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August 16, 2023

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

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 August 09, 2023.

You are requested to take the same on record.

Yours faithfully,

For Borosil Renewables Limited

KISHOR HARISH TALREJA

Digitally signed by KISHOR HARISH TALREJA
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Kishor Talreja
Company Secretary and Compliance Officer
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Encl: as above

“Borosil Renewables Limited Q1 FY2024 Earnings Conference Call”

August 09, 2023

ANALYST: **MR. SUMIT KISHORE – AXIS CAPITAL LIMITED**

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

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY2024 Earnings Conference Call of Borosil Renewables Limited hosted by Axis Capital Limited. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sumit Kishore from Axis Capital. Thank you and over to you.

Sumit Kishore: Thank you Ashwini. On behalf of Axis Capital I am pleased to welcome you all to the Borosil Renewables Q1 FY2024 earnings conference call. We have with us the management team of Borosil Renewables Limited represented by Mr. P K Kheruka, Executive Chairman, Mr. Ashok Jain, Whole Time Director, Mr. Sunil Roongta, CFO, Mr. Swapnil Walunj, Head Marketing. We will begin with opening remarks from Mr. Kheruka followed by interactive Q&A session. Over to you Sir!

P K Kheruka: Good afternoon and welcome to the Borosil Renewables investor call for the first quarter of FY2023-2024. The Board of Borosil Renewables on August 8, 2023 approved the company's financial results for the first quarter for the current 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 a consolidated basis. I will also provide you some highlights of the operation in our newly formed acquired overseas subsidiaries.

During the first quarter of the current financial year, the company recorded standalone net revenue from operations of Rs.237.82 Crores, an increase of 40% over the corresponding quarter in the FY2022-2023. Sales volumes on a quantitative basis grew by 56% post commissioning of a new 550 tons a day new plant that is to say SG-3 from February 23, 2023. Export sales during the first quarter FY2024 including to customers in SEZ was 30.3% of the turnover at Rs.72.13 Crores registering an increase of 82.4% over the first quarter FY2022-2023 which was Rs.39.55 Crores. Out of this, direct exports were at 81%, Rs.69.26 Crores as against Rs.38.17 Crores in the same quarter last year.

Average selling prices during the quarter experienced a sharp decline of 8.8% as compared to the same quarter last year down from Rs.140.8/mm to about Rs.128.4 mm. This lowering of prices is the direct outcome of dumping from China, Malaysia, Vietnam as the domestic selling prices declined by about 16% in the same period. This price reduction must be viewed in the backdrop of rise in the prices of inputs like natural gas, soda ash, packing material and other commodities in the year 2022-2023. There has however been some marginal reduction in the input costs during this quarter. Due to low selling prices, the margins have come down significantly in the domestic markets.

The last financial year has seen a notable fall in EBITDA from Rs.51.3 Crores at 30.2% in the first quarter of the last year to Rs.38.02 Crores at 20.3% in the last quarter. EBITDA has recovered to Rs.56.52 Crores at 23.8% with infusion of production and stabilization of process in SG-3 furnace in the first quarter of the current year. Lower EBITDA and higher outflows towards interest and depreciation led to a decline in the profit after tax and the company recorded our profit after tax of Rs.13.64 Crores a decrease of 54.6% over Q1 last year. The Indian market for solar glass remains wide open for duty fee imports of solar glass from China which has been having a field day.

Meanwhile imports of solar glass into China face a custom duty of 21% while the import tariff provides for a basic customs duty of 15% on imports of solar glass, a circular going back to 1999 exempt imports of solar components including solar glass from levy of customs duty. The solar glass industry continues to struggle with low margins as heavily subsidize solar glass from China continues to flood Indian market with no pretends of a level playing field for Indian industry. We continue to represent our case vigorously to the government to end the exemption from basic customs duty on imports of solar glass.

Coming to the solar installation, over the last few months these have remained little bit subdued at about 0.5 gigawatts per month before gaining momentum in June 2023 to achieve 2.3 gigawatts. In the first quarter of the current financial year, the installation were 3.3 gigawatts against 3.7 gigawatts in the first quarter of the last year. The domestic demand for solar glass has been facing issues ever since the time MNRE suspended implementation of ALMM till March 2024. The lower offtake of solar modules led to higher inventories with our customers which was further exacerbated by used stocks of solar glass due to significantly higher imports done in the expectation of higher manufacturing and demand.

On a long-term basis; however, the demand situation for solar glass continues to look good. In India as the domestic module manufacturing capacity are expected to rise to almost 100 gigawatts over the next two or three years from about 35 gigawatts currently. The actual domestic manufacturing may rise to 35 to 40 gigawatts which shall increase the demand further. However, the challenge of lower prices due to dumping had seriously dented the profitability of new plants and also brought the potential expansion in solar glass capacity by various players. From the policy front, there have been some developments worth mentioning here. MNRE unveils bidding plan for 50 gigawatts renewable energy projects in FY2023-2024 and issues quarter wise timelines for SECI 15 gigawatts, NTPC 15 gigawatts, NHPC 10 gigawatts and SJVNL 10 gigawatts. 40 gigawatts to come from solar and 10 gigawatts from wind.

CEA issues National Electricity Plan that projects 562 gigawatts of installed capacity from renewables by FY2032. 365 gigawatts of this (65%) is expected to come from Solar. About 120 gigawatts of solar is expected to get installed between FY2024 and FY2027 and 179 gigawatts of solar between FY2028 and FY2032. The above will generate substantially high demand with solar models. The solar glass manufacturing furnace in Germany GMB was in the plant cold repair from March 13 to May 5 and the furnace has been brought back into production from May 8 with higher capacity of 350 tons per day after incorporating changes which will help raise the production yield and achieve energy saving. The remaining capex stands for processing area which will help achieve capability to supply larger size glass and also able more efficient operation will be completed by end of the current quarter.

I now come to the consolidated results for the quarter. These results include the operation of the wholly owned subsidiaries abroad. The Interflow Group registered a revenue of Rs.123.02 Crores in this quarter with a negative EBITDA of Rs.19.23 Crores. The operating results have been impacted due to shutdown of glass production from March 13, 2023 to May 8, 2023 and suboptimal performance due to lower efficiencies during initial stabilization. The consolidated net revenue and EBITDA for the first quarter of the current financial year stands at Rs.354.5 Crores and Rs.34.47 Crores respectively. We continue to have a positive outlook led by expected growth in the domestic manufacturing and local production of modules in the Brazilian, USA and Turkey. The IRA in the USA and solar module accelerate of program in the European Union are looking to create local production of solar modules and component which will need supply of solar glass.

The German Federal Ministry for Economic Affairs and Climate Protection (BMWK) has called for expression of interest from companies that manufacture solar modules or the key components in the country to establish 10 gigawatts of solar module manufacturing facilities aiming to allocate the subsidiaries for these facilities. These will be manufacturing operations in Europe and in India where we are strategically advantages position to meet higher demand in the export markets. With that, I would now like to open the floor to questions that you may have. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. We have a first question from the line of Mohan Kumar an Individual Investor. Please go ahead.

Mohan Kumar: I have a couple of questions. First one was with respect to the efficiency gains that you are expecting to kick in from the furnaces, how long do you feel that could take to properly materialize completely by when can you see that happening?

P K Kheruka: I feel that the current quarter should be significantly improved gains, we have completely new type of furnace in Borosil and it will take time to fine tune it, it is a large installation and it is not just a glass melting furnace, it is also a production line which grinds the edges of glass, coats it and then tempers it and then packs it, so that is a fully automatic process. We are well on the way to achieving the rated efficiency now.

Mohan Kumar: That is great. Congrats on that and second question that I have with respect to the capacity utilization, so currently do you feel that you have the higher levels that we saw probably in the last couple of years that you feel there is some flat that can be picked up over the last few months?

P K Kheruka: I feel that we should be achieving the full capacity utilization in the remaining part of this year and we are working hard at it, very difficult to give a firm statement on when this can be achieved, everybody at work trying to achieve it, so may be within the end of this quarter we should have achieved significantly decent capacity utilization.

Mohan Kumar: That is great again. We expect that to flow spread between the Indian markets and international markets, where do you see this, so what I mean is the rate of change that you are expecting, do you see that higher the international market or the Indian market?

P K Kheruka: I think both the markets are actually potentially very robust. The spanner in the works is coming from the Chinese imports, they have become desperate and they are trying very hard to create a big situation in the Indian market, but I am sure the government will take action at the right time and be able to find a solution for that.

Mohan Kumar: Thanks for that. All the best for rest of the year. I will come back in the queue.

Moderator: Thank you. We have a next question from the line of Vivek Gupta an Individual Investor. Please go ahead.

Vivek Gupta: Thanks for opportunity. I have couple of questions. First is, what is your EBITDA margins guidance for the rest of the quarters, current year?

P K Kheruka: We do not give forward-looking projection as a matter of policy.

Vivek Gupta: Okay and soda ash prices have been cracking now, so do you actually see the benefit being passed in rest of the quarters?

P K Kheruka: We definitely see some improvement in soda ash prices, but there is something that difficult for us to sort of evaluate at this moment.

Ashok Jain: Just to confirm that whatever the price decline is taking place we are also getting the corresponding price decline in our cost of buying, so the benefit is getting passed on to us as well.

Vivek Gupta: Okay. One basic question which I have is that this Chinese, Vietnam and Malaysian glass getting dumped into Indian markets, why the prices are so low, what extra we are doing that they are manufacturing cost is so low that we are actually able to sell at low price.

P K Kheruka: They have no advantage whatsoever in the manufacturing process. Manufacturing process is less efficient, more fuel is consumed than we do, so this is just a case of government subsidizing them and that is why the price of polysilicon has also crashed. They have done nothing to cause such crash in the price of polysilicon, crash in the price of finished modules, crash in the price of solar glass, every component, they have crashed the price, because they see that the world is now looking at making solar modules and all components in their own country, the USA, the European Union and India, three large markets are looking at becoming Atmanirbhar and therefore in order to spoil that they have been doing all this.

Vivek Gupta: I see that you are in touch with the government to reinforce ADD, do you foresee that the decision can be taken sooner, you do not see any probability of coming into.

P K Kheruka: No, we definitely see possibility or even probability, because it is strange that the government would only protect two out of five components which are required in the value chain, so I think which was done in haste frankly speaking, otherwise there is no reason why they have selected two particular items of protection. If you want to protect something, you have to protect the entire ecosystem, otherwise you do not get any benefit.

Vivek Gupta: That is all from my side. Thank you.

Moderator: Thank you. We have a next question from the line of Deepesh Agarwal from UTI AMC. Please go ahead.

Deepesh Agarwal: Good afternoon gentlemen. Can you please help us to understand what is our current price premium to blended price of Chinese and Malaysian glass?

P K Kheruka: Mr. Jain, will you answer that question?

Ashok Jain: So, the pricing premium or advantage or markup which we had in the past, has declined in the recent times and currently, the average price premium has gone down to almost 3% or so compared to 7%, 8% which we were enjoying before. So this is primarily because the cost of making a module is to be controlled as the module manufacturer wants to be more competitive and also that we are now supplying larger volume of glass to large customers. Our customer mix profile has changed and as our average pricing for large customers is lower as compared to the smaller customers, so that is where the average price has gone down and the premium has gone down to almost 3%.

Deepesh Agarwal: Understood. If I see the power cost on per square meter, it has gone up even sequentially, can you breakup on that side, what is led to sequential increase in the power cost?

Ashok Jain: So, there has been increase by the DISCOM in terms of the FAC by about 35 paise which is why the cost has gone up. This is quite surprising that the DISCOM has taken this step to increase the price around this time.

Deepesh Agarwal: Okay and can you touch up on the local competition, because earlier you have guided that lot of players are coming up which will have the capacity coming up in June, July, so is it that the local competition has started picking the market?

Ashok Jain: The three companies which have potentially come into production or likely come into production have not meaningfully started selling any volume in the domestic market yet, because they are still struggling to stabilize the production, so hopefully in the next quarter or so they may start selling certain volume in the market, but as of now the volumes are very limited only and coming only from one player which is very small as of now.

Deepesh Agarwal: Also in one of the comments you mentioned that even USA is looking for local components for solar manufacturing, does that mean that Borosil is open to a either of even setting up facility or acquiring the US market?

Ashok Jain: We keep evaluating all the opportunities and it will all depend on how economical it is going to be to manufacture in each geography, but we keep evaluating and we will take a call at the right point in time whether to setup any manufacturing in US or not.

Deepesh Agarwal: Okay, lastly BCD exemption this pertains to 1999 circular that exemption is till March 31, 2025, is my understanding correct?

Ashok Jain: This exemption is till March 1, 2024 I think and exemptions are supposed to lapse as of that day, so we are waiting for that and in the meantime we are representing to government to end the exemption faster than that, because the dumping is quite serious in terms of the Chinese prices and we are requesting the government to end the exemption sooner than March 2024.

Deepesh Agarwal: Sir, ideally our margin profile should improve after the exemption lapse even if there is no anti-dumping duty right?

Ashok Jain: Our competition for the pricing is based on landed cost, so once the landed cost will improve with the basic customs duty, obviously the benchmark will go up and we will have possibility to increase our prices.

Deepesh Agarwal: Understood. Thank you and all the best.

Moderator: Thank you. We have a next question from the line of Bala Murali from Oman Investment Advisors. Please go ahead.

Bala Murali: Good evening Sir. I would like to know about that our Germany subsidiary EBITDA margins for this quarter?

Ashok Jain: German subsidiary's EBITDA margins- To talk about this particular quarter may not be really indicative in the sense that plant was closed for furnace repair which was planned already and almost for 50% of the quarter, the plant was not operating, so after the plant has come into production for the month of June we have improved the working in terms of the production and EBITDA and everything, but it is still not at the full working, we are trying to improve the capacity utilization gradually from this furnace which was supposed to give 350 tons per day as against 300 tons furnace which was operated before. So, we will reach this 350 tons capacity utilization may be by next quarter.

Bala Murali: Understood Sir and gas prices have also come down in the premium, so what could be the margins and expected peak revenues from the subsidiary?

Ashok Jain: Can you repeat the question. The question regarding the subsidiary or….

Bala Murali: Regarding subsidiary only and in Q3 actually will have had margin around 7.5% in Germany subsidiary, so after the addition of 350 ton per day what could be the anticipated revenue on the margins improvement, gas price has come down a little bit, so what could be the profile margins are going forward?

Ashok Jain: Like what we said before we cannot give any indication of the EBITDA margins, but the overseas subsidiary will have lower EBITDA percentage margin compared to the domestic production in India, because obviously the costs are higher in Europe to produce due to the norms for using the natural gas or oxygen or other things where we have to incur higher cost.

Bala Murali: Okay sir and regarding that Borosil Renewables standalone entity had around Rs.271 Crores in this quarter? So after that capacity utilization what could be the peak revenue?

Ashok Jain: I think we should do at least Rs.300 Crores per quarter.

Bala Murali: Thanks sir. That is enough.

Moderator: Thank you. We have a next question from the line of Akshay Satija from NM Securities. Please go ahead.

Akshay Satija: Thank you for giving this opportunity. Sir, first question would be what is the overall capex that we are trying to do next three, four years and how do we trying to conduct?

Ashok Jain: So, the major capex comes by way of capacity addition in this industry and our current plan of setting up an additional furnace has been put on hold as of now, so once that is decided and what is the size of the plant will decide how much capex we will do in the next couple of years. On a routine basis whatever capex we will keep doing that we will close to about Rs.30 Crores to Rs.40 Crores per annum and also we will require funding for the repair, rebuild of the furnaces whenever they are due may be in the next three, four years any time that will be another Rs.100 Crores, Rs.120 Crores.

Akshay Satija: Okay. My next question would be, so what is the current size of the glass that you shared and what portion would be the 2 mm size, is there any profitability difference between 2 mm current may be 3, 3.5mm?

Ashok Jain: Are you talking about the glass size?

Akshay Satija: Yes, glass size.

Ashok Jain: Glass size depends on the customer requirement, currently the glass sizes have become bigger, because of the new technology of solar sale which has come into effect, which is likely bifascial sale of M10 or M12, so glass sizes have gone up to 2.5 square meter or thereabouts. Our normal now standard current supplies are about 2272 mm x 1128 mm or like that, but we are capable of supplying even bigger sizes of M12 which could be 2500 mm or like that.

Akshay Satija: Okay. Is there any profitability difference between the sizes even for the smaller sizes are profitable or there is no difference?

Ashok Jain: We can take all the sizes, smaller sizes also, we are supplying in domestic market even very small sizes and we also have capability to make sizes of say 300 x 300 which is very small for roof tiles and other things, so size will depend on what customer wants we have capability to manufacture large or small sizes both.

Akshay Satija: Okay. I was also noting that one of the Chinese peers, when you are looking at their cost, the variable cost looks similar to us, but the real distant that was causing what the fixed cost that you have, so can we say even if there is no intervention from the government our scale improves may be we were talking about another 1100 tons per day in the three years if you do that probably can you see fixed cost coming down and without government intervention we will do better margins?

Ashok Jain: Basically, the fixed costs are in two major areas. One is, employee cost and other is interest and depreciation. So, in the case of employee cost, if there is a huge scale, there is certain advantage. In India, we still have only 1000 ton per day whereas the large players have more than 25000, 30000 tons per day. So, obviously when you expand capacity you have the operating leverage and the average cost can come down, so as we have progressed in terms of our expansions our average cost has been going down, but it is still not comparable with largest players. When we expand further this margin improvement will take place in employee cost. In the case of depreciation and interest, I think there is some anomaly here, because the Chinese are using Chinese equipment mainly whereas Borosil uses all the equipment from Europe which are at least 30% to 40% higher cost in terms of their cost of the purchase, so there is a higher depreciation accordingly for those equipment.

Akshay Satija: Okay, so when we mentioned that the Chinese players are getting subsidies from the government? Could you quantify what could be the subsidies that we are receivable per square meter, what could it be?

P K Kheruka: We are aware about 13% cashback that they get at the time of export, but in addition to that there are subsidies like they get land free of cost, they get building free of cost, sometimes the workforces paid half the salary by the state. So that is very opaque, there is no way to finding out. The only thing that we see is for example in the last year when the prices went up for all the inputs spend at 65%, the selling prices came down by 25%, so that without subsidies how would it have been possible that is how we are looking at it.

Akshay Satija: Do you see any chances that somehow the government stops dumping from China?

P K Kheruka: China is an opaque country, nobody knows what the government will decide, they are driven by very, very large issues. According to some information, they are having some problems in the economy, they have a large debt overhang, they do know what to do the debt overhang in the past at least they have given up blanket ban on further expansion of capacity. When they felt the people who are going ahead, because they are in China, capacity is expanded by taking money from the banks and it is simple to say that I cannot run the company, you take it over. The bank is stuck with the assets and promoter walks away. So there has been a lot of recklessness in China in that respect in industrial arena so many companies which were very, very large, are closed today, so it is an opaque country, very difficult to figure out.

Akshay Satija: Okay. Alright. That is it from my side. Thank you so much. All the best.

Moderator: Thank you. We have a question from Rishabh Shah from Dalal & Broacha. Please go ahead.

Rishabh Shah: Good afternoon sir. I would like to first touch upon what is the market share of our company in India and as we mentioned that the three, four competitors are going to come in the solar glass space, so what market share can we expect for us to be here this is my first question and my second question is what is the variable between the Chinese solar glass sizes that are being supplied to India and our realized prices, so I just want basic understanding of this.

Ashok Jain: Our market share in India is about 20% as of now and with the increase in the market size, this market share will fluctuate, but when the new players come in, the new production from the domestic players come in whether they will only substitute the imports or there will be expansion in the domestic demand. How much expansion will be there that we have to see depending on that our market share will play out. So from current 20%, it is likely to go down actually as the market size is going to grow and also the supply side will also grow.

Rishabh Shah: Okay and about the second question regarding the international players which are Vietnam, Malaysia, they are selling glasses in India, so what is the price difference between ours and theirs?

Ashok Jain: International prices are the benchmark for setting up the domestic prices as well for buyers in India, so our prices are generally trending towards movement in the imported landed cost and on an average higher by about 3% compared to the landed cost of imports coming from these countries.

Rishabh Shah: Okay and regarding Rs.120 Crores capex which we talked about before which you told before, so my question is what turnover can we expect for that?

Ashok Jain: That Rs.120 Crores capex is basically rebuild of the existing furnaces, every furnace after running for its life require to be rebuilt, so it is maintenance capex we can say and when we do maintenance capex we are just revising the life of the furnace over the next stage. So production is not likely to increase, but it will be continued, it is a maintenance capex we can say.

Rishabh Shah: But what turnover can you expect for that?

Ashok Jain: Current turnover is basically sustained by repairing the furnace, because you put down the furnace, you remove the old parts and put new parts, restart the furnace so it is just maintaining the current turnover.

Rishabh Shah: Okay and regarding this Rs.120 Crores where are we spending for which furnace are we spending more?

Ashok Jain: We have three furnaces as of now, the furnace one and furnace two which we had commissioned in 2019, 2020 after six or seven years generally the furnaces have to be rebuilt may be in 2026 or so we will have to consider rebuild up these furnaces, each furnace may need about Rs.50 Crores, Rs.60 Crores. So these are the two furnaces which we will be planning to rebuild at a estimated cost of Rs.120 Crores, it is just rough estimate as of now as we go along we will have to figure out what the exact number is going to be.

Rishabh Shah: Okay. Thank you very much. I would like to thank management for giving me the opportunity. Thank you.

Moderator: Thank you. We have question from Bala Murali from Oman Investment Advisors. Please go ahead.

Bala Murali: Thanks for the opportunity again Sir. Regarding this Germany 10 gigawatts solar module manufacturing facility, when do you think that the things will get materialize it and our GMB has any had hedge over other supplier to supply the blast?

Ashok Jain: The expression of interest has been called for by the government from all the interested players I think the date is August 15, 2023 and after that they will review the proposals sent then they will decide which proposals merit their help or their assistance in terms of the capex or opex or whatever nature of subsidiaries or incentives are required and in case of GMB, we are the only company making the solar glass without using antimony which is also part of this 10 gigawatts program then they want glass to be without using antimony, so this gives a very big opportunity for GMB to supply the glass to the German manufacturers and if we expand the capacity there and get certain assistance from the government. We will receive certain amount of advantage in terms of our capability to expand the production locally, but it will all depend on what is the gap in terms of the imported landed cost and how much assistances required and how much assistance the government is able to give, but we will need to know in a couple of months after the government decides. We will be taking interest most likely, but it will be coming from the government in due course.

Bala Murali: Okay sir and even if capacity addition is not planned, but you can supply from India sir?

Ashok Jain: Yes, we are doing that already, because we have successfully improved German plant's capacity and also exporting already from India, so that is why if they want to promote local manufacturing then of course the expansion is to take in Germany itself.

Bala Murali: Okay, understood and what is the capacity of that GMB and how many gigawatts?

Ashok Jain: It is about 2.5 gigawatts as of now and in case we decide to expand further then depending on the size of the plant which could be 300 tons or 500 tons per day like that, the capacity will grow accordingly.

Bala Murali: Thank you sir. All the best.

Moderator: Thank you. We will take the last question from the line of Nikhil Abhyankar from ICICI Securities. Please go ahead.

Nikhil Abhyankar: Good evening sir and thank you for the opportunity. Sir, my question is what is the realization for the solar glass that sell in Germany?

Ashok Jain: Solar glass sale price in Germany is also higher because of the higher cost of production there and it all depends on which segment and which kind of customers we are selling. On an average, the prices are higher compared to the landed cost of imports by about 50% compared to China and about 20% compared to India.

Nikhil Abhyankar: So, around Rs.150 per square meter?

Ashok Jain: Yes.

Nikhil Abhyankar: Okay and sir, also just wanted to have an industry update you might be more than if I am not wrong sir, schedule to come onstream module manufacturing capacity in the next year somewhere around October 2025, so how are the plans like as the company setting it up, is everything onstream so that our plant is also picked up by then?

Ashok Jain: Can you reframe your question, are you saying that we should be also expanding inline with the expansion of capacity by the customers?

Nikhil Abhyankar: I am just asking whether all the PLI scheme and all the capacities that are allotted in it. Are those all plans onstream, is everything like almost 30 gigawatt of manufacturing capacities will actually get setup in the next year?

Ashok Jain: We actually wanted to expand our capacity by another 1100 tons per day in the furnace that was planning, but unfortunately this antidumping has gone away from August 2022 and there is no basic custom duty in place as of now which is why the domestic selling prices are also affecting to provide any investment into further manufacturing which is why we are holding our plan there and once we have a clarity on the basic custom duty on the glass, we will again revisit the subject and take the call. Then we decide if we take at least 18 months to start production.

P K Kheruka: Mr. Jain, I think his question is the other capacity from module and do we have any visibility on that, whether the people have started placing orders and the people have started are the people who have got PLI only.

Ashok Jain: Some of the players have already started taking effective steps like for example, Tata power or many other, but for many additional players we do not have much information which is like a new company. They may be working on those plans, some of the company like Renew Power or Grew Energy, we have certain knowledge that they are coming up with their capacities, but all the companies we do not have information.

Nikhil Abhyankar: Understood and just a final question. The furnace maintenance that we had taken and you said that it will reduce the cost of production going ahead and the differential between our and the Chinese importers is only 3%, so is it possible that we will compete against the Chinese import as well after this maintenance done?

Ashok Jain: No, 3% difference is in the selling price, not in cost.

Nikhil Abhyankar: Okay.

Ashok Jain: We have to compete on the Chinese landed cost, our selling price is higher than 3% that is what I said.

Nikhil Abhyankar: Okay sir. Thank you and all the best.

Moderator: Thank you. We have a next question from the line of Bhavin Rupanin from Investec. Please go ahead.

Bhavin Rupani: Thanks for the opportunity. Just one question. It is related to pricing, do you see any possibility of glass pricing declining from here on?

Ashok Jain: We cannot say with certainty, but I think the selling prices in China are very, very low, because these prices or even at these prices many of the Chinese manufacture must be making either break even or losses, so we do not foresee the prices going down further, but in a complex world we cannot decide whether the prices can go down or go up.

Bhavin Rupani: Okay. That is it from my side. Thanks.

Moderator: Thank you. I would like to hand the conference over to the management for closing comments. Over to you sir.

P K Kheruka: Thank you very much everybody for having participated in today's investor call. We appreciate the interest of the investors and we are always happy to interact with you for your valuable comments. Thank you very much and good bye.

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