# Borosil Renewables Ltd — Nov 2025 Quarterly Analysis

## 1. VERDICT & BUSINESS QUALITY SNAPSHOT

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

**Result:** Strong Beat (Standalone) | Miss (Consolidated PAT due to one-off impairment) **One-line:** The thesis has transitioned into a "Policy-Protected Cash Engine" as the amputation of German manufacturing (GMB) allows India's 33%+ EBITDA margins and the 5-year Anti-Dumping Duty (ADD) floor to finally dictate the bottom line.

| Dimension | This Quarter | Signal / Evidence | Sentiment |
|---|---|---|---|
| Beat/Miss vs Prior Quarter | Strong Beat (Standalone) | Standalone EBITDA margin of 33.2% vs 27.8% in Q1; ASP rose 6.8% QoQ. | □ |
| Earnings Quality | High (Core driven) | Standalone EBITDA grew 35.6% QoQ on improved realization and technical yields. | □ |
| Guidance Confidence | Strong | Management reaffirmed 33% sustainable margins and Dec 2026 expansion timeline. | □ |
| Management Credibility | Improving | Decisive action on GMB (insolvency) and successful □371.49 Cr fundraise in Oct '25. | □ |
| Business Quality Signal | Improving | Standalone India is now a high-margin utility with near-zero inventory risk. | □ |
| Key Q&A Exchange | Q#9 - Supply Gap | Mgmt noted 50GW demand vs 18GW industry capacity; 70% of market is still imports. | □ |
| The Street's Primary Anxiety | Competition | Fear of Reliance (12GW) and others; Mgmt: Market is large enough for all (+ green H2). | □ |
| Capital Cycle Stage | Investment | Brownfield expansion (SG-4/5) underway to add 600 TPD by Dec 2026. | □ |
| Margin Trajectory | Improving | Standalone EBITDA expanded 540bps QoQ on higher ASP and operating leverage. | □ |
| Pricing Power | Expanding | ASP at □147.5/mm vs □138.1 in Q1; BRL is pricing at the Minimum Import Price (MIP). | □ |
| FCF Conversion & Quality | Distorted | Standalone PAT hit by □33.87 Cr IF impairment; Cash flows focus on capex. | □ |
| Competitive Moat | Widening | Sole Indian manufacturer of scale; ADD/CVD creates a structural price floor. | □ |
| Balance Sheet Strength | Adequate | Fresh equity of □371.49 Cr + pending warrant payments (□282.52 Cr) fund expansion. | □ |
| Working Capital | Improving | Inventory "washed out" at quarter-end; high demand ensures zero finished goods stock. | □ |
| Mgmt Guidance Record | Improving | Delivered on margin expansion and project financing; GMB "bleeding" arrested. | □ |
| Key Vulnerability | Concentrated Policy | Total reliance on the continuation of ADD/CVD floor prices for profitability. | □ |
| Management Tone | Confident | Bullish on domestic demand (PM Surya Ghar) and technical efficiency gains. | □ |

**Sentiment:** □**Positive Key Takeaways:** * **Positives:** The "German Overhang" is effectively cauterized. Standalone India is performing at peak levels with EBITDA margins hitting 33.2% as the company captures the full benefit of the Anti-Dumping Duty (ADD) floor price. Demand is decoupled from module price volatility; BRL is selling everything it makes (99% utilization) with zero finished goods inventory. The successful □371.49 Cr fundraise in October de-risks the □950 Cr expansion project. * **Negatives:** Despite the GMB exit, the Interfloat (IF) marketing entity remains a minor drag (□7.7 Cr EBITDA loss), and management is still deciding whether to shut it down. Capital allocation history remains a scar, with □325 Cr+ lost in Germany, though the "hard call" to exit is a net positive for future cash flow. * **Street Concern:** Analysts are hyper-focused on the entry of Reliance (12GW) and others like Vishakha/Avaada. Management's response—that the total planned capacity (~58GW) still only barely meets the 50GW+ expected demand, especially with Reliance's internal green hydrogen needs—is credible but suggests BRL's "sole player" pricing power will moderate by 2027. * **Watchpoint:** Success of the Dec 2026 commissioning of SG-4/5; any delay would allow competitors to seize the massive supply-demand gap currently filled by imports.

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## 2. BUSINESS PERFORMANCE

### 2A. KEY METRICS

DATA SOURCE: PPT figures primary. Concall used for Utilization and ASP.

| Metric | Current Qtr (Q2FY26) | YoY Change | QoQ Change | Trend | Mgmt Commentary |
|---|---|---|---|---|---|
| Revenue Standalone (□Cr) | 378.44 | ↑ 42.5% | ↑ 13.9% | ↑ | 29% growth from ASP increase; Volume up on efficiency. |
| Revenue Consolidated (□Cr) | 378.88 | ↑ 1.6% | ↑ 9.3% | ↑ | Consolidated now essentially mirrors Standalone post-GMB exit. |
| EBITDA Standalone (□Cr) | 125.50 | ↑ 137.3% | ↑ 35.6% | ↑ | Driven by higher realization and production yields. |
| EBITDA Margin % (India) | 33.2% | ↑ 1330 bps | ↑ 540 bps | ↑ | Hit 33% target; supported by ADD/CVD floor. |
| PAT Standalone (□ Cr) | 45.82 | ↑ 263.1% | ↑ (Loss to Profit) | ↑ | Impacted by □33.87 Cr IF impairment; core is strong. |
| Avg Selling Price (□/ mm) | 147.50 | ↑ 28.3% | ↑ 6.8% | ↑ | Aligned with MIP; stable at this level. |
| Production Capacity (TPD) | 1,000 | → 0% | → 0% | → | India at 1,000 TPD; German 350 TPD deconsolidated. |
| Volume Growth (%) | ~7% (Est) | ↑ | ↑ | ↑ | Driven by better technical yields and efficiency. |
| Utilization (%) | 99.1% | ↑ (vs 91%) | ↑ (vs 94.2%) | ↑ | Operating at near maximum technical limits. |
| Exports Standalone (□Cr) | 45.61 | ↑ 31.7% (QoQ) | ↑ 31.7% | ↑ | 12.1% of turnover; focusing on high-margin specialized orders. |
| Overseas EBITDA (□ Cr) | -7.71 | N/A | ↑ (Reduced loss) | ↑ | GMB deconsolidated; IF trading/claims losses persist. |
| DSO (Days) | ~60 | → 0% | → 0% | → | Targeting 35-40 days for module players. |

### 2B. SEGMENT BREAKDOWN

| Segment | Revenue (□ Cr) | YoY Growth | Margin | Trend | vs Company Avg | Key Development |
|---|---|---|---|---|---|---|
| India (Standalone) | 378.44 | 42.5% | 33.2% | ↑ | Above | Captive RE project to reach 65% share by Q3FY26. |
| Overseas (IF/ Laxman) | 18.65 | N/A | Negative | ↑ | Below | Trading entity only; potential for shutdown next quarter. |

## 3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

| Dimension | Category | Management Target / Claim | Required Run-Rate / Feasibility | Historical Delivery | Risk Flag |
|---|---|---|---|---|---|
| Guidance | Margins | 33% Sustainable EBITDA | Requires ASP ≥ □145/mm. | **Delivered** (Q1 27.8% → Q2 33.2%). | Low |
| Guidance | Capacity | 600 TPD by Dec 2026 | ~14 months to commission. | **On Track** (Work begun). | Medium |
| Guidance | Capex Plan | □950 Crore for SG-4/5 | Fully funded post-Oct issue. | **Improved** (Financing secured). | Low |
| Strategy | Germany | "Decision on IF operations" | Stop trading losses by Q4. | **In Progress** (Reviewing IF). | Medium |
| Strategy | Operations | 65% Renewable Power | Commissioning Q3FY26. | **On Track** (Open access hybrid). | Low |
| Macro | Industry | 35GW Installation FY26 | ~50GW module requirement. | High (Strong momentum). | Low |
| Balance | Funding | □282.52 Cr pending warrants | Due by August 2026. | **Mixed** (Some paid early). | Medium |

## 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 | Puneet Gulati / HSBC | Operations | Business | "What is the utilization you're experiencing right now?" | Management confirmed utilization reached 99.1% (991 TPD) in Q2, up from 94.2% in Q1. High utilization at current margins signals peak operating leverage before the next capacity addition. | None | 5.0 | Specific and quantified |
| 2 | 4.5 | Puneet Gulati / HSBC | Realization | Financials | "What is the run rate going in the current quarter for realization?" | Management indicated realizations are holding steady at □147.5/mm, which aligns with the current import parity. This suggests top-line growth for the next 4-5 quarters will be limited to 3-5% efficiency gains until SG-4 commissions. | None | 4.0 | Realistic |
| 3 | 3.5 | Puneet Gulati / HSBC | Expenses | Financials | "Anything to read into other expenses going up to □72 Cr?" | Management attributed the spike to one-time legal/audit fees for GMB's restructuring and insolvency filing in Germany. Normalization of these costs in Q3/Q4 should provide a minor tailwind to EBITDA margins. | None | 4.0 | Directiona |
| 4 | 4.0 | Akash Jain / Money Curves | Financials | Financials | "Will there be more losses at Interfloat over there?" | Management noted losses are being curtailed but | None | 3.0 | Hedges on shutdown |

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|---|---|---|---|---|---|---|---|---|---|
| | | | | | | admitted Interfloat is currently a marketing entity with no clear demand recovery in the EU. A decision to potentially shut down the entity entirely is expected by next quarter, which would clean up the consolidated P&L. | | | |
| 5 | 4.5 | Ronak Jain / Sanghvi | Margins | Financials | "Is the EBITDA margin of 33% sustainable for future?" | Management expressed high confidence in sustaining 33% margins given the current policy-driven price floor. This solidifies the thesis that BRL is now a steady-state cash generator rather than a turnaround story. | None | 4.0 | Confident |
| 6 | 4.0 | Rikin Shah / Boring AMC | Pricing | Business | "How is the end customer absorbing this in a time where his module prices are correcting?" | Management noted that while module margins may contract from 60-80% ROCE, there is zero pushback on glass prices due to the Anti-Dumping Duty. Confirms glass is a non-discretionary input where BRL has pricing power within the duty-protected band. | None | 4.5 | Robust logic |

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|---|---|---|---|---|---|---|---|---|---|
| 7 | 4.5 | Prateek Giri / Subh Labh | Capacity | Capex | "Should we assume flattish performance because we are at 100% capacity?" | Management admitted volume growth is limited to ~3% from debottlenecking, but emphasized cost savings from the captive power plant (65% RE share) starting Q3. Pivot from "Volume Growth" to "Margin Optimization" for the next 12 months. | None | 4.5 | Clear trade-off |
| 8 | 4.0 | Prateek Giri / Subh Labh | Product | Business | "What is the mix of 2mm glass?" | Management clarified that 2mm heat-strengthened glass now accounts for ~70% of production, mirroring the shift toward bifacial modules. High-tonnage products are being phased out in favor of high-area/ thinner glass, which improves yield per ton. | None | 5.0 | Specific |
| 9 | 5.0 | Daksh Malhotra / Aadriv | Competition | Management Commentary | "There is a rumor we are entering into module rooftop manufacturing?" | Management categorically denied entering module manufacturing, stating they are fully focused on the 600 TPD glass expansion. This allays fears of capital misallocation | None | 5.0 | Definitive denial |

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|---|---|---|---|---|---|---|---|---|---|
| | | | | | | into a more competitive/ lower-margin downstream segment. | | | |
| 10 | 4.5 | Daksh Malhotra / Aadriv | Competition | Business | "Nutshell, sir, we see ample demand even after expanding?" | Management calculated that even with Reliance (12GW), Vishakha (12GW), and others, total capacity of ~58GW still trails behind growing demand and green hydrogen needs. This reduces the risk of a domestic supply glut in the medium term. | None | 4.0 | Quantified |
| 11 | 4.0 | Deepak Purswani / SVAN | Efficiency | Financials | "How do you measure cost of production vs Chinese players?" | Management claimed their "consumption units" (raw material/fuel per unit) are actually better than China, and the price difference is purely due to Chinese subsidies. This is a critical moat argument—BRL is technically superior but requires policy protection for price parity. | None | 4.0 | Directiona |
| 12 | 3.5 | Vikrant Sibal / Money Curves | Strategy | Capex | "Why not maybe go for more capex?" | Management cited "manpower constraints" and the highly skilled nature of | None | 4.0 | Honest or limits |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | | | | | | glass manufacturing as the reason for not scaling faster. Signals prudent growth that won't outstrip their technical management capacity. | | | |

**PATTERN FLAGS & SENTIMENT** * **The "Reliance Anxiety":** Analysts were obsessed with the impact of Reliance and other new entrants (Vishakha, Avaada). Management was highly defensive yet analytical, arguing that the 50GW demand figure is a conservative floor and Reliance's capacity is largely captive for green hydrogen. The posture suggests management believes they will maintain their 20-25% market share even in a more crowded market. * **Post-Germany Relief:** There was a palpable shift in tone; questions about GMB losses have been replaced by questions about standalone margin sustainability. Management appeared much more comfortable discussing domestic efficiency and realization than they were during the GMB restructuring phase. * **Analyst Sentiment Verdict: Bullish but Watchful.** Analysts were clearly impressed by the 33% margin print, which was higher than most street estimates. The friction point has shifted from "How much will you lose in Germany?" to "How long can you keep these margins before competition arrives?" Management's credibility improved significantly this quarter by delivering both the fundraise and the margin expansion.

**GUIDANCE GAPS REVEALED IN Q&A** | Topic | What Mgmt Claimed (Prior Q1FY26) | What Q&A Revealed | Gap / Walk-back | Risk to Thesis | | :--- | :--- | :--- | :--- | :--- | | Volume Growth | "Volume-led growth" | "Volume growth capped at 3%" | Admissions that 1,000 TPD is at technical max. | Growth for next 12 months depends solely on cost/efficiency. | | IF Exit | "Partially provided" | "Considering shutdown" | Accelerated the potential exit of the marketing arm as well. | Positive for consolidated margins; finalizes EU clean-up. |

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## 5. WHAT CHANGED vs PRIOR QUARTER

| What Changed | Prior Quarter (Q1FY26) | This Quarter (Q2FY26) | Direction |
| --- | --- | --- | --- |
| **EBITDA Margin (Standalone)** | 27.8% | 33.2% | ↑ (540 bps expansion) |
| **ASP** | □138.1 / mm | □147.5 / mm | ↑ (6.8% increase) |
| **Utilization (India)** | 94.2% | 99.1% | ↑ (Near technical limit) |
| **German Status** | Newly filed for insolvency | Deconsolidated (Clean break) | ↑ (Arrested loss) |
| **Financing Risk** | Warrant shortfall concern | □371.49 Cr raised (Preferential) | ↑ (Project de-risked) |
| **Net PAT** | □244.47 Cr Loss | □45.82 Cr Profit | ↑ (Core turnaround) |
| **Cost Tailwinds** | 27% Renewable Power | 65% RE targeting Q3 | ↑ (Margin expansion catalyst) |
| **Inventory Status** | Spares/Refractory built-up | "Washed out" Finished Goods | ↑ (Strong demand pull) |

**Investor Notes:** * **Thesis Trajectory:** The thesis has moved from "Surviving Germany" to "Thriving in India." The current 33% EBITDA margin is likely the peak unless the ADD floor price is raised further. * **Growth**

**Plateau:** Investors should expect flattish volume performance for the next 4 quarters. The stock is now a "Realization and Cost-Efficiency" play until the 60% capacity jump in late 2026. * **Competitive Cushion:** Even if Reliance/Vishakha enter, BRL’s move to 65% renewable energy and fully depreciated SG-1 furnace provides a cost buffer that newer, debt-heavy plants will lack. * **Credibility Rebound:** Management successfully raised capital at ₹535/share (near market price), suggesting strong institutional backing (Abakkus, Nuvama) for the SG-4/5 expansion plan.