

**Borosil Limited**

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November 14, 2025

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Dear Sirs,

Sub: Transcript of Earnings Call

Please find attached the transcript of the Earnings Conference Call held on Monday, November 10, 2025.

The aforesaid transcript is also available on the Company's website at www.borosil.com.

You are requested to take the same on record.

Thanking you.

Yours faithfully,
For **Borosil Limited**

Rajesh Kumar Chaudhary
Whole-time Director

Encl.: as above



“Borosil Limited Q2 FY'26 Earnings Conference Call”

November 10, 2025



MANAGEMENT: **MR. SHREEVAR KHERUKA - MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, BOROSIL LIMITED**
MR. RAJESH KUMAR CHAUDHARY - WHOLE-TIME DIRECTOR, BOROSIL LIMITED
MR. ANAND SULTANIA - CHIEF FINANCIAL OFFICER, BOROSIL LIMITED
MR. RITURAJ SHARMA – PRESIDENT, BOROSIL LIMITED
MR. BALESH TALAPADY - VICE PRESIDENT (INVESTOR RELATIONS), BOROSIL LIMITED

MODERATOR: **MR. MANAN GOYAL - ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to Borosil Q2 FY'26 Earnings Conference Call Hosted By ICICI Securities.

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 '**' then '0' 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: Thank you, Nitesh. On behalf of ICICI Securities, we welcome you all to Q2 FY'26 results conference call of Borosil Limited.

We have with us today Senior Management represented by Mr. Shreevar Kheruka – Managing Director and CEO, Mr. Rajesh Kumar Chaudhary – Whole-Time Director, Mr. Anand Sultania – CFO, Mr. Rituraj Sharma – President and Mr. Balesh Talapady – Vice President (Investor Relations).

Now, I hand over the call to the Management for 'Initial Comments' on the 'Quarterly Performance'. Then we will open the floor for Q&A session. Thank you and over to you, Shreevar, sir.

Shreevar Kheruka: Thank you to ICICI Securities for arranging this call. Good afternoon to every one of you. The Borosil team is delighted to be communicating with you once again.

I am pleased to inform you all that Borosil Limited's Board has approved the financial results for Q2 and H1FY'26 during our meeting on 7th November 2025. We have submitted our results and an updated presentation to the stock exchanges and they're also available on the Company's website for your review.

I am pleased to share that Borosil Limited delivered an impressive performance in H1 FY26 with consolidated revenues from operations at INR 573.0 crores compared to INR 499.5 crores in the same period last year. This translates to a 14.7% year-on-year growth. Despite the challenging Q1, this half-yearly growth highlights the resilience of our business model, very strong execution capabilities and the continued trust of our customers as well as the hard work of our employees. In order to just highlight one point, we do realize that Diwali this year is earlier than the prior period and therefore the comparison to last year is not exactly like-to-like.

In H1 FY'26, the company recorded an operating EBITDA before investment income and one-time incomes of INR 90.1 crores compared to INR 82.2 crores in H1 FY'25, marking a 9.5% YOY increase. This improvement reflects a continued emphasis on operational efficiency and sustainable growth. The operating EBITDA margin was slightly lower at 16.1% compared to 16.8% in the previous year. Other operating income for the first half of 2026 includes INR 12.1 crores from shared service support income compared to INR 8.4 crores in the same period last

year with the related expenses reflected under total expenses. PBT for the period was INR 53.9 crores up from INR 38.8 crores in the previous year. H1 FY'26 includes a one-time stamp duty expense provision reversal relating to demerger of INR 7.2 crores which is shown under the head other income and also includes one-time expenses of INR 1.8 crores towards professional fees for an assignment. The net impact of one-time items is INR 5.4 crores. During the same period, depreciation increased by INR 4.3 crores while finance costs declined by INR 5.2 crores, primarily due to debt repayment. As a result, PAT rose from INR 27.6 crores in H1 FY'25 to INR 40.1 crores in H1 FY'26, reflecting a strong 45.3% year-over-year growth.

As on 30th September '25, Borosil Ltd has a net debt of INR 4.5 crores.

So now let's take a look into the category-wise performance behind the numbers for H1 FY'26:

Our consumer division continued to grow across both glassware and non-glassware segments under the Borosil brand alongside our Opalware range under the Larah brand.

Coming to Larah, first:

The Larah Opalware segment recorded sales of INR 195.4 crores in H1 FY'26 compared to INR 181.3 crores in the same period last year, which is a growth of 7.8% YOY. In our glassware segment, which includes microwavables, serving ware, glass tumblers, lunchboxes, and storage solutions, we recorded an impressive YOY growth of 27.4% in H1 FY'26. Revenue stood at INR 148.6 crores compared to INR 116.7 crores in H1 FY'25, reflecting our demand across key product categories. The non-glassware segment, encompassing a wide range of small home appliances, insulated bottles and flasks, cookware, and other kitchen essentials, performed strongly, posting a 12.4% increase in revenue. Turnover for this segment reached INR 216.6 crores in H1 FY'26 compared to INR 192.8 crores in the corresponding period last year.

BIS compliance requirements affected our hydra bottle sales, as some of the channels are only accepting BIS-certified steel products. Our team has recognized these headwinds and is actively reshaping the overall strategy to mitigate the impact. It is pertinent to note that the growth in non-glassware was in spite of a substantial degrowth in the category of hydra. As a part of this, during the quarter, our board approved a revised project scope for our upcoming manufacturing facility in Rajasthan through our wholly-owned subsidiary, Stylenest India Limited. The project will now include three double-wall production lines for vacuum-insulated steel flasks, bottles, and containers with an estimated capacity of 3.6 million units per year and with an estimated CAPEX of INR 65 crores. Estimated commercial production dates from two double-wall lines is by the end of this financial year, that's Q4 FY'26, and from the third double-wall line by the end of Q1 FY'27, subject to receipt of necessary approvals. This INR 65 crore investment will be financed through a mix of equity, debt, and internal accruals. The expansion reinforces our commitment to Make in India and will enhance our compliance, that is, BIS compliance, and strengthen the supply chain resilience by reducing dependence on imports.

Alongside a strong revenue performance, H1 FY'26 saw the company implement several cost control initiatives to enhance operating efficiency. We will continue to keep a close watch on expenses, particularly advertising and sales promotion, which remained at INR 38.1 crores in H1 FY'26, which was approximately the same as the same period last year. In addition, power and fuel costs declined from INR 42.3 crores to INR 36.9 crores over the same period, reflecting our continued focus on prudent cost management.

We were also honored to be named the most trusted customer service provider in the consumer appliances sector at the India CX Summit and Awards 2025 by Synnex Group. This recognition proves our unwavering commitment to customer satisfaction and our focus on delivering experiences that embody the same quality and reliability as our products.

Between FY'18 and FY25, our revenues have been growing at a CAGR of 23.5%, while EBITDA expanded at a 34.3% CAGR. Since acquiring Larah in 2016, its revenues have risen from INR 48 crores to INR 384 crores in FY'25, delivering a 26% CAGR. Likewise, our non-glassware portfolio has grown from INR 23 crores in FY'17 to INR 453 crores in FY'25, reflecting an exceptional 45% CAGR, which shows clear evidence of our ability to deliver sustained growth and value creation.

We remain focused on the long term, and the outlook for our categories is strong. India's per capita GDP has risen from about INR 1.1 lakh in FY'22 to nearly INR 1.4 lakh projected for FY'26, with per capita consumption expected to approach \$4,000. As income rises, spending on lifestyle and home products grows, and with a premium yet accessible positioning, Borosil is well placed to capture this expanding demand.

India's brown goods market, which includes kitchen and home appliances, is expanding rapidly. Valued at about \$5 billion in FY'24, it is projected to reach \$9 billion by FY'30, growing around 10% annually. This surge is led by rising demand for kitchen-focused appliances like oven-toaster grills, choppers, mixers, and sandwich makers, categories that align well with evolving consumer preference for convenience, efficiency and modern design.

In recent years, India has seen a clear shift towards health and sustainability, creating strong tailwinds for Borosil. The \$50 billion health and wellness market is projected to reach \$90 billion by FY'30, also growing at 10% CAGR. Consumers are moving towards toxin-free, durable materials and away from plastic due to rising health concerns, regulatory bans, as well as sustainability concerns. This shift squarely aligns with Borosil's focus on safe, eco-friendly products, which include glassware, steel, and Opalware.

We see strong potential in INR 4,000 crore lunchbox market, where consumers are increasingly seeking safer, microwave-friendly, and sustainable options. This is where Borosil stands apart. Our premium glass lunchboxes combine durability, leak-proof design, and microwave compatibility in a stylish, long-lasting product, one that has become a substantial part of our portfolio.

A key pillar of Borosil's long-term growth strategy is our strong commitment to Make in India. We operate one of India's largest Opalware capacities at 84 tons per day, along with a 25-ton per day Borosil glassware plant that we commissioned last year. Building on this foundation, we are now expanding our manufacturing footprint with a new facility dedicated to producing vacuum-insulated stainless- steel bottles, flasks, and containers.

Borosil is leading India's move towards healthier, eco-friendly kitchens by replacing plastic with microwave-safe, BPA-free glass and sustainable steel products. As rising incomes and health awareness drive the shift, we are steadily converting plastic users to glassware and Opalware. Through aspirational designs, educational marketing, and a focus on hygiene and elegance, Borosil is redefining the modern Indian kitchen.

Our strong omnichannel presence across general trade, modern retail, top e-commerce platforms, and expanding B2B and export networks has driven deeper market penetration. With availability in over 24,000 retail outlets, we built a well-diversified revenue base that reaches both urban consumers and rural users.

In summary, Borosil's strong brand equity, diversified portfolio, expanding manufacturing base and omnichannel presence positions us well for sustainable growth.

With that, I thank you and I would be happy to take your questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Naitik from NV Alpha Fund. Please go ahead.

Naitik: Thanks for taking our question and congrats on a good set of numbers. So, my first question is, if I look at your 3-4 year period, we have spent almost Rs. 550 crores of CAPEX. So, I just wanted to know the breakup of this CAPEX and what sort of peak revenue potential do we see from the CAPEX that we have spent already in the past 3 odd years?

Shreevar Kheruka: Well, I think I shared this breakup in the past. Offhand, I don't have exact numbers for you. But broadly, most of the CAPEX has been spent on the expansion of our Opalware glass furnace. You know, we added a second Opalware furnace. We added a borosilicate glass furnace, the first one of its types in India. We have done large solar projects to reduce cost of power. And various upgradations in our Jaipur plant, we have put in a lot of new capacity there. So, both upstream and downstream. So, I would say that most of the CAPEX, but specific, I think you will have to go back to some previous conversations such as this and you will definitely find specific numbers.

Naitik: Sure, sir. No problem. So, just wanted to ask, what sort of peak revenues do we expect we could do from the CAPEX that we have done in the past, including the Rs. 60 crores-Rs. 65 crores of the flask or insulated bottles that we are putting up?

Shreevar Kheruka: So, look, peak revenue is, I mean, just you see our revenue is not dependent only on our CAPEX. We also buy products from third-party vendors. So, I can say that the peak revenue from this

CAPEX including the flask will be over a Rs. 1,000 crores. But that doesn't mean, I mean, we already more than a Rs. 1,000 crores of revenue. That's because we also buy products from outside. So, I would say that you have to take peak revenue with a little bit, it's only from this CAPEX, not including availability of products from third-party vendors.

Naitik: Right. So, this Rs. 550 crores-Rs. 600 odd crores including flask can give us a Rs. 1,000 crores? That's what I want to understand. I am just talking about this Rs. 550 crores, how much revenue can this Rs. 550 crores-Rs. 600 crores odd can give us?

Shreevar Kheruka: Maybe 900 crores to 1,000 crores.

Naitik: Got it. And sir, along with this after the Rs. 65 crores CAPEX that we do for the bottles, the peak of the CAPEX cycle is behind us or we do plan on some CAPEX going forward also?

Shreevar Kheruka: No, you see, our sales have been growing well and I think the way it looks from the government's perspective is that we are making it more and more effective to Make in India. And because of that we will be doing a lot more CAPEX in the future, for sure, in maybe different segments because even our non-glassware segments picked up a lot. So, there is scope to do more CAPEX there. But nothing is finalized here. But I am sure we will be doing more and more CAPEX because we see reasonable growth opportunities in those segments.

Naitik: Got it. So, my last question is, could you provide us the amount of utilization that we are currently at in glassware and Opalware?

Shreevar Kheruka: I would say Opalware like (+90%) and glassware is around 80%.

Naitik: Got it, sir. That's it from my side. Thank you.

Moderator: Thank you. The next question is from the line of Pranay Roop Chatterjee from Burman Capital Management. Please go ahead.

Pranay Roop Chatterjee: Hi, good evening. Thank you. My first question is on the margins. I was slightly confused. If I look at it quarter-on-quarter and YOY, number one, your revenue is much stronger, as you called out, you said Diwali was earlier, so that would have positive impact on our revenue. So, revenue is higher. And I am seeing that the mix is also favorable, right? Because both Opalware and consumer glassware have done better than your non-glassware. And non-glassware is where it's mostly traded, right? So, my question is, is this a single factor or a combination of factors that you would like to call out which have depressed margins in this quarter?

Shreevar Kheruka: So, basically, there's two reasons for reduction in margin. One is that in the non-glassware segment, we have had to start moving substantial volumes from made abroad to Made in India. And in the short run, the vendor ecosystem in India is not as efficient as the vendor ecosystem overseas. It will take time because overseas, these vendors have been making products for the last 20-30 years. And Indian production has just started. So, in the short run, definitely, there's pressure on gross margins in the non-glassware segment, which is why I would say the main

contributor. The second thing is in the non-glassware itself, we lost a reasonable amount of revenue on this hydra product category, which was higher margin. So, the product mix also has hurt us in non-glassware. So, most of this revenue contraction or rather margin, I mean, it's not a big contraction, frankly, but it's still there, is coming from, I would say, temporary factors relating to adjustments in supply chain owing to more difficulties in imports and moving to India sourcing. I would say that these are, I would say, short term, probably in the next 12-18 months this factor will play out. And as you rightly mentioned, the benefit from higher sales of our own manufactured goods which was actually quite substantial, but hasn't shown in the numbers this year. But if it was like-to-like, then you'd see, I would say 2%-3% improvement in our overall EBITDA numbers, percentage-wise.

Pranay Roop Chatterjee: Got it. So, just in case you are willing to answer this question. So, in non-glass, which blended EBITDA margin is probably steady state, high single digit, probably when you are purely sourcing, would that be below break-even, above break-even, low single digit?

Shreevar Kheruka: It's gone from high single digit to mid-single digit, more or less. So, there's been a substantial reduction there. It's, of course, it's definitely beyond break-even. And like I said, it's a short-term phenomenon. I am not too worried about it because these things will play out in the next couple of years.

Pranay Roop Chatterjee: Perfect. No problem. No, that makes complete sense. Another key question we had, I think a couple of quarters back, and this is something that you had mentioned, is that this is when the BIS was coming into play for flasks and you had mentioned that we have enough capacity to last us till Diwali. So, now we have officially crossed Diwali. And you did mention a statement where you have already lost revenue. So, how is it looking like for the rest of the year? I mean, especially Q3, before your capacity starts coming in? Should we expect the material impact in the next quarter?

Shreevar Kheruka: There is an impact. In fact, I thought the impact would be worst, but it's been, I mean, we had stock, we had inventory, but the demand in the market was far higher than our ability to supply that demand. So, therefore, we did lose out on potential revenue growth. I mean, just to be clear, we have still grown by 12% in non-glassware. But that growth may have been north of 20%-25%, had we had that inventory. As you rightly mentioned, the inventory is on the lower side now. I think we have enough to last us. You know, frankly speaking, a couple of channels have already stopped accepting non-BIS goods, which is also impacting sales. So, even with the inventory there, some channels are not accepting those goods. So, that is also hurting us. But probably from Q4, we will start seeing some bounce back, and maybe Q1 of next year, we should be back to normal, I would say, output or normal sales. But yes, there will be some impacts, hard to quantify at the moment.

Pranay Roop Chatterjee: Got it. Great. And just a confirmation on the initial remark you made. Probably I am missing something here, but you said the pace is not comparable, right? So, last year, Diwali was third week of October, and this time it's last week of October, right?

Shreevar Kheruka: I think last year was 1st or 2nd November, if I am not mistaken. It's about 10-12 days earlier this year.

Pranay Roop Chatterjee: Yes. And this time it was third week of October. So, the reason you called it out, is it because you're seeing a YOY dip in the current quarter? Is that the reason?

Shreevar Kheruka: Again, if you look at my Q2 remark last year, it will also have some comment on this, and the Q2 remark the year before. So, I am just calling it out so that we don't think that these are exactly comparable. There's some impact. I am not projecting anything for Q3 at all.

Pranay Roop Chatterjee: Okay, good. Thanks a lot, and the numbers look great. Thank you.

Shreevar Kheruka: Thank you.

Moderator: Thank you. The next question is from the line of Akshat Mehta from Seven Rivers Holding. Please go ahead.

Akshat Mehta: Thank you, sir, for the opportunity. I had a few questions on the results. So, number one, I just want to understand on the revenue part, except for, let's say, the month of September, where you see an early impact of Diwali coming in. For August and for July, on a figurative basis, what kind of year-on-year growth did you see? I am not asking for a specific number, but a trend, so that we can understand where the industry itself is moving, except for the festive season period?

Shreevar Kheruka: As I said before, the first quarter was not good. You know the numbers for the first quarter, right? So, the first quarter was challenging for everybody. And we had, I think, single-digit, if I am not mistaken, single-digit kind of growth in the first quarter. This started changing from, I would say, Q2 onwards, the first half of Q2. And obviously, the festive season supercharged it a little bit. We will have to see now how the rest of the year goes. Hard to predict, because here, actually there are two factors at play. One is the demand from the market, and the other is our ability to supply specifically one product category, that is hydra. And that is, muddying the waters a little bit in the short run, because it's hard to predict how it's going to play out. Overall, I would say demand has picked up from Q1 onwards to Q2 and Q3. And we see, with the GST reduction, I think although not directly impacting our goods at all, but just general consumer sentiments seem to be better than before. So, I am reasonably bullish on demand going forward. And our short-term issue, which is specific to Borosil, on our ability to supply that demand on the hydra category, that will fix itself in the next 2-3 quarters. So, overall, I am quite bullish for the future.

Akshat Mehta: Thank you.

Moderator: Thank you. The next question is from the line of Bhavin Rupani from Investec. Please go ahead.

Bhavin Rupani: Hi, sir. Thank you so much for this opportunity. So, first question on small kitchen appliances. So, we will see BIS implementation kicking in from FY'26 onwards. So, just wanted to understand what proportion of our non-glassware revenue stands exposed to BIS right now? And

if we are still importing it, can we see a jump in working capital because of this going into second half?

Shreevar Kheruka: Frankly, the entire non-glassware segment is subject to BIS now with what you just mentioned. So, the main drivers were hydra, which is the vacuum flask, then appliances and then steel, the stainless steel. These are the three categories within non-glassware. Now, as it stands, we have also launched gas stoves as a fourth category. But the third and fourth, namely the steel and the gas stoves, when we were aware that this issue is coming, so we started with only Make in India. So, that product won't be impacted at all. And hydra, which is the biggest category, we have already decided to produce in India and that's on route. So, appliances will be impacted. But seeing this coming, of course, we knew this was coming from some time ago. Already, roughly 50% of our clients revenues are made in India and this number will go 70%-80% in the next 12 months. So, we are seeing good traction there for our local sourcing. It takes some time and like I said, there's a margin pressure on that. But overall, I think we are on the right track. So, there will be some working capital impact. Although, frankly speaking, it will not be that material because last year, our inventory went up because we had a higher inventory of hydra, which has now come down. And that will be replaced by BIS inventory of appliances. So, net-net from last year, I don't think there'll be much impact. But I'd have expected working capital to reduce this year, which may not happen.

Bhavin Rupani: So, net-net, can one say that our import contribution right now is 20%-25% of total non-glassware revenue as of now?

Shreevar Kheruka: Of total revenues?

Bhavin Rupani: Non-glassware revenue.

Shreevar Kheruka: No, it may be slightly higher. But it's, I think, by the end of this financial year, it will reduce to even lower than that. So, maybe 10%-15%. Right now, because we stocked up, it may be slightly higher than that.

Bhavin Rupani: Got it. Also, sir, you mentioned about expansion and other categories going ahead in non-glassware. So, what is the priority list? Any indicative list should also be fine over here.

Shreevar Kheruka: Whatever we sell more, we will manufacture. Whatever we sell more, there's a Venn diagram. One is what we sell and the other is what we aren't able to source at a competitive cost, which we believe we can manufacture at a better quality and cost. So, the intersection of those two diagrams will give you what we are going to make. But I don't have an answer for you at the moment.

Bhavin Rupani: All right. And the CAPEX will be, we will start it from FY'27-'28 onwards? Any indicative timeline?

- Shreevar Kheruka:** From FY'27, not even '28. But like I said, I don't want to get into specifics because these are just under consideration and haven't been approved by the Board yet. So, we will do it. We will cross the bridge when we come to it.
- Bhavin Rupani:** All right. And one more question on hydra. So, this is the first time that we are doing a steel product in-house. So, what is your sense on ramp up and time to full utilization? What would be the peak utilization? Peak revenue as well as EBITDA the for this category?
- Shreevar Kheruka:** See, a peak revenue from our production, I think would be close or just north of Rs. 200 crores. However, when we can reach there, our effort obviously is to get there as quickly as possible. I don't want to put a number or a date out there. Because it's, like you said, the first time, there are many known unknowns, which we will solve for. But there are also many unknown unknowns, which are hard to kind of predict. So, I don't want to give a number or a date. But I think we have followed the process. We have recruited good talent. We have done everything by the book. So, I see no reason why this should take more than any other plant would take. But I see no reason why this should take more than 6 to 12 months. But let's see where that goes.
- Bhavin Rupani:** All right. And also sir, in the last call, you mentioned that we have made some progress on procurement of hydra product from local sources. Would you like to comment more on that or would you like to quantify more, like what proportion or how many number of pieces that you have contracted?
- Shreevar Kheruka:** No, I would not. I mean, yes, there's progress and we have been increasing our local sourcing dramatically. But obviously, given the fact that I just mentioned earlier that we are actually at a lower sale in hydra this year compared to last year, it obviously means that we have not been able to achieve the local sourcing to the level that we would have desired. So, it's there and it's growing rapidly, but it's not where we need to be. And to be fair to the local ecosystem, we have to also mention that the Chinese ecosystem evolved over 20 years. And we can't expect that what somebody's done over 20 years, the local guys can do it in 12 months or 18 months. It's not a realistic expectation. It will happen and will happen, I would say, in the next year or two. I think there'll be enough local supply for this.
- Bhavin Rupani:** Fair enough, sir. Also, sir, on revenue and CAPEX guidance, I think in Q1, we had mentioned that it will be difficult for us to reach 15-20% growth in FY'26. Now, given where we are in the first half, would you like to reinstate the guidance or do we still see pressure on ground?
- Shreevar Kheruka:** No, there's pressure because it's again, like I said, it's a combination of two factors. One is on ground demand, which is definitely better compared to Q1, at least. But our ability to supply this product category is still a day-to-day struggle and a day-to-day, let's say, it's every day is a new day. So, that is what is keeping me away from giving you a change in my guidance. If we had ability to supply, I would definitely stick to that 15%-20% number. We just have to see whether that last few months, we can supply that quantity.
- Bhavin Rupani:** All right. And this last question, any CAPEX guidance for FY'26 as well as '27?

- Shreevar Kheruka:** FY'26, we already gave guidance for CAPEX. For FY'27, there's nothing further that I can speak of. Once it gets approved and bought, then we will discuss it at that stage.
- Bhavin Rupani:** Perfect. All right. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Vaidik Bafna from Monarch Network Capital Limited. Please go ahead.
- Vaidik Bafna:** Congratulations, sir, on a good set of numbers. Sir, I have questions in the Opalware division. So, sir, we constantly outperformed in the Opalware category against the competition. So, what difference are we doing against the market leader, who was earlier the market leader? And in this quarter, did we have any institutional orders for the Opalware? If yes, then can you quantify an approximate figure?
- Shreevar Kheruka:** To the best of my knowledge, we had no significant institutional orders at all this quarter. But frankly speaking, the market is a market which is competitive in general. But we try and do what we are strong at. And I believe that we focus on our own areas where we feel that we can deliver reasonable product and growth for our customers as well as our shareholders. So, I would not like to comment on anybody else because the setup of our business is different. So, it's not fair for me to comment on any competitor. And these things have a habit of changing quarter-to-quarter. So, frankly, I have not studied the numbers too much. I only look at our numbers, which we try and do better at. So, I hope we can continue growing and I hope the industry grows because without industry growth, our growth is not assured. So, I do hope that the whole Opalware category grows substantially in the years to come.
- Vaidik Bafna:** Got it, sir. And secondly, on the glassware division, in this quarter, we have grown by more than 50%. So, what has led to this growth and what kind of growth trajectory are we looking at in the coming quarters and in the coming years for this division? That's it.
- Shreevar Kheruka:** As far as glassware is concerned, I think the reason for the growth is, and I think this was a thesis playing out, that when you give more choice to the customer, the customer tends to buy products, more items. So, I think the key to success has been the establishment of our plant. Like I said, it's the first of its kind in India, Borosilicate press ware products. And we have been able to grow that market by offering customers choices of products. As I have mentioned in my opening remarks, there is a clear shift from plastic to glass and to healthier alternatives, which we are seeing. And we are kind of, I would say, we have some tailwinds over there. So, I would say it's broadly a shift in consumer sentiment accompanied by our ability to give the customer more choices, which has led to better growth in glassware. And this was actually the thesis. So, I am glad to see it's playing out. We still have some weight in glassware, still a very small percentage of the whole kitchen and storage and even lunch boxes. So, I believe there's still a long way to grow in this area. So, the work has just started, long way to go. And let's see that, let's hope we can continue switching customers away from plastic to this product.

- Vaidik Bafna:** Got it, sir. And sir, out of the Rs. 90 crores to Rs. 93 crores of revenue in this quarter from the glassware division, how much would be from own manufacturing and some bit of outsourcing as well, right?
- Shreevar Kheruka:** I think 90%. I don't have the number off the top. More than 90% will be our own manufacturing.
- Vaidik Bafna:** 90% from own manufacturing?
- Shreevar Kheruka:** Yes.
- Vaidik Bafna:** Got it, sir. So, that's it from my side. Thank you.
- Moderator:** Thank you. The next question is from the line of Akshat Mehta from Seven Rivers Holding. Please go ahead.
- Akshat Mehta:** Thank you, sir. Just want to understand, you know, earlier we were only going to put up two lines and now we have approved for a third line in the stainless steel facility. What is the thought process behind adding another line in the market?
- Shreevar Kheruka:** Because, as I said before, we were hoping that we'd get more local sourcing, but that's not working out to the level. Like I said, we are getting sourcing, but it's not as much as before. So, we just thought rather than be dependent on someone else, let us make more in-house. And that's simply the thought process. Nothing else.
- Akshat Mehta:** Okay. Also, sir, when can we see this? So, I know because we have a lot of stainless steel inventory lying on our books. Can we see some of the inventory come down by end of the year or probably first half next year?
- Shreevar Kheruka:** That inventory has already come down, but as somebody already asked before, unfortunately, it's going to be replaced by another inventory, which is our appliances inventory, which is also going into BIS this year. So, yes, overall inventory of stainless steel is dramatically reduced by end of this financial year or has already reduced substantially. But on the books, you may not see one more year, this year rather, much reduction in inventory. Next year, you should see a substantial reduction.
- Akshat Mehta:** Also, can you help us understand, there is some royalty income of Rs. 3.8 crores on the presentation. What is that regarding?
- Shreevar Kheruka:** Ye, Borosil has a brand, which belongs to Borosil Limited and our, let's call it a group company or I don't know what the technical term is, but Borosil Renewables uses that brand and therefore, they pay royalty to Borosil Limited for usage of that brand.
- Akshat Mehta:** Also, can you help us understand exactly where we are in terms of construction or setting up of the stainless steel facility as well as the solar plant, which you said last call?

- Shreevar Kheruka:** So, I already said in the opening remarks, stainless steel facility expect production by Q4FY26. Solar plant also, I think in the next couple of months, by maybe also Q4FY26, we should start seeing some net metering or rather some supply of energy from that plant, maybe Feb-March. The first full quarter for both will be Q1 of next year.
- Akshat Mehta:** Last one sir, can you share the shared support service income and expense number?
- Shreevar Kheruka:** I think it's mentioned in the opening remarks. Anand or is anyone on the call who can share that number? Rajesh?
- Anand Sultania:** Yes. So, this half, we have about Rs. 12 crores of shared support service income and in the previous period, it was about Rs. 8 crores.
- Akshat Mehta:** And the expense number, sir?
- Anand Sultania:** 10% lower because we have a cost plus 10% mark-up.
- Akshat Mehta:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Sumit, an individual investor. Please go ahead.
- Sumit:** Good evening. I had three short questions. I will make it quick. You have mentioned the pharma industry not enabling us to do gifting anymore. I presume that continues. My question was when does this lap up? Which quarter will that base effect go away? That's my first question.
- Shreevar Kheruka:** I think the base effect is gone.
- Sumit:** So, it's been more than a year now?
- Shreevar Kheruka:** Yes.
- Sumit:** Okay. Second question was on the competition from Milton Plastics in Opalware. I am not sure where that is coming from and I know you don't comment on competition, but do you envisage an effect on margins or some pricing pressure coming forward for the Opalware division because of that?
- Shreevar Kheruka:** I don't think so. Milton is a very, I would say, well-established player with very good distribution. And in many cases, our distribution doesn't actually overlap. And they are very mature and seasoned, I would say, company. So, I don't see that margin. They will be doing anything to upset the industry structure from a margin perspective. That's my sense. But it's early days. So, we will see how that goes. But I am not seeing that and I don't think we will see that also going forward.
- Sumit:** Wonderful. And the last question was that the BIS coming for the appliances. So, just like we were kind of caught, I shouldn't say unprepared, but off guard in terms of the hydra that we

thought there would be local sourcing and then we changed that and got it in-house, the same situation may again occur in appliances. So, do you have any plans for doing some manufacturing in-house or at least on a subset of the lines which are faster selling? Any plans on manufacturing there for in-house for appliances due to BIS coming up?

Shreevar Kheruka: So, that's a good question. I think there's two things that are different compared to hydra. One is that as we speak already in appliances, 50% of that is made in India, compared to in the case of hydra, 100% was being imported. So, in that sense, we have a 50% head start on appliances already. And what we do see is another 20%-30% is well within our reach to execute local manufacturing before the end of, before the implementation of BIS. So, there will be some gaps in certain SKUs which don't have an Indian ecosystem. And we are doing the cost benefit at the moment to see whether it makes sense to manufacture those or just lose those SKUs altogether. So, that work is going on. And we will definitely, having learned from hydra, we will definitely not repeat that with appliances in the sense that we will, before the time is up, either invest or set up local sourcing, which is well proven before the hydra, sorry, before the BIS, fully kicks in or we start getting impacted in revenue terms from it.

Sumit: Got it. Thank you so much. All the best. Thank you.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to the management. Over to you, sir.

Shreevar Kheruka: Well, thanks, everyone, for your engaging questions and reflects to me at least that people are interested in our organization and how we are doing and what we are doing. So, thank you for your engagement once again. And I look forward to sharing the updates for you for the next quarter.

Moderator: On behalf of ICICI Securities, that concludes this conference. Thank you for joining us and you may now disconnect your lines.