BOROSIL renewables

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May 15, 2025

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

Please find enclosed transcript of conference call with Institutional Investors and Analysts held on Monday, May 12, 2025.

You are requested to take the same on records.

Yours faithfully,

For Borosil Renewables Limited

RAVI MOTILAL VAISHNAV
Digitally signed by RAVI MOTILAL VAISHNAV
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Ravi Vaishnav
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"Borosil Renewables Limited

Q4 FY '25 Results Call"

May 12, 2025

MANAGEMENT: **MR. P. K. KHERUKA – EXECUTIVE CHAIRMAN – BOROSIL RENEWABLES LIMITED**
MR. ASHOK JAIN – WHOLE-TIME DIRECTOR – BOROSIL RENEWABLES LIMITED
MR. SUNIL ROONGTA – WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER – BOROSIL RENEWABLES LIMITED
MR. BALESH TALAPADY –VICE PRESIDENT - INVESTOR RELATIONS – BOROSIL RENEWABLES LIMITED

MODERATOR: **MR. ROHAN GHEEWALA – AXIS CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Borosil Renewables Limited Q4 FY '25 Results Call, 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rohan Gheewala from Axis Capital Limited. Thank you, and over to you, sir.

Rohan Gheewala: Thank you. Good evening, everyone. On behalf of Axis Capital, I'm pleased to welcome you all for the Q4 FY '25 Earnings Conference Call of Borosil Renewables Limited. We have with us the management represented by Mr. P.K. Kheruka, Executive Chairman; Mr. Ashok Jain, Whole-Time Director; Mr. Sunil Roongta, Whole-Time Director and Chief Financial Officer; and Mr. Balesh Talapady, VP, Investor Relations.

We will begin with the opening remarks from the management, followed by an interactive Q&A session. Thank you, and over to you, sir.

P. K. Kheruka: Good afternoon. Welcome to Borosil Renewables Quarter 4 and Financial Year '25 Investor Call. The financial results for the quarter and year ended 31st March 2025 were approved by the Board of the company on Saturday, 10th May. 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 now discuss the operations of company on a stand-alone basis as well as on a consolidated basis. The total sales during the financial year ended March '25 grew by about 12% to INR1,110 crores, up from INR990 crores in the previous year. The sales grew 10% by volume and 4% by higher recovery from selling prices to INR113.4 per millimeter per square meter, up from INR109.1 during the previous year.

The first 8 months of this year witnessed a steep decline in selling prices, led by dumping from China. The announcement of a provisional antidumping duty on 4 December was a breath of oxygen for the company, when the government announced a minimum import price for solar glass imports from China and Vietnam.

This growth in sales became possible only because of prices rose by about 22.1% -- in Q4FY25 over the preceding quarter, the EBITDA for financial year '25 increased by 51.8% to INR180.51 crores, up from INR118.93 crores in the previous year.

Export sales during financial year '25 at INR91.73 crores, comprising 8.3% of the turnover, has actually dropped sharply from the previous year's INR199.78 crores, led by a significant decline in the demand in European markets as a result of dumping of modules from China at artificially low prices.

It became impossible for local European manufacturers to survive at these prices. In addition, another important market, Turkey, saw lower installations due to economic challenges in that market.

A review of the last quarter of the year gone by, shows an increase in sales by value at INR 327.23 Cr versus INR 227.33 Cr in the same quarter last year, an increase of 44%. Sales by volume rose by 16% during this period. Average ex-factory selling prices during the quarter were about INR127.6 per millimeter as compared to INR99.6 per millimeter per square meter in the corresponding quarter in financial year '24, which represents an increase of 28%, leading to a significant improvement in the margins.

The EBITDA for quarter 4 financial year '25 increased to INR77.03 crores as against INR13.13 crores in the corresponding quarter in the previous year. Export sales during quarter 4 '25 amounted to INR18.9 crores, accounting for 5.8% of the turnover, compared to INR13.55 crores in the corresponding quarter when exports made up 6% of turnover.

The imposition of provisional antidumping duty on imports of solar tempered glass from China and Vietnam from 4th December 2024 for 6 months, pending completion of the investigation has helped the domestic solar glass producers.

I'm happy to announce that the Ministry of Finance has on Friday, 9th May announced a definitive antidumping duty on all imports of solar glass originating in or exported from China and Vietnam, which shall remain valid till 3rd December 2029 for a period of 5 years from the date of issue of the preliminary duty notification.

This is indeed a strong indicator of the government's resolve to support the domestic supply chain for solar photovoltaic manufacturing. This decision will be the catalyst for strong growth in this sector driven by fresh investments. The company's domestic selling prices are now close to the level of the reference prices, landed value at port of discharge of around INR135 to INR140 per millimeter per square meter.

Domestic demand continues to be robust. Manufacturing capacity for solar modules has already reached 90-plus gigawatts and is expected to rise to 150 gigawatts by March 2027. The country has seen its highest ever solar installations at 25 gigawatts, which means modules consumption of about 35 gigawatts in the year just completed as against 15 gigawatts during the previous year.

We expect the installations to rise to 40 to 45 gigawatts annually going forward. Use of locally produced modules has risen sharply after the implementation of ALMM mechanism from April 2024, which is leading to an increased demand for the -- all the components, including solar glass.

The present solar glass capacity in the country is 2,300 tons per day, which is about 15 gigawatts. Another 15 gigawatts of capacity, including 12 gigawatts for captive by a new producer is getting commissioned by the end of calendar year 2025.

With a phenomenal rise in demand in recent times, imports currently occupy about 55% to 60% in the consumption for domestic installations, leaving huge scope for capacity addition and import substitution.

Now I come to the consolidated results for the quarter, which include the operations of the subsidiaries. The overseas subsidiaries, including the step-down subsidiaries, have generated a net revenue of INR46.31 crores and a negative EBITDA of INR49.67 crores for the fourth quarter of the last financial year as against a net revenue of INR86.21 crores and negative EBITDA of INR14.38 crores in the preceding quarter.

The drop in revenue for the German subsidiary arose from a sharp decline in sales due to suspension of manufacturing by Germany's leading photovoltaic module manufacturers. This decline was so sharp that it was no longer viable to continue operating the hot end, i.e., the glass melting furnace.

As already reported in the last call, the company had been forced to cool down its furnace due to a slow demand, lower level of operations and a write-off of non-moving inventories of about INR16 crores.

The consolidated net revenue for the quarter under review stands at INR373.54 crores and the EBITDA of INR27.36 crores as compared to a net revenue of INR361.49 crores and EBITDA of INR5 crores in the preceding quarter. The EBITDA has been impacted by lower profitability of overseas subsidiaries despite a significant improvement in the Indian operations as discussed earlier.

As informed in the last call, while temporarily cooling down the furnace operations in January, the company had continued to operate its processing of available annealed glass, thus engaging in partial operations. Demand from select pockets is looking up as the incentive package rolled out by the Italian Government and the Austrian Government have helped domestic manufacturing.

Meanwhile, the newly constituted Federal Government of Germany has announced strong support for the promotion of domestic manufacturing of solar modules and its components. This looks promising for the domestic manufacturing of solar photovoltaic modules.

However, final concrete steps are still awaited. We shall observe the developments over the next weeks and take further steps relating to the possibility of resumption of glass production. In the meantime, we are evaluating resuming production in the cold end by importing annealed glass and processing it at the GMB plant in the near future.

Going forward, we expect the stand-alone results to show further improvement in profitability in the ensuing quarters on the back of better selling prices, while the efforts in improving yield continue. We shall also see the benefits of an additional 16.5 megawatt solar plus wind hybrid power plant, which is expected to be commissioned during second quarter financial year '26.

This will not only save costs for us, but will also enable us to meet a significantly higher portion, which is 65% to 70% of our demand for electricity from captive sources of renewable energy. While it is difficult to assess the full impact of the ongoing tariff war, the initial indications suggest rise in demand from the USA.

However, we have to wait for the 90 days period to be over before understanding the likely impact it will have on our business. I would now like to update you on the preferential issue. A total sum of INR204.42 crores was received towards the issue, comprising INR100 crores from promoters against shares and INR104.42 crores towards 25% amount against warrants. INR185 crores from this amount has been utilized to repay the loan liability of our step-down subsidiary, GMB.

The balance is available for utilization against expansion project. We are re-evaluating the size of expansion projects as against the earlier plan of 500 tons per day. We expect project cost to be finalized by next month with the target to commission the new facility during third quarter of 2026, '27. The balance payments against warrants for conversion into equity shares will be used for this project. The remaining cost will be funded by a mix of equity, debt and internal accruals.

The Board has also approved further raising of funds through the issuance of instruments of security, including equity shares or any other security convertible into equity shares, including warrants in one or more tranches for an amount not exceeding INR500 crores, in accordance with the regulations and subject to necessary approvals, including the approval of the members of the company and such other regulatory or statutory approvals as may be required. This is an enabling resolution to meet funding requirements for any opportunity which may come up.

Finally, we remain positive on the sector and see good prospects for the company over the next few years, looking at the growth in the sector and stable selling prices of solar glass. With that, I would now like to open the floor to questions that you may have. Thank you.

Moderator: Thank you, sir. Ladies and gentlemen, we will now begin the question and answer session. The first question comes from the line of Mohit Kumar from ICICI Securities.

Mohit Kumar: Congratulations on a good set of numbers. Sir, first question is, what was your realization during the quarter? And how does this compare to the floor custom duty being imposed of USD664 per ton?

P. K. Kheruka: I'll ask Mr. Ashok Jain to answer that question.

Ashok Jain: Yes. You asked for the realization, it was already said in the call, it was INR127.6 per millimeter.

P. K. Kheruka: How does it compare with the imposed...

Mohit Kumar: Floor custom duty -- floor custom duty being imposed of USD664 per ton?

Ashok Jain: Yes. So basically, there are 3 countries from where the imports are coming. And all the 3 countries have different duty structure. So we can't compare it against one particular country. But even to compare it only against China, which is at the highest amount of duty, then from that perspective, it was about, say, 7%, 8% lower.

Mohit Kumar: But then we have Vietnam?

Ashok Jain: Vietnam -- but Vietnam has a lower duty. So as compared to Vietnam, we were much higher. And Malaysia has no antidumping duty. So even compared to that also, we were very high. But we are moving towards the prices from China in due course.

Mohit Kumar: Understood, sir. My second question is, what do you mean by revision of capex proposal? Do you intend to revise the overall capacity downward? Is that the fair understanding?

Ashok Jain: So we are actually reviewing the capex program after visiting a lot of suppliers from various geographies and also discussing with the team here and we are reaffirming the...

P. K. Kheruka: We are revising it upwards, not downwards.

Mohit Kumar: Understood. Understood. In capacity terms, right? Is that fair?

P. K. Kheruka: Yes.

Mohit Kumar: My last question, sir, given the fact that the Government of India has also imposed a CVD on Vietnam. So the final recommendation has come from the DGTR. Do you expect another notification from the Government of India for the CVD separately?

Ashok Jain: Yes, that has also come in – it has also come in.

P. K. Kheruka: It has come in. It has been announced now.

Moderator: The next question comes from the line of Vineet Gala from Sylem PMS.

Vineet Gala: Sir, congratulations on a good set. Sir, what is our monthly burn rate at our German subsidiary, April onwards? And if you can also please elaborate on the one-time employee cost and inventory adjustments that we took in Q4 in that particular subsidiary?

Ashok Jain: So the inventory write-off is about INR16 crores, which was accumulated for the period. I think when we took the physical stock at the financial year-end, we noticed that gap to be there, so that was adjusted. In terms of the other aspect like burn rate from April, we have been trying to reduce the losses. There are some fixed overheads, which we are unfortunately not able to cut down. So the loss is about, say, EUR 900,000 per month as of now, so almost INR8.5 crores to INR9 crores.

Vineet Gala: That is on a monthly basis, right?

Ashok Jain: Yes. And we are trying to cut it down further by putting the workforce under a training program, which is allowed in Germany, where the entire wage is paid by the government and company does not have to bear the cost. So since we will not be needing all the employees when we even resume the cold end operations, at least 50% of the employees, we are going to put on training program, which can substantially cut down the cost of the manpower.

Vineet Gala: Okay, sir. So INR9 crores is on the upper end and it can be reduced.

P. K. Kheruka: That is the upper limit.

Vineet Gala: Okay. So given our exit realization and where the major imports are from -- and our average realization -- is it safe to assume that the blended margins for roll up next year can be 300 to 400 bps higher than Q4?

Ashok Jain: Yes, we can assume that safely.

Moderator: The next question comes from the line of Nidhi Shah from ICICI Securities.

Nidhi Shah: So primarily on Europe, so what does the future look like in terms of all this uncertainty? What does it look like for our German subsidiary and exports in general, given that -- it doesn't seem like the uncertainty is going away anytime soon. So are we -- what is the long-term plan in Germany as well? Are we planning to do something with that plant to sort of reroute the product from there elsewhere? Are there any other markets for exports that could be good for India, things like that?

P. K. Kheruka: So let me take that question. First of all, the situation seems to be changing in the not-too-distant future. The difference that has happened is that a new government has been elected. The last government which was there in Germany was -- I'm sorry to say, somewhat dysfunctional. Under their watch, a lot of industry shut down, 3 manufacturing lines of Volkswagen shut down.

All the solar module manufacturers, the bulk of the manufacturers shut down, they really didn't have a clue about what they were doing. The new government has the two largest parties of Germany, the traditional parties, the Christian Democratic Union and the Social Democrats who have come together to form a government. These are the people who have led Germany to its financial strength over the last half century or more. And so they have immediately got together. They have formulated a plan. The plan calls for heavy investment in solar manufacturing in Germany.

And so therefore, we are expecting that there should be very strong solar manufacturing Germany programs coming up. You see the new chancellor has been voted into office only in the last week. The new Council of Ministers have just assumed office less than 7 days ago. We'll have to give them a little time to set up policies and to issue them. The portends are very good, very strong.

I want to come to another point. Last year, the total installation of solar photovoltaic in the European Union was 65 gigawatts. Now according to the European Union Parliament, there is a law that mandates 40% of this must come from European sources. Our company is the only company manufacturing solar glass in the entire European Union. So, we expect a surge of demand.

And I would not be surprised if God knows, there might be a requirement to set up another production line there. So I would say that the future looks quite attractive. Of course, it all has to pan out, but then the portends are that it should.

Nidhi Shah: All right. And secondly, my last question would be on the duties that have been imposed on China and Vietnam. As we know, Malaysia has no duties. Are we expecting any export from China to be rerouted through Malaysia like it has happened in the past with cells?

Ashok Jain: Yes. So, the exports from Malaysia have actually gone up in the last quarter or so. They are now constituting close to 20% of the exports, whereas they were almost zero before. But the positive thing is that even Malaysia unit is also a subsidiary or a company set up by a Chinese company who has a large presence in China. So they are obviously aware of what prices are available in India. So they have increased the prices, and they are also selling at prices which are in between the China and Vietnam price.

So they are not staying back on the prices and the prices are like say right as far as we are concerned. And moreover, there is a only limited capacity available there. Second thing is or the third thing is that they don't offer 3.2 millimeter glass from there, which is required in India. So whatever competition you could expect from Malaysia is actually only very, very marginally present in that context. And we are able to get prices which are...

P. K. Kheruka: Higher than the imported price for Malaysia.

Ashok Jain: Closure to Chinese prices -- higher than Malaysian prices.

Nidhi Shah: So what you're basically saying is that even if the duty is not imposed on Malaysia anytime soon, it is not going to be a threat to realizations or volumes for our company. Am I correct in understanding that?

Ashok Jain: Yes.

Moderator: The next question comes from the line of Sunny from IAFI Research.

Sunny: Sir, congratulations on great set of numbers on a stand-alone basis. My question is the long-term guidance for full financial year for the stand-alone business of India. What would be the EBITDA margin?

Ashok Jain: In the last quarter, we earned 23.5%, where the price was INR127.6 and we are increasing the price to the level of reference price, which is INR135 or so. So obviously, we are going to have some incremental EBITDA coming in, in the financial year. So, somebody had asked in the call earlier, whether 3% to 4% increase can be expected. So, we said yes. So that's how you can interpret it.

Moderator: The next question comes from the line of Deepak Purswani from Svan Investments.

Deepak Purswani: First of all, congratulations for the good set of numbers on the Indian operation. Sir, I mean, just wanted to check it out again. If you can give a clarification regarding the Malaysian route, which you were mentioning. I could not get the complete part -- I mean, in terms of the pricing difference between Malaysia and Vietnam. And if you can give a broader -- I mean, explain it again, that would be really helpful.

Ashok Jain: So, Malaysia has only a countervailing duty and a basic custom duty, and there is no antidumping duty on the goods coming from Malaysia. So, in that sense, it can be cheaper compared to China or Vietnam because the reference price for China and Vietnam are higher. But the Malaysian company is also a subsidiary of a Chinese company, and they are aware of the reference price at which the goods are coming in India.

So, what they have done is to raise their own prices also from Malaysia -- so though imports have started to increase from Malaysia, but they are coming at a higher price, which is not exactly equal to Chinese price, but it is in between the China and Vietnam price. So we are not forced to reduce our prices in that sense, and we are able to sell close to the Chinese prices, which are high.

Deepak Purswani: Okay. Got it. So, from that extent -- I mean, eventually, our realization should -- there is a further scope to increase our realization at least from the domestic operation, correct?

Ashok Jain: Correct.

Deepak Purswani: Okay. And sir, now coming to the German operation, firstly, if you can give a broader sense, I mean, at least -- I mean, looking at the current operation there, when should we expect at least on the EBITDA level, we should break even going ahead?

Ashok Jain: So, we are trying to cut down the cash losses by starting the cold end operations. Cold end means the processing of the glass. So, we buy the glass, we import the glass from, say, other countries and process it and sell it to the customers over there and we are expecting this to reduce the EBITDA losses by 50% at least. So this is the attempt we are trying to do right now. And in the meantime, we'll wait for German government to announce any incentives or any packages, whereby the demand can rise to a higher level, which enables us to think about resuming the furnace operation.

So, this cold end operation thing we'll observe for 2, 3 months, and then we'll see how to take it forward. But it is difficult to bring it down to 0. As you may see, there are overheads which are fixed cost, like say, oxygen plant cost or gas plant cost or employees cost, administrative expenses and all the things. So, there is a certain dead cost or stand still cost, which still remains despite our best efforts. So, we will try to cut down the losses first and then see how to come back to positive.

Deepak Purswani: Okay. And thirdly, sir, on the revised capex front, what is the revised capacity we are looking out to bring it from the earlier 600 TPD -- so what is the intended capacity we would like to have now looking at the current industry tailwind?

Ashok Jain: So we had earlier announced a 500 ton capacity expansion, and that is under review by the management and the Board. And I think it is going to rise from there. But exact quantum and exact investment, we are going to finalize in the next, say, 3, 4 weeks. And the Board will consider and then we will announce it to the shareholders.

Deepak Purswani: Okay. And finally, sir, on my front, if you can also give us a sense in terms of the equation on the demand supply side from the next 2-year perspective, how do we see the demand and supply equation playing out in the domestic market, whether demand is going to exceed the supply going ahead or supply would catch up significantly going ahead and then it will neutralize?

Or how should we see that scenario playing out over the next 2, 3 years for us? And also -- and also on the technological development front -- I mean, any changes in the technology front like HJT, TOPCon, would it have any implication on the solar glass demand going ahead?

Ashok Jain: So, on the demand and supply front, a complete explanation was provided in the Chairman's statement. The demand currently is about 35 gigawatts and the supply from India is about 15 gigawatts, which leaves a gap of 20 gigawatts, which is coming by way of imports.

And as we foresee the demand to grow to about 40 gigawatts to 45 gigawatts going forward in terms of installations, the module or the glass demand will be north of 50 gigawatts. So, there is a huge surge in demand, which is expected and new capacities of about 15 gigawatts are coming in India from glass perspective. So even if that is fully utilized, we will still have only 30 gigawatt supply as against more than 50 of demand. So, there is a clear case for further capacity addition in India, which is where we are going to play a role by expanding our capacity.

In terms of the technology, currently, everybody in India is on TOPCON technology and HJT is only with one company, which is like I said, Reliance Industries. And we expect this technology TOPCON to survive for next many years. And in case if there is any change in future, it does not matter much for the glass sizes because there is hardly any change in the sizes, which will come in. And our current facility and the new facility which we are targeting, we will be able to deal with supply to even HJT technology glass sizes. So it's not a worry for us.

Moderator: The next question comes from the line of B.R. Nahar from Mile AIF fund.

B.R. Nahar: Congratulations on a good number on a stand-alone basis. My question is on the capex side basically. And when we announced -- the company announced the fundraising program, that time it was announced at 500 TPD plant -- that it was 500 TPD plant and for quite some time that -- we thought that it must have been started, that project.

It has taken quite some time and now we are seeing the demand. So also at that time explained that another 500 tons will be started after some time. So are we combining now 2,000 tons per day? Or what is the planning -- and how long it is going to take -- 1 month's time. So can it be expedited?

P. K. Kheruka: So the answer to your question is that we had taken a visit to China to understand the availability of latest glass manufacturing equipment. And we -- it is coming around that a furnace instead of being 250 tons, it is likely to be 300 tons. So instead of 500 tons, it looks like 600 tons. And you see it takes time to receive offers. It takes time for people to make offers to receive them, to compare them and to then thereafter place orders.

We have received many offers, and we are hard at work, trying to finalize which offer to take, from whom and so on. So in my speech, I have said we expect the production to be seen/visible in the third quarter of the next financial year. And that is just simply how long it takes. I'm sorry. It does not go faster than that, but we are on track, and we expect to do it.

B.R. Nahar: But you are going to do only in 600 tons now and then another 600 tons. Is that the planning or you are still combining...

P. K. Kheruka: You see when the decision was taken in February, it was taken for 500 tons, which has now become 600 tons. We have not decided to go any more than that at this moment. So it's a question of -- we take off bites that we think we can chew. And just saying that we'll take 1,000 tons and then falling on our faces is not a good idea. So this is how it is now. And we expect that we might -- it's always open to take the next 600 tons at the appropriate time.

Ashok Jain: So it will all depend on demand-supply situation after say, 1.5, 2 years once we have implemented the current expansion on hand, and we are not ruling out any possibility.

Moderator: The next question comes from the line of Gyanendra Agarwal from Gokulka Family Office.

Gyanendra Agarwal: In continuation to the answer that you provided to one of the previous participants on a monthly burn rate for your Germany plant. Could you please reconfirm is it INR9 crores to INR10 crores per month? Is that right understanding?

Ashok Jain: Yes, it's about INR9 crores per month.

Gyanendra Agarwal: So in that case, sir, assuming things don't change in Germany and the prices remains where it is today in India, would it be fair to say that our '25, '26 would still be, for the entire year EBITDA, flat, the way we see it in Q4?

Ashok Jain: No, that is on a stand-alone basis. On a stand-alone basis, our EBITDA was 23.5%, which we expect to go up as the prices are moving upwards, but that is on a stand-alone profit.

Gyanendra Agarwal: Yes. Sorry, sir, I think I -- my question was the consol basis. Assuming our situation in Germany remains the way it is today for the next, let's say, 12 months and the prices in India, let's say, the reference prices that you quoted about 135 remains the way it is, would it mean that for the entire '25-'26 at a consol basis, we would be EBITDA flat?

Ashok Jain: No, we will be having significant EBITDA positive because the EBITDA from Indian operations has been about, say, INR77 crores in the quarter 4, which is expected to rise to at least INR90-plus crores. And then we have about, say, INR27 crores losses per quarter. So obviously, we are leaving almost INR63 crores per quarter as the EBITDA positive.

Moderator: The next question comes from the line of Vikram Sharma from Niveshaay Investment Advisory.

Vikram Sharma: So sir, my question is, what is the manufacturing cost per ton in German plant, is there any scope to manufacture there and import in India?

Ashok Jain: No. The manufacturing cost in Germany is quite high compared to India because of the high cost of power and also the other items like oxygen and gas and electricity. So it is not possible to import glass from there at economical pricing. But we have tried in the past exporting it to U.S.A. and Turkey. Unfortunately, the prices were lower there at that point in time, but we are watching this development of tariff war closely, particularly from the perspective of exporting to U.S.A. And if the situation permits, then there can be a possibility over there to export to U.S.A.

Vikram Sharma: And sir, on Indian capex, is there any delay in capex plans? I think now we mentioned we are expecting capacity by December '26.

Ashok Jain: Yes. Can you repeat your question, please?

Vikram Sharma: So is there any delay in capex plan of 500 tons? So I think we are expecting capacity by December '26.

Ashok Jain: So we are now revising the capacity upwards and which will be announced in, say, next month or so. And this is slated to commission in the quarter, October to December '26, which remains on track.

Vikram Sharma: Okay. And is there any further scope of -- like I think we are already at 100% utilization or is there any scope of volume growth this year?

P. K. Kheruka: I'm sorry, I couldn't understand. Scope of utilizing -- what?

Vikram Sharma: Yes. Is there any scope of volume growth in FY '26?

P. K. Kheruka: Yes.

Ashok Jain: Yes, there is -- we are always trying to improve the efficiencies and yield, and there will be certain increase in the volume over the period, but it will not be a very large increase. A few percentage will be definitely possible.

Vikram Sharma: 8%, 10% kind of possible?

Ashok Jain: Yes, we are attempting to do that.

Moderator: The next question comes from the line of Pawan Kumar from Shade Capital.

Pawan Kumar: Sir, apart from -- like in Germany and in Europe, which are the other countries where I think there is a scope for like in case I think if demand comes?

P. K. Kheruka: Scope for demand -- see, the major manufacturing companies for photovoltaic modules in Europe, they were Germany, France, Italy, a little bit in Netherlands, some production in former East Europe like Slovakia, Slovenia, Poland. So these are the places where there has been manufacturing of modules. Because of this Chinese intense competition or very undercut prices, most of these factories have shut down. The information I have today informally is that the factories have shut down, but have not been dismantled.

So in other words, if there is a demand, they can be switched on. It's a very, very big thing. So if they had been dismantled, that would have been tragic because then switching them on would have taken time. Since they are not dismantled then they could be switched on and that would allow demand to rise very rapidly. This is all conjecture, of course.

Pawan Kumar: Yes. So do you -- are you seeing any sort of development happening around these lines in any of these countries, which you mentioned?

P. K. Kheruka: The development pattern...

Pawan Kumar: Development in the sense like as you said there might be a revival of these plants. Is it happening somewhere or there are some green shoots regarding this?

P. K. Kheruka: Of course, you see there's a European Union mandate that individual countries can give subsidies or advantages -- financial advantages to people who are using European modules. Now this has already come up in Italy in a pretty good program and it's come up in Austria now. So two countries have already come up, and we're expecting this to come up in Germany as well.

So with Italy and Austria, a certain demand has already taken place and a certain demand has sprung up already, which is not enough for us to switch on our furnace, but it is enough for us to switch on our processing lines where we could import the annealed glass and process it and sell it. So that is there. We are looking at that. And hopefully, we should be able to start that.

Ashok Jain: Just to add here, there are a lot of plants which are already announced by the various people in the European Union -- significant plants, but the work has not commenced in a meaningful way. They're all waiting for certain incentives and packages and support from the government. And even if 10%, 20% of these plants come up in European Union, it would definitely be able to meet the entire production.

P. K. Kheruka: We'll be able to supply 100% production to them.

Pawan Kumar: Okay. Thank you for answering my question.

Moderator: The next question comes from the line of Sunny from IAFI Research. Please go ahead.

Sunny: Sir, as we know that our Indian furnace is due for maintenance within next 18 months. Sir, what will be the time line for its maintenance and how much time it will take?

P. K. Kheruka: We are prepared for the furnace to -- we are prepared to repair the furnace as and when it becomes necessary. So there is a certain time line after 5, 6 years that we prepare all the equipment, all the necessary spare parts, etcetera, refractories and so on. And we are absolutely ready for the furnace to be repaired on the day that we feel it becomes necessary. As of now, the furnaces are producing at full capacity.

So we are not at that point where we need to worry about it. If it does happen, maybe it will take about anything between 45 days to 60 days from glass to glass to cool down the furnace, replace all the refractories and then restart it.

Sunny: Okay. Thank you. That’s it from my side.

Moderator: Thank you. The next question comes from the line of Saurab Arya from Oaklene Capital. Please go ahead.

Saurab Arya: So sir, my first question is, like you mentioned that you will have captive power. So when you give guidance of this INR90 crores per quarter EBITDA, so does that include that benefit?

P. K. Kheruka: Yes, please.

Saurab Arya: Does that include the benefit?

P. K. Kheruka: Yes, it includes.

Saurab Arya: Okay. Thank you for that. And second is, sir, I have -- I need some clarification on this demand and supply. So when you say that India can supply 15 gigawatt, but when I -- so I just want to understand, let's say, Borosil right now has 6.8 to 7 gigawatt of capacity and it is running at 60% utilization. So it means that it is providing 4.2 gigawatt. Is that right? So when we say India currently has 15 gigawatts, in that production of Borosil is 4.2 gigawatt?

Ashok Jain: No. That's not correct. The net glass capacity is what we are talking to you when we are saying 15 gigawatt, and Borosil is doing 6.5 gigawatt and not 4.2. So 6.5 is the net glass we are able to supply to our customers, and we are running almost 95% on that.

Saurab Arya: Okay. Because when I was doing the simple math of TPD into 365 days and the volume we do in terms of tons per day, it seemed to me it was around 230,000 tons per year. So then that number was coming around 60%, 65%. Is my understanding wrong?

P. K. Kheruka: When we talk of tons per day, we are talking about gross tons of glass melted per day. When you're making glass, there is a ribbon. The ribbon has edges. The edges have to be trimmed. That could be anything from 11% to 14% gone in that. Then you have to cut the sheets. Then there might be some quality issues. So those issues -- those glasses have to be discarded. You are left with a certain net -- net glass, which can be processed and sold.

When we speak of 6.6 gigawatts, then we are talking about the net glass. We are not talking about the gross glass. The gross glass we say was worldwide in the glass industry. The norm is to speak about tons per day, which is how many tons of glass you are melting. So they do not easily reconcile with each other.

Ashok Jain: So just to simply tell you, we have 1,000 ton capacity per day. So the gross production what we can do in the year is 365,000 tons. And broadly 75% is -- 70% to 75% is what you can expect to take and supply. So that works out to 6.5 gigawatt.

Saurab Arya: Yes, in India supply of 15, we are supplying 6.35. And when India is adding 15, that is net 15 that is getting added?

Ashok Jain: Net 15, yes. And thereafter also, like we are expanding one or two more players might expand. So we are going to have a capacity in tandem with the increase in the module demand or glass demand, but we are still going to be short of supply in terms of the requirement actually in the country, even after expansion. So there is a room for expansion further.

Saurab Arya: Actually, I have a related question to it. So when we talk about this demand, this is in conjunction with 3.2 mm, not 2 plus 2?

Ashok Jain: Now almost 60%, 70% of the demand is converted to 2 plus 2. And when you say the demand, it is now split in the mix right now by 2:1 or like that. But when you do it 2 plus 2, then the gigawatt will be slightly lower. Because you consume almost 25 kg glass in 1 module in bifacial, 2 plus 2 as against 20.5 kg in a 3.2 module.

So to that extent, the glass consumption goes up. And -- but at the same time, you have a higher output in the bifacial module. So net-net, there is only about 10% difference in the output. So 6.5 might become 6 gigawatts -- suppose you want to supply everything into 2 plus 2 millimeters.

Saurab Arya: Okay. Got it. And sir, if I can squeeze one more. You talked about Germany there were losses, etc. But let's say if everything goes in the way you are expecting it to be, how much EBITDA per ton could be the possible range there?

Ashok Jain: So on a normal basis, we can expect EBITDA to be about 10% or so there. Although in the past, the EBITDA has been higher, but with the current pricing and current costing to expect 10% EBITDA would be reasonable.

Saurab Arya: 10% -- and obviously, so your -- and your positivity about Germany is quite high versus a couple of quarters back when you were thinking to really shut down the furnace. Now you are thinking maybe there might be need to add if all things go right?

Ashok Jain: You're right.

Saurab Arya: Perfect sir. This is pretty helpful. Thank you very much. All the best.

Moderator: Thank you. The next question comes from the line of BR Nahar from Mile AIF Fund. Please go ahead.

BR Nahar: This is again, one biggest question on the cost basically. I read recently that Asahi India Glass in the Chittorgarh facility has started using hydrogen gas and have...

Moderator: Sorry to interrupt, Mr. BR Nahar could you please use your phone on the handset mode and speak a little louder?

BR Nahar: So my question is that recently, I read that Asahi India Glass has switched on to hydrogen gas in their plant at Chittorgarh? Whether that kind of possibility we are exploring or possible in our furnaces one by one. That is my question. And same thing can be replicated to reduce the cost at Germany plant when we commission?

P. K. Kheruka: So to answer your question, the use of hydrogen as a fuel is actually more expensive than natural gas. That is one. So people are doing that on an experimental basis when they are getting a very heavy funding from the government to experiment and to see whether hydrogen can work or not. So at the moment, there is no plan that we have to try to use hydrogen in our furnace. That answers your first question.

The second question is about Germany, whether we expect to reduce our cost of production. And the answer there is that we are permanently on the lookout to see what we can do to get a more efficient production or to reduce the cost of production. Typically, in glass manufacturing, there is not a lot of flexibility that we have in terms of the raw materials or the fuel or the consumption of the fuel, it's pretty much set.

But what we do have a little flexibility upon is whether we can make the process more efficient, get more glass out of the same tons that we are melting and so on. And that is an ongoing thing. So hopefully, that will continue.

BR Nahar: Because this INOX has given them 20 years contract basically. So nobody will switch over basically unless it is cheaper basically. So I presume that INOX might be getting the hydrogen made from their own wind power or some hybrid system. So by that method, I think cost could be competitive. Something like that, I presume I'm not expert on that. Just I thought I should ask this question?

P. K. Kheruka: I could not answer. Actually, I'm not familiar with what we are doing. So I cannot give you a meaningful answer.

BR Nahar: Okay, sir. All the best, sir.

Moderator: Thank you. The next question comes from the line of Deepak Purswani from SVAN Investments. Please go ahead.

Deepak Purswani: Thank you sir for the follow up opportunity. Sir, firstly -- just wanted to check it on the two things. Sir, firstly, the realization has still not matched with the reference price. Is it because of the stocking which was done earlier that is still continuing in the market or that is completely over?

Ashok Jain: Yes. So actually, realization, we started to take up towards the end of December. When the reference price came in from 4 December, we had already contracted the sale of December volumes. So we started to raise the price from end of December. And gradually, we have done it. So the impact has not been felt fully in the quarter because by the end of quarter, we are close to the, say, required price, but the average for the quarter is lower. So that's the reason you are not...

Deepak Purswani: So on the marginal basis, is it fair to say recent transaction are happening at 135 price?

Ashok Jain: Or less, yes. And the stock is not a problem. In December itself, we had cleared all the stocks. So we are not carrying stocks any longer. And even the industry players have been able to clear their stocks to a great extent. So that's not a problem any longer.

Deepak Purswani: Okay. And secondly, sir, just wanted to check it on the raw material prices. How do we see the raw material prices at the current juncture? And is there any benefit we are expecting, especially on the fuel cost on natural gas part?

Ashok Jain: But we have a basket of contracts, which are partially into Henry Hub, which is U.S.-based gas and partly oil gas. So when the oil prices have gone down, there is some benefit in the gas prices, which will accrue to us, but Henry Hub prices have not gone down. So there is a mix which we have used in order to reduce the volatility in our gas contracts. But yes, some benefits will accrue because the oil prices are down.

Deepak Purswani: Okay. And sir, what percentage of the gas quantity is linked with the long-term prices? And what is the percentage which is linked with the spot prices?

Ashok Jain: We hardly have any spot gas now. We are using contracts only.

Deepak Purswani: Okay. So eventually, slowly and gradually, it will come down based on the current pricing?

Ashok Jain: Yes, but major portion is of U.S. gas and the small portion is oil based, so the benefit will be marginal unless the U.S. price itself also goes down.

Deepak Purswani: Okay. Got it. Thank you and wish you all the best.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for the closing remarks.

P. K. Kheruka: Thank you very much, dear investors for your participation. We appreciate the questions that you ask and we are more than happy to participate in giving responses, which would hopefully make your view and understanding of your investment in this company and in this sector a little more clear. I want to just close by saying that we are looking at good times ahead.

I personally see that this is a robust sunrise industry in more ways than one figuratively and practically both. So thank you for being with us on this journey and I hope it's going to be equally beneficial for us both. Thank you.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Axis Capital Limited, that concludes this conference. You may now disconnect your lines.