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August 12, 2025

To,
The BSE Limited,
Corporate Relationship Department,
1st Floor New Trading Building,
Rotunda Building,
P.J. Towers, Dalal Street,
Fort, Mumbai - 400 001

To,
Corporate Communications,
National Stock Exchange of India Ltd.,
Exchange Plaza, Plot No.C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400051.

Scrip Code : 541929 **Security ID : SGIL**

Sub: Transcript of Conference Call with Analysts / Investors on Unaudited Financial Results for the Quarter ended on June 30, 2025.

Ref: Regulation 30 & 46 read with Clause 15 of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

This is in continuation of our letter dated August 05, 2025 giving intimation of the subject mentioned conference call and subsequently furnishing the web link for accessing the Audio recording of the said conference call vide our letter dated August 08, 2025.

In terms of the subject referred regulations, please find attached the transcript of the Conference Call held on August 08, 2025 with Analysts / Investors on Audited Financial Results of the Company for the Quarter ended on June 30, 2025.

Please note that the said transcript has also been uploaded on the website of the Company (www.synergygreenind.com) which can be accessed at the following link:
Link: synergygreenind.com/wp-content/uploads/2025/08/audio1781408497.m4a

This is for your information and records

Yours faithfully,
For Synergy Green Industries Ltd.
Nilesh Mohan Mankar
Digitally signed by Nilesh Mohan Mankar
Date: 2025.08.12 14:52:07 +05'30'

Nilesh M. Mankar
Company Secretary & Compliance Officer
Memb.No.A39928

SYNERGY GREEN INDUSTRIES LTD. KAGAL KOLHAPUR

"SYNERGY GREEN INDUSTRIES LIMITED Q1 FY 2026 EARNINGS CALL"

8th August, 2025

"E&OE – This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on August 08, 2025 will prevail."

MANAGEMENT REPRESENTATIVE:
MR. V.S. REDDY – EXECUTIVE DIRECTOR,
MS. SHREYA SHIRGAOKAR, MANAGEMENT EXECUTIVE,
MR. NILESH MANKAR, COMPANY SECRETARY & COMPLIANCE OFFICER

Nilesh Mankar: Hello, everyone, and good afternoon. Thank you for joining today's call. I am Nilesh Mankar Company, Secretary of Synergy Green Industries Limited. And I'll be moderating today's meeting. Before we begin. I would like to inform you that we will be recording this call. And in case any participants are not comfortable, you may feel free to drop off before we start the recordings. Thank you for your understanding. Shall we move to the disclaimer. Yeah, this, this is a disclaimer from company's point of view. So you may go through the green, highlighted portion. Yeah. Next, slide. Yeah, this today's agenda. First, I'll give brief introduction about the company. Later on, Ms. Shreya will give the investors presentation for quarter one. And in the last Mr. V.S. Reddy will take the question-and-answer session.

These are the guidelines for today's meeting. All the participants are kept on listen only mode by the host. All the participants are requested not to record the call. Questions from the participants will be addressed in the Queue and a session at the end of the investor. Presentation by the management. During the question and answer when called out by the moderator, we request you to introduce yourself. With your name, organization, and the question. Participants having multiple questions can email us on email Id mentioned in the chat box. And management will make best possible efforts to revert within 7 days. Thank you for your cooperation.

So I'll give the brief introduction about the company.

Dear participants. Welcome to the Q1FY26 Earnings call and investor presentation of synergy green industries limited. Synergy Green Industries Limited is one of India's leading state of art foundries. producing SG iron grey iron and steel casting for wind turbines. Wind, gearbox and general engineering industries in the weight range of 3 to 30 MT. Synergy Green has an installed capacity of 30,000 metric ton per annum. And is in process of upgrading to 45,000 metric tons. The company houses based in class equipment, IT infrastructure and quality testing facilities, and is a top supplier to measurement OEM's as well as leading gearbox players in the world. Synergy Green Industries Ltd is a part of the Shirgaokar group which has diversified businesses, interests over its 80 plus years. History, spanning across Sugar, manufacturing foundries, hospitality and market research, among others.

We have with us today. Mr. V.S. Reddy, Executive Director of a company. Mr. Reddy is a B tech in mechanical engineer. M. Tech in manufacturing executive Mba. From IIM Banglore. He has over 30 years of experience in manufacturing of large customs. Over his career. He has worked for corporates like L&T, ISGEC and Simplex. In establishing plants. And managing businesses before joining synergy from inception. Second Miss Shreya Shirgaokar management, Executive. Miss Shirgaokar has completed her Mba in finance. And has worked with Deloitte as a part of their energy and industrial research team. For over 4 and a half years before joining synergy in 2023. And myself. Nilesh Mankar. I am a company secretary, and I have also completed my Mba from Indira, Gandhi National University. Open University. I have more than 13 years of experience in a secretary department of a company. Now I would request Ms. Shreya to give the presentation of Q1FY26.

Shreya Shirgaokar: Thank you. Nilesh. Today's presentation will be divided into 3 major areas, which is the industry, overview company profile and business performance. However, for today, specifically, I'll be majorly going quickly over the industry overview and company profile and majorly focusing on the business performance for the 1st quarter. I'll glance over the industry outlook, and we can maybe address this in the Q&A session. Just a quick glance again at the company.

Synergy Green Industries Ltd is one of India's leading manufacturers of flat size critical castings, majorly for the wind and general engineering products. The weight range of our castings is 3 to 30 MT Single piece. The materials that we produce are SG Iron and Cast Iron, and a small portion of steel. Our capacity currently stands at 30,000 tons per annum, and we're in the process of upgrading ourselves to 45,000 tonnes per annum. We have state of the art facilities as well as quality certifications and NABL Certified quality testing lab. Our products majorly go into the wind segment. 70% of our products go for wind castings. 15% towards wind Gearbox castings and the balance 15%. for general engineering applications such as in industries and such as mining, plastic injection machines as well as pumps. We're trusted by 50% of the world's top 10 wind OEM's as of 2024. These include Vestas, Siemens Gamesa, Ge Vernova. Besides these, we're in the process of onboarding Envision and Nordex. Within the gearbox segment we cater to the world's gearbox leaders, Flender and ZF. As well as the tier one companies from the non-win segments, such as Terex, Milacron, and Willow. I'm jumping directly into the business performance for the quarter. Our annual capacity utilization was at peak levels in the last year For FY 24-25. We were at 88% of our capacity utilization. Of the 30,000 tons per annum capacity.

Now here is the summary of our audited financial results for the 1st quarter, or of FY26. The total income for the quarter. As compared to the 1st quarter of FY25 has risen by 8% and stands at 85.38 crores. The Pbdit has risen by 25% over the corresponding period in the previous year, and it stands at 13.16 crore. And the Pbdit margin has risen by 210 basis points and stands at 15.41%. The profit before tax stands at 5.13 crores. This is a 26% increase over the corresponding period of the previous year and the profit after tax has risen by 14.44% and stands at 3.38 crores.

Here's a quick glance at the balance sheet. The key items in the balance sheet, such as inventories, trade receivables, as well as trade payables are in line with our expectations. The other current assets have increased majorly because of the Capex that we're doing currently as well as the GST credit receivable.

Here's a snapshot on the progress of our order book as well as product development with various key customers. So we've received schedules of about 167 crores from vestas, which are to be executed in the calendar year of 2026. We've also received a development order for Vestas's 4 MW platform, which will also begin shortly. Siemens Gamesa, which is SGRE, is already in the pipeline to restart production. And we're expecting this to begin in the 3rd quarter of this financial year. We're proud to announce that we have successfully produced India's largest wind turbine casting made in India of 29.5 metric tons for Nordex. You can see a snippet of this casting on the right-hand side. For Envision's 3.3 MW platform. Our prototype castings are complete. And so we'll be ready for serial production. As for Adani's 3.3 MW platform, the products are under development currently. This was a quick view of some of the key developments as well as order books, order book for our Key Wind customers.

Now I'll walk over the brief overview of financials. So as mentioned earlier, our revenue for the Q1FY26 has risen by 8% over the Q1FY25. The key drivers or growth drivers for this revenue are the gearbox segment, as well as our direct exports that have gone up. Another trend that we've highlighted even in the past, and we see it again. This time is the wind domestic, which wind domestic segment, which usually is slower on the offtake. In the 1st couple of quarters of the year we still expect to see around 20% of the revenue growth in FY26 over FY25. Drawing your attention to the Pbdit of the period. Pbdrt has increased by 25% and stands at 13.16 crore in this quarter. Pbdid margins, standard 15.41%.

We're expecting an overall increase of about 100 basis points for FY26 over FY25. Here's a look at the Capex plan and status of each activity. So we're doing a major expansion and Capex cycle. Currently that is around 187 crores. This is mainly divided into 3 major areas. The 1st one is the foundry expansion, where we're expanding our capacity from 30,000 to 45,000 metric tons. We've allocated around 60 crores to this area, and the equipment erection is in progress. We've also shown the picture of the new factory shed at the bottom. We're expecting it to be operational by Q3FY26. Our captive renewable power, which is increasing our solar capacity, which is a captive solar from 2 MW to 10 MW. We're installing 8 MW this year Is under commissioning. It's at the last stage of its commissioning and is expected to be operational This month. The final area that we're investing in is in-house machining, which was so far outsourced entirely. We're doing this Capex in 2 phases, and the target is to establish a total of 20,000 tonnes approximately per annum of machining activities in-house. So, the 1st phase of this activity is already underway and the machines are under erection as depicted below. These are expected to be operational by the 3rd quarter of this year. And finally, the last leg of the Capex will be with the extended capacity for machining which will be operational by the Q4FY26. Looking at the path ahead, our performance outlook. We're expecting 20% growth which is expected for the whole year. We have some robust projections for the order book from Major OEM’s in the country, as well as our gearbox customers. The export revenues are projected to remain stable. Close or similar to the previous year's export revenues. And finally, as mentioned earlier, Pbdit margins are expected to expand by over 100 basis points from the previous year. This was a quick overview of all of our financials as well. As the status of our investments. I would like to open up to the Q&A.

Nilesh Mankar: We can open it up to the audience.

Shreya Shirgaokar: Sure, so I'll hand it over to Reddy sir for the Q&A

V Srinivasa Reddy: Good evening, all of you once again. We welcome to this Investor Conversation. Mr. Anirudh, please go ahead with your question, please.

Anirudh Shetty: Thank you for the opportunity, sir and that was a very good opening presentation. You know, we are on a strong expansion plan & we want go from 30 to 45,000 MT and I see that this quarter we're looking to go from 45 to 75,000 MT which I think is a bit higher than what we were talking about in the past. So maybe if you could just share some color around, what's changed you know. What makes us more optimistic about the medium term? and also if you could call out typically our orderbook you know how much visibility of this growth is basically the orderbook that we have today, and how much will be more orders that we expect over time?

V Srinivasa Reddy: Till last year our major business was surrounded between 2 OEM'S that is, majorly Vestas and Siemens. And during this last 12 months we have added 3 major OEM'S. That is Nordex, Envision and Adani, typically, each OEM comes with a somewhere around 10,000 to 15,000 tons kind of demand which we have similar numbers we are utilizing to vestas actually so if presently, if you look at the kind of capacity, what we have, we are just increasing from 30 to 45,000 tons. But the way I look at the customer demand forecast and all with the agreed share of business anywhere between 25 to 50% depending on his supply chain model. I always already see my demand is going beyond 60,000 tons. Apart from this, we are also seeing a good growth in the gearbox segment. I do see a lot of opportunities in the non-wind segment as well as so this capacity, what we are adding up it will be quickly utilized. That's what we are projecting. In fact, orderbook is already fully is there so considering this, we feel there is a strong requirement for a further expansion beyond 45,000 tons.

Anirudh Shetty: Got it and so you know at this point in time how much of our exports would be to the US with this tariff uncertainty, how are customer discussions evolving at this point in time?

V Srinivasa Reddy: See, last year our export was somewhere around 18-20%. I remember the number, but current year since it was flat, and but the business is growing. We are expecting the export proportion to be around 15%. Out of each 50% of the dispatches we have done in the Q1 itself, because we had a skewed schedule. Now, coming back to what is the impact and all it is slightly difficult to tell what is happening on the others side. The only one thing I can say the parts exports which we are doing, the majority of the parts are single source. Actually, you know, it is not easily possible to for them to switch overnight. That's one. Unless there is a change in demand. If the demand in us market drop, there may be impact in the export, but in total I don't see just because of the tariff our schedules are going to significantly panic, and it will go up. We are not anticipating that kind of thing. Just. I'll given a quick example about a year or 2 years back the because of the Red Sea problem and all, there was a significant increase in the logistic cost means customer has borne almost 25-30% extra logistic cost to pull the castings.

Actually, you know so and the second thing is the total the cost structure in the wind turbine, ours is around 3 and 4%. so, if there is a 25% impact is there maybe half a percent or 1% will impact. So just because of the casting something getting stopped. I don't see that kind of challenge. The bigger issue is if the one who is assembling the turbines in us. Significantly depend on the imports then overall cost structure get disturbed, and if they are not able to pass on. There may be some impact on the demand. But the way I look at today, there is a minimal impact on the projections which we are given which has quoted because today I'm sitting with a lot of domestic demand as well that will easily get replaced.

Anirudh Shetty: Got it, got it. And so just one final question before I join back in the queue is. You know, there are 3 projects, 2, 3 projects that we're doing, which can actually help us improve our margins. You know, we've spoken about 18% margin in past. So, my question here is that we are looking to do machining probably in house for the 1st time, so. What is the learning curve that we kind of, should expect over here.? And do you think getting talent, you know, for machining could be a problem? And, 18% EBITDA margin at, say, 45,000 MT, do you think that's a high probability outcome for you?

V Srinivasa Reddy: The 1st part is as per learning curve on. You are right. It's a technological thing. It's a new thing for us. But we do have a team now, what we're having somewhere around 25-30 years of expand areas and people already with us for last 6-7 years. Because this machine shop, we wanted to do somewhere prior to Covid. But 2 years there was a challenge because of the Russia commodity sector and Russia. This got postponed. Actually, you know, the machine investment. Now, during this period, last 5-6 years, our team has spent a lot of time in developing my local supply chain so we are seeing demonstrated our capabilities in establishing the machine. I don't see a big challenge in establishing the machine shop. Maybe initial 15 days, one month there can be here. That is a part and parcel of the manufacturing Activity. So that is, one under second question you are talking about the margins achieving the margins of 18%.

Anirudh Shetty: Yes.

V Srinivasa Reddy: Typically, the machining alone contributes around 12 to 14% of our cost. Actually, you know. But still, we want to do only 50% of it so I expect somewhere around 5-6% kind of the contribution happen. And also, solar we are spending almost 8% of our balance sheet into the electricity. But the investment what we are doing today 2 MW, which is already we are having and 8 MW right now Commissioning is happening. Total takes us to 10 MW. That will take around 40% closer to the kind of the capacity with the electricity. So that adds another 3-4%. I don't see big challenge in 18%. It should be better than 18%. But we have questioned something., if you have to grow a business, something needs to be passed on to the customer. I also see a lot of other avenues. Actually, you know what case my 1st part is. This is a Brownfield project, so my manpower cost is not going to just go up by 50% with a 50% increase in help, means there must be some kind of a volume leverage should be happening. Actually, you know, then I'm not even spelling out something on the market. Increasing volumes, and there are a lot of other. Of there to improvise the balance sheet. Actually, concerning this, I feel it should not be a big issue in. Achieving the 18% plus kind of the Ebitda margins.

Anirudh Shetty: Perfect, sir. Thank you so much. I'll join back.

V Srinivasa Reddy: You're most welcome. May I request? Jiten Parmarji, please go ahead with your question, please.

Jiten Parmar: Good afternoon, Reddy ji.

V Srinivasa Reddy: Good afternoon, sir. Good afternoon.

Jiten Parmar: Yeah, so some part of my question is already answered in the 1st Segment, but coming to specific on it after the out of the 15% exports we are going to do this year? How much of it is to the US?

V Srinivasa Reddy: No, the majorly is US only see, Europe is Europe is less. Actually, maybe 3-4, 2-3%. Only, major is US export.

Jiten Parmar: Okay, so I think I have seen and spoken to companies and all that like this, 25% lot of people have kind of walked around and said, okay, I will bear this. I will pass on this. I will You know, but if it goes to 50% or beyond. The way things are how difficult it becomes for us at, like this, 50%. If it sticks, does it and do we have alternate markets for this?

V Srinivasa Reddy: We'll not be chasing US market for sure. Actually, the 1st thing, second thing is like Vestas. He's operating in India and in US. The major business is coming from. It's just only the exports. Whatever we're doing, it actually works.

Jiten Parmar: Right.

V Srinivasa Reddy: What I understand from the Vestas is, they're going to divert their assemblies from US to India so they are there. It's not only for me, for them also they have to figure out. Even tomorrow for me, US market becomes zero, still I don't see any problem going ahead with plan. What we have mentioned that is, apart from 45,000 MT going up to 100,000 MT. That's the kind of demand.

Jiten Parmar: Exactly.

V Srinivasa Reddy: I see a lot of opportunities. Actually, see, wind is only one segment. Probably some of the investor discussions when we discussed. The total addressable market for us is, there is a 6 times market is sitting on the other side, apart from wind. So, something like pumps, mining machine tool mining, a lot of opportunity. Actually, sir. So just for a small business of 50 crores or 100 crores. Something happens in US i don't see our growth will be get impacted because of this.

Jiten Parmar: So yeah, that. So that is hardening to hear that. You know, we are looking at other things also because I kind of always thought that, you know it is always better to have other streams and you did talk about good demand from the gearbox, non-wind segment, the way things are, and if we were to expand further. Maybe you know the 4 years, 5 years down the line. How much percentage do you think our aspiration will be to be from the non-wind Segment?

V Srinivasa Reddy: I don't see any problem in going to 50-50. That is one of the reasons why, we have from the day one, we maintain 20-25% of the composition from the non-wind segment. Second thing is, I'm not too much concerned about demand going down. That is unlikely to happen. The reason I will tell you guys, you know. Wind is in the early phase; it has not shown its potential performance. If, honestly, I have to share actually no. For example, last 3 years or 4 years, it is barely doing 3-4 GW kind of, that is not the number. What India wants. In fact, I feel this Russia, whatever is sorry us, whatever is criticizing on a Russia oil import and all, it only pushes more onto the renewables actually, at the end of the what is that? We're discussing oil import right from Russia. It's the energy security so, energy security is coming from the renewables sitting at your home without anybody either US Intervention or Russia intervention. That's the best thing can happen to the country. Actually, no, apart from. Preventing the foreign exchange outflow. Actually, So India should put more effort today to reduce the dependency of the energy from outside. That is what the Government is going to do. I am very strong believer of that. That is one second thing.

The last 2-4 years if you carefully seen solar has done more than wind. Actually, no like 20 GW kind of numbers happening in solar, but only 3 or 4 GW happening in a wind. But I always I was wondering how this mismatch can happen. The reason is, solar was easy thing to do it, because it was in the early phase, less complexity in unlike in wind, and all. Ticket size is less, and so many other things are there, as you know. But the biggest thing, we haven't in the month back that is, in the Maharashtra State Electricity Board. Actually, you know Nowadays what is happening? A lot of solar project has happened. More power is getting injected in the daytime. Nobody is there to supply in the evening or nighttime, that is where wind is going to do it. So now Maharashtra Government has come with a policy wherein they are discounting 20-25% of the solar energy, and they are incentivizing 20-25% of the wind. Means there is a 50% more incentive to go towards the end.

So, I believe the going forward, there will be more of wind installation than a solar. That is how they typically, if I go by economics that should be the future upcoming trend, actually, no. Second thing is now, whatever happens in Maharashtra definitely that is going to repeat in whether it is Rajasthan, Karnataka or Tamil Nandu that is going to fall like, you know, everybody has got the same problem means solar. It generates electricity in the daytime.

So, considering that I see a ,1 is from the US-Russia story, whatever is happening pushing towards a higher energy, and that higher installation should be skewed more towards the wind. This is how I look at action. At the end of the day. The capacity water is a too small capacity. I don't see any problem of 2, unlike kind of journey. Actually, you know, we are looking beyond one like, maybe. How do you secure up to 200,000 tons kind of thing? Wherein can we look at 100,000 tons from non-wind. For sure we'll be doing 100,000 for wind. Actually, you know that one's confidence I have.

Jiten Parmar: Perfect, perfect, great to see that. And my last question would be on the Electricity. We with the commissioning of this plant, 40% of ours you know can say that we are captive. Right, that is on the 30,000. Right? Is that right?

V Srinivasa Reddy: It takes care of around 15,000 tons of production. Actually. So you can calculate whatever the number actually.

Jiten Parmar: Okay, okay, okay, so yeah, 45. It will be One-third, Okay.

V Srinivasa Reddy: The 10 MW takes care of 15,000. Yeah, yes.

Jiten Parmar: So are there any plans to further ramp this up. Because we still have room. And do we have enough space in all this for this thing. Is there any thought that you know. And what is the cost saving on and on let's say this one-third portion of captive. And the payback period?

V Srinivasa Reddy: Yeah, you are. Yeah, you are rightly mentioned. In fact, now, what we are thinking is go more towards the wind, because we need to also need to balance between a because consumption factor is running 24 by 7. Now today, since initial investment we did in a solar. But next investment will do wind, because it will be covering the evening and night portion of the consumption. Actually, we are thinking to add another 4 MW of wind, which is equal to 8 MW of solar, because this wind PLF factory is more than 2.50%, like solar by solar may work with the 17% of the Plf as against the wind, maybe 38% so it generates more electricity for the same MW of installation.

Jiten Parmar: Okay.

V Srinivasa Reddy: So again, there are certain guidelines. We cannot go 100% unless you generate energy. For around the clock, which is a very challenging thing, probably 60, 70% energy. Definitely, we can go, as you know. So again, we don't want to go leverage the balance sheet and go into too much update so because we have also taken a lot of Capex and the foundry mentioning, and all. 10 MW is a sizable thing, but we should be able to, either this year or next year may not be this year, but next year definitely, we would like to add another 15,000 tons offset through the renewables.

Jiten Parmar: Okay, perfect, perfect

V Srinivasa Reddy: Yeah, thank, you.

Jiten Parmar: Final question, Regarding this efficiency, or improvements with the. Higher wattage turbines, and all that, with like 3.3 and 4 and 5. is, is that improving? I mean, if you can throw some. Light on that.

V Srinivasa Reddy: There are 2 parts into that. If you are typically looking at the casting consumption per MW, that will go down because that is the optimization process. The tonnage consumed for a 2 MW turbine, when it goes up to 4 or 5 definitely, it will come down by 15-20%, actually. But that is not our concern with the consumption. We are looking at a more volumes getting executed. Actually, no. And as far as the industry is concerned, yes, bigger terminals are more optimal, gives a better efficiency, and the more investment happens. That is how the cycle work.

Jiten Parmar: Thanks, thanks. I think you answered all my questions.

V Srinivasa Reddy: Yeah, thank you. May I request Mr. Pratik Jain to go ahead with your question? Please.

Pratik Jain: Hi, sir! Thanks for the opportunity. Sir my 1st question is, if I just look at the global lay of land, right? There was China, who was dominant, who is dominating the market. In wind castings. Then there is India, and then there is Europe right. Like you mentioned that majority of our supplies are going to us as of now. The export supplies. So wanted to understand that how is Europe plus one playing out here? Are Europe, European foundries losing their market share, and who is catering to that demand as of now.?

V Srinivasa Reddy: See, there are 2 things in that. One is today. Europe is still having a reasonable capacity to take care of the European market, and if I look at the cost structure between India and China. China is more competitive than India, like many times I mentioned, it's around 20 to 30% cheaper than the Indian market. Now till yesterday there was a 25% tariff barrier difference between India and China in the US Market. There is no such tariff barrier in Europe. So today, if at all, any European OEM has to buy they typically used to buy from China. Actually, no. But I see a lot of European OEM'S. In fact, there is a discussion going on. To export to Europe. Actually, I really don't know what is. It can be a strategy because of China, plus one like, because if he's buying 100 from China. It doesn't impact his cost structure to pull out 10% to India, because 10% is also big number to coming to the Indian perspective. But as on date we are not going to the European market significantly, there is a small business happening is mainly because of we ourselves were sitting with the capacity constraints actually, you know, because not able to take care of the other US Market or the domestic market. I do see opportunities to exporting. We are in discussion with one of the OEM. He's talking about exporting to the European. We'll see how it gets unfolded. But prior to that I feel the domestic market like if the 4 gigawatt happens to say 8 or 10 GW, the demand, it's going to get doubled in India itself. you know.

Pratik Jain: Got it, got it? Yeah, and apologies firstly, to, being repetitive on the earlier question. So, I understand that you have mentioned it multiple times that at some point in time you will like to have a mix of, you know, wind 50% and non-wind 50% right. You know the world is uncertain, right and we have seen that wind has been more lumpy than the non-wind segment, because just the nature of the industry as of now So, as an entrepreneur. How do you think about taking a conscious call of, you know, de-risking from wind segment, and just filling the capacity from the non-win segment today.?

V Srinivasa Reddy: Say, I will tell you one thing. We are in this industry for 15 years in Synergy, my personally, I am in 30 years actually no. That during last 15 years we, our revenue growth, did not happen, for only one year means out of 15, 14 years we have grown. So, from outside it looks very bumpy or volatile, actually, but I don't see that kind of the threat or the problem. The reason is, we always built a capacity when enough demand is built in the market, like now, if we're moving from 30,000 to 45,000 tons. It is not that we are building capacity, then, and we're going for a searching of the market, Actually you know.

Today. If I look at my demand, is built up beyond 40,000, it is, I clearly see if I push it. I can easily sell 60,000 tons to end up customer, so I don't see any problem in whatever is going on. The second thing is, the casting business is so wide it doesn't take much time for us to pull out some other business section. You know the kind of the credentials what synergy has today, If I don't stand, I don't see any challenge in getting the businesses from any other segment. Actually.

So overall. I never look at the demand side is a concern point us actually you know, but only thing we have to manage the economic cycle capacities, operations, execution. This is where our focus point is. Actually, you know. Now the regard, the diversification of the nonwind. I do know, because the way Chinese, one of the reasons for their competencies, because they are highly concerned on one industry wind means wind, you know. But you get a lot of efficiency when you focus a lot. But today, because we always feel would like to have a diversified so we are managing a lot of anonym customer section, actually you know so we sacrifice some efficiency. But we have a good diversity within the organization, so I don't see there is any threat on the demand side because of all this volatility and other thing. One last point I would like to add. If you look at around 10 OEM'S are there in the country today making wind. But how many founders are there producing the casting? So whether X-OEM gets Y-OEM gets ultimately, order is going to split between one or 2 producers in the country. That is another advantage where we are sitting at, so there may be ordered in the OEM side, but not too much, or a delay on the supply chain side. Actually, you know, this is how it works.

Pratik Jain: Got it. Got it? And just, sir, last question, can you please highlight the number amount of Capex you will be doing in FY26-27

V Srinivasa Reddy: So there are 2 parts which I mentioned, as far as the current capex of closer to 187 to 200 crores what we're doing it. This takes care of the capacity of 45,000 tons and 20,000 machining, and 10 MW of solar. This thing, you know, solar, I do see in the existing infrastructure whatever doing another 20 crores, 25 crores kind of the investment in the solar or renewables, whether wind or whatever is there that can be one thing. It's a purely as part of the cost of innovation. Part of it, you know. I also missed to answer the previous Parmarji's question, what is the payback period? Payback period on the renewables is less than 4 years, for sure. 3 to 3.5 years is whatever you think. So that is worth investing it. There is no doubt about it. Actually, you know. The second thing is, I also see some kind of opportunities in the machine capacity, because we are not invested in the 100%. The whatever the Capex we are taking. It is taking care of only 20,000, but we may still think of putting another 10, 000, so that takes care of existing, the capacity. What we have. But if you have to answer your the second part of the question FY-26-27, we are looking at the second phase of project that is on the increasing from 45,000 to 100,000 tons, or 120,000 tons signal. That progressively. If I take up like similar way of foundry, machining and renewables are. Put together. It may go around 400 to 500 Crs, but again we may not be doing everything overnight. We'll be doing progressively, maybe initially, for sure. We may go with the 300-400 kind of capex. Later we'll top off with another 150 crores. That is how we'll take step by step. See at the end of the day. We have one fundamental reasons.

First is we have to get 20% plus growth. Second, is we have committed to achieve 18% plus kind of margin then doing investment in this kind of business model is not a the big, the challenge actually, you know. Then, 3rd fundamental rule. What we're following is we'd like to maintain our debt-to-equity ratio under control. See, In no case it should be exceeding 1.5. For sure we'd like to contain below one. So then, the business is in a manageable situation. We are not in a hurry to rush because there is a demand. Go on, do. Big leverage and going to debt and all. We don't want to get into that kind of hurry action. That is a time we have enough of this thing we have planned in advance. I think we should be able to manage all this journey actually.

Pratik Jain: Got it. Thank you. Thank you so much, sir.

V Srinivasa Reddy: Thank you. Yeah, thank you. Mr. Praneeth. Can you please go ahead with your question, please. Yes, please. Yeah.

Praneeth: Yeah. Thank you for the opportunity.

V Srinivasa Reddy: Yes, please. Yeah, you are not audible, Mr. Praneeth.

Praneeth: Users as particular business. But how's the margins different in both.

V Srinivasa Reddy: No, I missed your question. Initially, we're not audible. Can you repeat the question.

Praneeth: Hello! Am I audible now?

V Srinivasa Reddy: Yeah. Please. Go ahead.

Praneeth: So, I was asking about the margins, and for the non-wind segment the business. I understand it's only a part of the business, but I was curious. What are the margins like, and how is it different from the win part of it? And is there a possibility like creating 2 separate business units? Let's say to cater to one is non-wind, and one is doing. I understand capacity. You're going on a much more conservative basis while expanding. But if the realizations of everything is something marginally better or similar. Why is the fact that there's another business unit just catering to non-wind.?

V Srinivasa Reddy: The non wind. Yes, whenever we build a capacity of 100,000 to 200,000 tons, definitely, we have similar kind of thought process where one organization may be dedicatedly running on a non-wind model. Actually, you know. But you ought to understand one thing on the margin front. You fetch a margin when complexity of the part is very high or the volumes are low. So, these kinds of scenarios you get. Now, when I specifically speak, the whatever the orders we are having in our hand, it is slightly better than the wind. Actually, you know, the margins aren't. But there are some specific cases. I get a very good margin. But at the end of the day, it's a very complex casting, and the volume is less section, you know, so it's difficult to say one particular statement, non-wind is always a higher margin, and all those things. But blended wise. Yes, you can achieve overall a better margin in, because wind industry is driven by the Chinese competition and at the high volumes, highly competitive market. Actually, you know. So that is another reason. We are also looking at taking the sizable, the non-wind segment as well.

Praneeth: But in terms of working capital. Isn't it better, in terms of non-wind particular part of it like, how is the working capital difference between both the segments, inventory, and receivable side.?

V Srinivasa Reddy: See whether it is a wind or non-wind. Today we are following a simple principle. Maintaining below 45, 60 days kind of working capital cycle. Actually, you know, that is our organizational principle, whether it's a wind or non-wind, because we are not allowing the receivables to be get accumulated in the customer's book. And of course we have an inventory cycle of, say, 8 weeks kind of the manufacturing cycle, and we also get a credit from our suppliers. So, with a net end effect. I see 40 to 60 days kind of working capital. There are cases like where the castings are very complicated, and the what do you call the volumes are low.

Generally, we protect the payment cycle. So we take 50% at once and do it. Yes, that is different. But today it is not visible in our book, because we are doing a very small business portion of the business. It may be mix and match, but at the end of the day. I don't see any significant deviation in the working capital cycle. What we're doing it today.

Praneeth: Oh, and so one more question regarding the machining side of it. So in terms of per tonnage, what kind of value addition will be able to keep inside synergy as a result of this. Like in terms of percentage. I understand EBITDA margin; we might increase by a percentage. But on a ton basis, how is it going to be. How can we look at it?

V Srinivasa Reddy: Again, the depends on the intricacy of the machining cycle, time, component weight, and the nature of machines used, and all. But as a thumb rule somewhere around. If I have to vague number, you have to spell out. Around ₹30,000 to ₹40,000, or even ₹50,000 per tonne is the machining value addition happens.

Praneeth: So. But if that's quite substantial, like, I understand we're ramping up the capacity. But will it be a possibility that we might do? Let's say, 80, 20 split, in terms of which you kind of thing. So, can that be something that we can see.

V Srinivasa Reddy: We cannot run behind one aspect like margin and all we have to understand one thing in non-wind getting sizable volume. Big casting is very rare means wind is the were business. You get a sizable big casting on big volumes. So, we always look at the end value addition. That's a combination of a value and volume. Actually, you know, that is how we derive the business. So, we do see wherever the opportunities are, there we go and pull such kind of businesses. But today I see that factor is offered by the wind. That's where we are operating.

Praneeth: Understood just last one question. So, when we go to the customer, is it the fact that we give the finished casting, or we just give the rough casting, and they take it from the machining partner of yours.

V Srinivasa Reddy: Yeah. No, no, we give a hundred percent finish casting. So we are a complete end to end solution provider. So straight away these taskings go to the assembly line.

Praneeth: Understood. That's it from my side. Thank you.

V Srinivasa Reddy: Yeah, well, thank you.

V Srinivasa Reddy: May I request Mr. Pushkar Jain to go ahead with your question? Please. Mr. Pushkar.

Pushkar Jain: Oh, sorry! My question is answered. Thanks.

V Srinivasa Reddy: Yeah. Okay, thank you, Mr. Rishabh Aggarwal.

Rishabh Aggarwal: Hi, sir! we were looking at some of the notifications by MNRE, and on 31st of July there was an ALMM notification which essentially looks to include more indigenous wind turbine manufacturers. In the ambit, and now I guess there will be more gearbox manufacturers, nacelle, hub manufacturers producing in India, do you at all see any increased domestic orders because of this notification. That's one because China is 25% more expensive. So. A lot of people ended up., preferring that. The second also is, it seems, like China again, is picking up in terms of. There when demand um so. Maybe a lot of Chinese capacity will also go towards handling their own demand. So again, in the light of these 2, what is your outlook on domestic demand.?

V Srinivasa Reddy: You're right. I also heard that in China they're given a big target for the window installations. And there is a capacity shortage, in spite of a huge capacity. Actually, in China, actually, you know. And many foundries. They are denying the export orders because they need to take care of the domestic market. I heard there is a lot of incentive and other things are going on. Now coming back to your 1st part of the question, domestically, I'm also very confident about, you know, ambitious that the domestic market one is in terms of the installation. Second is in terms of the off take in the casting itself. Actually, you know. That should significantly go out government and MNRE is putting a lot of effort to push all these guys. I don't know. MNRE, even, for initially they sent a circular, there is going to be a reaction from the industry. They're given a very short time. I think August was the cutoff date, as you know, you have to do localizing that kind of thing. That's not going to happen. Because to develop a supply, and it takes more than a year for us them to capacity. So they're going to go back and ask for some extension, and all. I think that is, they are done, or they're in the process. But at the end of the day norms is insisting what a certain valuation from the local supplier side. You know. Maybe 70-80% kind of the local content. So that is definitely is going to add to our demand. As you know, that's where I am very bullish on. The domestic demand is going to pick up. One is in terms of installation. Second is this, policies government, which is coming up. Both should help us in increasing ours share, actually, you know, in India.

Rishabh Aggarwal: So do you expect to be directly included as an ALMM. Or do you expect your customers, who would be manufacturing gearboxes or nacelles to be included in ALMM, and as part of that they would be then procuring?

V Srinivasa Reddy: No, they have come with one policy. There is a specific quality requirement for the India, which is a BIS certification action which synergy is qualified as a BIS standard. The certification qualified foundation, you know. So that generally the outside monitors are not qualified. Indirectly it says, then majority of the demand has to be acquired from the local. The BIS certified the vendors. Actually, you know. So that is how the demand is going to be directed towards the local content. And apart from that, there are also guidelines, how much percentage of the local content material should be there in the data points.

Rishabh Aggarwal: Good, thank you, sir, so just lastly. A last question from my side. Is there a seasonality generally in Q1. Revenues, because, looking at last 4 years, generally Q1 is lower than Q 4?

V Srinivasa Reddy: Yeah, yeah, you're right. It's not just about this for this industry, generally, any, you pick up any engineering balance sheet Q4 they do the best numbers, Q1 it goes for a sleep mode, means it's starts with a very small thing and then gradually it picks up in Q3 and Q4. Now, if you come back to wind industry like the 1st part of Q1 is always low Q2 is also flat, because rainy season wind transition doesn't happen then. Q3 and Q4 is peak means that's the kind of takeoff it happens again, Synergy revenues were little oscilative because our demand was protected from the export markets. So that is how, if I have to. If you have seen the Shreya's presentation earlier, I think when the domestic is near zero. Actually, it means there is nothing has done, actually you know, it's mainly because of the domestic players, they do very less installation in the beginning of the year.

Rishabh Aggarwal: Yes.

V Srinivasa Reddy: But our demand was protected because of gearbox and non-wind, and also export market. That's how we could manage. A reasonable amount of testing, you know, on the revenue.

Rishabh Aggarwal: Understood. Thank you, sir.

V Srinivasa Reddy: Thank you. May I request, Mr. Amitabh Vatsya to please go ahead with your question? Please.

Amitabh Vatsya: Hi, sir! I'm Amitabh I work with Sadhan. So, my question is, basically, since you have 30 years of experience. So my question is slightly more on the industry sides that I've seen you have presented a full list of the all the makers of the wind turbine. So, I I'm curious about 2 companies. One is Sany and other one is a Goldwind, the market leader. So, there are some rumors that Goldwind is setting up shop in India for manufacturing. And Sany already has a shop. So do you have those on your cards, and do you see that memorandum which came from Government of India, I mean, Renewable Energy is going to is going to shape up the value chain movement with respect to these 2 players, and generally, are there any, if you would like to add?

V Srinivasa Reddy: Yes, I can elaborate. See, I've also done a lot of exercise in comparing the various reasons cost structure, whether it is a China or Europe, or India. Actually, of course, us is not into the place. Now, about a month back, Sany has visited our facilities Of course, naturally, whenever a Chinese player enters, I can get at a 50% cheaper or 35% cheaper. But that is in China, not in India, actually. So there are many experiments have been done. A lot of people coming from outside and putting up a plant in India found in such a place. It is not that we are doing something seriously wrong. Why, our cost structure is higher. That's not the case. Actually, you know. ultimately, when you come to your country., there is a certain infrastructure like I have to give a typical. The cost of logistics from China to India is, say, 3%-4%. For me, it is costing 5%, because that is the kind of because we predominantly do the road transport. Actually, you know. By sea is one-fourth or even one-sixth of the logistics cost. I'm giving one of the examples.

The second is what I understand in China, China is cheaper is not because of they have got some technical advantage. In fact. I have good compliments from many of the Chinese big, good leaders, actually, you know, coming to our founder and saying, where from you got this kind of technology. That's the kind of compliments. What they have given means the infrastructure, whatever the technology we have is a far superior than. The what the Chinese founders are operating. Now, again, you can question me, then, how come? Chinese are more competitive than ever sectional.

The 1st thing is, the Chinese are competitive is because of commodity. Prices are cheaper by more than 30%. This is the rule number one. Means, then you lost 30% on the commodity itself. Second thing, electricity is cheaper, like, if you typically take an Indian contest, the electricity generation is happening from the renewable at ₹3 per unit. But I buy back at a ₹10.5 is because of, you can say, transmission losses, other freebies, so many things political cost. See you are not going to bring electricity from China. Right? You have to buy electricity from India, only that's the second part. And also, you have to buy commodity in India. That's the second part. The 3rd thing is, when you create an infrastructure, you get a lot of incentives by the Chinese Government like 1st 5 years. You did not pay. Our land is smoothly transitioned without much cost. Under a subsidized interest rate, then exports for the inter very tend to all things. Then the game changes.

Now somebody from China, he goes one kilometer away from China, put up his own foundry. He cannot compete with his own founder in China means just. I'm giving a theoretical, hypothetical comparison, you know. Now coming back to India, I believe because we spend a good amount of time it takes time to learn, because it is not in a automated thing. There is a lot of um skill set involved. You need to build the team people. You cannot bring the Chinese workers to work in India. The cost will go up dramatically means you have to train the people in India. Actually, that's going to take 5 years, 10 years kind of the journey. Actually, it's not an easy task. Any outside of just jumping in and starting because you are not going to run it on a simply one printing machine or one this thing and go on. Keep on producing the caching. That's not going to happen that way. So that is another reason why. We consider this as a very high entry barrier industry here. It's not an easy job to get in.

Amitabh Vatsya: Sir, I have one more question with respect to you talked about, you would go to non-wind side then automotive one ZF, already. There we are, box and all. But did you consider a railway as a long-term market? And what is your strategy going forward. If you want to participate.

V Srinivasa Reddy: Yes, I started my career with railways. I would expertise in producing railways. We can do it, but it is a little crowded space. That's how I see there are already a lot of people and capacitors happening. I see a lot more value-added products beyond railways that is how I see. Actually, you know. See, a lot of components are imported at a very high value means we're looking at, not just enter at a simple and ordinary building. You know, we would like to enter in a high technology oriented high skills with good value-added products. I see that kind of big market in the non-wind segment. Actually, you know. So, we 'll see at appropriate time, and I'm not ruling out. We should not be entering the railways or anything. It all based on the opportunities. Actually, you know. Because till yesterday these railways, the manufacturing, whatever is happening for the domestic market, there is a good opportunity, the way globally reset of the whole economics. These things are happening. India may become net exporter of the railways. That's a good possibility, because the kind

of the trains that Madhya Bharat and all they have developed. So, what I'm trying to say is, I'm not ruling out. We have expertise and all. But if we have a limited cable where you want to put, we would like to put a high reliability good value-added area. So today it stands at wind. I do see a lot of other opportunities in that. We'll take it up step by step. You know.

Amitabh Vatsya: Sir, if one final question, if I may, in terms of competition you mentioned in past that you there are 3 foundries which are dedicated to wind sector. So, can you just update us on the status? What is their capacity? Because I've heard that they were also expanding.

V Srinivasa Reddy: Yes, I know SE Forge. They were already invested a lot in the beginning, but they had a challenge in capacity lesson. Probably, if you have seen. I think they are using around 20-25% kind of a capacity lesson where they are standing. Still, they have to go a long way in converting that into the capacity that is one, and we have edge little edge over one of our competitors because they are into SEZ. So if you have to cater to the domestic market, it will attract tax. That's one. And the second thing is always they will have a tag of OEM subsidiary. Actually, you know. So, we are a neutral company always we get a slightly better differentiation in this thing. This is one. The second thing is the other competitor, one who is the MNC OEM, he's also expanding that what I heard the 30,000 to 45,000 tonne is the number what I heard about it. But I don't see any problem in all of us expanding, and still there is a good demand. We are all 3 working in a different model, like synergy, is the only company where more or less catering to all the OEM'S. I'm talking uniqueness of the synergy. I'm more or less a neutral company. And we are the only company into Gearbox. We are also significantly the non-wind. So, we have a much broader market than of course, we are sacrificing our efficiencies in the journey because we are highly diversified. Actually, you know, because of that. When I compare, like, as I mentioned, the focused industry gets a better productivity. Better this thing, but it comes with a lot of risk. If one of the customer demands goes down, your revenues are highly volatile. So, we try to protect that volatility with the diversification.

Amitabh Vatsya: Thanks a lot.

V Srinivasa Reddy: You're most welcome., Mr. Nitin Dharmawat. Please go ahead.

Niteen S Dharmawat: Yeah, thank you, Reddy, sir. Thank you for the opportunity. Today. Reddy, sir, is on fire to protect the, you know, opportunities and citing the opportunity. Thank you very much for all the elaborate answers., my question is about, you know the hypothetical case that you talked about that we may have 50-50% revenue from wind and non-wind. So, in such a scenario wall, what could be the blended EBITDA level that we could, you know, anticipate., wherever it happens, and the kind of you know, opportunities that we get so. Just based on some assumptions that you might be having in your mind?

V Srinivasa Reddy: See, I have seen the many numbers. I'm not just talking about the wind industry or the foundry general engineering like, whether you pick up a forging and all. Somewhere around 20-25% is the EBITDA margins. What all other guys are doing. At a mature level. If we do something like more or less, everything good infrastructure like machinery, then solar, Plus foundry. If you do it definitely, it should be about 20% kind of the number, actually, you know.

So, I don't see any problem in this. Is achieving this because. I'm talking blended actually, again. See, there can be good opportunity. I see a lot of RFQS wherein. The high value rated. Only thing I'm little scared. It may take a lot of energy. Actually, you know, in, we need to put up a lot of teams. We have to see those numbers, but the margins are very, very high. I can say 30 or 40% kind of big orders are there, but it will not impact my balance sheet, because, unless I do a big, sizable volume of that kind of the margin business into my existing weighted average so if you are able to build the challenge with those kinds of businesses, volumes are low, and the complexity is very high. So, because of that. Then building a big balance sheet of 1,000 crores or 2,000 crores becomes a challenge. So, at the end of the day, we work on the model. A significant percent come from the volume-based business. Second, is the value-based business. So, a blend of both together should be able to push beyond 1820% kind of the margins.

Niteen S Dharmawat: and my second question is about; India has signed one agreement with Uk. And, since we do not have any significant presence right now in Europe and Uk geographies. So is there any possibilities of, you know exploring the opportunities in that market? I'm not aware about.

V Srinivasa Reddy: I don't see. Uk is a big market for the main. Today. Also, we have some small business which in Europe it is going that is going to Uk only is basically that one customer which but it's a very small volume. Actually, you know, really, we're not explored. What kind of opportunity over there we are in just discussion. But today, what I see is, my table is full today means we are trying to see what is there in the front. And we're trying to take it up. Actually, no, yes, definitely, we can look at. Not just. I'm talking about the Uk. Even other countries also at the end of the day, whether it is a free trade tax and all. There are certain segment of casting value has got no meaning, means, they are ready to pay any price. It's a very complicated and needs a skill sets, and the price is not the matter. It is like what you call pharmaceutical. Actually, you know, the patient doesn't look at the price of medicines, what price he should buy? He's what is important. What is the value of that medicine? The similar way. There is a such a segment in the casting component. I always it comes to my one mind, like you know. If you typically look at 110 million tons is the total global casting production. Out of each. India does about 11-12%, 11 or 12 million. Actually, you know., if you look at the value creation by country like India. It's not a big number means ₹150-170 per kg, but the same thing someone like yours they're doing at a ₹400 weighted average price. Actually, you know. Means the in terms of the value terms US may be doing 3 folds or 4 folds than the India. What we are doing for the same capacity production happening. In the found industry in India versus U.S.A. Actually, you know, means there are a lot of opportunities. We need to explore the high value data items. The line over there. We need to search and take into our business.

Niteen S Dharmawat: Got it, sir. My final question is, about the Capex. So, when are we announcing the next cycle of Capex, what is the plan on that side?

V Srinivasa Reddy: If we, everything goes right, we are looking somewhere around Q2, Q3, means we are typically looking at 2 quarters of good performance. That's what we are 1st focusing first, compared to the Capex. And get into 2 quarters, like what we have projected. Then we are good to go.

Niteen S Dharmawat: Sorry I missed your point.

V Srinivasa Reddy: No point. What I'm trying to say is, we are looking at somewhere around Q2 or Q3 FY27. The logic is to first we would like to complete the Capex and want to see the numbers. What we have projected for 2 quarters. Then we are good to go.

Niteen S Dharmawat: I got it. Thank you so much, and wishing you best, sir.

V Srinivasa Reddy: Yeah, you're welcome. So now Vaishnavi Saboo, please go ahead.

Vaishnavi Saboo: Yes, hello, sir, thanks for the opportunity. So, I just had one question, if I remember, it is related to the capacity expansion in the last con call for the foundry expansion, that was supposed to be ready by Q2 FY26. But there is a delay of one quarter I believe so. What is the reason for that?

V Srinivasa Reddy: Yeah, you are right. There is almost 2 months delays there in the only project one is this what you call the civil work what we are doing it. The field. What we heard it is a completely rocky foundation. It is taking a lot of time for putting up the foundation. That is one. The second part is q. 1 always says the labor shortage issues actually, you know, typically a lot of migrant labor keep moving across the country, due to marriage and other things around 20-30% labor shortage in the field. Not just in this industry. Generally this is the trend. What is in because of that? There is the delay in the project by almost 2 months. But I don't see any impact because of these 2 months delay, because the capacity, what we have aligned, the orderbook, schedules, and all is with the Q3 and Q4. Actually, I don't see any impact on the outcome side. Yes, there is a delay on the completion of the project side.

Vaishnavi Saboo: Okay. Okay, thank you. That's all. From my side.

V Srinivasa Reddy: Mr. Pratik Jain! Again, I see your hand. Yeah.

Pratik Jain: Hey? Hi, sir! Thank you. Thank you for the opportunity again., so just 2 bookkeeping questions. So out of our 150 crores of debt. How much of the debt is reco? Firstly, what's the cost of debt we pay.

V Srinivasa Reddy: Today around 8.75%. I think that is the interest rate. What we are paying to the banks.

Pratik Jain: Got it, and secondly, on the debtors, you know. we do build discounting on it. So can you please clarify how much of our bill discounting is basically recourse, and how much is non-recourse.

V Srinivasa Reddy: Almost all the bills are without recourse.

Pratik Jain: Okay, without got it.

V Srinivasa Reddy: No, there are 2 parts domestic with directly discount with customers who don't go to any 3rd party, so that we don't have any hassles with somebody third party coming and claiming, as far as exports is concerned, there is a government scheme as well available. Wherein, directly we can discount the receivables without any request, model.

Pratik Jain: Got it, got it. And so just last question, we had proposed around 187 crores of Capex in the last FY25, and FY26. We had already done 83 crores. So is it that year we'll be doing around 100-104 crores of Capex.

V Srinivasa Reddy: No, it's ongoing. Its only payments are not happened as on Q1. Because, for example, now from China, already sorry, the machines which were manufactured is ready for dispatch. Then one night on 30 crores invoice will come. Actually, you know so we have already ordered all those 187, barring maybe 10-15 crores, some tooling and other things, majority, 80-90% is already ordered. It is only accounting, I think, is pending. And that's okay.

Pratik Jain: Got it. Got it? Thank you. Thank you. So.

V Srinivasa Reddy: I see Mr. Jignesh. please go ahead.

Jignesh Vaidya: Yeah, thanks for the opportunity, sir, so we wanted to understand, since your, Capex will go live by around October or November so from Q4 onwards our utilization will be how much for the. new capacity, 40-50% can be assumed going forward, or FY27 only. We need to assume?

V Srinivasa Reddy: Um, see, we are trying to target the full capacity position in the Q4. Actually, you know, full means 85-90% kind of capacity we have to see how this progress. It also depends on the customers and development. And so many things are happening. But we see a good sizeable capacity relation in the Q4.

Jignesh Vaidya: Okay, so broadly, maybe in Q3 and Q4. Since our utilization would not be full. So maybe the initial expenses of the new plant and employees will be higher. So, there can be a small hit on the margins for a couple of quarters. Is this fair to understand?

V Srinivasa Reddy: Yes, you are right, even this quarter also see, we already started doing a lot of recruitment on our machine shop and other things. Actually, you know, marginally, there is increase in a Q-o-Q basis. There is increase in the manpower cost. But that will also get offset because the solar is getting commissioned. Some revenue will also happen. So, I see not much impact onto the margin, so it will go side by side. The project is staggered in a such a manner. It is not going to wait till all the activities get completed. Like, as I mentioned the solar. If it gets commissioned in the next one week or so that will start contributing something to the bottom end. Second, next month. We're expecting a 1st phase of missioning get completed, as you know, that will also. So, contribute something excepting maybe maximum. Yeah, half a person, 1% year on them for a short period of time, maybe a quarter. But I don't see big impact on the margins. So, because of all this. This thing nonproduction and other things.

Jignesh Vaidya: Okay, sir, any major benefit that will have on by any government PLI schemes. That they run for our new capacity, so that can also be.

V Srinivasa Reddy: Yes, yes, because the new facility, what we have put there is an incentive from the Maharashtra State Government. I think. Yeah, we get refund of the Capex, but that is a spread across over a period of 10 years.

Jignesh Vaidya: Oh, okay.

V Srinivasa Reddy: I think 35 or 40 crores incentive amount is already sanctioned for us. Um maybe come out around 3 to 4 crores per year in the during next 10 years, based on the GST collection from the Maharashtra State. So that incentive is there with us.

Jignesh Vaidya: Right? Okay, thank you.

V Srinivasa Reddy: You're welcome. Nitin ji. Still your hand, I say, do you have any more questions? Please.

Niteen S Dharmawat: No, no, sorry, sir, I forgot to lower it.

V Srinivasa Reddy: No, no, thank you. Yeah. Thank you all once again. Nilesh, can you please conclude I don't see any further questions. Yeah. Nilesh, you are on mute. Yeah, yeah.

Nilesh Mankar: I was saying that a couple of questions has been received from Mr. Praneeth, but due to time constraint. I have sent my email Id to him. So, we can email you. Or shall I take it? Take right now.

V Srinivasa Reddy: They are present here.

Nilesh Mankar: Mr. Praneeth.

Praneeth: yes, I'm present.

V Srinivasa Reddy: Yeah. He has already asked the question. I think Mr. Praneeth.

Praneeth: No, no, no, no! I have like 2 more questions regarding how the supply chain is developing beyond China in terms of wind castings. So, I could give some light based on that.

V Srinivasa Reddy: See, the manner in which the supply chain is. There are 4 regions which I always speak. US, Europe, India and China manufacturing point of view actually you know so today is highly considered towards the China., there are a lot of discussion on Turkey, and even Vietnam, or even other Mexico so there are a lot of discussions. But at the end of the day. Even Brazil also. But I see the India is the best competitor next to the China. Actually, that's the kind of scene I've seen numbers of the Brazil production. Also, I heard 50-60% more expensive there. Even I know the numbers from Mexico as well. It is a closer to US economic. It's in the dollar economics, you know. So that way. If you see the India should catch up very quick next to the China.

Praneeth: I understand that, but in terms of capacity, what percentage do they have like in terms of share, capacity and capacity? Utilization at this point of time.

V Srinivasa Reddy: Capacity of what you are talking about. The global demand.

Praneeth: It's capacity of them, their existing supply. So, I understand it's messy continent in China, right at the moment, and next we come India. So, I was wondering about these.

V Srinivasa Reddy: See, it's a little. It's little, this thing what you call. A lot of Chinese capacity. What I heard is for the smaller MW turbine and those kinds of things are there. There is also a good amount of capacity for the big cattle, because nowadays the turbine class is moving away from, say, 1 MW, 2 MW to 5, 6, or even 8 MW kind of the numbers. So many of the founders cannot do such kind of big capacity. The turbine size, you know, that is one. So, it's not about meagerly looking at the capacity. You should also look at the relevant capacity. That's 1, the second thing is like it's already coming from China so there is no additional impact whether capacity gets added or it gets diminished. it will. Only the now buyer strategy is to pull out something out of China. That is how I see. Actually, you know, of course, cost is a criteria, but that is not the only criteria, because they are trying to and de-risk try to develop alternate supply chain.

Praneeth: Understood, got it? And in terms of part of capacity expansion, can we do equity infusion? Because, as at this point of time, you're mentioning that you do not want to stay in the balance sheet. So I was wondering, can equity infusion be a better, faster way to accelerate without stressing the balance sheet?

V Srinivasa Reddy: Yes, we will do it appropriate time. That is also in our course next time. When we do means first, we would like to finish our commitment, what we are committed and say, from 30,000 to 45,000 capacity utilization of the same 85-90% kind of thing. Plus, we have also given a guidance on the certain margins. Then I see good value in the organization. There should not be any challenge in funding the upcoming Capex in the combination of both, because our balance sheet also becomes bigger. Internal roles also accelerate. Plus, some equity infusion and borrowing. That's why I mentioned one single number. We don't want to exceed our debt equation more than 1.5, preferably closer to one. So, if we keep this goal, whatever the capacity is that we'll manage. How much has to be in first, how much we are able to manage through internal accrual. That's how we'll be proceeding. You're most welcome. Yes, Nilesh.

Nilesh Mankar: So, thank you. Everyone for joining today's earning call and making such an interactive call. So, on behalf of entire synergy, I would like to say thank you to all investors and analysts. Thank you. Thank you.

V Srinivasa Reddy: Thank you all. Thank you.

Shreya Shirgaokar: Thank you. Everyone.