

May 16, 2026

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Scrip code: 502219	Symbol: BOROENEW

Dear Sirs,

Subject: Transcript of Analysts / Investors Conference Call

Please find enclosed transcript of conference call with Analysts / Investors held on Wednesday, May 13, 2026.

You are requested to take the same on records.

Yours faithfully,

For Borosil Renewables Limited

Kishor Talreja
Company Secretary & Compliance Officer
(Membership no. FCS – 7064)

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“Borosil Renewables Limited

Q4 FY '26 Results Call”

May 13, 2026



MANAGEMENT: **MR. P. K. KHERUKA – EXECUTIVE CHAIRMAN – BOROSIL RENEWABLES LIMITED**
MR. ASHOK JAIN – NON-EXECUTIVE DIRECTOR – BOROSIL RENEWABLES LIMITED
MR. MELWYN MOSES -- CHIEF EXECUTIVE OFFICER -- BOROSIL RENEWABLES LIMITED
MR. SUNIL ROONGTA – WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER – BOROSIL RENEWABLES LIMITED
MR. DHAVAL PATEL -- ASSISTANT VICE PRESIDENT -- INVESTOR RELATIONS -- BOROSIL RENEWABLES LIMITED

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

Moderator: Ladies and gentlemen, good day, and welcome to the Borosil Renewables Limited Q4 FY '26 Results Call hosted by Axis Capital Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rohan Gheewala from Axis Capital.

Rohan Gheewala: Thank you. Good evening. On behalf of Axis Capital, I'm pleased to welcome you all to the Q4 FY '26 earnings conference call of Borosil Renewables Limited. We have with us the management represented by Mr. P. K. Kheruka, Executive Chairman; Mr. Ashok Jain, Non-Executive Director; Mr. Melwyn Moses, Chief Executive Officer; Mr. Sunil Roongta, Whole-Time Director and Chief Financial Officer; and Mr. Dhaval Patel, AVP, 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.

P. K. Kheruka: Good afternoon, and welcome to the Borosil Renewables quarter 4 financial year '26 investor call. This is Pradeep Kheruka, Executive Chairman, addressing all of you. The standalone and consolidated financial results for the year ended 31 March, 2026 and for the quarter were approved by the Board of Borosil Renewables yesterday, Tuesday, 12 May. 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 now discuss the operations of company on a standalone basis as well as on a consolidated basis.

I'm extremely happy to announce that the company has, on standalone basis, achieved a significant milestone of sales of INR1,500 crores for the year gone by. The company recorded sales of INR1,534.83 crores for the year gone by versus INR1,109.94 crores in the last year, showing an impressive growth of over 38%. I'm delighted to report that the company has achieved a robust EBITDA of INR491.68 crores for the last financial year, which is 32% of sales, showing a quantum jump of 172% from INR180.51 crores, which was 16% of sales in the last year.

The average ex-factory selling price realized during the year increased to INR146.7 per millimeter as compared to INR113.44 per millimeter in the last year, which contributed significantly to the dramatic turnaround in the revenue and EBITDA margin. The rise in selling prices has been possible only after the government's positive approach by levying antidumping duties on solar glass imports from China and Vietnam in December 2024.

Sales in quantity terms were higher by about 8% compared to last year. Exports amounted to about INR113.29 crores, accounting for 7.4% of the turnover compared to INR87.11 crores in the previous year when exports made up 7.9% of the turnover. Coming now to the quarterly

results. The company recorded sales of INR437.62 crores versus INR327.23 crores in the corresponding quarter of the previous year. This has surpassed the previous all-time high quarterly sales of INR386.5 crores in the previous quarter, that is to say, third quarter of the current financial year.

EBITDA for the last quarter at 33% of sales was INR144.61 crores in quarter 4 financial year '26, showing a quantum jump of 88% from INR77.03 crores, which was 23.5% of sales in the corresponding quarter last year. This has also exceeded the previous quarter EBITDA of INR129.04 crores. The average ex-factory selling prices during the quarter increased to INR150.2 per millimeter as compared to INR127.6 in the corresponding quarter and from INR149.97 in the preceding quarter, leading to a marked improvement in the margins, while improvement in production efficiencies and cost reduction measures also contributed.

Sales in quantity terms were higher by 15% compared to the corresponding quarter and 14% over the preceding quarter. Exports amounted to INR12.32 crores, accounting for 2.8% of the turnover compared to INR17.85 crores in the corresponding quarter last year when exports made up 5.5% of the turnover. The company's major export markets continue to face low demand.

The ongoing war in West Asia has adversely impacted oil and gas supplies. The industries had to struggle to get fuel supplies. Fuel prices of imported gas more than doubled and prices of furnace oil also rose by over 50%. In this difficult situation, the company had no choice but to request its customers to accept a fuel surcharge. We acknowledge the cooperation extended by all our esteemed customers. We did not curtail production and have been able to maintain full production throughout. Looking to this adverse supply situation, the company has further intensified efforts to improve efficiencies and cut costs. I'm happy to say that the rise in fuel cost has not so far made any impact on our margins.

The domestic demand for solar glass continues to be robust, led by a rise in domestic production of solar modules. The ALMM mechanism for modules has led to rush for capacity additions within India. These now stand at 193 gigawatts as on 1 May, 2026 and is expected to rise soon to exceed 250 gigawatts. The solar installations in financial year ended '26 have been at an all-time high at 44.6 gigawatts, (which means modules or glass consumption of 60 to 62 gigawatts) as against 23.8 gigawatts last year.

Looking at the success of ALMM for solar modules, the government has introduced ALMM-II with effect from June 2026, mandating use of domestically produced solar cells. This has already led to rise in the solar cell capacity to 30 gigawatts, which is expected to rise to 75 gigawatts by the end of this financial year as significant capacities are under installation, although the announcement suggests that this would surpass 100 gigawatts.

The government has also announced introduction of ALMM-III from June 2028, under which ingot and wafer will also be mandated to be locally produced. In view of this, many existing large module cell manufacturers have announced their plans to set up capacities aggregating to about 55 to 60 gigawatts. These measures will ensure building up of a local supply chain and ecosystem and ensure lowering import dependence for energy security need for which it is felt more than ever in the current war and geopolitical situation.

Going by a scenario with a continued high level of demand and expected growth in demand from other emerging sectors like EV, data centers and green hydrogen, we expect a rise in installations to nearly 65 gigawatts per annum on DC basis, leading to a high demand for solar glass.

Present solar glass capacity in the country, 2,600 tons per day, that is to say 18 gigawatts. Currently, imports occupy about 70% share of the consumption of about 62 gigawatts, leaving huge scope for capacity addition to substitute the imports and meet the growing demand. Based on information available, we expect solar glass capacities of about 33 gigawatts by multiple companies, majority of which is for captive consumption to be commissioned by March 2027, taking the total domestic capacity to 51 gigawatts as against current level of demand of about 65 gigawatts, still leaving a respectable gap to be filled.

I'm pleased to say work on our ongoing expansion at our existing location is in full swing. All the orders or nearly all the orders have been placed, building construction is proceeding as per plan, and we expect timely completion of the project. Once commissioned, this is expected to generate certain operating leverages.

Company has decided to enhance the existing business by starting a new division for selling rooftop solutions with a view to offer superior products to customers by sourcing from outside unused Borosil brand and distribution. The rooftop market comprising of PM Surya Ghar Yojana and commercial and industrial sectors is large, and the company will use appropriate strategy to tap the same. There is no capex plans at this time for the initial period.

The Board has also approved an enabling resolution to raise equity funds up to INR750 crores, subject to approval of shareholders.

The relevant authority, that is to say that Director General of Trade Remedies, has issued final findings in the matter of CBD on solar glass imported from Malaysia, recommending CBD for the next 5 years. We expect the Ministry of Finance to issue a customs notification before the current duties expire on 8 June, 2026.

In the quarterly results for June '25, , a provision has been made for INR325.91 crores towards the exposure in German subsidiary, Geosphere and step-down subsidiary GMB in view of insolvency filing by GMB. The company has received a copy of the report dated December 1, 2025, issued by court-appointed insolvency administrator of GMB, which was submitted to the insolvency court in Cottbus, Germany. As per the report, assets of GMB are insufficient for discharging its liabilities and creditors are unlikely to receive any amounts. In view of this, the company in its books of accounts for the financial year ended 31 March, 2026 has written off the above exposure in Geosphere and GMB. Since fulfilled provision had already been made in the books of account previously, it will not result into any additional loss in the books.

Now I come to the consolidated results for the quarter and year for the subsidiaries -- including the subsidiaries.

The overseas subsidiaries, including the step-down subsidiaries have generated net revenue of INR2.3 crores and EBITDA of INR0.82 crores for quarter 4 of the last year as against net revenue of INR3.96 crores and EBITDA of INR1.90 crores in the last quarter.

The consolidated net revenue for the year stands at INR1,555.84 crores and EBITDA of INR465.96 crores as compared to net revenue of INR1,479.33 crores and EBITDA of INR92.84 crores in the last quarter -- in the last year.

I'm happy to report that the company has been able to surpass the consolidated net revenue of last year despite shutting down of production in Germany from July 2025.

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

- Moderator:** The first question is from the line of Sahil Sheth from Anand Rathi Institutional Equities.
- Sahil Sheth:** Congratulations on the great set of numbers. Sir my question would be, if we were to look at our realization for the quarter, it is at around INR150 per millimeter. What part of this realization would be because of the pass-through in increase of gas and what would be the realization we were not -- if we hadn't passed on the prices to the customers?
- Ashok Jain:** It's very minor amount, very minor. Less than INR1.
- Sahil Sheth:** Okay. And sir, my second question would be, as you said in your opening remarks that out of - - currently, the demand stands around 65 gigawatts and upcoming capacity is expected to reach 51 gigawatts. Do you see any pressure in realizations or margin terms in the coming year?
- P. K. Kheruka:** For the company, for domestic glass manufacturing, I do not see any pressure.
- Ashok Jain:** The demand is much higher than 51. And most of these capacities which are coming up are for captive consumption. So, the capacities which will be available in the market will be very limited. So that way the pressure will not be there as per our understanding.
- Sahil Sheth:** Okay. And sir, in terms of our export markets, apart from U.S., which are the other key markets which has the most potential right now as per your calculations?
- P. K. Kheruka:** There are specialized demand centers in Europe, which we are meeting for greenhouses and flat plate solar collectors and so on. And there are still some module manufacturers who are continuing to operate in Europe. We meet the demand as well, plus, of course, the United States.
- Ashok Jain:** So United States is not a very large market for us as of now, but it may become large because now the U.S.A. wants the material, which is not coming from Chinese origin. So, the customers are looking at India as one of the source country, and we might get some demand generated from U.S.A. in the coming quarters.
- Moderator:** Next question is from the line of Anuj Jain from Globe Capital.
- Anuj Jain:** Congratulations on the great turnaround. Just want to understand, sir, I missed in your speech, opening remarks, that there is some deadline, which is on 8 June, 2026 that government will come with some notification. What was that, sir? I missed that part.
- P. K. Kheruka:** We had applied for extension or variation in the CVD, which has been imposed on imports from Malaysia. That's the countervailing duty. So, the Director General of Trade Revenue has per our

application and has put forward his recommendation for continuation of the CVD, which had been previously imposed. And the date for expiry of the previous CVD is 6th of June. Now we are saying that we are hopeful that before the expiry of that 6 June deadline for extension of the old CVD, the new announcement should come to continue.

Anuj Jain:

Okay, sir. Got it. And sir, I just want to understand one more thing. I mean, like in terms of realization in the subsequent quarter, it was INR149 and in this quarter, like it was INR150 something. So, I mean what kind of headroom is available for this pricing?

I mean, what kind of differential is available in the international market as well as in the Indian market? I mean, kind of headroom for the coming period. I mean, what room do we see?

P. K. Kheruka:

You see, the only other -- I mean, fundamentally, the solar glass supply is coming from China, Indonesia, Vietnam and Malaysia. So, the companies in Vietnam, Indonesia and Malaysia are 100% owned by China. So therefore, in the eyes of most of us, including the government, these are seen as Chinese companies. So, other than these Chinese companies, we have Borosil as a manufacturer today together with other Indian manufacturers. And internationally, there is just one manufacturer called Sisecam in Turkey.

But because of the current hostility in the Red Sea area, any import from Turkey for India would have to go across the Mediterranean around the Cape of Good Hope in Africa and then come to India. So, the shipping charges would be exorbitant. So, we do not really see any challenge from any other producer as of now.

There was a factory coming up in UAE, which would have been ready for firing any time. But because of the very adverse conditions prevailing currently in the Strait of Hormuz, I do not see how glass can come from UAE to India, even if they decide to start the furnace production.

Ashok Jain:

In regards to the headroom available, the exchange rate has been rising continuously. The dollar has been strengthening against the rupee, which allows certain headroom, but it will not be significant. We are already at almost peak of the pricing.

Anuj Jain:

Right, right. So that's what's my understanding. Okay. And sir, one more thing. I mean, like you said have that in this quarter, you have passed on certain raw material, fuel cost in these prices to the customers. So, what is the scenario in this current quarter? Like we are already in the middle of the current quarter. So, I mean, do we see that this passing on of the fuel -- higher fuel costs is possible?

Ashok Jain:

The fuel surcharge, which was levied has been continuing ever since it was levied on say 10th of March or so. And the prices have been fluctuating in the meantime of gas and oil. So, we will have to take a stock at the end of 30 June that what has actually happened over a period of 3 months. But on balance, we feel that it will even out. As far as we see the data, the pricing difference and the cost difference would eventually even out at the end of 30 June. That's our feeling.

- Anuj Jain:** Okay. And one last question, sir, like in the history of Borosil, we have seen in like FY '26, 28% kind of EBITDA margins we have seen, which is highest in the history. So, what sort of margins we can expect going for this financial year and onwards?
- Ashok Jain:** I think we already said 30% to 33% margin is something what we consider achievable, barring any unforeseen circumstances.
- Moderator:** Next question is from the line of Mehul Panjuani from 40 Cents.
- Mehul Panjwani:** Sir, congratulations on a great set of numbers. Sir, in view of the current West Asia crisis, let's say, if this crisis was to extend further, do we see -- apart from the fuel impact, do we see any other impact in terms of raw material or any other, which can adversely impact us?
- Ashok Jain:** Yes, you're right. There are several raw materials which are affected by oil prices. So obviously, there has been cost pressure and there is some disturbance coming. And the vendors are talking to us to pass on certain cost increases, which we have been negotiating with them. And so far, the impact has not been very high in terms of the rise in input cost.
- But should the conflict continue for a long time, there will be additional burden on the cost of certain inputs, which we'll see how to mitigate in terms of whether we can mitigate through the cost savings and production efficiencies or we'll have to look at some price increases. But so far, the cost pressure is not high.
- P. K. Kheruka:** So, I must make a -- you asked a very interesting question. And interestingly, for some companies, the problem has not been faced in the shape of increase in cost of inputs or raw materials. The problem has been faced in a very, very unexpected direction, which is that workers have been leaving their jobs and going home. And the reason for that is that the workers in their homes are not able to get LPG to cook food. So they are not able to continue.
- Now I want to say in the case of our company, we are very fortunate because we are running on natural gas. We have pipes natural gas, in which though the price might have been fluctuating, there is no fluctuation in supply. So as far as we speak today, we have not had one single hours of loss due to non-availability of food for the workers. And so food is fully and plentifully available, which is in a way a kind of a positive for our company that the workers are happy to stay there and they're able to cook their food. Thank you.
- Mehul Panjwani:** Sir, this was very insightful. Sir, second question is on -- because of this moving away from -- I mean, moving -- the demand for renewable energy is going up across the globe now. So, in view of that, are we planning any expansion which we have not -- I mean -- or are we in the discussion process of expanding further so that we can capitalize on this excess demand which will come our way?
- P. K. Kheruka:** So, as you know that we are already well on way to set up new production of 300 tons per day 2 furnaces. So that is 600 tons per day, which we hope to see in production within this financial year. And that could increase our production capacity by 60%, which is quite sizable.

And in addition to that, we have taken a further step forward, which is that as I mentioned in my opening remarks, we've started marketing rooftop solar installations and solutions under the brand name of Borosil.

So, for the time being, we shall be procuring very high-quality modules made under our strict guidelines and our specifications from very reputable manufacturers, which we shall supply to the public at large under the Borosil brand.

Now this could have a signature impact on our operations because we do have a good brand. And in time, we have no doubt, our brand will be well established as a leading dependable supplier for rooftop solutions by the citizens of our country, and then that should give us further improvement in our margins.

Mehul Panjuani: Sir, by when would this -- both these initiatives start contributing to our top line?

P. K. Kheruka: See, we have made our first sales in March already. So, the current turnover already includes a very -- well, it actually doesn't include anything yet because we book the business, but we are going to start delivering now. It's very difficult to say to what extra, but let's say, we might be aiming for about INR75 crores sales for the first year, which is very modest. But in time, this could become very significant.

Mehul Panjuani: Sir, but that is for the rooftop, right? I'm talking about the 2 furnaces, which we have planned and which will be operational in this financial year. So, when would they contribute to our top line?

P. K. Kheruka: Sensibly, we should take it from the next year.

Mehul Panjuani: Q1 of next year, sir?

P. K. Kheruka: Q1 of next year. We expect that there might be some sales in this year, some, but it's too early to have a guess.

Moderator: Next question is from the line of Kaushal Sharma from Equinox Capital Ventures Private Limited.

Kaushal Sharma: Sir, actually my question has been answered. Congratulation for good set of numbers.

Moderator: Next question is from the line of Vanshita Amlani, an Individual Investor.

Vanshita Amlani: Sir, in this quarter, we have recorded a tax benefit from...

Moderator: I'm sorry to interrupt, Vanshita. We are not able to hear you properly. Can you use your handset mode, please?

Vanshita Amlani: Sir, in this quarter, we have recorded a tax benefit from write-off of German company. Can you please guide what tax credit can we consider going forward?

- Ashok Jain:** So actually, next year, we are going to capitalize our expansion. So that way our tax outgo would be very minimal because INR950 crores capitalization we'll be doing in the current financial year. So it is difficult to predict as of now what would be the tax percentage. With deferred tax, it would be same 21% or so.
- Vanshita Amlani:** Okay. We can consider around 21% on PBT?
- Ashok Jain:** Yes.
- Vanshita Amlani:** And sir, as you said, LNG prices are passed on to the customers. So, sir, it is not reflected in the realization. It is more or less flat and gross margin is also around 1.2% flat. So, can you please explain this?
- Ashok Jain:** Yes. So, this impact is only for about 20 days in the last quarter or even financial year. And the impact of this fuel cost rise was less than INR1, as I said, maybe about INR0.70 or INR0.75. So similar amount of increase you can see in the net realization also between the last quarter 3 and quarter 4. So, this figure is not very significant. And in terms of the realization, it is not impacted greatly.
- Moderator:** Next question is from the line of Deepak Purswani from Svan Investments.
- Deepak Purswani:** Congratulations for a very good set of numbers, especially in the challenging environment. Sir, firstly, I wanted to check it out. If I were to check it on the sequential basis, our revenues has grown 13%, whereas our realization is flat -- largely flat on the sequential basis. So there seems to be some volume gain in the last 3 months. So just wanted to check it out.
- Is it primarily a 10% efficiency gain which we have seen? That's the reason there is a sharp improvement in the volume or how should we read into it?
- Ashok Jain:** Deepak, it's a mix of the 2 actually. There has been increase in the production. That is one thing. And the second thing is the impact of Ind AS, because in the last quarter of this financial year, the inventory which was or the sale which was in transit was much lower compared to the earlier periods. So, there has been incremental sale coming in this quarter, which has shown up as increase in sales. So, it is almost 50-50, you can say. Out of the 15% or 14%, 7% would be the production gain and maybe similar amount due to the Ind AS.
- P. K. Kheruka:** There's another matter, which is that at the end of the year, there were many module makers who are very keen to complete their sales and their production. So, we literally had to sweep our warehouse. And we had virtually, I think the lowest stock of glass we have ever held in our life was on the 31st of March, 2026. We had, I think, 1 shift of production or something like that in stock. So, everything was sold out.
- Deepak Purswani:** Okay, okay. And secondly, sir, wanted to check it out on the fuel cost. From the gas supply point of view, how should we see on the incremental basis? Is it completely secured at this point of time? And what is the kind of arrangement we have in terms of the long-term contracts and spot pricing basis?

Ashok Jain: So, we have contracts for medium term as well as the short term, which is on the monthly basis. And the quantities are broadly secured. The price is a problem, which is the current market price we have to pay for certain gas. As per the government directive, even the past -- the gas cut has been applied, which is related to the past 6-month usage, average usage. So, whatever the quantity we were using in past 6 months or rather say buying from our source, that is the quantity available at agreed price. And the rest we are buying from the same vendor or different vendor at market-related price. So only price is a challenge as of now, the quantities are secured.

Deepak Purswani: Okay. And thirdly, sir, wanted to check it out from the rooftop solar point of view, if you can share the road map over the next 3 years? How should we see scaling up of this business? And what would be the kind of investment we would be looking? Whether we would be putting manufacturing capacity for this going ahead or this would be purely outsourced kind of model? And what would be the kind of investment we would be making in the marketing and distribution network in this?

Ashok Jain: So, it's a little early for us to give you all the details. But broadly, we are not envisaging any capital investment for next 1, 1.5 years. That is one thing. Second thing is that we are going to outsource all the 3 components, which we are -- or the kit, which we are going to supply will have 3 items, solar module, inverter and battery. So, all those items, we are going to outsource from other reputed vendors and supply as a part of our offering.

And in terms of the manufacturing, we will take a call after 1 year or so as to what amount of manufacturing we can do. We are surely looking at inverter for the purpose of manufacturing or assembly, but not the modules and other things. And we don't envisage a very large capex to be incurred on this business at this point in time. But we can only review the situation after, say, 6, 8 months and then come back to you further on this.

Deepak Purswani: Okay. And finally, sir, one book-keeping question. Depreciation for the year as a whole has come down versus the last year. How should we see this in this year? I mean, if you can give some explanation for this, sir? And how should we see this going ahead? On the existing facility, I do understand for the new capitalization, there would be incremental depreciation. But for the existing facility, how should we see going ahead?

Ashok Jain: So, we should take the current run rate of the depreciation because the past capex which was on earlier furnaces, SG1, SG2, the period has expired for the life over which we were to depreciate those furnaces. So, after that period is over, the depreciation has dropped considerably. And current depreciation mainly belongs to the last expansion, which we did in 2023, which is the continuing capex.

I can add here is that the old furnaces, SG1 and SG2, will have certain capex when we rebuild them, which will be almost INR100 crores on 2 furnaces, which will get incurred whenever we are taking these furnaces for repair and rebuild, which might happen in the next calendar year.

Deepak Purswani: Okay. Got it. And sir, finally, on the enabling resolution of INR750 crores for the fundraising, if you can give a broader sense on that, that would be really helpful.

- Ashok Jain:** This is just an enabling resolution taken by us for any eventuality. As of now, we don't have any plans. Rather, we don't have any need also to raise any capital. But should there be any opportunity or need, then this is an enabling resolution taken by the Board.
- Moderator:** Next question is from the line of Sidhant Lodaya from Sanshi Fund.
- Sidhant Lodaya:** Sir, I just wanted to understand what the trend is regarding ex-factory selling prices and how do you look at it in next 3 quarters, respectively?
- Ashok Jain:** Can you say again? You were not clear.
- Sidhant Lodaya:** Yes. I just wanted to understand what will be the trend of the ex-factory selling prices?
- Ashok Jain:** Well, it is difficult to predict the trend, but we are selling against the landed cost of imported Chinese glass. And that is also a benchmark based on the reference price, which is already determined. So, if nothing goes wrong, the prices should continue at this level. And we don't foresee much challenge in maintaining the prices.
- Sidhant Lodaya:** Understood. And any guidance on the EBITDA margin? Are these current margins sustainable at around 30%, 33% for the next year?
- Ashok Jain:** Yes, the same reply was -- same question was asked and reply is already given that on a normal basis, we expect 30% to 33% margin in this business.
- Moderator:** Next question is from the line of Vrijesh Gupta from Pentacle Consultants.
- Vrijesh Gupta:** Congratulations on a good set of numbers. My question comes around like attending the Q3 con call, the management said that they are not currently looking for capacity expansion of the Bharuch plant, and they are working on 100% capacity. So, coming on down to the Q4, does the view remains intact or there is a change in view currently?
- Ashok Jain:** So, unless the expansion gets commissioned, there is no additional capacity coming in between. So, your question may be that in the coming quarters, whether there will be any capacity expansion. Our expansion will get commissioned only in the Q4 of this current financial year.
- Before that, there will be incremental improvement in the production because of our efforts to bring in more efficiencies or increasing productivity, which will be incremental in terms of, say, 3%, 4%, 5%. Other than that, there will not be any substantial increase in the production or sales volume.
- Moderator:** Next question is from the line of Amit Mehta from Sunidhi Securities.
- Amit Mehta:** Congratulation for good set of numbers. Regarding the capex which we are doing about 600 tons per day, I've been -- I was told earlier that we are doing 2 furnaces of 300 tons per day each. And probably the first furnace might go live in the month of January 2027. So, is the time line is the same for the first furnace?
- P. K. Kheruka:** As of now, yes, that's what we are looking at.

Amit Mehta: Okay. And this margin, which we have reported about 33% in this quarter. And in the opening remarks, Mr. Kheruka ji has said that once the expansion comes, there would be the benefit of operating leverage coming in. And since we're adding almost 60% capacity from 1,000 tons to 1,600 tons per day, okay?

And the new furnace may have the higher output yield. So, is it safe to assume that the combined margin would be much better considering the benefit of new furnace and the benefit of operating leverage?

P. K. Kheruka: Well, I think as far as we are concerned, that is certainly our expectation. That is our hope. And so far, things have panned out as we had expected. The new installations are going to be an upgraded version of what we have now. And I hope that, that will show its colors, but Borosil typically works at the cutting edge of technology. And so our expectations are much better. Now we have to wait and see what we can realize.

Amit Mehta: Okay. And the last question about our rooftop solar in the new venture. You have said that the first year, you are targeting INR75 crores of revenue, and without any further major capex as most of the thing will get outsourced. So currently, we are doing about more than 30% margin in our existing business. So can we assume that this kind of business is it is an asset-light model. And since this is an extension of what we are doing in the similar, so can we assume the margin will be in the similar line even on the...

P. K. Kheruka: I would be very surprised if it is a similar line. It could be a lot lower than this. And part of the reason that we have this high 32% margin, also, I must say that the asset to turnover ratio in setting up a glass factory is very adverse. So, the total turnover is much less than the value of the assets that we have installed. So, for that, the margin has to be very high to be able to repay debt and so on.

So, at this rate, it's all, of course, very profitable. So, in the case of bought out item with virtually no asset, the rate of margin would be a lot lower than this, but should still be profitable. And because of the fact that we -- once we take up a job, we try to do it well. Hopefully, we will have a good reputation and Borosil rooftop solar installations will become the preferred choice for many householders as they are in other things that we work with in household goods and so on. So, if that happens, then yes, it should be a business worth having.

Ashok Jain: So actually, the scaling up is the key here in terms of this kind of business. Initially, you may spend a lot of money on the brand building, which fortunately, in our case, the brand is already existing. It's a very robust and good brand to deal with. And in terms of the volume, once we build a substantial volume, that even a smaller percentage would work out to be a good overall absolute EBITDA numbers. Initially, we may expect less than 10%, just to give you a number. But eventually, it will work out better once we have certain volumes.

Amit Mehta: Okay. Now this may not require any capex in terms of the capital investment. But normally, what kind of working capital will get clocked to do this INR75 crores of turnover?

- Ashok Jain:** Well, we are trying to ensure that it does not become adverse on the other business, and it is self-financed business as of now. So, we are negotiating terms of sale and purchase in a way that it does not need a lot of working capital.
- Amit Mehta:** Okay. So, whatever is coming is the incremental profit to the existing profit pool, correct?
- P. K. Kheruka:** That's the expectation.
- Ashok Jain:** In the initial year, we don't expect profit actually. So maybe 1 year, we have to allow it to gather steam and then we can say that how much we can really generate on this business.
- Moderator:** The next question is from the line of Dhiral Shah from Phillip Capital PCG.
- Dhiral Shah:** Sir, as we are running at full capacity, so do we expect the current sales momentum based on the ex-factory price which is there that will continue for the next few quarters?
- P. K. Kheruka:** There is no reason to expect otherwise. I see the whole world is full of uncertainty. Nobody knew on 27 February that there will be a big attack on Iran, on 28 February and all these problems will happen. So, we just were sitting normally at home. And 28, suddenly, there was this big war-like situation and that has had a major impact on oil supply for people around the world.
- So, nobody had expected. So just as it came from nowhere, who knows it might disappear into nowhere. And if this -- if there's a settlement between these 2 nations, then maybe things will resume to normal very quickly. So, nothing is very certain.
- Ashok Jain:** Just to bring in caution here is that about 6% of the sales impact in Q4 is on account of Ind AS impact and that has exhausted. So now to continue to expect the same amount of sales will not be right. This 6% will go off. So, on a run rate basis, if you want to look at maybe INR400 crores or thereabouts is a good -- INR400 crores, INR410 crores is a good amount to look at.
- Dhiral Shah:** Sir, if you can explain what is the 6% impact because of the Ind AS adjustment?
- Ashok Jain:** So, as you would know, the Ind AS accounting requires -- the accounting standards require you to recognize sales only when it is delivered as per the terms -- Incoterms. So, there are a lot of customers whom we've dispatched the goods in the, say, last 10 days or 15 days of the month of the quarter and if those goods are dispatched to far places or exported, those sales have to be reversed and it has to be shown as inventory. So, in this quarter, particularly the Q4 of last financial year, such sales were very limited and opening sales were very high. So, there is a positive addition to the sales for the quarter, which was earlier not recorded as sales and reversed. So that way, sales have become higher in this quarter. Although these were sales earlier, but they were not included as sales earlier. So, on a quarterly basis, if you see, this quarter has received that credit, which is why the sales are higher in this quarter to that extent.
- Dhiral Shah:** Okay. So normal run rate would be around INR400 crores?
- Ashok Jain:** Yes, INR400 crores, INR410 crores, as I said.

- Dhiral Shah:** Okay. And sir, what kind of drop you have seen on the import side after this basic custom duty and antidumping duty that we have seen on the solar glass?
- Ashok Jain:** Are you looking at the volumes or how?
- Dhiral Shah:** Yes, on the volume side.
- Ashok Jain:** No. As the country is producing only 30% of the solar glass required, the rest glass is coming by way of imports only, which continue to happen despite the duty because the Indian producers cannot supply extra quantity. In the past, there were some inventory buildup because the prices were lower from the imports. But from December '24 onwards, that situation has changed. Now domestic producers are able to sell their entire production. But on top of that, almost 70% of the demand is still outstanding to be made, which is filled by the imports. So, imports are continuing at a higher price. That's the impact of the duty. And the Indian producers are able to seek a higher price to the extent of landed cost of imports, which is allowing them to show good performance, good results, which is required for this kind of business.
- Moderator:** The next question is from the line of Vikram Sharma from Niveshaay.
- Vikram Sharma:** Congratulations for good results. Sir, I wanted to hear your views on rooftop solar business. We have very good market share in solar sales and solar glass is more B2B. So, we don't have any like sales distribution channel like Borosil Limited. Then why we are like trying or focusing on a very highly competitive rooftop market?
- P. K. Kheruka:** Borosil as a group has a lot of marketing experience across different market segments. And there has been a very strong representation by many different people who have come up and said, why don't you sell Borosil-branded modules and give Borosil solutions to rooftops. So, there is a certain amount of demand over there, because if we were to give a solution which includes the module and the inverter to begin with and maybe later migrate to installation as well, people would have faith in that, and we could -- they would give us a little bit of a premium over other people who are unknown.
- So, this could become a very interesting business for us. As you may perhaps know, Tata Power itself is an EPC, and they are a contractor who agreed to set up installations for various customers. And we are looking at that possibility. It could be very interesting for us going forward.
- Vikram Sharma:** But don't you think this is a very competitive market like players like Havells, Luminous or Tata, all are in the market and they are doing very aggressive marketing this side.
- P. K. Kheruka:** Everything nearly in the world that you do is subject to some competition. This is kind of useful for us because we do manufacture the glass. And now we are developing new solutions. For example, we have a new solution, which is an anti-soiling solution, where we apply the coating on the glass and that cleans off any dirt accumulated there, a little bit of water. So, the output from the entire installation rises.

Now these are things which if we sell the glass to a module manufacturer, then he sells to an EPC, then the EPC sells to somebody, then these features are lost to the customer. In case we are able to sell our own product, our own branded glass, then we would have -- we would be able to offer such solutions to customers who might find value in what we are offering.

Vikram Sharma: Okay. And like do we have plan to manufacture module plus batteries as well?

P. K. Kheruka: Yes. The idea is to be able to meet customers' demands, including batteries.

Moderator: The next question is from the line of Daksh Malhotra from Aariv Global.

Daksh Malhotra: Congratulations on the good set of results, sir. Most of my questions have been answered already. And just to take hint from the previous listing, on the rooftop, apart from this anti-soiling solution, do we have any other unique selling points? Or what is the larger trend or the larger thought behind going for rooftop? As you mentioned, we might venture into manufacturing inverters as the second phase. Is this something to do with the ALMM 3 or are we looking at something else in the future as Borosil renewable?

P. K. Kheruka: See the thing is we are in this business. We've been here for the last 16 years. People know us and people rely upon us. So, there is no doubt that we are -- as a component manufacturer, we end up making a commodity product which people would buy and price it along with the commodity because our customers who are the module makers are in turn selling their products to people who are either EPCs or people who are owners of projects and so on. And the only thing in our country that works is the price.

What we are seeing in recent years that when that -- a lot of high-value products are also being sold in the country, it's no longer the company that buys the cheapest car, the cheapest home, the cheapest furnishings, people are now ready to pay for quality. And unfortunately, we are not able to tap into that market. So, we are just migrating outward to see where we would end up, what could be the expectation customers have from their systems. I foresee in the years to come a growing dependence on self-generation across the whole nation. And the era of very large plants which are providing power to not be growing as aggressively as domestic personal generation.

And if you are coupling that with battery standby, you're giving people a taste of self-sufficiency at a predictive price. Today, there is no -- the price of power is not predictive. You don't know what you're going to be ending up paying for your power. So, there are many reasons to consider going into this where you're coming face-to-face with the consumer, where we are very comfortable with that. We make domestic appliances. We make so many products which are directly used by the consumer. And so, this would -- this is an area where we have comfort.

Daksh Malhotra: Fair enough. Let's -- as long as we are not investing too much capital behind it, let's see where it goes. And sir, you mentioned in the last call, there was some plant in Indonesia also which had fired up furnace. Now that we are talking to the government and have initial nod from the Director General for Counter Union Duties on Malaysia, are we expected to foresee some imports from Indonesia where we can have some price troubles?

P. K. Kheruka: I'll tell you something. A lot has changed in India so far as our customers are concerned. So, the domestic manufacturers of modules have undergone a significant change. And where is the change? The change is that the speed at which the modules are being made by the manufacturer has really gone up several times.

So, they are making a module every few seconds. And they cannot take risks with new suppliers who are giving them a product they're not so sure about. So, to some extent, like pharma producers, when they buy packaging, they buy ampules and vials, which by the way, Borosil also manufactures, and we sell to pharma producers, they are very, very finicky. They're very particular about the vials and ampules that they buy because they don't want to lose any production because of the breakage of the packaging. And these are all done at high-speed packaging lines.

So, in a similar way, a company which is manufacturing modules is dependent upon its profitability, if it is able to make the desired number of modules every hour. So, they have started valuing dependability and quality, etcetera, so that their production lines are not unnecessarily disrupted and they don't have to lose production. So, with us, the customers who buy from us, they buy large volumes and they are happy with us. So, to answer your question about Indonesia, their market—their glass has come into the market. So far, it has not made any very great impact. It will take a while before they can actually break into large scale.

Daksh Malhotra: But sir, is it coming at lower prices or is it the ballpark of...

P. K. Kheruka: It's not coming that much. You see it like this. The Chinese company based in Indonesia is very, very keenly aware of the prices at which glass is being sold in India. And they're also aware about the price at which glasses were being sold from China and even continue to be sold from China. But since they are an independent one company in Indonesia, there's no need for them to go down to that – to the Chinese price level.

So, their selling prices are very much higher than what they would have been if they're selling from China. So, the price pressure is not that high as we see at this time. We don't know about going forward. At this time, the price pressure is not so high. They're trying to keep their price at a level where it's just enough sufficiently attractive to their customer in India to buy from them.

Daksh Malhotra: All right. And what is the capacity of their production? Just if you have any idea, how much...

P. K. Kheruka: The Chinese factory in Indonesia has, I think, 1,500 tons per day. The shortfall in India is 7,000 tons per day. So even if they were to sell everything in India, it would still not make any impact on the domestic supply or demand for domestic glass. The prices might come under pressure, but we'll wait and see.

Ashok Jain: There are limited customers who would potentially get material from Indonesia in any case. And today, there are multiple options available to the company in terms of the customers and also the demand is quite high. So, there is no great pressure in terms of the prices. And we are also working with the government to introduce BIS and get quality control order on the solar glass in the course of time. So, if the situation worsens in, say, next 1 year or 6 months, we will make...

- P. K. Kheruka:** Options are available, yes.
- Ashok Jain:** We can attempt to get these measures introduced by way of intervention from the government. And government is quite positive on the domestic production of solar components and entire solar value chain. So, we expect the prices not to come in under so much of pressure because of entry of Indonesia and the production.
- P. K. Kheruka:** You must also keep in mind, the ocean freight rates are very fluctuating quite wildly because of the uncertainty about supply of oil for the ships of oil fuel. So the prices -- export prices also are subject to that variation.
- Daksh Malhotra:** Yes, sir. But all these are short-lived mainly. As you said, this can end in a jiffy, if we get the BIS or some sort of government confidence that the minimum price level will be maintained and Chinese companies doesn't matter where this setup shop should not be undermining our prices, that will be a longer-term comfort for us and the Indian glass manufacturing community.
- P. K. Kheruka:** Something very positive, which has emerged in the last 2 or 3 years, 4 years is the Indian industries' very dramatic response to the government's dictum to manufacture in India. And once these incentives have been given for Indian manufacturing, the increase in domestic manufacturing is staggering. As you can see, solar modules are well over 150 gigawatts. That's a very large capacity that we have in our country.
- And the value chain even for glass for so many -- every aspect of solar component is being enhanced in an exponential way. So, the government can see that we are developing as a manufacturing power in solar as well. And so, I think they will be maintaining their stand to protect the industry.
- Daksh Malhotra:** Right, sir. And lastly, on the quarterly exit run rate, sir, had pointed out that we can consider for the first 3 quarters, the given run rate. And for Q4, do we anticipate maybe a 300 ton furnace getting fired up somewhere in December, early Jan and that giving boost to our Q4 numbers?
- P. K. Kheruka:** That is certainly our objective. That is our objective, but we are not saying so. I mean we are not saying first quarter...
- Daksh Malhotra:** In the Q2 con call.
- P. K. Kheruka:** We'll see. Probably Q2 con call, we'll have a better -- we'll have a closer picture at that time. We work very hard and we hope that we can satisfy all our own demand and our investors' demands.
- Daksh Malhotra:** Sir, if the demand is so good and the solar manufacturing is increasing, and especially after this West Asia war, why don't we plan to set up one more furnace and venture in our core competence if we anticipate there's a growing demand?
- P. K. Kheruka:** It's not at all out of the realm of possibility, let me say that. But we'll have to see how it goes. I've spent my life trying to make sure that I don't disappoint. And I try to bite as much as I can chew, and getting 60% higher output. This is a skilled job, making solar glass.

It's not that by throwing money at something, it's not like buying a car, which is ready to be driven on the road. It is -- you have to fine-tune it every single installation. And having spent the last nearly 60 years of my life doing it, I'm fairly confident that I should remain within my bounds.

Daksh Malhotra: Noted. But if we announce and plan for it, the sooner we do it, it will take whatever time, let's say, 1 year, 1.5 years to set it up. And if we foresee that maybe -- okay, understood, sir. It's on the cards and you'll the right call.

P. K. Kheruka: If I may just interrupt at this point and say that can we stick to one last question, please, because it's been an hour and 15 minutes.

Moderator: Sir, that was the last question. The management can proceed with their closing comments.

P. K. Kheruka: Thank you very much, dear investors, for your searching questions, which show that you have been following the operations very closely. We continue to work for all our stakeholders and investors are a very important part of -- a very important stakeholder for the management of this company. And thank you very much. Good day to you.

Moderator: Thank you, members of the management team. Ladies and gentlemen, on behalf of Axis Capital Limited, that concludes this conference call. We thank you for joining us, and you may now disconnect your lines. Thank you.