

February 10, 2024

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

Dear Sirs,

Subject: Transcript of Institutional Investors and Analysts Conference Call

We enclose transcript of conference call with Institutional Investors and Analysts which was held on February 08, 2024.

You are requested to take the same on record.

Yours faithfully,

For Borosil Renewables Limited

KISHOR HARISH TALREJA
TALREJA

Digitally signed by
KISHOR HARISH TALREJA
Date: 2024.02.10 18:58:47
+05'30'

Kishor Talreja
Company Secretary and Compliance Officer
Membership no. FCS 7064

Encl: as above**Works:**

Ankeshwar-Rajpipla Road,
Village Govali, Tal. Jhagadia,
Dist. Bharuch- 393001,
(Gujarat), India
T : +91 2645-258100
F : +91 2645-258235
E : brl@borosil.com





“Borosil Renewables Limited Q3 & 9M FY24 Earnings
Conference Call”

February 08, 2024



MANAGEMENT: **MR. PRADEEP K. KHERUKA – EXECUTIVE CHAIRMAN**
MR. ASHOK JAIN – WHOLE-TIME DIRECTOR
MR. SUNIL K. ROONGTA – CHIEF FINANCIAL OFFICER
MR. SWAPNIL WALUNJ – HEAD (MARKETING)

MODERATOR: **MR. JITEN RUSHI – AXIS CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Borosil Renewables Q3 FY24 Earnings Conference Call hosted by Axis Capital Limited.

As a reminder, all participants' lines 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 the conference call, please signal an operator by pressing "*" then "0" on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Jiten Rushi from Axis Capital. Over to you, sir.

Jiten Rushi: Good evening everyone. On behalf of Axis Capital, I am pleased to welcome you all for the Q3 and 9 months FY24 Earnings Conference Call of Borosil Renewables Limited.

We have with us the management team represented by Mr. P. K. Kheruka – Executive Chairman, Mr. Ashok Jain – Whole-time Director, Mr. Sunil Roongta – Chief Financial Officer, and Mr. Swapnil Walunj – Head, Marketing.

We will begin with the opening remarks from the Management followed by an interactive Q&A session. Over to you, sir.

P. K. Kheruka: Good afternoon and welcome to the Borosil Renewables Q3 Financial Year '24 Investor Call.

The board of Borosil Renewables on 7th February approved the Company's Financial Results for the 3rd Quarter of the current Financial Year. Our "Results and an Updated Presentation" have been sent to the stock exchanges and have also been uploaded on the company's website. We will discuss the operations of Borosil Renewables on a standalone basis as well as on consolidated business.

During the 3rd Quarter of the current Financial Year, the company recorded a standalone net revenue from operations of Rs. 240.7 crores, representing an increase of 94% on a quantitative basis as a result of commissioning of a 550 tonnes per day new plant SG3 from 23rd February 2023. Sadly, the dampening effect of a reduced sales price restricted the revenue increase to just 49%. Export sales during the 3rd Quarter of this financial year were Rs. 19.1 crores, comprising 8% of the turnover and also registering a decrease of 67% over the same quarter last year. Average ex-factory selling prices during the quarter were about Rs. 102.40 per millimeter as compared to Rs. 134.30 per millimeter in the corresponding quarter in the previous financial year, a sharp decline of 23.8% thereby causing a steep erosion in the margins.

The domestic selling prices continued to remain low after discontinuation of anti-dumping duty against China in August 2022 as a result of dumping from China, Vietnam, and Malaysia despite a rise in the input prices. On a sequential basis, the average selling prices during the quarter showed a decline of 7% over the preceding quarter, as the dumping continued unabated and intensified, taking its toll on a declined export share.

EBITDA during the current quarter was Rs. 22.7 crores corresponding to a margin of 9.4% which was a steep decline as compared to an EBITDA margin of 26.7% in the same period last year when the EBITDA amount was Rs. 43.1 crores, reflecting the impact of a 23.8% decline in the average selling prices. As a consequence of dumping of solar glass and absence of a level playing field against imports, the company recorded a loss before tax of Rs. 15.4 crores, as against the profit before tax of Rs. 30.1 crores in the same quarter last year. The decline in profitability was due to lower EBITDA and a higher interest/depreciation as a result of capacity expansion in February 2023.

For the 9 months ended December 2023, the company clocked a revenue of Rs. 758.6 crores, a growth of 52% over the similar period in the previous year. The company earned an EBITDA of Rs. 105.8 crores, a margin of 13.9%. However, at the net level, the company recorded a loss before tax of Rs. 3.8 crores due to lower margins and higher interest/depreciation cost. The exemption from payment of import duty of solar glass, which was sent to end on 31st of March 2024, has been extended till 30th of September 2024. This has left the industry bewildered and disappointed. The solar glass imports continue to remain completely exempt from payment of any sort of import duty post discontinuation of anti-dumping duty against China in August 2022.

The application requesting imposition of anti-dumping duty on dumped imports from China and Vietnam has been filed with the authorities. This will be taken up in due course, and they may take at least 6 months to get any final decision from the authorities. In the meantime, the local industry will be forced to continue facing unrealistically low import prices. While the ALMM mechanism remained suspended, keeping the door open for unrestrained imports of solar modules leading to a decline of 60% in prices of solar modules. No significant jump in solar installations has been seen thus far. The solar installations in the current financial year for the 9 months were merely 6.5 gigawatt against 9.3 gigawatt achieved during the same period last year when we had achieved 12.6 gigawatt for the full year 2023. The overall demand for solar glass, albeit at a reduced price, remains much larger than domestic production so far. With increased domestic availability of solar glass from new plants, this will go to meet the demand. It is essential to bring back the ALMM mechanism from 1st of April 2024 in order to have a continued robust demand for solar glass.

The Government has announced setting up of rooftop solar over 1 crore houses in the next 1 year under Suryoday Yojana with a promise to provide free electricity up to 300 units to the household and a provision to sell the surplus power to the grid. This will give much required fillip to the rooftop solar program and generate demand for solar modules. It is expected that this policy will specify the use of domestically manufactured modules, but there is no clarity as yet. This would generate demand for solar glass.

I will now discuss about our German operations:

The solar glass manufacturing furnace in Germany was operating during the second quarter of the current financial year at almost 85% and the operational performance had started to improve. However, the European solar module manufacturing started to suffer a serious setback as unbridled imports of Chinese solar modules in Europe at dumped prices by the end of the second quarter of this financial year. It has severely impacted the ability of local producers to achieve sales as mentioned by me in the previous earnings call. Now, during the current quarter, all the major players have severely curtailed their operations and canceled their orders on GMB for the 3rd Quarter and the 4th quarter of the current year. Also, they are unable to confirm any orders for the next year in view of the uncertain situation.

The solar panel industry in Germany has sought immediate intervention from the European Commission and German Government, as it is expected that some concrete measures to safeguard their local production. It will be announced by the end of February. If sufficient measures are not announced, there is a possibility of large manufacturers discontinuing their operations from 1st of April in case there is no support coming from the Government. In the meantime, the plant at GMB is operating only about 55% to 60% production in view of lower demand in Europe. Certain cost optimization steps have been taken to contain the negative impact of lower capacity utilization and lower sales realization.

Now, I will come to the consolidated results for the Quarter, which include the operations of the subsidiaries abroad:

The overseas subsidiaries including those step-down subsidiaries have generated net revenue of Rs. 89.4 crores and EBITDA of Rs. 1.4 crores. And the consolidated net revenue and EBITDA for the current quarter stand at Rs. 330 crores and Rs. 24.1 crores respectively. We continue to maintain a positive outlook on this sector in view of expected growth in the domestic manufacturing in India. The new large capacity's expansion has started to come into production, and more are expected in the next 2 years, which will further increase the demand for solar glass. However, sustenance and growth of solar glass manufacturing in India will depend largely upon the levy of duties on imports of solar glass.

The position in other important markets was as under. In Turkey, the market continues to show weak demand as the economy faces increased challenges arising from continued high inflation and very high interest rates. The customer is now operating at a significantly lower level. Demand in the US is yet to pick up. We expect a greater demand from the USA towards the end of 2024, as the local production of modules starts to pick up. In view of low demand from Europe and Turkey which are our major overseas markets, our exports from India have suffered serious decline.

We will increase our sales in the domestic market, which unfortunately is at very low prices in view of continued Chinese dumping. This is affecting our average sales realization. We are constantly trying to improve performance by increasing productivity and controlling costs. Over

the next few months, we expect to take further steps on setting up an additional solar plus wind hybrid power plant which is expected to further cut costs and allow us to use a major portion of the power by captive sources of renewable energy.

In order to strengthen its balance sheet and financials, the company has decided to raise funds up to Rs. 500 crores. The board has approved raising of funds through the issuance of instruments or security including equity shares or any other security convertible into equity shares including warrants, paragraph 1 or more offerings including a rights issue and/or preferential issue and/or QIP or through a combination thereof in 1 or more tranches for an amount not exceeding Rs. 500 crores. In accordance with the regulations and subject to necessary approvals, including the approval of the members of the company and such other regulatory and statutory approvals as may be required. The Board also approved the constitution of a Committee of the Board of Directors of the company for dealing with all matters pertaining to the proposed fund-raising. The funds will be utilized for reduction of debt of both the company as well as its subsidiaries and general corporate purposes.

With that, I would now like to open the floor for questions that you may have.

Moderator: We will now begin the question & answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Nikhil Abhyankar from ICICI Securities. Please go ahead.

Nikhil Abhyankar: My first question was regarding the delay in removing the BCD exemption. What exactly can be the reason for it? Is it that it was just a Vote on Account and not a full-fledged budget that it did not get removed? Can you throw some color on that? And how confident are we that it will be brought back again after September 2024?

Ashok Jain: We really do not have any communication about why it has not been levied or the exemption has been extended. But we should understand that this was Vote on Account and not the full budget. And all the exemptions which were supposed to have a sunset have been extended. It is not the single case where the solar glass basic custom duty has not been introduced. But it is for all the products which were to have sunset. So, we expect that some decision may be taken by the Government in due course at the time of presentation of the final budget or maybe closer to the end of September when this deadline ends.

Nikhil Abhyankar: Sir, regarding the fund-raise of Rs. 500 crores, what exactly is the purpose? Will it just be for debt reduction? Because we have already put on hold our expansion plans. Are we thinking of expanding again, bringing that plan back to work?

Ashok Jain: No, as of now, the purpose is clearly identified as the reduction of debt because the company has taken debt for its own expansion in India as well as abroad for our subsidiary. So, the idea is to reduce the debt levels.

Nikhil Abhyankar: Sir, one of the large IPP players who had won PLI under solar manufacturing recently announced that they might not go ahead with their plans due to the low module prices. How do you see this trend? Is it like there are many players who are thinking something like this? Or can you just throw some light on that?

Ashok Jain: Other people have generally gone for expansion and the large players like ReNew Power and others have gone for expansion. Reliance is probably going for a large plant and Adani also has gone for expansion. So, we believe that most players are going ahead with their expansions. But yet some people might feel that there is some challenge in the margins, or the margins are not right because of the low prices of modules, and they may decide as per their own understanding whether to go for expansion or not. But whatever expansion that is taking place, they are quite sufficient in terms of the demand for solar glass production in the country.

Moderator: The next question is from the line of Sharan Nandikur, an individual investor. Please go ahead.

Sharan Nandikur: Sir, in the last call, you mentioned that even you were exploring the expansion or any acquisition plans in the US or any other region apart from India and Germany, and also the US Government is planning to put on restrictions on Chinese imports. Are you still exploring that opportunity in the US?

Ashok Jain: No, I do not think at this juncture, when the profitability of Indian operations is not very robust and also because things are not very clear as regards with manufacturing in the USA, we will rather depend on exporting from India instead of setting up any facility there.

Sharan Nandikur: And regarding the recent announcement of Suryoday scheme, any update on that like is it only all the components must be used in that scheme, which are manufactured in India, or it can be imported as well from China?

Ashok Jain: While we are still seeking that clarity, but generally wherever there is a subsidy involved from the Government, the Government wants the component or the modules to be used for production from India like, say KUSUM scheme which is for farmers, the modules have to be used from Indian production. Similarly, this is another scheme where it is a subsidized program. So, we believe that it is likely to be a local production of modules. And once the local production of modules takes place, we will have glass demand for that. But this is yet to be clarified.

Sharan Nandikur: If you say module, that includes the glass as well, right?

Ashok Jain: No, for glass, there is no mandate for the use of local glass production, but it is only at the module level or at the most at the solar cell level. But other components could be locally sourced or imported depending on the pricing or availability and all factors. But yes, there will be demand. The demand will get generated if the modules have to be made in India.

- Sharan Nandikur:** Any plans on increasing the margin and improving the profitability in a couple of quarters till the anti-dumping duties applied in September month?
- Ashok Jain:** We are working on whatever cost optimization and production efficiency improvements can take place in the company. But besides that, there are no major significant drivers for increasing any margins in the short term up to September by which time the BCD or anti-dumping duty should get a certain view. Whether it happens or doesn't happen will be a process, but the chances are that we will know by September that whether anti-dumping duty can happen or not.
- Sharan Nandikur:** Even Suryoday scheme will not help much until they put the anti-dumping duty or BCD?
- Ashok Jain:** On the demand front, it will increase the demand if the modules are to be made in India. But on the pricing front, it doesn't impact much because....
- P. K. Kheruka:** Unless the Government decides to include glass in the domestic content requirement under the scheme.
- Sharan Nandikur:** Are you pushing for that or are you just waiting for the Government to decide on that part for the inclusion of solar glass also in the scheme?
- P. K. Kheruka:** Yes, we are definitely pushing for it.
- Sharan Nandikur:** A request to you, whenever you have that update on whether the glass will be included in the scheme or not, please make an announcement in the BSE.
- P. K. Kheruka:** Certainly.
- Moderator:** The next question is from the line of Kushagra from Old Bridge Asset Management. Please go ahead.
- Kushagra Bhattar:** Just two questions. From a policy perspective if I have to understand, are there any positives if you have to put your case to the Government because all the incentives and duties are there on solar modules and nothing on the solar glass which goes as one of the parts in the solar module? The lower the cost of solar glass would probably help solar module manufacturers. In your case, it's basically your customers as well as Government subsidies and policies, all looking in favor of no duties on solar glass. In that sort of a scenario, how would you deal? Are there any positives to put or to turn the Government towards introducing some sort of a duty on Chinese imports or Chinese dumping?
- Ashok Jain:** One is the anti-dumping mechanism which is basically a relief or remedy available under the law, where the dumping is restricted by way of putting anti-dumping duties. Here, the question of whether the solar modules will become costlier or does not become costlier is not arising because it is a level playing field provided under the international laws. Another case is regarding

the basic customs duty. Now, when our customers import glass into India, there is no duty whereas if we export glass to China, there is a 21% duty. So, the Chinese have increased their production capabilities and capacities by imposing restrictions, whereas in case of India, we are staying away from it. Now, unless we create a certain situation in which the glass industry can become economically prosperous and create the capacity, which is world-class in that sense, their costs will not get optimized. It is a chicken and egg situation that you don't impose duties and ask the industry to come up. That's not going to happen because unless there is a sufficient return on equity or return on investment, nobody will put the money. And creating a supply chain locally is of utmost importance in this sector because it is the energy sector. And anything which China does to reverse their export to India or change in their policies it can put into jeopardy the entire solarization program of the country. So, the Government has to take a stand that to create a local capacity in solar glass which is a very important part of the solar value chain, there may be some pain in the cost, and the pain is not very high because the solar glass in solar module is a very small percentage and the cost of increase in power price by levying certain duty on solar glass is hardly 1 or 2 paisa in a power cost of Rs. 2.50 or Rs. 2.60, which the bidders are bidding. This is a call which the Government will have to take whether it is possible to absorb or not possible to absorb and whether the duty should be levied on solar glass or not. But we are continuously pursuing it with the Government, and we had positive indications that BCD exemption will be withdrawn not from one but both the ministries which are concerned to the manufacturing as well as power sector. But somehow this exemption has been extended for all the products for the next 6 months. We will have to see whether by September, we are able to get this BCD or not.

Kushagra Bhattar:

The second question is on domestic capacities. If I remember, Reliance is putting some capacity and then there are 3-4 other players as well. If you can give some context to the quantum of the capacities and are there any additions in the number of players or reductions in the number of players considering the current environment?

P. K. Kheruka:

We already have 5 players in action today. And the 6th one is on the cards. In another 4 or 5 months, he will come into production. As against the 1,000 tonnes per day that Borosil is doing, we have about 1,300 tonnes already extra and another 300 tonnes coming up. So, altogether, India will have a capacity of 2,600 tonnes which will be nearly balancing the quantum of modules that are expected to be made in India. Now there is no capacity constraint, and we have a large enough industry with 5 to 6 players. Reliance will be on top of that. If Reliance comes up, there is another 2,000 tonnes per day we believe that they are going to do. That will mean a lot of glass in the country. And the Government, I think, would not really want to shut their eyes to this situation.

Moderator:

The next question is from the line of Jalaj from Svan Investment. Please go ahead.

Jalaj Manocha:

I had my first question with regard to exports to the US markets. What I understand is that there are a lot of Indian players right now – at least the module manufacturers – are exporting to the

US market. Why are we not present there? Is it because the Chinese players there have the anti-dumping on the module part and it's not on the glasses? And what sort of glasses are those guys otherwise using?

Ashok Jain: Indian exports are, yes, going to the USA because the prices in the USA are much better compared to other parts of the world, and the Chinese are facing a problem there because they are using the equipment or the components from restricted areas. So, for them, it is becoming difficult to prove that they are not using those items. And a lot of times, the goods are held at customs and all. So, there is a preference given to the modules coming from India. In terms of the duty structure on the glass and all, there is, I think, about 5% duty on the exports from India. But in the case of the Chinese, there is anti-dumping duty in the USA, which is currently on hold. They have suspended the anti-dumping duty in the USA. But all said and done, the manufacturing activity in the USA is low – module manufacturing activity. They are depending on imports from say Chinese or South Asian countries as well as India currently. Under the IRA program which they have come out with, a lot of manufacturing activities are supposed to start in this calendar year, which will increase the local demand for glass. And we are looking at that market. We are already supplying to a few customers but very small quantities. And in future, we expect that to be a bigger market for us.

Jalaj Manocha: Just a follow-up on that. Do we have a better realization in the glass which has been sold in the US versus in India?

Ashok Jain: The USA also is a very competitive market, but the realization is better than India. It is, however, less than the European or other markets. But the market will become attractive once manufacturing starts. Currently, there is no meaningful export from India of glass.

Jalaj Manocha: And one last question. The modules which have been imported from China to the US have anti-dumping duty as of now or there is nothing on them also?

Ashok Jain: Currently, there is nothing on them.

P. K. Kheruka: The restriction relates to the origin of any item from the Xinjiang province. Currently, the importer has to prove that the entire module, nothing is coming from Xinjiang province. They have declared that Xinjiang province is using slave labor. Therefore, they are not permitting any product which might have had its origin in Xinjiang province from entering the USA. Even if it is a small part of the whole module, it will be seized, and there have a lot of modules which have been seized by the US customs and lying in the customs warehouses.

Jalaj Manocha: With regard to the capacity for the glasses, if I were to compare it domestically, you covered it well that Reliance and other peers are coming up, but worldwide if we were to check the capacity, what is the situation right now vis-a-vis the supply and demand and considering both China and the US also and Europe?

Ashok Jain: In the USA, there is no solar glass production as of now. In Europe, we are the only ones who are producing. And in India, now we have 5 players and the 6th one will be coming. So, besides the Chinese domain, these are the only players who are producing solar glass. The Chinese are controlling almost 97% of the world's solar glass production between say China, Vietnam, and Malaysia. They have some plants in Vietnam and Malaysia and that's all-Chinese plants. So, most glass production is controlled by the Chinese.

Moderator: The next question is from the line of Sanskriti Mishra, an individual investor. Please go ahead.

Sanskriti Mishra: Sir, my question was that currently what is the market size of solar glass in India and how much is it expected to grow by FY28 and what could be the reasons for the same?

Ashok Jain: From the data available, what we see is that the total demand for solar glass in India is at about 2,500 tonnes per day to 2,600 tonnes per day of net glass. And this we expect to double in the next 3 years' time. This will be led by higher module manufacturing activity which is continuously increasing because a lot of module plants are coming and India needs to install, say almost 25 gigawatt to 30 gigawatt every year. Currently, we are at a run rate of 12 gigawatt to 13 gigawatt. So, this consumption of glass and production of modules will increase in due course, which will increase the demand to almost double. This figure is outside of the requirement for hydrogen because that sector we are not including in the solar glass requirement as of now. So, 5,000 tonnes per day should be the demand alone for the solar PV sector.

Sanskriti Mishra: Sir, what is the demand for solar glass if you compare domestic versus imports?

Ashok Jain: Domestic is about 35% as of now and it will go up because the domestic production of the recent plants has just begun in the last quarter, and they are still ramping up their capacity. So, it might become 50% or 55% in the next 1 year or so.

Sanskriti Mishra: Sir, with respect to the capacity utilization of various solar glass manufacturers, what could be that figure approximately?

Ashok Jain: For us, it is almost 95%. But for the new players, it is gradually going up. We do not have individual data for all the manufacturers, but I think they may be running at close to 50% to 60% of their capacity as of now.

Sanskriti Mishra: Just the last question. Sir, with respect to the solar module demand that is there in India, what could that be approximately?

Ashok Jain: From the glass consumption what we understand is that the module production is close to 17 gigawatt to 18 gigawatt per annum. A part of this is getting exported, maybe 4-5 gigawatt. So, the consumption in India may be about 13 gigawatt to 14 gigawatt.

Sanskriti Mishra: And the current market size of solar glass that you told is 5,000 TPD at the moment in India, which is expected to....

Ashok Jain: Currently it is 2,600 tonnes almost, and in 2 to 3 years, it might be 5,000 tonnes. When we say this market size, it is net glass, and when we discuss the capacity, that is gross glass. So, when I say we have 1,000 tonnes capacity, that can give us about 650 tonnes net glass. So, the 5,000 tonnes net will require the capacity to be almost 8,000 tonnes or like that.

Sanskriti Mishra: Sir, what would be the current installed capacity of solar modules in India, if you have any idea on that?

Ashok Jain: It is supposed to be around 55 gigawatt to 60 gigawatt.

Moderator: The next question is from the line of Sharan Nandikur, an individual investor. Please go ahead.

Sharan Nandikur: This is a follow-up question. Sir, I wanted to know if there are any marquee investors, big names, like they invest in many companies. Any big investor or individual investor has approached you for long-term investment or are you working with them, are you trying to get some big marquee investors for long-term investment? This question is from the point of view of investors, especially the retail investors and long-term shareholders who are looking for such big investors for the long term, which gives them confidence as well. Any update on that?

Ashok Jain: The board has just approved the proposal yesterday, and the committee has been appointed to look into this and decide on which instrument and which mechanism to be followed. I think it is premature to discuss this whether we are looking at marquee investors or not, but of course, it will be welcomed. Along with the banker whom we will appoint in the next few days, we will have to see what all can be done and what is the right mechanism to issue the shares of up to Rs. 500 crores or whatever amount we can work out. And once we do that, then only we will be sure which is the way we are going.

Sharan Nandikur: These investors basically will be for the long term? That's what the plan is, right?

Ashok Jain: Currently, we don't know actually, but we will of course welcome the long-term investors.

Moderator: The next question is from the line of Karan from Niveshaay Investment Advisors. Please go ahead.

Karan Sanwal: I wanted to understand what would the cost be of producing a solar module in India versus the Chinese players? And what percentage of those costs would be competing for the solar glass that we produce?

Ashok Jain: Cost of production of solar modules has been undergoing change for the last 1 year in a very rapid way. The cost used to be about \$0.25 to \$0.26 has come down to almost probably \$0.17 to

\$0.18, in that sense. So, the prices of solar cells and other items have also gone down in the value chain. This is a very dynamic situation as of now. And in terms of the solar glass as a percentage to solar module cost, it would be about 10% for a normal conventional module where we use only 1 glass and for the glass-glass module, it may be about 14%.

- Karan Sanwal:** And the percentage cost would be similar for the Chinese and other modules, right?
- Ashok Jain:** Yes, because glass is a part of the module, the cost will be similar here.
- Karan Sanwal:** And how would the Chinese module prices be? Would that be significantly lower than the other modules produced – the overall module?
- Ashok Jain:** No, they will not be significantly different. They will be almost, say 4% to 5% lower probably.
- Moderator:** The next question is from the line of Bharani Kumar from Avendus Spark Institutional Equities. Please go ahead.
- Bharani Kumar:** I just joined a little late. Could you give the realization per millimeter for the quarter and 9 months for us?
- Ashok Jain:** In the call, we have mentioned that for the average ex-factory realization has been Rs. 102.40 for the quarter as compared to Rs. 134 for the corresponding quarter last year.
- Bharani Kumar:** My second question is more on the modules front. What would be the landed cost of a module when it is domestically procured versus when it is imported, let's say peak in that sense if you could?
- Ashok Jain:** I think the conventional modules may be selling at about Rs. 16 to Rs. 17 per watt peak in India, Indian-made modules; and the imported may be Rs. 1 or Rs. 2 lower than that.
- Bharani Kumar:** When you are telling Re. 1 or Rs. 2 lower, it will include the BCD component, transportation, and all?
- Ashok Jain:** Yes, after the duty.
- Bharani Kumar:** What would be the realization somebody exporting would be getting compared to this?
- Ashok Jain:** On the module exports side, we don't have the right numbers, but we believe to the USA, the module exports are at about \$0.26 to \$0.27. That would be about Rs. 23 to Rs. 24.
- Moderator:** As there are no further questions, I would now like to hand the conference over to Management for closing comments.

P. K. Kheruka: Thank you very much for your participation in this investor conference call and for the questions that you asked. We hope that we have been able to answer your questions to your satisfaction. And till our next report, we sign off now with a Thank You.

Moderator: On behalf of Axis Capital Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.