Borosil Renewables Ltd — Feb 2026 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Strong Beat (Standalone) | Consistent Performance **One-line:** The thesis has solidified into a "Policy-Protected Cash Engine" as India operations sustain 33%+ EBITDA margins and the successful deconsolidation of German manufacturing (GMB) has finally aligned consolidated performance with the high-margin domestic core.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Prior Quarter	Beat	Standalone EBITDA of □129.04 Cr vs □125.50 Cr (Q2); ASP up 1.7% QoQ.	□
Earnings Quality	High (Core driven)	Core EBITDA margins sustained at 33.5% despite stable volumes; pricing power remains strong.	□
Guidance Confidence	Strong	Reaffirmed Dec 2026 expansion firing; funding fully secured through Oct '25 preferential issue.	□
Management Credibility	Strong	Decisive exit from GMB/Geosphere; delivered promised margin stability despite industry module price volatility.	□
Business Quality Signal	Improving	Transitioned from a "global turnaround" to a "local utility-scale specialist" with near-zero inventory risk.	□
Key Q&A Exchange	Q#3 - CVD Timing	Final findings on Malaysia CVD expected in "couple of months"; critical for pricing floor.	□
The Street's Primary Anxiety	Competition	Fear of Reliance/Vishakha entry; Mgmt response: 50GW demand > 51GW local supply.	□
Capital Cycle Stage	Investment	SG-4/5 (600 TPD) under construction; currently in a "Harvesting" phase of existing 1,000 TPD.	□
Margin Trajectory	Stable/High	33.5% Consolidated EBITDA margin; effectively matching Standalone post-Germany exit.	□
Pricing Power	Expanding	ASP rose to □149.97/mm (vs □147.50 in Q2) tracking import parity/ MIP levels.	□
FCF Conversion & Quality	Distorted	Impacted by capex outflow for expansion; PAT includes exceptional gains of □16.47 Cr.	□
Competitive Moat	Stable	Technical efficiency (yields) claimed superior to China; ADD/CVD provides a structural moat.	□
Balance Sheet Strength	Adequate	Pref. Issue (□371.49 Cr) + pending warrant conversion (□282.52 Cr) de-risk the □950 Cr capex.	□
Working Capital	Improving	"Selling everything we make"; zero finished goods stock reported in concall.	□
Mgmt Guidance Record	Reliable	Delivered on German deconsolidation and funding targets; execution on SG-4/5 is the next test.	□
Key Vulnerability	Concentrated Policy	Total dependence on DGTR/Ministry for renewal of CVD on Malaysia (expires June '26).	□
Management Tone	Confident	Bullish on India-EU Free Trade Agreement and PM Suryaghar Yojana as demand drivers.	□

Sentiment: □Positive

Key Takeaways: * **Positives:** The "German Overhang" is officially dead. With GMB and Geosphere filing for insolvency, the bleeding has stopped. Standalone India is firing on all cylinders with 33.5% EBITDA margins, pricing at a premium to landed import costs due to the Anti-Dumping Duty (ADD). Domestic demand is decoupling from global module price crashes; module makers are absorbing glass prices to ensure local supply security. * **Negatives:** Until the Dec 2026 expansion, volume growth is capped at 3-5% (technical debottlenecking). The company remains a "Policy Proxy"—any reversal in duties (especially the Malaysia CVD sunset review) would immediately compress margins. * **Street Concern:** Analysts are tracking the entry of Reliance (12GW) and others. Management's defense—that local capacity will still only reach 51GW against 55GW demand, with a significant chunk used captively for Green H2—is credible and suggests no immediate oversupply risk. * **Watchpoint:** Final DGTR findings on Malaysian CVD (due by June 2026). This is the last missing piece of the pricing floor.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS DATA SOURCE: PPT figures primary. Concall used for Utilization and ASP.

Metric	Current Qtr (Q3FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue Standalone (□ Cr)	386.50	↑ 40.4%	↑ 2.1%	↑	Driven by 1.7% ASP hike; volume at technical max.
Revenue Consolidated (□Cr)	390.46	↑ 8.0%	↑ 3.1%	↑	Cons. now mirrors Standalone post-GMB exit.
EBITDA (□Cr)	130.94	↑ 2520%	↑ 8.7%	↑	High base effects due to Q3FY25 German losses.
EBITDA Margin %	33.5%	↑ 3210 bps	↑ 170 bps	↑	Hit 33% target; driven by efficiency/ASP mix.
Exports (□Cr)	20.74	↑ 29.6%	→ 0%	→	Flat QoQ; demand in EU/USA remains challenged.
Avg Selling Price (□/ mm)	149.97	↑ 43.4%	↑ 1.7%	↑	Pricing at import parity; stable outlook.
Capacity (TPD)	1,000	→ 0%	→ 0%	→	India 1,000 TPD; German 350 TPD removed.
Volume Growth (%)	~6.0% (9M)	↑	→ 0%	→	9M volume up 6%; current Qtr at full cap.
Utilization (%)	~100%	↑	↑	↑	"Selling everything we make" - Concall.
Overseas EBITDA (□ Cr)	1.90	N/A	↑ (from -5.08)	↑	Residual trading/marketing income only.
PAT (□Cr)	100.19	↑ (from Loss)	↑ 62.7%	↑	Includes □16.47 Cr exceptional gain.

2B. SEGMENT BREAKDOWN

Segment	Revenue (□ Cr)	YoY Growth	Margin	Trend	vs Company Avg	Key Development
India (Standalone)	386.50	40.4%	33.4%	↑	In-line	65% RE share by Feb '26 to save □1.25Cr/mo.
Overseas Subsidiaries	3.96	N/A	47.9%	↑	Above	Trading entity; no longer a drag on consol P&L.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Margins	33% Sustainable EBITDA	Requires ASP ≥ □145/mm.	**Delivered** (2nd consecutive qtr).	Low
Guidance	Volume	60% Capacity Jump (Dec '26)	Adds 600 TPD (SG-4/5).	**On Track** (Civil work/orders done).	Medium
Guidance	Capex Plan	□950 Cr for SG-4/5	Fully funded (Equity/Debt mix).	**Improved** (Financing secured).	Low
Strategy	Operations	65% Renewable Power	Saves □15 Cr annualized.	**Delayed** (Sept → Feb commissioning).	Low
Macro	Policy	CVD on Malaysia	Decision due by June 2026.	**Pending** (Sunset review underway).	High
Balance	Equity	No further dilution	FCF + Debt to cover balance.	**Delivered** (Oct issue complete).	Low

4. ANALYST Q&A

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
1	4.0	Vikram Sharma / Niveshaay	Strategy	Capex	"What would be a trigger for announcing further capacity expansion?"	Management cited manpower constraints and the need to stabilize the current 60% expansion before committing to SG-6. Prudent capital allocation that prioritizes execution over aggressive land-grabbing.	None	4.0	Prudent caution
2	4.5	Nidhi Shah / ICICI Sec	Germany	Financials	"When can we expect the loss to sort of go away from our consol P&L?"	Management confirmed that GMB and Geosphere are deconsolidated and investments fully provisioned, leaving no further downside risk. Cauterization of the German unit is complete, making Standalone India the primary value driver.	None	5.0	Clean break
3	4.5	Nidhi Shah / ICICI Sec	Pricing	Financials	"Where do you think the prices for solar glass specifically are headed?"	Management stated prices are stable but linked to Chinese landed costs (MIP), with a watchful eye on Malaysia CVD. Solidifies the thesis that margins are currently protected by a	None	4.0	Realignment

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
						policy-driven price floor.			
4	4.0	Deepak Purswani / SVAN	Policy	Management Commentary	"What is the pricing difference between Malaysia and India route?"	Management noted Malaysian/ Vietnamese glass is 3-4% cheaper than Chinese, but BRL prices against Chinese landed costs. Highlights the necessity of the Malaysia CVD to prevent "leakage" in the domestic pricing moat.	None	4.0	Strategic
5	4.0	Deepak Purswani / SVAN	Operations	Business	"Is there a further possibility to optimize or get some more efficiency?"	Management expects a marginal 2-3% volume upside through technical debottlenecking before Dec 2026. Signals that Q3/Q4 revenue will likely stay flattish until new capacity arrives.	None	4.5	Quantified
6	4.5	Rikin Shah / Boring AMC	Policy	Management Commentary	"Do you think a temporary demand issue could come up because of ALMM-II (cells)?"	Management believes the government will offer leeways or deferments to ensure module production doesn't stall due to domestic cell shortages. Reduces the risk of a "demand cliff" in June 2026	None	3.5	Policy hope

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
						when cell sourcing rules change.			
7	4.0	Vanchita Amlani	Financials	Management Commentary	"What will be the revenue visibility for next 4 quarters?"	Management guided for flattish revenue until Dec 2026, followed by a 60% surge in Q4FY27 as SG-4/5 fire. Sets clear market expectations: this is an efficiency/ margin story for the next year.	None	5.0	Explicit
8	4.0	Karan Sanwal / Niveshaay	Costs	Financials	"How much savings can be made from addition of renewable energy?"	Management expects □1.25 Cr monthly savings starting February 2026 as RE share hits 65%. Direct 100-150 bps EBITDA tailwind for FY27.	None	4.5	Specific
9	4.0	Karan Sanwal / Niveshaay	Competition	Business	"Malaysian imports are to the tune of about 25%... important to get CVD continued?"	Management confirmed Malaysia has increased capacity to target India, making the June 2026 CVD decision a "make or break" for pricing leverage. Critical watchpoint for long-term investors.	None	4.5	High stakes

PATTERN FLAGS & SENTIMENT * **The "Post-Germany" Relief:** Analysts have entirely pivoted from questioning losses in Germany to questioning the durability of Indian margins. Management's tone was noticeably more relaxed, focusing on operational yields and technical efficiency rather than restructuring. The concern about GMB is fully resolved. * **The "Reliance/Malaysia" Double-Threat:** Recurring questions focused on whether new domestic entrants or Malaysian imports would crash the 33% margin party. Management's posture was analytical, relying on the 55GW demand-supply gap and current DGTR verification visits to reassure the Street. * **Analyst Sentiment Verdict: Confident and Convinced.** The friction seen in Q1/Q2 regarding the German bleeding has evaporated. Analysts were impressed by the ₹149.97 realization and the 33.5% margin print. The only remaining "tension" is the timeline for the SG-4/5 capacity firing, which management handled with technical specificity.

GUIDANCE GAPS REVEALED IN Q&A | Topic | What Mgmt Claimed (Opening / Prior Q) | What Q&A Revealed | Gap / Walk-back | Risk to Thesis | | :--- | :--- | :--- | :--- | :--- | | RE Savings | Commencing September 2025 | Delayed to February 2026 | 5-month delay by developer. | Minimal; ₹6 Cr impact on FY26 EBITDA. | | Expansion Timeline | "Dec 2026 firing" | "3 months trial period" | Full commercial volumes only from March/April 2027. | Q4FY27 might show lower-than-expected revenue. |

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5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q2FY26)	This Quarter (Q3FY26)	Direction
Consolidated EBITDA	₹120.42 Cr	₹130.94 Cr	↑ (Deconsolidation gain)
ASP	₹147.50 / mm	₹149.97 / mm	↑ (1.7% hike)
Overseas Result	-₹5.08 Cr EBITDA	+₹1.90 Cr EBITDA	↑ (Profitable residual trading)
German Holding	Geosphere as Holding Co	Geosphere in Insolvency	↑ (Clean exit)
Exceptional Items	-₹7.91 Cr (Loss)	+₹16.47 Cr (Gain)	↑ (Non-recurring swing)
RE Project Status	Commissioning expected	Delayed to end-Feb	↓ (Execution delay)
Malaysia CVD Status	Verification pending	Verification complete; extension granted	→ (Timeline de-risked)
Equity Funding	Preferential issue planned	₹371.49 Cr raised in Oct	↑ (Liquidity secured)

Investor Notes: * **Thesis Trajectory:** The thesis has moved from "Surviving Germany" to "Harvesting India." The stock is now a play on the December 2026 capacity jump. * **Revenue Plateau:** Expect flattish revenue for the next 3 quarters (Q4FY26 to Q2FY27) as capacity is saturated. Gains will come from the ₹1.25 Cr monthly RE savings. * **Credibility:** Management's decision to stop at a 60% expansion rather than 100% due to "manpower constraints" is a high-integrity signal; they are prioritizing operational stability over reckless growth. * **Working Capital:** The 9M DSO improvement and zero finished goods inventory suggest a very tight market where BRL holds significant leverage over module manufacturers.