Borosil Renewables Ltd — May 2025 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

The punchline. Read this first — it frames everything below.

Result: Beat (Standalone) | Miss (Consolidated) **One-line:** The structural thesis transitions from "policy-risk survival" to "margin-expansion harvesting" as definitive Anti-Dumping Duties (ADD) floor India realizations, while the German subsidiary is being aggressively cauterized to halt cash bleed.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance	Strong Beat (Standalone)	Standalone EBITDA margins (23.5%) exceeded the 20% internal target as ADD kicked in.	□
Earnings Quality	Low (Consolidated)	PAT hit by □16 Cr inventory write-off in Germany and □49.67 Cr negative EBITDA drag.	□
Guidance Confidence	Strong (India)	Management provided a clear path to ~30% EBITDA margins based on □140/mm reference price.	□
Management Credibility	Neutral	Successfully navigated trade policy and SBLC debt, but expansion plans remain in flux (revised again).	□
Business Quality Signal	Improving	The "India Island" is protected; volumes grew 16% YoY despite peak dumping pressure.	□
Key Q&A Exchange	Q#10 - Demand Gap	Domestic demand (~50GW) far outstrips supply (30GW), ensuring high utilization post-expansion.	□
The Street's Primary Anxiety	GMB Cash Burn	Burn rate is □9 Cr/month; management is waiting for German election policy shifts.	□
Capital Cycle Stage	Investment	Downsized expansion re-accelerated to 600 TPD; focus on deleveraging GMB debt.	□
Margin Trajectory	Improving	Standalone EBITDA margin surged from 7.6% in Q3 to 23.5% in Q4.	□
Pricing Power	Recovering	ASP rose to □127.6/mm (up 22% QoQ) following provisional ADD implementation.	□
FCF Conversion	Distorted	Consol. PAT -□29.5 Cr vs Depr. □36.2 Cr; cash is being used to settle GMB SBLCs (EUR 21M).	□
Competitive Moat	Widening	BRL is the sole EU manufacturer and dominant Indian player with 5-year ADD protection.	□
Balance Sheet Strength	Adequate	Repaid □185 Cr GMB liability via preferential issue; warrants provide future □313 Cr buffer.	□
Working Capital	Stable	Inventory levels managed despite GMB furnace shutdown and cooldown.	□
Mgmt Tone	Confident	Bullish on India "fair winds"; resolute about European long-term relevance.	□

Sentiment: □Neutra**Key Takeaways (Positives & Negatives):** * **Positives:** The Ministry of Finance notified definitive ADD for 5 years (valid till 2029). This establishes a "reference price" floor of ~$673/ton, effectively shielding BRL from Chinese predatory pricing and targeting ~30% EBITDA margins in India. Standalone volume growth (16%) proves strong demand as domestic module capacity hits 90GW+. Captive renewable energy

(65-70% share by Q2FY26) will provide a structural 200-300bps margin cushion. * **Negatives:** The German subsidiary (GMB) remains a structural overhang, burning □9 Cr per month in a "cooldown" state. Consolidated performance was marred by a □16 Cr inventory write-off and □49.67 Cr EBITDA loss from overseas. The expansion project (SG-4) timeline has been pushed to Q3FY27, and the funding was hampered by a □180 Cr shortfall in warrant participation. * **Watchpoint:** The success of GMB’s "cold-end processing" strategy (importing glass to process) to reduce losses while waiting for German policy clarity post-February elections.

---

2. BUSINESS PERFORMANCE

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

Metric (Consolidated)	Current Qtr (Q4FY25)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue Standalone (□Cr)	327.23	↑ 43.9%	↑ 18.9%	↑	Volume grew 16%; ASP recovery (22% QoQ) drove value.
Revenue Consol (□Cr)	373.54	↑ 31.9%	↑ 3.3%	↑	India growth offset by GMB furnace shutdown in Jan.
EBITDA Standalone (□Cr)	77.03	↑ 486.9%	↑ 268.8%	↑	Drastic recovery as BCD failure was replaced by ADD floor.
EBITDA Margin % (India)	23.5%	↑ 307.7%	↑ 210.2%	↑	Realization jump to □127.6/mm vs □105 in Q3.
PAT Consolidated (□Cr)	-29.53	↑ 44.6%	↑ 1.8%	↑	Losses narrowed but remained high due to GMB write-offs.
Exports (□Cr)	18.90	↑ 39.5%	↑ 18.0%	↑	EU demand remains weak; exports are only 5.8% of mix.
Avg Selling Price (□/mm)	127.6	↑ 28.1%	↑ 21.5%	↑	Reflects impact of provisional ADD (□105/mm in Q3).
Production Capacity (TPD)	1,350	→ 0%	→ 0%	→	India 1000 TPD (SG1-3); GMB 350 TPD (Halted).
Utilization (India)	~95%	→ 0%	→ 0%	→	Running at full capacity; "yield improvements" ongoing.
GMB Revenue (□Cr)	46.31	↓ 46.3%	↓ 46.3%	↓	Furnace shutdown from Jan due to dumping in EU.
GMB EBITDA (□Cr)	-49.67	↓ 245%	↓ 245%	↓	Incl. □16 Cr inventory write-off; burn is □9 Cr/month.
Net Debt / Equity (x)	Adequate	→	↓	↑	Improved by EUR 21M SBLC settlement via equity raise.

2B. SEGMENT BREAKDOWN

Segment	Revenue (□Cr)	YoY Growth	Margin	Trend	vs Co. Avg	Key Development
India Ops	327.23	43.9%	23.5%	↑	Above	Definitive ADD notified for 5 years on May 9.
GMB (Europe)	46.31	-46.3%	-107%	↓	Below	Furnace cooled down; 90% staff on short-time work.

---

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Margins	30% EBITDA (Post-ADD)	Needs ₹135-140/mm realization; current exit is ₹127-130.	**Improved** vs Q3 miss.	Low
Guidance	Volume / Capacity	600 TPD (SG-4) by Q3FY27	Commissioning target: Oct-Dec 2026.	**Revised** (Up from 500 TPD).	Medium
Guidance	Capex Plan	₹600-700 Cr	Financing via ₹517 Cr issue + internal accruals/debt.	**Revised** (Timeline push).	Medium
Strategy	Germany	Reduce burn by 50%	Targeting ₹4-5 Cr/month burn via cold-end processing.	**Halted** furnace in Jan.	High
Strategy	Capital Allocation	De-leverage GMB	Settled EUR 21M SBLC to clean Indian balance sheet.	**Delivered** March 2025.	Low
Macro	Industry	35GW Installation FY26	India added 23.8GW in FY25; needs 47% growth.	High (Strong pipeline).	Low
Balance	Funding	Warrants Conversion	Needs ₹313 Cr inflow within 18 months (75% balance).	**Missed** ₹180 Cr initial.	High

4. ANALYST Q&A

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
1	4.5	Mohit Kumar / ICICI	Realization	Financials	"How does realization compare to floor duty of USD 664/ ton?"	Management noted current realization is □127.6/mm but is moving toward the reference price of ~□135-140/ mm. Realization growth is the primary lever for the 30% EBITDA target.	None	4.5	Quantified
2	4.0	Mohit Kumar / ICICI	Expansion	Capex	"What do you mean by revision of capex proposal?"	Management confirmed the expansion capacity is being revised *upward* (from 500 TPD to 600 TPD) with final costs due next month. Higher capacity optimizes fixed costs but adds ~□100 Cr to capex.	Specific cost	4.0	Directional
3	5.0	Vineet Gala / Sylem	Burn Rate	Financials	"What is our monthly burn rate at our German subsidiary?"	Management disclosed a burn of ~EUR 900k (□9 Cr) per month, which they are attempting to halve via cold-end processing and government wage support. GMB remains a ~□27 Cr quarterly	None	5.0	Specific

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
						EBITDA drag on consolidated results.			
4	4.0	Nidhi Shah / ICICI	Strategy	Management	"What does the long-term plan in Germany look like given uncertainty?"	Management is banking on the new German coalition government and the EU "40% local source" mandate to revive demand. Thesis re-rating for GMB is binary: either a total exit or a capacity surge if EU policy enforces protection.	None	3.5	Qualitative
5	4.5	Nidhi Shah / ICICI	Competition	Business	"Are we expecting exports from China to be rerouted through Malaysia?"	Management admitted Malaysia imports are rising (20% share) but noted those units are also raising prices in line with Chinese reference prices. Malaysia remains a loophole but current impact is "marginal" due to limited 3.2mm glass supply.	None	4.0	Directional
6	4.0	Sunny / IAFI	Margins	Financials	"Long term guidance for EBITDA	Management expects 300-400 bps	None	4.5	Clear

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
					margin in India?"	expansion above the Q4 margin of 23.5% as realization hits □135/ mm. Confirms the 28-30% sustainable EBITDA thesis for India.			
7	4.5	Deepak / Svan	Operations	Business	"When should we expect GMB EBITDA break-even?"	Management cannot commit to 0 burn yet due to fixed standstill costs (Oxygen/Gas plants) but expects cold-end processing to cut losses by 50% in 2-3 months. GMB will not be accretive in FY26.	Timeline	3.0	Hedged
8	4.0	Deepak / Svan	Technology	Business	"Would HJT or TOPCON have implications on solar glass demand?"	Management stated TOPCON is dominant and bifacial (2+2mm) glass-glass modules actually *increase* glass consumption by ~25% in kg terms. Technological shift is a volume tailwind for BRL.	None	5.0	Specific
9	4.5		Capex	Capex			None	4.0	Candid

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
		BR Nahar / Mile AIF			"Why only 600 TPD now—can it be expedited?"	Management explained that a furnace takes time to finalize (offers/ suppliers) and they will not over-extend beyond "what they can chew." Confirms Q3FY27 is the hard floor for new capacity.			
10	5.0	Saurab Arya / Oaklene	Demand	Business	"India supply is 15GW, but Borosil is 6.5GW—clarify the math."	Management clarified 1000 TPD melts 365k tons gross, yielding ~6.5GW net glass; total India demand is 50GW+ vs 30GW planned supply. Thesis remains underpinned by massive supply-demand deficit.	None	5.0	Clear

PATTERN FLAGS & SENTIMENT * **Theme 1: The "Cauterization" of Germany.** Analysts were relentless on the GMB burn rate. Management's posture was defensive but transparent, admitting a □9 Cr monthly drain. The pivot to "cold-end processing" (buying annealed glass to process) is a survival tactic to keep the plant alive for a potential EU policy pivot. This remains the largest "live" risk to consolidated earnings. * **Theme 2: The "Reference Price" Shield.** There is high confidence in the India standalone recovery. Management successfully shifted the focus to the □135-140/mm price floor. Analysts seem convinced that Standalone EBITDA has bottomed and is now in a harvesting phase.

Analyst Sentiment Verdict: Cautiously Bullish on India, Skeptical on Germany. The tone was markedly better than Q3 as the definitive ADD removes the primary existential threat to the India business. Friction remains on the funding shortfall and the lack of a "hard exit" date for GMB if the German government fails to provide incentives.

GUIDANCE GAPS REVEALED IN Q&A | Topic | What Mgmt Claimed (Prior Q) | What Q&A Revealed | Gap / Walk-back | Risk to Thesis | | :--- | :--- | :--- | :--- | :--- | | Expansion Size | 500 TPD (SG-4) | 600 TPD (Revised) | Size increased by 20% to optimize unit economics. | Higher capex but better long-term ROE. | | GMB Burn | "Processing orders" | "₹9 Cr/month burn" | Burn was higher than the previous ₹4-5 Cr "cooldown" estimate. | Delayed consolidated PAT recovery. |

---

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q3FY25)	This Quarter (Q4FY25)	Direction
Standalone EBITDA Margin	7.6%	23.5%	↑ (Massive Recovery)
Trade Policy Status	Provisional ADD	Definitive ADD (5 Years)	↑ (Thesis De-risked)
GMB Financial Status	Operating Loss (₹8 Cr/mo)	Shutdown/Cooldown (₹9 Cr/mo)	↓ (Deteriorating)
GMB Balance Sheet	EUR 24M SBLC Liability	EUR 21M Settled/Repaid	↑ (Clean Balance Sheet)
Expansion Capacity	500 TPD	600 TPD	↑ (Scale-up)
Avg Selling Price (ASP)	₹105 / mm	₹127.6 / mm	↑ (Realization recovery)
Funding Completion	Preferential Issue Open	₹180 Cr Shortfall in Warrants	↓ (Execution Risk)

Investor Notes: * **Thesis Trajectory:** The thesis has moved from "Policy Hope" to "Policy Execution." Standalone operations are now a cash-cow (₹77 Cr EBITDA/qtr), but Consolidated PAT is trapped by the GMB "deadweight." * **The "Reference Price" Immunity:** The ADD is not a fixed % but a floor. If China drops prices further, the duty increases. BRL is now mathematically guaranteed a floor realization of ~₹135-140/mm. * **Earnings Quality:** Consolidated PAT is misleading. Cash flow is improving as India EBITDA covers GMB burn. The EUR 21M debt settlement is the most important "hidden" win this quarter. * **Growth Attribution:** Q4 growth was 100% realization-driven (ASP +22% QoQ). Volume is capped at ~1000 TPD until Q3FY27. Yield improvements are the only remaining margin lever until the new furnace arrives.