proceedings. So, we do not have any control and since we do not have any control, we do not have any liability to incur further expenses on the Company. All the expenses are to be managed by the administrator who is appointed by the court. He will be taking necessary steps, and he will be submitting necessary plans to the court as to what can be done about the Company, whether a sale of the business is possible or sale of assets is possible or whatever steps he suggests, the court will be able to take after he submits his report. So, from the perspective of Borosil, there will not be any additional expenses or any additional losses on the account of German operations going forward. And there are no additional liabilities as such on us because what we feel is that or what we are told by our lawyers over there is that all the liabilities will fall to the Company and in the sense there are no outside creditors except for the employees who are largely paid up to the date but the severance pay has to be paid to them and a government grant which is outstanding in the books of Company which is to be settled if they claim. So, these are the major liabilities which needs to be settled under the insolvency proceedings now.

**Akshay Malhotra:** Very clear sir. Can you put a broad number to what these external liabilities could be, the two that you mentioned, the employees?

**Ashok Jain:** So based on whatever estimate we have, it could be close to INR 120-125 crores.

**Shreevar Kheruka:** But that is not something that we will be liable for.

**Ashok Jain:** This will not be coming on to Borosil because there are assets available in the Company and once the liquidator or the court decides to deal with the assets and realize money, they will settle those liabilities. In case they are able to realize less amount, then less amount will be paid to them. Liability will not travel to us.

**Akshay Malhotra:** Okay, got it. So secondly, I think you mentioned a couple of times about the EBITDA margin improvement on a couple of percentage points. Just wanted to understand similarly on what kind of movement on the raw material prices are you seeing and is there any more room to generate more efficiencies in the business?

**Ashok Jain:** So raw material prices for last few, one or two quarters are stable except for one item which has risen in the past but now it is under control, imported item. In terms of the other cost optimizations which we are attempting, we have done some work on the coatings and also, we have invested money into our own solar wind hybrid project which will give further savings. So, these two together should bring in about one 1.5% to 2% savings in the percentage terms of the EBITDA you can say.

**Akshay Malhotra:** Got it sir, very clear. Also are you evaluating more export opportunities from here in light of more tariffs on the Chinese there?

- Ashok Jain:** I think the major area which is becoming addressable right now is the USA market because some customers who were not willing to buy earlier because of the price reasons have started to place orders or send their inquiries. So that is where slight increase is possible but it's not material enough and the domestic prices are fairly decent now. So, there is no real urge to increase exports because the prices in exports in US markets could be as much as prevailing in India only and nothing better whereas European prices are little better compared to India.
- Akshay Malhotra:** Got it sir. And my last question is on the capacity addition front. If I understand correctly the initial plan earlier was to add about 1000 TPD capacity. Just wanted to understand, why you have lowered it down to 600 TPD and on the commissioning front as you have mentioned that December '26 is where these two furnaces will commission. But what is the time it will take to stabilize these fully?
- Ashok Jain:** Initially the project was approved for 1100 tons I think long back but after the anti-dumping duty was discontinued in August '22, we had to scale it down because the cash generation had reduced by that time and we then brought it to 500 tons project. Now when we scouted for the equipment and we started enquiry with the various suppliers and then we figured out that even 600 can be achieved in the similar equipment and similar furnace. Then we have gone ahead and increased the size to 600 tons per day because the market is available and when we did the revise estimate the figure came to INR 950 crores which included certain items of expenses which we had not budgeted earlier. So now it is 600 tons project at INR 950 crores. In terms of the commissioning, we have targeted December '26 which is what we want to maintain. If we can do it better, then we will see.
- Akshay Malhotra:** Okay, so just wanted to understand when we can fully stabilize these or do you think December '26 is the full stabilized time point?
- Ashok Jain:** So, December is the commissioning, stabilizing may take another one or two months. So that is how we may say by at least March we should have the stable commercial production.
- Akshay Malhotra:** Okay, great. Very clear sir. Thank you so much and good luck.
- Moderator:** Thank you. The next question comes from the line of Nikhil Gada from Abakkus AMC. Please go ahead.
- Nikhil Gada:** Thanks for the opportunity. So, my first question is with regards to our volumes. I understand that we are more or less maxing out our plant. What kind of volume growth do we envisage at least for FY26 and maybe first half of FY27 before post which our new plant will come?
- Ashok Jain:** In the current quarter we had about 6% volume growth compared to the corresponding quarter last year. And I think for the year as a whole we should be able to maintain 6% to 8% growth compared to last completed financial year. 6% to 8% is something what is possible in the current financial. Although we are trying for higher number but this much realistically, we can take.

- Nikhil Gada:** I am saying then post that first half FY27 we should expect volume to be flattish because we will not have enough capacity.
- Ashok Jain:** Well, we will keep on optimizing the process yields and certain equipment adjustments. But there will not be any material opportunity to increase the volume by a significant number. Maybe 2%-3%-4% at the most.
- Nikhil Gada:** Understood sir. Secondly how is the current import scenario? Are we still seeing a decent amount of imports of solar glass or we have seen a very sharp correction now?
- Ashok Jain:** The imports are quite high as we mentioned in the call initially. The imports are close to 70% of the domestic demand as of now. And since the domestic production is limited ultimately the demand has to be made by somebody else. So, it is the imports who are right now being offered in the market. But as the domestic production grows there should not be any difficulty in substituting with the domestic production this import. Also, the market itself is growing. So, there is a continuous increase in the demand as such.
- Nikhil Gada:** Got it sir. And just one last question. Just on the depreciation front you sort of explained why the cost was lower. But should we expect this run rate to continue for the coming quarters for depreciation?
- Ashok Jain:** Yes, of course, that should continue because that effect of one plant having been fully depreciated is already set in. And the next impact will only come after a few years. So, this is pretty much you can expect this number.
- Nikhil Gada:** Got it sir. And just one last question. Is there any export mix that we have in mind considering that we are seeing better prices in the European market?
- Ashok Jain:** See it is more opportunistic play as of now. Although strategically we want to be there in the export market to some extent. So, 10%-15% is something what we would always like to do. And currently we should expect between this range only 10%-15% only. Because the domestic demand is so strong that we have to face the customers every day that they are after us for material. And we can't just keep on diverting for exports and refusing the orders here.
- Nikhil Gada:** And the working capital cycle is similar to what we see in the export market as domestic market?
- Ashok Jain:** Well, it's about 60 days credit is there generally. So, in domestic you may get little earlier, maybe 35-40 days as domestic people are flush with funds you may say because of the very high profitability in the module business right now. So many of them may make advance payments or they may put against cash discount like that, which is not the case in export markets.
- Nikhil Gada:** Very clear, sir. Thank you so much for answering all my questions and all the best.

**Ashok Jain:** Thank you.

**Moderator:** The next question comes from the line of Arvind Kothari from Niveshaay. Please go ahead.

**Arvind Kothari:** Thanks for the opportunity, sir. My only question was that the scale down that we did of the CAPEX, given the situation that we are seeing that all the module players are flush with funds, and they are all increasing capacity. Wouldn't it warrant that now we go ahead for one more CAPEX at least of 500-600 tons or you would take maybe two, three quarters to figure that out?

**Shreevar Kheruka:** Yes, I think we will figure that out. We are also evaluating it. Maybe in the next one or two quarters we will have an answer for you.

**Arvind Kothari:** But the evaluation would be based on the internal accruals that we are currently maybe or there will be a debt to equity mix that we have.

**Shreevar Kheruka:** I think there will be some debt, but I do not think there will be any further equity raise. Debt and internal accruals.

**Arvind Kothari:** Got it. And sorry, I missed the first half. Why was there a 6% decline in the volume this quarter?

**Ashok Jain:** No. There is an increase of 6%, I said, not decline.

**Arvind Kothari:** Okay. This quarter, but it was not at optimum capacity, right?

**Ashok Jain:** This quarter increase is to the corresponding quarter, but from the trailing quarter, the volume has declined slightly. That is because we have gone to produce some value-added products, which are specific requirements in the European market, like green houses, and some very specific demand of the BIPV sector and all, where yield is low. Although we can run the furnaces to the full, the net production is low, but that is more than offset by the higher prices. So, as you will see that the average prices have gone up substantially, although the volume slightly declined. So, all in all, we have got higher EBITDA compared to even the last quarter. Also suggests that the lower volumes were not very much responsible in terms of any decline in the profitability or something like that. Volumes were low because of choice, not because of any other reason from the market like decline or any other demand problem or anything like that.

**Arvind Kothari:** Perfect. Got it, sir. In case if we go for another CAPEX, are the numbers going to be similar or we will be having some advantages in terms of maybe the CAPEX being slightly lower this time for the furnaces because of the equipment that will be at spare capacity, or no?

**Ashok Jain:** We do not foresee any further advantage in terms of the CAPEX now because the entire brownfield advantage is broadly covered now, except for the location part of it and the administrative part of it, which will still be some economics of scale because of the location if

we decide to do it on the same location. Otherwise, from the CAPEX point of view, there will not be any.

**Arvind Kothari:** Perfect. Thank you so much and all the best.

**Moderator:** Thank you. The next question comes from the line of Kaushal Sharma from Equinox Capital Venture Private Limited. Please go ahead.

**Kaushal Sharma:** Very good evening. Can you please tell me that we are currently having 1,000 TPD as of now. So, what kind of capacity utilization level?

**Ashok Jain:** We operate close to 95% of the furnace capacity and in some quarters, it could be slightly here and there, but on an average, 95% is there.

**Kaushal Sharma:** Okay. And, sir, as you said that we can see the better margin going forward. So, can we assume, fair enough to assume that we will get around 30% to 32% on sustainable basis for the next year because of the current development that is going on, like ADD and BCD.

**Ashok Jain:** I think we have given enough indication. So, you may say how much it should be, but couple of percentage, if you add to 28, it would come to 30 only.

**Kaushal Sharma:** Okay. So, 28% to 30% is the sustainable margin, right?

**Ashok Jain:** Yes.

**Kaushal Sharma:** Thank you for answering the questions.

**Moderator:** Thank you. The next question comes from the line of Manik Bansal from Master Capital Services Limited. Please go ahead.

**Manik Bansal:** Hi, sir. So, congratulations for a good set of numbers. So, my first question is, how much capacity can be attributed to 3 mm or 2 mm glass based on the current capacity of 1,000 tons per day or incremental CAPEX of 600 tons per day, if you can number that?

**Ashok Jain:** So, the market has been moving very swiftly to 2 mm glass. In India also now major consumption is 2 mm glass. So, of course, the production of 2 mm glass has to go up eventually. As of now, we are close to 55% in 2 mm glass and 45% in 3.2 mm glass. But in the longer term, I think we should be about 80% in 2 mm and 20% in 3.2 mm. As the demand will move, we will keep adjusting our ratio because the equipment is capable of producing alternatively 3.2 or 2 mm. So, based on the demand market requirement, we will have to keep changing our production thicknesses.

**Manik Bansal:** Okay. So, incremental CAPEX of 600 is coming at 2 mm, right?

- Ashok Jain:** Yes. This Rs. 950 crore which is being spent will be completely capable of converting entire glass into 2 mm with full capacity available for grid printing, back glass and drilling of the back glass. So, this is for 2 mm generally.
- Manik Bansal:** Okay. So, as you said, they are correspondingly can be used for 3 mm and 2 mm, the production line, right? So, how is it possible and what is the CAPEX required? And whether the same is priced in incremental CAPEX that we have announced and within what time it will be converted?
- Ashok Jain:** See, if you have to produce only 3.2 mm glass and you do not have to have the equipment which are additionally required, the CAPEX would be lower to that extent. In this project course, you might say almost INR 75 crores might be included because of 2 mm requirement. So, barring that, there will not be much difference.
- Manik Bansal:** Okay. So, the existing capacity of 1000 tons per day can be fully converted to 2 mm on INR 75 Cr of CAPEX, right? This is what you meant?
- Ashok Jain:** Yes. Of course, the entire design, entire CAPEX is planned to give a product like 2 mm, all the furnace parameters, everything is to be achieved basis that. And then the additional processing lines will be only about this grinding line and all.
- Manik Bansal:** Okay. So, my last question is on quality. So, I did some research like the XYZ solar glass quality is currently the highest or you can say the benchmark. So, what are the specific steps Borosil is taking to match or exceed that product quality?
- Ashok Jain:** So, product quality is roughly about the same only for all the large companies including Borosil. And customers are happy to use any products alternatively. In fact, the availability of glass from domestic source is a major advantage for the local consumers because if the quality is same and glass is available locally, it becomes all the more reason for them to source it locally. So, we have an advantage in terms of offering the glass to our customers in India. And even the grid printing or 2 mm glass or any value addition which are required are also available from Borosil. So, it's absolutely matching the quality.
- Manik Bansal:** Okay. So, just to follow up on this, do Waaree source glass from Borosil?
- Ashok Jain:** So, Waaree is a very big Company now and their requirement is quite huge. And we have a limited capacity, and we need to cater to almost 75-80 customers. So, to provide a reasonable, decent quantity of glass to Waaree is difficult now. In the past, we have been supplying significant volume to them. They were one of the top 3 buyers for us for many years. But now we are occasionally supplying and very marginal quantities to them because it's always difficult for them to keep changing the BOM item on one single running line. If you have to get highest efficiency from the module production line, you have to maintain the same parameters, same BOM which becomes easy for the operators and plant people to get better efficiency because now module business is on very thin wastages. So, they do not want to lose in the wastages and

keep very tight control on the operating expenses. So, they do not want to lose on the changes and other things. So, it is difficult for us to provide a significant volume to Waaree. That is why our supplies are very limited to them.

**Manik Bansal:** Okay. Thank you, sir.

**Moderator:** Thank you. The next question comes from the line of Jagmohan, an investor. Please go ahead.

**Jagmohan:** First of all, thanks for providing the opportunity. My first question is, what is the current capacity utilization on a tonnage basis and is there any scope of growth on the current capacity or do we need to wait for the upcoming CAPEX for volume growth?

**Ashok Jain:** This question has been answered earlier also. We are operating at 95% and this financial year we are expecting 6% to 8% increase in the numbers, quantity and the next set of increase will come after the expansion.

**Jagmohan:** Okay. And sir, what is the current manufacturing capacity in India on TPD basis and what is the expected capacity to come on and by what time?

**Ashok Jain:** So, 2,300 tons is the current capacity of domestic players currently. Another 2,000 tons should be operational in next 8 months' time or by March, April '26 and thereafter about 1,800 tons will come by December '26. So, this is the current visibility of the capacities. In addition, other players like Avaada and many have also announced their plan to set up glass manufacturing, but their exact details are not available right now. These plants might come up in 2027.

**Jagmohan:** Okay, sir. Thanks for answering the question, sir. That is all from me, sir.

**Moderator:** Thank you. The next question comes from the line of Deepak from Svan Investment. Please go ahead.

**Deepak:** Yes. Hi. Good evening, sir and congratulations for good set of numbers. My question is related to the realization. Just trying to get the sense. If I am looking into the solar industry as a whole, on the module and cell front, there is a differentiation between DCR and non-DCR market where the realization are completely different for the different market. So, in terms of the solar glass market, how we are placed in terms of the local and whether the pricing for the domestic manufacturer for the DCR market for the glass also are the same or is there any difference between DCR and non-DCR market? And is there any further scope beyond 148 square meter kind of realization which we are looking at?

**Ashok Jain:** So, for glass, there is no such market like DCR related market or non-DCR related market, unlike solar cells or solar modules. So, that is one question. In terms of the realization, we already have given you the indication that imported landed cost is about Rs. 145 and we are close to that

number only. So, this is what we should take into consideration for our understanding and projections.

**Jagmohan:** And sir, in terms of the broader demand and supply situation, it looks like broadly the supply is little constrained than the demand we have. So, would it be further possible that realization to improve from here beyond what we used to see earlier the Chinese player used to dump or what is the reference price which has been set now? Is there be further scope to improve from there?

**Ashok Jain:** I think we already said many times this regarding the pricing. So, we will like to maintain our pricing close to the landed cost of imports because that is what customer is willing to pay. And based on the situation, we might have some higher price from some customers. But on an average, the landed cost should be the criteria for you to take into account what realization Company can get, or any domestic glass producer can get.

**Jagmohan:** Sure. Thank you. Thank you and wish you all the best.

**Moderator:** Thank you. The next question comes from the line of Aashish from InvesQ PMS. Please go ahead.

**Aashish:** Most of the questions have been answered. Sir, the only one thing I wanted to understand is given the situation on the tightness of demand supply, is there a possibility for us to squeeze the working capital further given customers are ready to give advances and all that you said? So, do you see that happening?

**Ashok Jain:** Yes. So, we are attempting to do that already in terms of squeezing the working capital cycle and trying to tighten on the debtors as well as on the other current assets. And also, in terms of the credit also, we are trying to expand our credit period. So, we will squeeze the average credit number of days as we go along in this financial year.

**Aashish:** Okay. And regarding the previous question on the realizations. So, will it be safe to assume that maybe 5%-7% of increase in realization is still possible from what we reported in this quarter, I think 138 you mentioned. So, for FY26, is it a fair assumption to take that way or it's not worth taking a bet that way?

**Shreevar Kheruka:** So, we obviously want to improve our realization but not to the very...

**Aashish:** You said 145 is the import landed price.

**Ashok Jain:** That is the landed price. When we are saying 138 price, that is ex-factory price and to that we have to add average freight. So, delivered price for us is about 144-145 only, which is same as the landed cost of Chinese glass.

**Aashish:** Okay. Sure. Thank you so much.

- Moderator:** Thank you. The next question comes from the line of Rikin from Boring AMC. Please go ahead.
- Rikin:** Hi, sir. Congratulations on a good set of numbers. So, I just wanted to check in terms of GMB and the insolvency proceeding, is there any scope of recovering anything because we have taken the write-off for exposure, but can we recover anything?
- Ashok Jain:** So, we have conducted a valuation report. First of all, we did internal assessment. We also got it checked with the GMB management who are people in the driving seat over there. And then we also had appointed a valuer who is doing this exercise over there for many customers. So, he has also submitted his report. As per him, the sales value of the assets which GMB possesses is slightly lower than what liabilities it may be required to meet in terms of insolvency proceedings. So, current indications are that nothing is recoverable from the perspective of Borosil. Now, in case something better happens like the sale of business or any significant amount they receive because somebody is willing to pay and the amount is exceeding the liabilities, in that event, we will stand to receive something. But that chance is quite minimal as far as we can see right now, which is the reason why we have provided for the entire amount. Should there be any receipt, we will account for the receipt and report it back to the shareholders.
- Rikin:** Alright, sir. And we have had Mr. Ayub's resignation in a very short period of time. So, are we looking to hire and fill that position quickly?
- Shreevar Kheruka :** Yes. So, it was unfortunate that he had to leave in a short time, but we will be having some person in that position.
- Rikin:** Alright. That is it from my end. Thank you, sir.
- Moderator :** Thank you. Ladies and gentlemen, we will take this as the last question for today. I would now like to hand the conference over to the management for closing comments.
- Shreevar Kheruka:** Thank you for a very involved audience with lots of questions. Really appreciate it. I hope we have been able to represent our Company and the current situation as accurately as possible, and we look forward to interacting with you in the next quarter. Thank you.
- Moderator:** Thank you. On behalf of Axis Capital Limited, that concludes this conference. Thank you all for joining us and you may now disconnect your lines.