

Borosil Renewables (BRL) - BUY

Initiating Coverage

Current Market Price (CMP) Rs. 458	Fair Value (FV) Rs.580
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Rationale:

- BRL is India’s first and leading solar glass manufacturer, with an installed capacity of 1,000 TPD (tonnes per day), equivalent to ~6.5 GW.
- Its domestic market leadership is supported by high entry barriers, in-house technology and energy-efficiency initiatives, which enhance cost competitiveness.
- BRL is well positioned to benefit from India’s rapidly expanding solar manufacturing ecosystem; investing ~Rs1100cr to add 600 TPD capacity by Q4FY27.
- Anti-dumping duties on imports from China & Vietnam provide greater pricing visibility.
- We expect revenue/EBITDA/adj PAT to grow at 19.2%/22.2%/21.6% CAGR in FY26-29E.
- We initiate with BUY with DCF based fair value of Rs580; implies~18x FY28E EPS.

Positives:

- Demand-supply imbalance in solar glass is the strongest structural argument; would leave a demand-supply gap of ~3,100 TPD even after announced expansion by players.
- BRL delivered strong standalone growth during FY21–26, with revenue, EBITDA and adjusted PAT CAGR of 25%, 19% and 27%, respectively.
- The current 600 TPD expansion is fully funded, with Borosil expected to remain net-cash positive even after the Rs1100 cr capex.
- Lower capex intensity adds competitive edge over new players
- Strong cash generation post-expansion should support the next growth phase.

Negatives:

- Change in Government policy on antidumping duty, challenges related to gas supply chain and delay in BRL’s new capacity addition are key risk.

(EBITDA: Earnings before Interest, tax, Depreciation and Amortization, PAT: Profit after tax, DCF: Discounted Cash Flows, EPS: Earnings per share, CAGR: Compound Annual Growth Rate, TPD: Tonnes per day, GW: Giga Watt)



The content of this document has been derived from Kotak Securities PCG research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com).Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months