

Operator: Ladies and gentlemen, good day and welcome to the Q1 FY27 earnings conference call of Borosil Ltd. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Manan Goyal from ICICI Securities. Thank you, and over to you, sir.

Manan Goyal – ICICI Securities: Thank you. On behalf of ICICI Securities, we welcome you all to the Q1 FY27 results conference call of Borosil Ltd. Today, we have with us the senior management team represented by Mr. Ruturaj Sharma, CEO; Mr. Anand Sultania, CFO; and Mr. Dhaval Patel, Head of Investor Relations. I now hand over the call to the management for their initial comments on the quarterly performance. Then, we will open the floor for the Q&A session. Thank you, and over to you, sir.

Ruturaj Sharma – CEO: Thank you, Manan and ICICI Securities, for arranging this call. Good afternoon to everyone. The Borosil team is delighted to be communicating with you once again. I am pleased to inform you that the Borosil Ltd. board approved the financial results for Q1 FY27 during its board meeting on 14 August 2026. We have submitted our results and an updated presentation to the stock exchanges, and they are available on the company's website for review.

Some quick updates. We are pleased to inform you that the company, through its wholly owned subsidiary Klassic Senior Limited, has successfully commissioned a BIS-compliant manufacturing unit with two double-walled lines for vacuum-insulated stainless steel flasks, bottles, and containers in the state of Rajasthan. Commercial production from the two double-walled lines commenced on 30 June 2026, and production from the third double-walled line is expected to commence during Q2 FY27.

With the introduction of the Green Energy Open Access Regulations 2025, we are pleased to inform you that the company successfully commissioned its third captive solar plant in Bikaner during Q1 FY27, with a capacity of 20 megawatt peak integrated with a battery energy storage system. This is the company's first project with battery storage and the first installation under the Green Energy Open Access Regulations 2025. As a result, solar power now meets about 61% of our overall energy requirement.

The company has strengthened its retail footprint with the launch of its exclusive Borosil brand stores. The company launched its first exclusive brand outlets in Pune and Gurugram. Thoughtfully designed to elevate the retail experience, the stores offer consumers an immersive destination to explore Borosil's complete range of kitchen, dining, home, and lifestyle solutions under one roof.

I am pleased to report that Borosil Ltd. delivered a steady performance in Q1 FY27, with consolidated revenue from operations reaching INR 253.6 crores, up from INR 232.7 crores during the same period last year. This represents 9% year-on-year growth. This steady growth, achieved against challenging market conditions, reflects the resilience of our business model, the strength of our execution, and the continued trust and loyalty of our customers, placing us on a strong competitive footing alongside our peers.

Report is AI-generated and may contain inaccuracies.

In Q1 FY27, the company achieved operating EBITDA of INR 35.9 crores against INR 40.2 crores in Q1 FY26. EBITDA margin for Q1 FY27 was 14.6% as compared to 17.8% in Q1 FY26. The lower margins are primarily attributable to input cost inflation, particularly in fuel and packaging materials arising from the West Asia conflict. The overall net impact of the conflict on Q1 FY27 was approximately INR 10 crores, which was partially offset through price increases implemented across multiple categories.

Additionally, the company continued to face challenges in one of its key categories, Hydra, which is the vacuum-insulated stainless steel flasks and bottles category. These challenges adversely impacted the company's financial performance both in terms of revenue and margins.

In Q1 FY27, our other operating income stood at INR 8.2 crores, primarily on account of shared service support income, with the related expenses reflected under total expenses, and export incentives, compared with other operating income of INR 6.2 crores in Q1 FY26. Profit before tax for the quarter was INR 17.4 crores versus INR 23.5 crores in the same period last year. The current quarter includes royalty income of INR 4 crores and investment income of INR 1.2 crores, while the previous year benefited from interest income of INR 1.4 crores and a one-time stamp duty reversal of INR 7.2 crores, partly offset by professional fees of INR 1.6 crores. The net impact of one-time items in Q1 FY26 was INR 5.6 crores.

Depreciation and finance costs remained largely stable, with a marginal decrease in depreciation to INR 21.9 crores from INR 22 crores in Q1 FY26 and a slight increase in finance costs to INR 1.8 crores from INR 1.7 crores in Q1 FY26. Consequently, profit after tax declined from INR 17.4 crores in Q1 FY26 to INR 12.8 crores in Q1 FY27.

As of 30 June 2026, at the consolidated level, Borosil Ltd. maintained a strong balance sheet with investments, cash, and bank balances of INR 56.2 crores against total debt of INR 155.2 crores, resulting in a net position of INR 99 crores.

Management: Now, let us take a closer look at our category-wise performance for Q1 FY27. Borosil's consumer business continues to expand across both glassware and non-glassware categories under the Borosil brand, along with our opalware range under the Larah brand.

The Larah opalware segment reported sales of INR 83.6 crores in Q1 FY27 versus INR 76.2 crores in Q1 FY26. Larah's performance in Q1 FY27 reflected 9.8% growth over the same period last year.

In our glassware segment, which includes borosilicate microwaveables, servingware, glass tumblers, lunch boxes, and storage solutions, we recorded double-digit year-on-year growth of 16.8%, with revenues reaching INR 65.6 crores in Q1 FY27 compared to INR 56.2 crores in Q1 FY26.

The non-glassware segment, comprising a diverse portfolio of small home appliances, insulated bottles and flasks, cookware, and other kitchen essentials, registered marginal growth of 4.2%, with turnover increasing to INR 98.1 crores in Q1 FY27 from INR 94.2 crores in Q1 FY26.

BIS compliance requirements continued to impact sales of our Hydra range. The company has recognized these headwinds and has proactively reshaped its strategy to mitigate their impact. The successful commissioning of the Hydra plant, with commercial production commencing on two

Report is AI-generated and may contain inaccuracies.

double-walled lines during Q1 FY27, is a significant step forward. This will strengthen our supply chain and provide greater control over product availability and compliance requirements going forward.

Despite these challenges at the Hydra factory, the overall impact on the non-glassware segment was more than offset by strong growth in other categories, particularly domestic appliances and stainless steel cookware.

Borosil is on a transformational journey to address key ESG opportunities and create long-term value for our customers. A strategic priority for us is lowering our operational carbon footprint and meeting decarbonization targets. In line with this, we have successfully commissioned two captive solar power plants in Bikaner, Rajasthan: 8.6 megawatt peak in December 2023 and 7.2 megawatt peak in September 2024.

Building on this momentum and with the introduction of the Green Energy Open Access Regulations 2025, we commissioned the third captive solar power plant in Bikaner during Q1 FY27, with a capacity of 20 megawatt peak integrated with battery energy storage systems. As a result, solar power now meets about 61% of our overall energy requirement.

We are further evaluating opportunities to set up an additional 6.5 megawatt peak captive solar plant at Borosil Ltd. and another 3–4 megawatt peak plant at Stainless India Limited to meet the power demand of our Hydra facility. These initiatives reinforce our commitment to sustainability, energy independence, and long-term value creation.

In Q4 FY26, the board approved a new glassware manufacturing project at Bharuch. The company currently generates sales of approximately INR 100 crores through sourcing drinking glasses, storage jars, jugs, and bottles from BSL's Bharuch plant. Recognizing the strong growth potential in categories such as jugs, jars, and bottles, the board has sanctioned the establishment of a dedicated manufacturing facility at Bharuch, Gujarat. The project involves estimated capital expenditure of INR 42 crores. This strategic investment positions us to strengthen our presence in high-growth glassware categories and capture greater value through in-house manufacturing. The project is progressing as planned and is expected to be commissioned by the end of Q3 FY27.

In Q4 FY26, the board also approved the expansion of the borosilicate pressware glass furnace from 25 tons per day to 32 tons per day at Jaipur, with the addition of a third forming line. The existing borosilicate glass furnace was lit in January 2024 and is due for rebuilding in January 2028 in the normal course of operations. The current furnace utilization level is 90%; hence, the board approved the expansion with a third forming line, with estimated capex of INR 50 crores. This capacity expansion will help the company remove capacity bottlenecks, improve operating efficiency, lower production costs, and enhance competitiveness. It will further help improve product diversification and portfolio expansion. The project is progressing as planned and is expected to be commissioned by the end of Q4 FY28.

The thermoware range has been introduced to cater to the everyday needs of school and college students, offering convenient solutions for carrying beverages and meals from home. The collection includes a vibrant range of insulated bottles and lunch boxes, along with tiffins designed for convenience, durability, and style. Additionally, Borosil is expanding the category with insulated

Report is AI-generated and may contain inaccuracies.

casseroles specially crafted for new homemakers to help keep food warm, fresh, and ready to serve.

Borosil is at the forefront of India's transition towards healthier, eco-friendly kitchens. We are replacing plastic with microwave-safe, BPA-free glass and stainless steel products that combine safety with sustainability. Rising incomes and growing health awareness are accelerating adoption, while our aspirational designs, educational marketing, and emphasis on hygiene and elegance are helping us convert plastic users and set new benchmarks for the modern kitchen. This strategic focus not only strengthens our leadership but also aligns Borosil with evolving customer lifestyles and values.

Our omnichannel presence across general trade, modern retail, leading e-commerce platforms such as Amazon, Flipkart, and borosil.com, leading quick-commerce platforms such as Blinkit, Zepto, and Swiggy Instamart, along with strong B2B and export channels, has delivered deep market penetration. Today, with products available in more than 24,000 retail outlets, we have built a diversified revenue base that connects with both urban consumers and global markets.

In summary, despite near-term challenges, Borosil's strong brand equity, diversified portfolio, expanding manufacturing base, and omnichannel reach position us well for sustainable growth. With that, I would be happy to take your questions. Thank you.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Anup Parekh from Anand Rathi. Please proceed.

Anup Parekh – Anand Rathi: Hi, sir. My first question is on the glassware division. Can you please bifurcate the 16.8% growth between price-led and volume-led growth?

Management: The glassware portfolio is large, and it is very difficult to bifurcate exactly between price-led and volume-led growth. As I said, we have passed on the cost increases to the market, but at this point in time, apportioning the growth in that manner would be quite difficult. Anuraag, do you want to comment?

Anuraag: In the glassware section during the first quarter, the growth was primarily led by volume growth. The price pass-ons have been with a lag. This particular category is all volume growth; it is not driven by price.

Anup Parekh – Anand Rathi: As you said, the price impact will come with a lag, so how much price hike have we taken in Q1?

Anuraag: If we compare this with respect to the impact of the West Asia conflict, the price compensation in the first quarter was very small. It was about a couple of crores versus the overall impact of about INR 12 crores on overall sales. I think we will have to wait and watch. Once the price is passed on, there will be some lag, and we will see the impact in the coming quarters.

Anup Parekh – Anand Rathi: Can you just give us a range of the price hikes that you have taken?

Report is AI-generated and may contain inaccuracies.

Borosil

Management: The entire cost that has increased has been factored in, and we have passed on the entire cost to the market. The question is about it getting realized, which takes time. There is always a lag, so that will come in time. The price increase ranges between 5% and 7%, depending on the category. In some cases, it could be even more than 5% to 7%. It is not a standard price increase.

Anup Parekh – Anand Rathi: Understood. We do not give margins separately, so did we face margin pressure in Q1 in the glassware division? If so, was it due to input cost inflation or Chinese dumping?

Management: Yes, we did face margin pressure in Q1. Essentially, as I said, it was on account of the West Asia crisis. As Anuraag mentioned, the impact from fuel and packaging has been the highest. We will try to offset that through price hikes in the market.

Anup Parekh – Anand Rathi: Understood. In terms of ADD on the borosilicate glassware products, what is the status?

Anuraag: At the moment, the investigation is ongoing and is pending before the appropriate authorities. I think it will take some time.

Anup Parekh – Anand Rathi: My next question is on opalware. In opalware, can you bifurcate the revenue growth between price-led and volume-led growth? Was it also more volume-led?

Management: In this category also, the growth was essentially volume-led. We have been able to achieve higher volume growth in this category, as in the glassware category. There is hardly any price-led growth in this category.

Anup Parekh – Anand Rathi: Have we taken any price hikes in this category?

Management: We have taken price hikes in this category also, but as I said earlier, realization of the price hikes will come going forward from Q2 onwards.

Anup Parekh – Anand Rathi: We are seeing that margins were under pressure even for La Opala in Q1. Are we facing similar pressure in this segment? If so, what could be the reasons, and what will be the sustainable margins going forward?

Management: The margins are under pressure due to the West Asia conflict. The reason remains the same across categories, whether it is opalware, glassware, steel, or cookware. As you see, commodity pricing has been an issue across all categories. It is across the categories, not limited to one category.

Anup Parekh – Anand Rathi: Understood. What are the sustainable margins in the opalware category?

Anuraag: We do not share category-wise margins. At an overall level, barring the impact of the West Asia conflict, we are still confident that we can maintain EBITDA margins of about 18% to 20% in the overall business.

Anup Parekh – Anand Rathi: Understood, sir. Thank you very much.

Report is AI-generated and may contain inaccuracies.

Operator: Thank you. A reminder to all participants: anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Akshat Mehta from Seven Rivers Holding. Please proceed.

Akshat Mehta – Seven Rivers Holding: Hello, sir. Thank you for the opportunity. I have a few questions. As we said earlier, we are looking to maintain 18% to 20% margins, barring any external impact. What is the expectation that we should have for the current year, FY27? Also, what capex are we undertaking in FY27?

Management: You have two questions. One is on margins. Are you speaking of EBITDA margins?

Akshat Mehta – Seven Rivers Holding: Yes, EBITDA margins.

Management: I could not hear you. Are you asking about our expectation of 18% to 20%?

Akshat Mehta – Seven Rivers Holding: Yes, but that is for the medium term, right? I am asking about FY27.

Management: For FY27, it remains at about 18% EBITDA margin.

Akshat Mehta – Seven Rivers Holding: What will be the capex guidance?

Management: Anand, do you want to add?

Anand: The overall capex for this year is anticipated to be about INR 125 crores.

Operator: Sir, can you please come closer to the device? We cannot hear you.

Anand: Can you hear me now?

Operator: Yes, sir.

Anand: The total capex for FY27 is estimated to be about INR 125 crores, which is for the two glassware projects. One is the expansion of the borosilicate glass furnace, and the second is the Bharuch facility for glassware. We may also undertake some solar projects going forward and some maintenance capex for the furnace rebuild for the opal glass furnaces, which are due for rebuilding this year. Therefore, the overall capex will be roughly INR 125-150 crores.

Akshat Mehta – Seven Rivers Holding: My next question is on depreciation. What level of depreciation should we expect for the current year?

Anuraag: Current-year overall depreciation would be approximately INR 92 crores, including Stainless, at the consolidated level.

Akshat Mehta – Seven Rivers Holding: You said utilization for Jaipur is around 90%. What would be the utilization for opalware? How do you see the revenues for both segments fanning out for the... [inaudible]

Management: Opalware is currently operating at roughly {? 85% ?} utilization. For the overall glassware segment, we expect double-digit growth to continue. The non-glassware category...

Report is AI-generated and may contain inaccuracies.

Borosil

Management: I think opalware also has full capacity utilization. As I said, glassware is at 90%, and opalware is similar. I did not get your other question.

Akshat Mehta – Seven Rivers Holding: I wanted to get a sense of how you see revenues moving for both the glassware and opalware segments for the rest of the year.

Management: We expect growth in both segments, glassware and opalware, as you saw in Q1. Opalware growth was volume-led, and the same was the case for glassware. We expect to maintain the momentum.

Akshat Mehta – Seven Rivers Holding: Should we see around 15% growth for both segments for the year?

Management: Could you repeat that?

Operator: Sorry, we cannot hear you clearly.

Akshat Mehta – Seven Rivers Holding: Could we say around 15% growth for both segments for the year?

Management: No, you cannot apply the same assumption to both. For example, opalware grew by about 9% in Q1. I think a fair estimate would be around the same level going forward. We will see how the market develops, but we will continue to grow, that is for sure.

Akshat Mehta – Seven Rivers Holding: Thank you. I will come back in the queue.

Management: Sure.

Operator: Thank you. A reminder to all participants: anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Akash Deep Walia from Clockwine Capital. Please proceed.

Akash Deep Walia – Clockwine Capital: Hi, sir. Thanks for taking my question. In last quarter's call, you mentioned Chinese competition dumping products in the market on the borosilicate glassware side. What is the status of that? Have you seen a reduction in competition given that the rupee has depreciated and that the Chinese government may be scaling back export incentives?

Management: You are right. This is what we shared last quarter also. Unfortunately, this continues to happen. Despite the depreciation of the rupee and the increase in shipping freight rates, I would say that in the market we are not seeing much of a difference as far as Chinese dumping is concerned. That answers the question.

Akash Deep Walia – Clockwine Capital: If that is the case, do we see a scaling down of the normalized margins that we were expecting in the borosilicate glassware business when we scaled up to 90-100% utilization levels at the furnace? Earlier, our estimate was that this business would achieve EBITDA margins of around 25% to 30%. Would we be able to achieve those margins at reasonable utilization levels, or, because of this incremental competition, will there be a significant reduction in the normalized margins that we used to expect from this business?

Report is AI-generated and may contain inaccuracies.

Management: It is not about one quarter. If you look at our performance, our primary objective has been to expand the glassware market, unlike the other players. In that context, we have also made significant investments. It is not only about price; price is just one part of it. We have been building this market in terms of adoption by the end consumer. As was mentioned on the call, the investigation into the anti-dumping matter is ongoing. It depends on a lot of other factors, and then we will see how it goes.

Akash Deep Walia – Clockwine Capital: If the current status quo persists, what kind of EBITDA margins can we expect in the borosilicate glassware business?

Management: We do not share category-level margins.

Akash Deep Walia – Clockwine Capital: On the solar power side, what incremental savings do you expect in FY27?

Management: In FY27, the overall savings from solar, including the Phase 3 implementation that we have undertaken, will be about INR 27–28 crores at the EBITDA level.

Akash Deep Walia – Clockwine Capital: Should we assume that this would be a straightaway addition to EBITDA, or could you use those savings to offer reduced prices to drive growth in some of your other businesses?

Management: Some of the projects were undertaken earlier as well. Only Phase 3 has been added this year from Q1. Solar has always been present, but we will definitely leverage this opportunity to become more competitive and also to increase our margins.

Akash Deep Walia – Clockwine Capital: What net savings should we assume for next year out of these INR 28 crores?

Management: At the moment, I think it is too early to comment on this. We will have to see how the market behaves and accordingly determine what needs to be passed on and what needs to be retained.

Akash Deep Walia – Clockwine Capital: Does the first quarter have any contribution to growth because of inventory stocking by the channel? Because of the input cost inflation, you would have taken price increases, and perhaps the channel stocked up before the price hike. Does the growth we are seeing in the first quarter have some benefit from that, and could growth be lower in the forthcoming quarters? Is that the right way to interpret it?

Management: No, I do not think that is the right way to interpret it. As I said, the price impact will come in Q2. Therefore, there was no question of forced sales or retailers adding to their inventory. That would not be the correct way to view it.

Akash Deep Walia – Clockwine Capital: Could you give us an idea of the movement in inventory levels from the fourth quarter to the first quarter? Has there been liquidation of inventory?

Management: Typically, inventory gets added and goes up primarily because we are now heading into the season, the Diwali season. There is an addition to inventory because we build up inventory

Report is AI-generated and may contain inaccuracies.

for new products, the portfolio gets enhanced, and expansions take place. Typically, this happens every year.

Akash Deep Walia – Clockwine Capital: This is my final question. You mentioned guidance of around 18% EBITDA margin for the overall business this year. Have you assumed any contribution from a favorable anti-dumping duty investigation by the government, or is this guidance based on the status quo persisting?

Management: As Anuraag mentioned, the investigation is ongoing, so that would not be a reason to attribute to it.

Akash Deep Walia – Clockwine Capital: Thank you very much, sir. That is all from my side.

Operator: Thank you. A reminder to all participants: anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Resham Mehta from Green Edge Wealth. Please proceed.

Resham Mehta – Green Edge Wealth: Thank you. Hi, Rituparn. When you say 18% EBITDA margin...

Operator: Ma'am, we cannot hear you properly. Can you please speak a little louder?

Resham Mehta – Green Edge Wealth: Am I audible?

Operator: Yes, much better.

Resham Mehta – Green Edge Wealth: My first question is: when you say 18% EBITDA margin guidance, does that include other income...

Operator: Sorry, we cannot hear you. You are breaking up.

Management: Ma'am, your voice is cracking. May I request you to rejoin the queue? Thank you. The next question is from the line of Anup Parekh from Anand Rathi. Please proceed.

Anup Parekh – Anand Rathi: Thank you for taking my question again. You said that we would achieve an EBITDA margin of 18% for FY27, which implies an ask rate of more than 20% margin for the remaining 9 months of FY27, whereas historically the margin has been in the range of 15% to 16% over the past 4 years. What gives us confidence in achieving an 18% margin?

Management: I think the way to read or interpret this is...

Operator: Rituparn, sir, are you there? Ladies and gentlemen, the line for the management has been disconnected. Please stay connected while we reconnect them.

Management: Hello? Can you hear me? Am I audible?

Operator: Yes, sir. Please continue.

Management: Sorry, could I get the lady's name once again?

Operator: Anup Parekh.

Report is AI-generated and may contain inaccuracies.

Management: Anup Parekh. You mentioned that historically it has been about 14% to 15%, and this is what you mentioned. What I meant was that we can look at about 18% in a steady-state business without the West Asia impact. This is how it should be understood. You are right that, broadly, it has been 14% to 15%, and without the West Asia impact, in a steady-state business, we would look for this level. Hopefully, that clarifies.

Anup Parekh – Anand Rathi: That is important, sir. Given the price hikes that you have taken in glassware and opalware in Q1 and given the current raw material prices, how much margin improvement can we expect over the next 2 quarters?

Management: It would be very hard to put a number to it. The fact remains that we have passed on the price hikes, and we expect realizations to start coming in from Q2 and Q3 onwards. It also depends on many other factors. We have definitely seen gas prices and fuel prices coming down, so there has been an improvement there. However, putting an immediate number to it would be very hard.

Management: Just to add to this point, we have seen an impact of roughly INR 6 crores on fuel prices in our opalware business. At current levels, we believe that the impact could reduce to approximately INR 1.5 crores per quarter. Similarly, in the borosilicate business, the impact due to fuel was around INR 2.5 crores per quarter, and that could come down to approximately INR 60–70 lakhs per quarter. Frankly, it is too hard to put a number to it because input cost inflation in the market is somewhat fluid at this moment.

Anup Parekh – Anand Rathi: Understood, sir. Lastly, on the ROCE profile, Borosil is a very strong brand with strong brand value in the market, but the company's ROCE profile has been weak at around 10% for the past 4 years. What is the reason for this, what sustainable ROCE does the company target over the medium term, and how are we looking to reach that level?

Management: Borosil has been investing heavily in capex over the last 3–4 years. If you look at the last 3 years, we have increased our capacity in the opalware furnace, invested in a borosilicate glass furnace, and invested heavily in solar. All of this is a subset of that. Going forward, as we enhance capacity utilization and improve our margins, we should definitely look at ROCE of 22% to 24% in the business.

Anup Parekh – Anand Rathi: We are already operating at a high utilization level. What are we missing?

Management: Utilization has perhaps been better in recent quarters. We are also sitting on significant inventory, and capacity is underutilized, which further adds to capital employed. On a steady-state basis, we will definitely improve ROCE.

Management: To add another point, if you notice, over the last 1.5–2 years we had to build significant inventory on account of the BIS challenges that occurred in Hydra and also in our appliances business. In both cases, we ensured that production was moved to India through manufacturing. On one side, we had to build inventory, and on the other side, we also had to invest in manufacturing. That is one of the major factors contributing to a low ROCE.

Anup Parekh – Anand Rathi: Thank you very much, sir.

Operator: Thank you. The next question is from the line of Bhavin Rupani from Investec. Please proceed.

Bhavin Rupani – Investec: Hi, thanks for the opportunity. My first question is on EBITDA margins. You spoke about 18% to 20% EBITDA margins. Does this include other income, or is it excluding other income?

Management: It is excluding other income. I would once again like to clarify, as I said to the lady earlier, that in a steady-state business we have been at about 14% to 15%, and we are looking at improving this towards EBITDA margins of around 18%, without the West Asia impact. I just want to clarify and put the context right.

Bhavin Rupani – Investec: If we exclude the impact of West Asia from EBITDA margins, we have done really well. Would you like to highlight any expenses that we are structurally reducing and that one can expect to reduce going forward?

Management: There are several factors. As Anand mentioned, one of them is the solar savings that have come in. Another is that we have sold high-realization SKUs. We have performed better in both glassware and opalware. Some of these factors have also contributed to our efforts.

Bhavin Rupani – Investec: Is there anything on the cost front that you would like to highlight? Any cost-reduction measures?

Management: In terms of cost reductions, when you sell a portfolio, items contributing to lower gross margins that are discontinued also become part of the process. That is also part of the ongoing cost-reduction effort.

Bhavin Rupani – Investec: My second question is on opalware. What is the proportion of our HoReCa versus B2C business?

Management: We are not structured for HoReCa. That is not a focus area for us. Essentially, HoReCa is very minimal.

Bhavin Rupani – Investec: By HoReCa, I mean whiteware. Would whiteware be less than 5% for us?

Management: What I meant is that we do not have a HoReCa channel, meaning a distribution channel for HoReCa. That is what I meant.

Bhavin Rupani – Investec: Let me reframe my question. What would be our whiteware contribution versus the normal business?

Management: What is the contribution of whiteware to the normal business? Anand, what would that be in percentage terms?

Anand: Bhavin, the overall contribution of whiteware would probably be in the range of about 10% of overall opalware sales.

Bhavin Rupani – Investec: What was it last year?

Anand: Less than 5%.

Bhavin Rupani – Investec: This category has grown by almost 100% this year. Is that the right way to understand it?

Anand: It is still too small a base from that perspective.

Bhavin Rupani – Investec: Are there any plans to change this going forward? Do we plan to maintain this ratio, and what is the margin differential between whiteware and the normal business?

Management: Whiteware essentially caters to a specific segment. We would like to maintain the current ratio, meaning 10% as well. As you said, it will represent a higher contribution. However, in terms of margins, it is far lower than our regular opalware range. Therefore, one does not particularly seek to increase the contribution of whiteware.

Bhavin Rupani – Investec: My next question is on distribution. We have opened a couple of exclusive stores. I am trying to understand the rationale behind this move. Do we have any incremental plans to increase the store count going forward, and what capex is required to open these stores?

Management: Sorry, I lost you. You said something?

Bhavin Rupani – Investec: Exclusive stores.

Management: We launched our first stores in Gurugram and Pune. The rationale is very simple: we wanted our end customers to come and experience the brand and the range we offer under one roof. The visibility this provides us and the opportunity for customers and consumers to interact with the brand are major reasons for establishing our own brand stores. That is the rationale. What was the second part of your question?

Bhavin Rupani – Investec: Is there any target that you would like to set in terms of the number of stores we plan to open? What capex is required to open these stores?

Management: We have not set any target in terms of the number of stores we want to establish. If you look at the cities where we have started, we have one in Gurugram and one in Pune, and we definitely have one lined up in Jaipur. It is a process in which we are trying to establish stores, see how it goes, learn from the experience, and then perhaps give it a shape in terms of having scale. That is something we are yet to finalize. Anand, would you like to mention the capex involved?

Anand: Bhavin, it depends on the store area, but typically it is in the range of about INR 40–50 lakhs per store.

Bhavin Rupani – Investec: My last question is on gas prices. What proportion of our total cost is gas in opalware and glassware? How much of it has already been passed on to customers? You said the increase was passed on in a staggered manner, mainly in Q1 and Q2. Is it possible to specify when the price hikes were taken—after May or June?

Management: Regarding price hikes, we announced them in April itself. In terms of actual execution, it started from mid-May, and then there is a period while the material reaches the market. That is what I meant when I said that realizations would come in from Q2 onwards. That is the first part of your question. On the second part, you want to know the contribution of gas to the business, correct?

Bhavin Rupani – Investec: In opalware and glassware, what proportion of the cost is it?

Management: Anand, would you like to take this?

Anand: If you look at the first quarter of last year, fuel would have been approximately 2.9% of overall sales, whereas this year it is about 5.8%. At the opalware level, fuel cost at steady-state prices would be about 4%, and in glassware it could be around 5.5%, excluding the West Asia impact.

Bhavin Rupani – Investec: Fair enough. Thank you very much.

Operator: Thank you. A reminder to all participants: anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Pranay Roop Chatterjee from {? B&K Securities ?}. Please proceed with your question.

Pranay Roop Chatterjee – {? B&K Securities ?}: Thank you. Am I audible?

Operator: Yes, sir.

Pranay Roop Chatterjee – {? B&K Securities ?}: My question is on the 2 Hydra lines that came in June. How much time do you foresee to figure things out on the lines and actually start producing saleable products? Is there any timeline?

Management: Pranay, we have already started and declared commercial production on 30 June. We are already getting saleable material from the 2 double-walled lines.

Pranay Roop Chatterjee – {? B&K Securities ?}: I think that answers my next question. We should be in a good position before the Diwali stocking period and should not miss out this time in the Hydra segment, correct?

Management: I think that is fair to say. We should be in a much better position.

Pranay Roop Chatterjee – {? B&K Securities ?}: Thank you very much. Those were my questions. All the best.

Management: Sure.

Operator: Thank you. The next question is from the line of Devraj Jatiya from Seven Rivers Holding. Please proceed.

Devraj Jatiya – Seven Rivers Holding: Good evening, everyone. I am fairly new to the company, so I am trying to understand more about the capital allocation decisions over the last few years. In FY24, we invested INR 197 crores; in FY25, we undertook capex of INR 97 crores; in FY26, we

Report is AI-generated and may contain inaccuracies.

undertook capex of INR 136 crores; and in FY27, we plan to undertake capex of INR 150 crores.

However, as per the presentation put forward by management in Q4, operational ROCE was 11.5% in FY25 and 10.7% in FY26. I have not seen any data over the last 5 years where ROCE has exceeded 14% to 15%. What I am trying to understand is whether something is giving you the confidence to allocate that much capital this year for further capacity or solar investments when, at least in the past, you have not been able to generate a certain level of ROCE. Alternatively, is this the ROCE expectation that investors should have going forward?

Management: That is not one question. Are you asking about the ROCE figure or about capital allocation?

Devraj Jatiya – Seven Rivers Holding: I am asking about the rationale for capital allocation, which I believe is a function of ROCE, as mentioned by the CFO in one of the earlier calls.

Management: As you mentioned, if you look at the past 4–5 years and the journey of each of the categories in which we operate—glassware, opalware, and Hydra, including the 2 double-walled lines that we have set up—each has its own cycle for building the business. It is not a question of any particular quarter or year.

Whether it is the 25 tons per day borosilicate glass plant that we set up, or the 42 metric tons per day opalware capacity that we set up, which then became 84 metric tons, and similarly the expansion from 25 to 31 that we will undertake, we have been building the market. It is not about what ROCE will be in a particular quarter or year. You have a horizon on the basis of which you build the market.

If you look at our journey, we have achieved a CAGR of more than 21% over the last 10 years. The business has shown this kind of growth. As we also said on the call, one of the challenges was BIS compliance, for example, and we therefore had to set up a manufacturing plant for double-walled vacuum bottles and related products. This requires capital. In terms of production, the ramp-up happens over time and has its own cycle. Therefore, it is not a single number that will deliver the outcome. Going forward, as Anand mentioned during the call, we are definitely looking at 20% to 22%. Am I right, Anand? I think you want to add something to this.

Anand: That is right. I think over the last 2–3 years, we have been investing heavily in manufacturing facilities. As we move forward and scale up, we will definitely see improvement in margins and overall ROCE. Initially, because of heavy capex and the depreciation element, businesses show a lower ROCE, but this will definitely improve going forward.

Devraj Jatiya – Seven Rivers Holding: Can you help us understand the bridge from the current 11% ROCE in FY26 to 22% ROCE? How will that be bridged? Is it purely a function of depreciation wearing off, or is it a function of margin improvement? Can you quantify and bridge that number?

Anand: That is not an immediate number. It is a medium-term aspiration that we are looking to achieve. There are several ways and means to achieve this. One, as you rightly mentioned, is scaling in terms of capacity utilization and enhancing our capacity in borosilicate ware and glassware, where we are setting up additional capacity. We are seeing good traction in those categories where

we are undertaking more capex.

Solar is an initiative where it is a 25-year project: you invest the capex and then enjoy the benefits over the next 25 years. The payback period is much shorter, probably in the next 3–4 years. Looking at the overall number, we have so far invested around INR 130 crores in solar facilities, where we see savings of at least INR 30 crores at the EBITDA level.

All these initiatives will definitely help us improve margins going forward. As we scale up, there are many fixed costs on which we will obtain operating leverage, such as warehousing, which is fixed and not variable. All of this will help us with margin expansion as well as improvement in ROCE.

Devraj Jatiya – Seven Rivers Holding: While you guided for an 18% to 20% EBITDA margin for this year, if you achieve that EBITDA margin, what would be your ROCE profile for this year? Also, regarding the aspiration of 22% ROCE, within what time frame are you looking to achieve that?

Anand: Dev, at the moment, the market is very fluid because we saw a significant impact from the West Asia conflict in the first quarter. We also mentioned that we have passed on certain price increases, there has been a lag, and it does not happen immediately. Prices have started settling, and fuel prices have settled meaningfully, but petroleum products used in packaging and in many other areas are still at the same levels. They have not settled completely.

We still need to observe the situation. The broader idea is to improve margins. The 18% to 20% range is a guideline. Whether it will happen this quarter or next quarter is not something we can comment on at the moment. However, that is the overall objective.

Management: I want to add one more point, Anand. The 20% figure came from the gentleman who asked the question, but I want to clarify that moving from 14% to 15% to 18% is what we would look for in a steady-state business, without the West Asia conflict, to clarify.

Devraj Jatiya – Seven Rivers Holding: Sorry, perhaps I misunderstood. Is the 18% margin guidance for FY27, or is it an aspiration that you plan to achieve over the next couple of years?

Management: That is for this year. We wish to achieve it.

Devraj Jatiya – Seven Rivers Holding: If you are able to provide guidance on EBITDA margin, why are you not able to provide guidance on ROCE?

Management: Deep, do you want to add to that and explain it further?

Deep: I think one point is that we will definitely do better in the coming quarters as far as EBITDA margins are concerned. Regarding the ROCE guidance, if we can improve our margins to approximately 18% this year, then, as you mentioned, last year we were at about 11% to 12%, so ROCE will also move up. It will not remain at the same level.

Devraj Jatiya – Seven Rivers Holding: Thank you.

Operator: Thank you. A reminder to all participants: anyone who wishes to ask a question may press star and one on their touchtone telephone. As there are no further questions from the participants, I now hand the conference over to the management for closing comments. Over to you, sir.

Report is AI-generated and may contain inaccuracies.

Borosil

19 August 2026

Management: Thank you, everybody, for your time and for the questions. Thank you.

Operator: Thank you. On behalf of {? B&K Securities Limited ?}, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

Management: Thank you, everyone.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

Report is AI-generated and may contain inaccuracies.