Borosil Renewables Ltd — Jul 2026 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Strong Beat (Margins) / Inline (Volumes) **One-line:** The thesis is shifting from a policy-dependent recovery to an operational efficiency powerhouse, as BRL hit a record 93% renewable energy mix and sustained 35% EBITDA margins despite global fuel volatility.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Prior Quarter	Beat (Margins)	EBITDA margin expanded to 35% vs 33% in Q4FY26; ASP rose to □160.3/mm.	□
Earnings Quality	High (Core driven)	Performance driven by 93% RE power share and fuel cost pass-through; normalized PAT after Q4's tax one-offs.	□
Guidance Confidence	Strong	Reconfirmed Jan-Mar 2027 commissioning for 600 TPD expansion; fully funded.	□
Management Credibility	Strong	Successfully defended margins via fuel surcharges; executed 93% RE power transition as promised.	□
Business Quality Signal	Improving	Transition to a low-cost producer (via RE) makes BRL resilient even if import duties fluctuate.	□
Key Q&A Exchange	Q#7 - Maintenance	Furnace rebuilds (SG1/2) pushed to 2027 post-expansion; avoids volume gap in FY27.	□
The Street's Primary Anxiety	Margin Sustainability	Fears of fuel price spikes; Mgmt showed 100% pass-through capability via surcharges.	□
Capital Cycle Stage	Investment	Peak construction for SG-4/5; existing 1,000 TPD at 100% utilization.	□
Margin Trajectory	Improving	35% EBITDA is a new high-water mark, aided by internal power cost savings (□18 Cr/annum).	□
Pricing Power	Strong	Ability to levy and sustain a □9.50 fuel surcharge proves dominant domestic positioning.	□
FCF Conversion & Quality	Strong	Working capital stabilized at ~60 days; CFO now closely tracking operating profit.	□
Competitive Moat Signals	Widening	RE power share (93%) creates a cost moat that new entrants (with grid power) cannot easily match.	□
Balance Sheet Strength	Strong	Expansion fully funded; upcoming cash flows to provide equity for next round (post-2027).	□
Working Capital Efficiency	Stable	Inventory normalized after Q4's "swept clean" status; DSO/DIO in healthy range.	□
Mgmt Guidance Record	Reliable	Delivery on RE power commissioning and GMB write-off impact was exact.	□
Key Vulnerability	Concentrated Product	100% solar glass reliance; evaluation of "allied fields" for FY28 expansion is critical.	□
Management Tone	Confident	Aggressive on efficiency; cautious but optimistic on long-term capacity (target □4,000 Cr revenue).	□

Sentiment: □Positive

Key Takeaways: * **Positives:** BRL has effectively decoupled from the "German drag," with GMB now producing zero revenue/loss impact. The standalone business is a "cash cow" with a structural cost advantage; the jump to 93% renewable energy (up from 75% last quarter) provides an estimated ₹6 Cr/quarter in savings. Pricing power remains absolute, with ASP rising to ₹160.3/mm (including fuel surcharge) and policy protection secured via the 5-year CVD extension on Malaysian imports. * **Negatives:** Volume growth is physically capped at 1,000 TPD until Q4FY27. The new Rooftop Solar business is low-margin (single-digit EBITDA) and could dilute consolidated margins as it scales to the ₹36 Cr target. * **Street Concern:** Analysts were confused by the "optical" PAT drop (₹169 Cr to ₹87 Cr); management's clarification of the ₹75 Cr one-time tax credit in Q4 highlights that core profitability is actually rising. * **Watchpoint:** The timeline of the SG1/SG2 rebuild in early 2027; this 90-day shutdown will create a temporary volume drag just as the new 600 TPD capacity stabilizes.

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2. BUSINESS PERFORMANCE

2B. KEY METRICS *PPT not available — all numbers sourced from concall transcript.*

Metric	Current Qtr (Q1FY27)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue Standalone (₹Cr)	405.69	↑ 22.1%	↓ 7.3%	↓	YoY driven by ASP (₹160 vs ₹138). QoQ drop due to Q4 inventory liquidation one-off.
Revenue Consolidated (₹Cr)	405.69	↑ 17.1%	↓ 7.8%	↓	Consolidated now identical to standalone as GMB is defunct.
EBITDA (₹Cr)	142.00	↑ 53.5%	↓ 1.8%	→	Sustained despite QoQ revenue drop; Q4 had ₹9.77 Cr one-off.
EBITDA Margin %	35.0%	↑ 710 bps	↑ 200 bps	↑	Record margins; 93% RE power mix and fuel surcharge pass-through.
PAT (₹Cr)	87.00	↑ (from Loss)	↓ 48.5%	↓	Q4 included ₹75 Cr one-time tax write-back from GMB.
Exports (₹Cr)	Not Stated	-	-	↓	Management cited focus on high-demand domestic market.
Avg Selling Price (₹/ mm)	160.30	↑ 16.1%	↑ 6.7%	↑	Includes ₹9.50 fuel surcharge; core realization ~₹150.80.
Production Capacity (TPD)	1,000	→ 0%	→ 0%	→	Full utilization; 600 TPD expansion on track for Q4.
Volume Growth (%)	8.0%	↑	↓	↓	YoY growth in quantity; QoQ quantity lower vs "warehouse sweep" in Q4.
Utilization (%)	100%	→	→	→	Operating at full 1,000 TPD capacity.
Overseas EBITDA (₹Cr)	(0.84)	↑ (Reduced loss)	↑ (Reduced loss)	↑	GMB residual costs; no longer a material drag.
RE Power Share (%)	93%	↑	↑	↑	Commissioned March '26 hybrid plant providing peak savings.

2B. SEGMENT BREAKDOWN

Segment	Revenue (₹ Cr)	YoY Growth	Margin	Trend	vs Co. Avg	Key Development
Solar Glass (Core)	404.39	21.7%	35.0%	↑	In-line	Benefiting from 5-year CVD extension on Malaysia.
Rooftop Solar	1.30	New	Single Digit	New	Below	Asset-light "Solar Kit" (Module+Inverter+Battery).

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate	Historical Delivery	Risk Flag
Guidance	Volume / Capacity	1,600 TPD by March 2027	Requires Dec '26 firing of SG4/5.	**On Track** (Civil work/ Building ongoing).	Low
Guidance	Margins	Sustained high levels	Requires core ASP >₹150/mm.	**Delivered** (33%+ for 4 quarters).	Low
Guidance	New Revenue	₹36 Cr from Rooftop FY27	Needs ₹11.5 Cr/qtr for next 3 qtrs.	**First entry** (Started with ₹1.3 Cr).	Medium
Strategy	Efficiency	93% RE Power Share	Maintain current hybrid output.	**Exceeded** (Jumped from 75% to 93%).	Low
Strategy	Growth	₹4,000 Cr Revenue in 3-4 years	Requires another ~1,200 TPD after current expansion.	**New Target** (Announced this call).	Medium
Macro	Policy	CVD on Malaysia	5-year extension notified June '26.	**Delivered** (9.71% duty secured).	Low
Balance	Capex	Current expansion fully funded	Internal accruals + existing debt.	**Reliable** (No equity raise needed).	Low

4. ANALYST Q&A

Q#	Rel.	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Cred.	Verdict
1	5.0	Shivam Gupta / Trinetra	Financials	Financials	"Profit nearly half from INR169 crores in Q4 to INR87 crores in Q1... What significantly dropped the margin?"	Management clarified that Q4 PAT was inflated by a □75 Cr one-time tax write-back related to the German subsidiary investment write-off. This confirms that core operational profitability is actually stable and the QoQ "drop" is merely an accounting normalization.	None	5.0	Clear & quantified
2	3.5	Purvi / RV Invest.	Strategy	Management	"What about the capacity expansion? Are you planning for any debt increase? Or are you planning for equity raise?"	Management stated the current expansion is fully funded and the next round (post-2027) will be supported by internal accruals, with no equity raise foreseen. This signals high FCF visibility and a conservative capital structure for the next 18 months.	None	4.0	Prudent
3	4.0	Purvi / RV Invest.	Operations	Financials	"The working capital days has been increased from 34 to 152 in the current year."	Management refuted the 152-day figure, stating actual working capital is ~60 days with minimal finished goods stock. This	None	5.0	Fact-check

Q#	Rel.	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Cred.	Verdict
						correction reassures investors that liquidity is not trapped in sluggish inventory.			
4	4.5	Dhairya Trivedi / DJT	Competition	Business	"How will the price get impacted [by capacity rising to 7,700 TPD]?"	Management argued that even at 7,700 TPD, domestic supply only meets 75% of demand, and much of that is captive, leaving BRL's market share protected. This reinforces the "supply-gap" thesis which acts as a floor for realizations.	None	4.0	Supply-gap thesis
5	4.0	Siddharth Jain / Sattva	Strategy	Management	"How do you look Borosil Renewables as a company growing from FY28... towards the INR4,000 crores, INR5,000 crores top line?"	Management revealed a vision to reach ₹4,000 Cr revenue in 3-4 years by evaluating more furnaces or diversifying into "allied glass fields." This provides long-term growth visibility beyond the current March 2027 expansion peak.	None	3.5	Visionary
6	4.0	Deepak Purswani / Svan	Operations	Business	"How should we see this fuel surcharge in the coming quarter?"	Management indicated they have already started curtailing the ₹9.50 surcharge as	None	5.0	Transparent

Q#	Rel.	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Cred.	Verdict
						international gas prices ease, passing savings to customers. This transparency prevents a "margin shock" when surcharges are eventually removed, as raw material costs will fall in tandem.			
7	4.5	Deepak Purswani / Svan	Capex	Capex	"SG1 and SG2 refurbishment... when that is going to be lined up?"	Management expects the ~90-day shutdown for rebuilds to happen in 2027 (likely Q1/Q2 FY28) after the new SG4/5 capacity is stable. This strategic timing ensures total volume does not drop below current levels during the maintenance phase.	None	4.5	Specific timeline

PATTERN FLAGS & SENTIMENT * **The "Optical" PAT Confusion:** Analysts were hyper-focused on the QoQ PAT drop. Management was defensive but precise, highlighting the Q4 tax one-off. This suggests the market is still digesting the cleanup of the German entity, and the "real" earnings power of the India business is just now becoming visible in the normalized Q1 results. * **Expansion & Diversification:** Multiple questions touched on "what's next?" (FY28+). Management's move to evaluate allied glass products suggests they are wary of being a single-product company in a cyclical solar market. This is a strategic shift towards de-risking the business model. * **Analyst Sentiment Verdict: Optimistic but detail-oriented.** Analysts were satisfied with the margin defense (35% EBITDA) and the successful CVD renewal. The primary friction point was the PAT discrepancy, which was resolved. Management's credibility improved as they proved they can pass through fuel costs seamlessly.

GUIDANCE GAPS REVEALED IN Q&A * **Rooftop Revenue:** Q1 generated only □1.3 Cr vs the □36 Cr annual target. To hit this, BRL needs a 10x jump in average monthly run-rate for the remaining 9 months. Management cited "team build-up" as the reason for the slow start, but this remains a high-risk guidance area.

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q4FY26)	This Quarter (Q1FY27)	Direction
RE Power Share	75%	93%	↑ (Efficiency)
Consolidated Cleanup	Write-off in progress	Full cleanup; GMB is non-material	↑ (Transparency)
Realization (ASP)	□150.20	□160.30	↑ (Pricing Power)
Policy Status	CVD Extension pending	5-year CVD Extension notified	↑ (Security)
Guidance (Long-term)	Current expansion focus	Vision for □4,000 Cr revenue	↑ (Growth)
Maintenance Risk	Uncertain timeline	Rebuilds pushed to 2027	↑ (Near-term vol)

Investor Notes: * **Thesis Trajectory:** The business has achieved "peak operational efficiency" with 93% RE power and full capacity utilization. FY27 is now a "waiting year" for the 600 TPD expansion, but the risk of a volume drop from maintenance has been deferred to FY28. * **Margin Floor:** Even if the □9.50 fuel surcharge is removed, the □18 Cr annual RE power savings and the 9.71% CVD on Malaysia provide a structural margin cushion of ~400-500 bps over historical levels. * **CFO Quality:** With GMB gone and working capital at 60 days, CFO should now track 85-90% of EBITDA, making this a high-quality cash-flow story heading into the Jan 2027 expansion firing.