Corp. Office
392, 'E' Shahupuri,
Post Box No. 201,
Kolhapur 416 001, India

Works
Plot No. C 18,
Five Star MIDC, Kagal,
Kolhapur 416 216 India.

T 0231 2658375
W www.synergygreenind.com

L27100PN2010PLC137493

November 06, 2026

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 September 30, 2026.

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 to give 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 November 04, 2026.

In terms of the subject referred regulations, please find attached the transcript of the Conference Call held on November 03, 2026 with Analysts / Investors on Unaudited Financial Results of the Company for the Quarter ended on September 30, 2026.

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: https://synergygreenind.com/investors-relations/

This is for your information and records Yours faithfully,

For Synergy Green Industries Ltd.

Nilesh Mohan Mankar
Digitally signed by Nilesh Mohan Mankar
Date: 2026.11.06 11:02:30 +05'30'

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

SYNERGY GREEN INDUSTRIES LTD. KAGAL KOLHAPUR

SYNERGY GREEN INDUSTRIES LIMITED

CIN: L27205PN2010PLC136490

TRANSCRIPT OF THE EARNINGS CONFERENCE CALL

Financial Performance Review for the Second Quarter (Q2) and Half Year ended September 30, 2026 (Financial Year 2026-27)

Event / Subject	Q2 & H1 FY 2026-27 Earnings Conference Call & Investor Presentation
Date & Day	Tuesday, November 03, 2026
Time of Meeting	04:00 PM IST to 05:00 PM IST
Mode / Venue	Conducted via Video Conferencing (Digital Virtual Platform)
Statutory Compliance	Regulation 30 read with Schedule III of SEBI (LODR) Regulations, 2015
Filing Purpose	Submission of transcript of investor conference call to Stock Exchanges

E&OE – This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on November 04, 2026 will prevail.

MANAGEMENT & MODERATOR REPRESENTATIVES

Representative Name	Designation / Organizational Role
Mr. V. Srinivasa Reddy	Executive Director, Synergy Green Industries Limited
Ms. Shreya Shirgaokar	Associate Vice President, Synergy Green Industries Limited
Mr. Nilesh Mankar	Company Secretary & Compliance Officer (Call Moderator)

PART 1: INTRODUCTORY REMARKS & MANAGEMENT PRESENTATION

Mr. Nilesh Mankar: Hello, everyone. Thank you for joining the call.
I am Nilesh Mankar, Company Secretary of Synergy Green Industries, and I'll be moderating today's session. 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 recording.

Thank you for your understanding. So, this is a disclaimer from companies, right? You can take print screen.

And go through it. The next… This will be the agenda for today's meeting. First, I will give the brief introduction about the company, then Ms.

Ms. Shreya will present the investor presentation for Quarter 2 and then question and answer forum will be open for the investors.

Next. Yeah, these are the guidelines of the call. Next.

So, dear participant, welcome to the Quarter 2 Financial Year 2026-27 Earnings Call and Investor Presentation of Synergy Green Industries Limited. Synergy Green Industries Limited is one of India's leading state-of-the-art foundries, producing SG Iron, gray iron, and steel castings.

For wind turbines, wind gearbox, and general engineering industries in the weight range of 3 to 30 metric tons. Synergy Green has an installed capacity of 45,000 metric ton per annum, and in-house machine facility of 20,000 metric ton per annum capacity. The company houses best-in-class equipment, IT infrastructure, and quality testing facilities, and the top supplier to major and wind OEMs, as well as leading gearbox players in the world.

Synergy Green is a part of the Shirgaokar Group, which has diversified businesses' interests over its 80-plus year history, spanning across sugar manufacturing, foundries, hospitality, and market research, among others. We have with us today, Mr. V. S. Reddy, Executive Director, Ms. Shreya Shirgaokar, Associate Vice President, and myself, Company Secretary. Nilesh Mankar, Company Secretary. So, I would request, Shreya Madam, to start the presentation for Quarter 2 of the Financial Year 26-27.

Ms. Shreya Shirgaokar: Thank you, Nilesh. Good afternoon and welcome again, everybody, to today's Investor Call. I'll quickly go over the industry overview as well as the company's profile before diving deep into the business performance for the quarter and the first half of the current financial year.

So the global as well as Indian wind industry are doing extremely well and progressing according to the targets that were set earlier. The global cumulative capacity is projected to exceed two terawatt by 2030, and this is driven by record breaking annual installations. An interesting point to note is with the boom in AI and AI-based companies, especially in the US, there has been a push for higher energy demand as well as higher green energy in these countries.

And this is giving a big boost to wind installations in the US, as well as other western regions. The Indian wind installation growth is also projected, also grew by about 53% in FY26, and India's wind capacity, installed wind capacity is expected to more than double from 2026. up until 2030.

That is from 51 gigawatt currently to about 107 gigawatt. And we are well on our way to achieve these targets in the next 4 to 5 years. Here's a quick view at the diversified… at the company, which is diversified to cater to the broader castings market.

As already mentioned by Nilesh, we have state of the art facilities based out of Kolhapur and Maharashtra. Our facilities have all the equipments from leading brands in the world. Our foundry capacity stands at 45,000 tons per annum, as well as our in-house machining and surface treatment facilities.

that has a capacity of about 20,000 tons per annum. Besides having the best-in-class IT infrastructure, as well as quality testing facilities such as NABL-certified laboratories, we're also qualified on various ISO certifications, including

the latest two, which are 27001, which is the Information Security Management System, and 50001, which is the Energy Management System.

Besides these, we also have a 10MW captive solar power portfolio. The company is majorly focused on wind castings that form about 70% of our portfolio, gearbox castings for the wind industry that are another 15%, and the rest, which is in the non-wind space, including cone crushers, coal pulverizers.

As well as mining and pumps. Currently, we're working with 6 out of 15 of the leading global wind OEMs. These include Vestas, Envision, Siemens Gamesa, Nordex, Adani, among others.

Besides these, Flender and ZF are the world's leading gearbox manufacturers that we work with, and in the non-wind space, we have Terex, Willow, Mahindra, L&T, among others. This is a quick look at the SWOT analysis. I'll jump into the business performance for the quarter.

Our annual capacity utilization, the capacities that we added in the last financial year that have brought us to 45,000 tons per annum. We are progressing well on establishing those, and we currently, in the first half of the year, stand at about 75% of capacity utilization. For the full year FY26-27, we're projecting to reach about 80% of our total established capacity.

A summary of our financial results for Q2. So total income for the half year ended 30th September 2026 stood at 192 crores versus 159.76 crores for the half year ended FY26.

PBDIT for the current half year stood at 17.13 crores, that is 8.9% PBDIT margin for the current half year. Looking at the quarterly results. The PBDIT margin stood at 10.2% versus 15.7% in the quarter ended 30th September 2025.

We have some key factors of our Q2 performance highlighted on the right hand side. In terms of revenue, our production has increased by 25.8% year on year for the first half of the current financial year as compared to first half of FY26. During the same period, revenue has grown by 20.2%.

The PBDIT margins, as mentioned, stood at 10.2% in Q2 of FY27, as compared to 15.7% in Q2 of FY26. And in the first half, stood at 8.9% compared to 15.6% in the first half of the previous financial year. The FY27 PBDIT margins continue to be impacted due to the steep input cost escalations that we are getting impacted by.

Here's a snippet of the balance sheet. Long-term borrowing standard 176.21 crores. Now we'll dive deep into the revenue streams and the estimate for the rest of the year.

For the first half of the year, we've divided our revenue streams into wind domestic, OEM exports, direct exports, as well as gearbox and non-wind segments. The wind domestic segment, when compared in the first half of the current financial year with the first half of the previous financial year, has done extremely well.

Similarly, OEM exports, as well, have performed in line with the previous year. We're also seeing… We are expecting to see a growth in the second half of the year from higher export revenues. Looking at this, for the full year FY26-27, we're projecting and continuing to project a 33% revenue growth over the previous financial year, and this is going to be supported by our additional capacities, as well as the revenues from new customers.

Looking on the right-hand side, the PBDIT margins for the period. As discussed in detail earlier. PBDIT stands at 17.13 crores for the first half of the year.

And considering the current input price scenario with elevated input costs, FY27 margins are expected to increase by around 100 basis points year on year over the previous financial year. So summing it up for the FY26-27 performance outlook for the year, we continue to estimate the revenue growth of 33% for FY27.

Export revenues are expected to grow by over 50% over the previous year, and they will contribute around 30% of the total revenues. And PBDID margins are expected to expand by about 100 basis points. This is it from our end, and I think we can move to the next segment, which is the Q&A section.

I invite Mr. Reddy to take over.

PART 2: QUESTION AND ANSWER SESSION

———————————————————————————————————

Mr. V. Srinivasa Reddy (Executive Director): Thank you, Shreya. Good evening, all of you. Thank you for joining this call, now I will take your questions. I see, Nitin Dharmawat, he has raised his hand. Can you mute, unmute yourself, and go ahead with your question.

Mr. Niteen S. Dharmawat (Investor / Analyst): Yeah, yeah, thank you for the opportunity, sir. Good evening. My first question is, sir, we are saying that we'll be doing a growth of 33% in financial year 27, that is the current financial year.

So how this number will shape up in the second half of the year? And will we be having the supportive capacities available to achieve this revenue number? And second is about the EBITDA margin.

We guided around 18%, if I remember it correctly. So where are we towards the EBITDA guidance? Will the cost structure, you know, will have some dent on this, or will we be able to achieve that as well?

Mr. V. Srinivasa Reddy (Executive Director): The point is, the first part is, for, supporting the revenue, we have a capacity. Now, on a sequential basis, we can do 150 crores plus, kind of, the turnover. The second thing is,, due to, again, logistic disruptions, particularly in case of exports, there are some challenges, if you look at balance sheet, there is an increase in inventory, because some of the castings were not able to move to the port, because of non-availability of ships and other things. So, we carry certain inventory, considering all these things, with the existing capacity, plus the inventory already built up.

We don't see any challenge in meeting the 500 Crores turnover, the turnover for the current year. As far as top line is concerned, we don't see any challenge. And regarding the margins, initially we guided around 300 basis point improvement over the last year, about 13% what we considered.

That is including the other income and all put together. So we were expecting around 16% margins for the current year. But the first half of the year, because of this war, commodity inflation, we had almost 8% kind of cost impact because of the raw material price increase, actually, you know.

And the second thing is, the capacity expansion and the ramp-up, what is happening. The first off, we had a slightly unabsorbed the manpower cost, because right now we are in the ramp-up mode. Even though we got continuous price escalation from the customer.

But the raw material prices are continuously going up on quarter-on-quarter basis. In the first quarter, we have seen consumable prices like furan has gone up by 50% plus, so consumables were on the run, and in the second quarter, now commodities are on the run. So, see, as long as, at some point or another, it has to stabilize, we get the customer price correction.

with one quarter lag. if you look at our, this thing, you know, presentation, that what we have mentioned is, based upon the previous quarter weighted average prices, the next year, next quarter price get corrected. Now, accordingly, the current quarter, we are almost getting a weighted average of 5% price for the Q3.

But we believe at some point in time, this raw material has to stabilize. It is a difficult thing to predict how the global market is happening. But as per my experience, these kind of prices I've not seen even in 2022 or actually, you know, the Russia, they're at that level, actually, you know, they're at a very high levels.

we believe either it should stay here, or some retracement may be possible. Even if it stays at this point, we have already given a guidance of 100 basis point. Now, coming back to the guidance of 18% EBITDA margin, probably 17-18% EBITDA what we are estimating inside for the H2.

So, based upon that only, then we will be in a position to achieve 100 basis point growth for the overall year, considering we're standing at 8.9 at our, closer to 9% is the first of where it stands, mainly because of the commodity, actually.

Mr. Niteen S. Dharmawat (Investor / Analyst): So, 18% for the H2, we still hold, because we are saying that overall, 100%…

Mr. V. Srinivasa Reddy (Executive Director): Yeah, 100 basis point growth over the overall year, actually. Maybe 50 basis point here and there, but I don't see any deviation from the guidance what we have given. And the prices what we have also is supporting those working, actually, know?

Only thing, the raw material has to stabilize at some point of time.

Mr. Niteen S. Dharmawat (Investor / Analyst): Oral.

Mr. V. Srinivasa Reddy (Executive Director): Mainly this consumables, furan resin and all. To some extent, there was some kind of a softening, but significantly logistic cost has gone up very high. It's almost threefold, actually.

Again, because of this war, there is a disruption. None of those ships and the insurance premiums have gone up. So, logistic cost is also adding cost to us.

But overall, I don't see any problem as far as the guidance what we are given. even in the second half itself, we are, we should be able to, reach those numbers, actually.

Mr. Niteen S. Dharmawat (Investor / Analyst): So, logistics cost, I thought that must be borne by the customer, or are we bearing that… can you elaborate on that?

Mr. V. Srinivasa Reddy (Executive Director): No, logistic cost, in the domestic, we bear it. It's not very significant, but logistic cost for the exports, you are right, that is borne by the customer. When I say logistics, for example, the imports, what we're doing from the, raw materials, for example, furan and other things, so there is a softening of the prices by 5-10%, but that is getting replaced with the increased logistic cost, actually. Means my input cost is not coming down the way market is getting adjusted.

Mr. Niteen S. Dharmawat (Investor / Analyst): And you said that, you know, there is some buildup of the inventory, so how is the situation now? Has it eased now, or it continues to be tense, and will have some impact for the inventory during this quarter as well?

Mr. V. Srinivasa Reddy (Executive Director): See, what are happening is, someone like, Vestas, they have a very good, they're a very established customer. They have a tie-up with a, big shipping agency like Maersk. But I do know the newer OEMs, wherein they're taking to the, US market, they don't have that kind of logistic backing, actually, know? Because this is an abnormal situation, particularly getting ships for the, ODC consignments, or the over-dimension consignments, is challenging. Now, I do know the customer is paying almost equal to, or 50-60% of my component cost to just move the casting from India to… US, actually, know?

That's the kind of logistic cost these guys are bearing. And still, they have challenges in getting the ship bookings, actually, know? So, we do see some kind of movement.

The current month, October, there is a reasonably good movement. Almost 60-70% started moving it. We hope this could get stabilized.

We're also trying to get adjusted with the disruption. And we are giving the customers with almost eight weeks in advance about the shipping dates, actually, know? So, customer is also putting very desperately, trying to add multiple shipping agencies and to get it, because his assembly has started, he doesn't have a parts.

Not only from Synergy, he has the challenges of, for lifting the material from all across the country, actually, know? So there is a big team, senior management is behind there to resolve this shipping constraint, actually, no? But overall, I feel they should be able to manage to ship out these parts.

Mr. Niteen S. Dharmawat (Investor / Analyst): So, this inventory, which is built up now, have you already booked this in revenue, or it is yet to be built? What is the, you know, system that we… correct?

Mr. V. Srinivasa Reddy (Executive Director): No, no, it doesn't show in the revenue, it will show as an inventory cost, and it will be sitting at a cost price.

Mr. Niteen S. Dharmawat (Investor / Analyst): Okay, so now when we are going to do it during this quarter, so will there be any increase in the top line number? Will it go beyond 500 crores considering that we have some inventory and we have a run up of 150 crores every quarter?

Mr. V. Srinivasa Reddy (Executive Director): No, what happens is, when I go to the 150 crores kind of the annual level, my production also has to be ramped up to that phase. So, considering the existing inventory hand, and also the production, we should be able to comfortably do 300 crores plus in the second half.

Mr. Niteen S. Dharmawat (Investor / Analyst): Okay, got it. And how is the demand scenario now? Has it got impacted because the price has gone up, logistics, there are issues, inventory is built up, and there are raw material prices of the consumables have also gone up.

So is there any impact on the demand? Where do you see it or what is happening on that front?

Mr. V. Srinivasa Reddy (Executive Director): , that is a very positive part of the whole story, as whatever is happening today. we were also a little initially concerned with the kind of the cost it is going up. One is, we are also passing on the cost time to time, actually, you know?

If you look at, I think, almost more than 8-10% pass-on is happening to the customer because of this commodity inflation and all those things, actually, you know? The second part is this logistic cost that is also adding another 20, 30% to the cost. But what I understand from our OEMs, particularly in the Western country, that is the US market, because of this AI, there is a lot of energy demand is coming from the data centers actually.

So, these guys are saying there is a huge demand for the renewables. One is considering the US installation capacity, and due to this AI, the additional demand what is coming up, with the conventional energy, this cannot be met. So, they are saying it's an open book order.

They are asking us, our ability to take the orders is dependent on how many components are available for assembly. So as of now, I have not seen any, the problem from the demand softening. On the contrary, in this global, turmoil, whatever is happening, with the energy market crisis, it is a boon for a renewable industries, you know, even in India also, crude oil at a hundred plus dollars.

And this, our energy becomes more competitive, you know. And also, like, if you go to Europe, India and all, now everybody has become cautious about the conventional energy, you know. This is also even more important for these guys to, whatever potentially possible, to secure their own energy security through renewables or any alternate source of energy.

So, as of now, I'm not seeing any, slowdown in, momentum. On the contrary, there's a tremendous amount of pressure for the installation. it looks good, actually, on the demand side.

Yeah.

Mr. Niteen S. Dharmawat (Investor / Analyst): Perfect. So, you mean to say that from US we have a bigger demand than from Europe? Because traditionally, Europe was from where we used to get a lot of orders.

So, is it shifted now? The geography is getting shifted, you're saying?

Mr. V. Srinivasa Reddy (Executive Director): There are two things are happening. One is a change in the OEM. Earlier, US market was captured by GE, actually, know?

But GE has slowed down, other OEMs have taken over, like Vestas and Nordex is a new player. Nordex used to be mainly Europe and other Asian, other non-Asia Pacific countries. But now, recently, they've entered the US market.

They've got a very good order book, actually, you know. Europe is doing good, but our casting doesn't go to the Europe, because Europe is also having a reasonable manufacturing. They don't have any tariff barriers or anything to get from China.

Unlike in the US, there is a tariff barrier. It is in favor of India, actually, you know. So, that's the reason the U.S.

market is completely relying upon Indian market. So, our… almost, if you look at… in fact, we're reading in our note, last year, we did about 25% revenues contributing from the exports. But the current year, we're expecting a 50% growth in our revenues for the exports.

So, sizable export business is getting built, particularly in the US market, actually. With that, overall revenue, even though our revenue is expected to go 33%, but export business share is likely to go up to 30%, because of the 50% growth in the export revenues.

Mr. Niteen S. Dharmawat (Investor / Analyst): Okay. My final question is about, you talked about China. So how is the cost wise now a quarterback?

You mentioned that we are more competitive than Chinese because of the depreciation of rupee plus. the cost escalation that is happening in China. So we are doing better on that front.

So how is that now considering all the changes which are happening now?

Mr. V. Srinivasa Reddy (Executive Director): Yes, now I don't have that kind of cost pressure what we used to have two years or three years back. Particularly last one and a half year, rupee is getting depreciated by almost 25% against Chinese currency RMB. I'm able to pass on.

Of course, there is a problem because of this war and all. But today, on landed customer basis, we are quite competitive in the Indian market itself. When it comes to the US, yes, we are definitely competitive.

One is, there seems to be a tariff difference between India and China, landed in US. That may also be another reason. If I have to quote this new OEMs, whatever they are trying to assemble, they're all looking for a non-Chinese casting system, know?

So, Synergy has become a major supply chain for the US market. So, overall, I don't see that kind of threat. In fact, even in domestic market, a lot of OEMs.

are pushing for a localization actually, know? No longer they're dependent upon the Chinese market. And not only that, today RMB is standing at around 14.25 or something like that.

So it's likely to slide maybe 15 or even more because RMB is appreciating against the dollar itself actually, know? So considering this, the many of the OEMs are seriously putting a lot of efforts to localize these casings. And so I don't see any big challenge on the Chinese products coming to the India.

Of course, at least the Indian market. And still there will be a challenge to go to the European market. But as far as India and USA is concerned, it favors ascended to Indian producers.

Mr. Niteen S. Dharmawat (Investor / Analyst): Got it. Thank you so much, and wishing you best, sir.

Mr. V. Srinivasa Reddy (Executive Director): Yeah, thanks a lot, sir. Thank you. I saw Mr. Jiten Parmar, sir, you raise your hand, and … would you like to ask any question?

Mr. Jiten Parmar (Investor / Analyst): Yeah, I think Nitin covered the questions I had already, so that's why he covered my hand.

Mr. V. Srinivasa Reddy (Executive Director): Yeah, okay. Okay, thank you, sir. Mr. S. Jain, he has put up a question. could you provide an update on two items?

First, are the elevated production costs from this quarter expected to normalize in the near term, or should we remain cautious? Second, has been any progress on the long-term customer deal, discussion in the… Okay, to answer the first question, what is it? See, our cost stabilization is dependent upon the input, actually, you know?

like, as you mentioned, we continuously do the indexation. whatever the current quarter price, that gets passed on. Only one thing we have to bear in mind, when we do the pricing, pricing happens in two parts. Part one is the annual contract. So, we cannot change the contract for a 12-month period. That's the first part of it.

Second is the quarterly change of the pricing. Generally, quarterly price change happens on a key commodities or the key inputs. That is a pig iron and CRC in some of the customers, majority of the customers with a Furan as well. So when inflation goes up, inflation generally is not restricted to these three key items. Other things also go up actually. So, in high cost rising scenario, generally 100 to 150 basis points impact comes in.

Since synergy is in a growing trajectory, so we try to set up that thing. Now, second part is, on an annualized basis, based upon the overall, the cost structure, we renegotiate the contract. Again, we go with a fresh pricing, you know.

So this is how the pricing mechanism, what we follow. Now, the second part of your question, yes, I'm happy to share that, we have finalized the deal with the Nordex. we have a confirmed order book for the exports, more than 200 crores, that's the reason why we are quite, bullish on the next upcoming 12 months, the order book is fully booked for the Nordex, for the US exports. And the same thing with Vestas. In fact, I was speaking to the senior team in Vestas, they are saying the kind of demand it is, please don't even lose 10 minutes of your capacity.

It means they are trying to measure the capacity in minutes, actually, you know? So that is a kind of scarcity what they are having. The demand side, it's pretty good.

The only challenge is because of this war that the input side that we need to manage. And I think we are well prepared because of all this strategic investment. In fact, we are fortunate that last financial year we did a captive power.

Otherwise, the energy cost should have been shoot up very significantly. Maharashtra has increased the energy cost by almost more than 20% in the last April announce section. But still, we are able to contain the cost because of the captive.

That's another thing happened. And third part is the strategic investment of the machine. we have reached a level of around, 45-50% kind of the capacity utilization for the machine shop, and it takes time, because they're all big parts, and a lot of product approvals, procedures, and all those things are there. We are on the journey. And where I'm very happy is the, the technology part. That part we have got through, actually, know?

We have already developed seven, eight products, and we need to optimize our cycle time to gradually reach up to the desired capacity relation. Probably in the next five, six months, we should be able to get a very good contribution from the machine shop as well, you know?

Mr. Samarth. can you please unmute yourself and go ahead with your question, please?

Mr. Samarth (Investor / Analyst): Yeah, so, two questions from my side. First, the… your competitor in South Beater they are in process of, like, adding the capacity three times now. So, do you see any, any increase in competitive pressures in coming years? And second is our journey on the non-wind side. So, we are presently more present on the mining, on the mining equipment side only, but they had ambitions for, like, CNC castings, and … like, dies and tool castings, so… any update on that? Thank you.

Mr. V. Srinivasa Reddy (Executive Director): Yeah, I'll look at the other way around. In fact, we are desperate looking at how do we add capacity very quickly. We don't have any concern on what better is adding capacities.

Even double their capacity, I don't see any risk for the demand, because Indian casting demand is much, much higher than what. both of us better in the synergy sitting with today, actually, know? And whatever the OEMs we have, that demand is exceeding the capacity of what we have.

Today, Nordex and Vestas alone is able to take care of the complete capacity, actually, know? Apart from that, during last one year, we added another four OEMs, whether it is Adani. Or even Senvion is already operating customer with us.

Then Siemens Gamesa, is one. And Envision, which we are not onboarded yet, but it's still, we are under development and all. So these four OEMs is even much bigger than the Nordex and Vestas itself, actually.

So, demand side is very big, actually, no? And, any OEM will not go to 100% to, to one, foundry. Or even if Beater puts a 5 lakh ton capacity, they're not going to make 0-2 synergy, actually, know?

So, on the demand side, I don't see any…, consent, particularly I'm talking about the Indian foundries demand, is pretty good, actually, know? And the second part of the question, what do you ask?

Mr. Samarth (Investor / Analyst): It was on the non-wind side. Like, we are only doing mining.

Mr. V. Srinivasa Reddy (Executive Director): Yeah, yeah. See, regarding the non-wind side, what is happening is because of the demand push, particularly US guys are pushing very hard to allocate more and more capacity actually, you know? So we are trying to concentrate more onto the wind side.

We do have demand growing in the non-wind as well, particularly in the mining, but we are trying to organize also. One thing we have figured out with this capacity increase, with the increase in customers, it becomes a little complex to handle the business. More products, getting efficiency and all those becomes a problem actually.

So we are trying to pick up good contributing margins, consistently sustainable businesses. So we are also trying to focus on the businesses where we should be able to bring on the long term. Per se, if you have to go for a demand, like as you mentioned, machine tool and all, there is a huge demand that is available.

Even someone like Mahindra and all, last week also he was there in my office, they were asking for some capacity allocation. But today we're not able to do it because the existing OEMs already which business is going on, we're not able to fulfill their expectation. So again, what I'm trying to say is my concern is not on the demand side, but our focus should be on the execution.

Even, of course, there's a cause of worry looking at the way last six months, the raw material volatility was, but we believe that is a temporary and whatever the raw material has happened, we are able to cover up even at this peak level, if it stays for next to six months or even one year, still, whatever the guidance we are given, we should be able to go closer to the margins, but we have actually know.

Of course, there is an expectation from the customer to optimize the cost. Yes, we need to do it, but as I said, we have an ability to pass on to the customer. The only other thing is, we cannot pass on an overnight.

There is a set guidelines, or the contracts, which I will be able to do on a quarter-on-quarter basis, actually, know?

Mr. Samarth (Investor / Analyst): Thank you, sir, that's all from my side.

Mr. V. Srinivasa Reddy (Executive Director): Yeah. May I request Mr. Girish to unmute yourself and go ahead with your question, please?

Mr. Girish (Investor / Analyst): Sir, I have just one question. Sir, how long can the company need to be in net profit, net profit positive? Because for the last two quarters, we've been seeing that despite the revenue growth, the PAT is negative.

Mr. V. Srinivasa Reddy (Executive Director): See, you should look at this way, EBITDA than the profit, because once we do the capitalization, the entire depreciation is charged to the balance sheet, actually, know? So if we look at the current year, the projections, what we are given, our EBITDA should be growing almost 50%, actually, know?

So you should look at a more of a cash profit than a absolute profit, because ultimately this depreciation, whatever is there, it gets depreciated, means it gets one time charged to the balance sheet. That is not, that never sits on balance sheet forever, actually, know? So you should look at a, in a growing organization like Synergy, you should look at an EBITDA than looking at a net profit, actually, know?

So the second part is, apart from 50% growth in EBITDA for the current year, in spite of the numbers what you see on your paper today, we also see cash profit also to grow more than 50% in the current financial year. Of course, the significant portion is going to come in the second half of the year because of the exports and already price correction happening.

The only assumption behind this is, whatever the peak price is standing here, it stays. This is the only one assumption with us. barring that, the rest of all the things, should be able to perform better than what we did, last year, including, top line growth by almost 33%, actually, know?

So, you should look at a EBITDA value. than a profitability value. Of course, by year-end, we're trying to close in green.

We should be able to get that point, actually, know?

Mr. Girish (Investor / Analyst): Okay, thank you, sir.

Mr. V. Srinivasa Reddy (Executive Director): Yeah, you are most welcome. Mr. Rajesh Joshi, can you please unmute yourself and go ahead?

Mr. Rajas Joshi (Investor / Analyst): Yeah, good afternoon, sir. Thank you for the opportunity. I had a small question regarding bookkeeping, actually. So if I see, if I remember correctly, our volume growth has been 25%, whereas in value terms, our revenue X of other income has grown by 23%.

Mr. V. Srinivasa Reddy (Executive Director): Yeah.

Mr. Rajas Joshi (Investor / Analyst): So, what really explains this discrepancy that our value growth is lagging behind our volume growth, so to speak?

Mr. V. Srinivasa Reddy (Executive Director): No, no, as I mentioned, there is an inventory increase, right? So, there are certain things that are not converted into sales. even though we've done a production of 25.8% growth, but revenue growth is only 20%.

So that also indicates which, Mr. Nitin Darmaut was asking in the beginning. So there is an increase in inventory built up, and that is never counted as revenue. That remains as an inventory, actually, know?

Mr. Rajas Joshi (Investor / Analyst): Oh, good. Understood, sir, got it, got it. so that is a production figure, not per se the sales volume, hence the…

Mr. V. Srinivasa Reddy (Executive Director): Yeah, yeah, that is a production figure, that is not the sales figure, yeah.

Mr. Rajas Joshi (Investor / Analyst): Understood, sir. And secondly, in terms of other expenses, last quarter we had flagged as to there being some higher electricity expenses in Q1. Has that issue been resolved?

And secondly, is there any other one-off with regards to other expenses for Q2?

Mr. V. Srinivasa Reddy (Executive Director): No. by September, that got closed, that additional charges what these guys have, given. there was a one, high court, the, verdict on, banking of the renewable energy, particularly solar project, what we have.

And, this decision, they, it got in the favor of MSEDCL. So these guys have charged us back retrospectively in the last two years. So that impact was there for the first six months, actually, know?

And electricity part, yes, they have increased the tariff. Not just the increase, they've also put the retrospective, the cost. That was also another part where the first six months was a drag.

Now, today, all those part recovery has been done, so now we don't have any backlog on the recovery side, actually, know? On the electricity front I'm talking about.

Mr. Rajas Joshi (Investor / Analyst): Understood. So, could you quantify this, one-off with regards to the electricity expense for 1H?

Mr. V. Srinivasa Reddy (Executive Director): Should be around one of three crores. Three crores means it should be one and a half percent EBITDA will be costing by electricity alone.

Mr. Rajas Joshi (Investor / Analyst): Okay, and for H2, I think they should not be there in the base for us then, right?

Mr. V. Srinivasa Reddy (Executive Director): Yes, again, I will put in two parts in this. the part one is a, what do you call, retrospective, that cost what this I have done that should be maybe 1, 1.2, 1.5 crore, something else. And apart from that, these guys have, increased the base tariff, you know, that is going to remain.

Mr. Rajas Joshi (Investor / Analyst): Thank you.

Mr. V. Srinivasa Reddy (Executive Director): Anyway, we have a solar. Apart from solar, in fact, I've quoted last quarter also, we have contracted wind open access as well because they have relaxed wind contract, this thing, you know, terms. With that, today we're able to get the electricity to open access.

Mr. Rajas Joshi (Investor / Analyst): Let's see. Wait a minute.

Mr. V. Srinivasa Reddy (Executive Director): And our electricity, almost 60% of electricity, we are able to get both wind and solar combination. But when you go for a captive solar, we get a 7 to 8 rupees per unit spread, or savings, towards the overheads. But in case of wind, we don't get that much when I go through the open access.

Mr. Rajas Joshi (Investor / Analyst): Thank you.

Mr. V. Srinivasa Reddy (Executive Director): That is a small amount, but still some savings, actually, no? So overall, whatever the price increase has come, that we're trying to set off through this open access, whatever, the VIN we have engaged.

Mr. Rajas Joshi (Investor / Analyst): Oh, I think it's. Understood, sir. And, I was looking at your utilization figures, so I think for each one, in your deck, you've mentioned that it's closer to 75%, and for the full year, FY27, it'll be closer to 80.

So, is it fair to assume that we'll be exiting the year at somewhere closer to 85-odd percent, given, given, you know, how the math would then work out?

Mr. V. Srinivasa Reddy (Executive Director): You are right, you are right. It will be… that's how it has been projected as a 80%. So, first off, we are at a 75%, second off, we are expecting 85%. Weighted out is, together, we are projecting 80% for the.

Mr. Rajas Joshi (Investor / Analyst): Understood, sir. And then given RM commodity would flow through for H2, on a value basis, revenue growth should be higher than 33%, right? Because this inventory is also sitting in the balance sheet currently, which is not accounted for in sales.

Revenue should probably be higher than the numbers that you've spoken of, in some sense.

Mr. V. Srinivasa Reddy (Executive Director): Yes, you are right. So we are also expecting, it should be better than 500 Crores should happen, but we need to see how, because there is a 50% is the export part of it actually, no? So that's why we were a little cautious before making a comment on it. If logistic issue gets raised out, yes, we should be crossing the 500 Crores number in a big way.

Mr. Rajas Joshi (Investor / Analyst): Understood, sir. Many thanks for answering all my questions, and wishing you all the very best.

Mr. V. Srinivasa Reddy (Executive Director): Thanks a lot. Thank you. Mr. Javed, he has put up a question here. How much revenue is expected from the current capacity going forward? When we get into greenfield, how much time would it take to build the greenfield? And what kind of revenue do you expect once a greenfield comes online? … Considering the current capacity of 45,000 tons, we should be doing… earlier we were projecting 550, but as per the previous question now, since inflation has gone up, we should be crossing comfortably 600 crores, even if we are able to utilize the capacity better, because there is a lot of pressure from the demand. So, it should be between 600 to 650 crores, we should be able to achieve the top line, from the current capacity coming back to your second part of the question on the greenfield, we are expecting around, 15 to 18 months is a timeline required for the greenfield.

And that we are trying to take up in the phased manner, actually. So first we would like to stabilize what we have done. Probably in the next quarters, two quarters, we should be able to reach that point.

Then thereafter, we'd like to look at this greenfield, the project, actually. If I have to go by the existing demand, there is a lot of pressure. In fact, recently, Suzlon also has approached us to consider for development, because they're also trying to localize the components. But today, we don't have a capacity, so we are slightly dragging up on the development activity. But I see a good openness from all the OEMs. In fact, there are a lot of new OEMs are also coming up, but we're not able to take up because of the pressure from the US market, actually.

So we need to see. I see a continuous pressure in the demand. We should be doing this greenfield project in the next two to three years Off. Mr. Girish, I think I've already answered your question, actually, right?

I have one question. When can the company be net profit positive? Which I've already quoted, actually, know?

So, by end of the year, we are looking for the… Again, of course, notionally, it may look at a half a percent loss or profit or whatever is there. I'm looking at achieving the desired capacity utilization and 150 crores plus kind of the revenue and 17, 18 percent. See certain things in our hand, certain things not in our hand.

Now, whatever the first half and second half happened, whether it is electricity, commodity, logistics, whatever the disruption, it's beyond our control actually, you know. And we also have a guidance whether business is intact or not. I'm quite happy with the two important things.

One is, we're able to pass on the whatever the inflation, the time to return to the customer. The second, as a date, there is a, no impact unto the demand. So these two are, things are, Quite good for us.

And, I'll be a happy person in the next two, two quarters, do a 300 quotes plus, 17, 18% plus. We are on target actually, no? Now, in that, whether is if you want to look at the annualized balance sheet rate, it may be just break even and closer to that value that doesn't matter, it's a continuous organization. If I have to take a trailing four-quarter basis from today to the next this thing, we should be posting a pretty good numbers, actually, know? of… I don't see any further hands raised.

Anyone else have got any questions? I think I've covered the chat box. No, this I haven't answered.

Yeah, yeah. Mr. Gulam Soni, can you please unmute yourself and word with your question?

Mr. Gulam Soni (Investor / Analyst): Yes, sir, thank you for taking my question. sir, we are talking about very good demand scenario. So, what is holding us back for a new expansion, greenfield or brownfield, whatever way we can plan? Because I think whatever I have heard. from you, in last two conquests, you have been very bullish on demand, particularly from U.S. customers and even in domestic sites. So, why are we not, you know, aggressively looking for, capacity expansion now?

Mr. V. Srinivasa Reddy (Executive Director): See, my concern is not about the demand. there are two parts, actually, you know? even somebody gives me 500 quotes today. Can I do this parallel? The answer is strict no. Because what is instrumental is not the demand, it's about the execution. It's about the people. Now, last, one year itself, we've done a big expansion. And we have recruited a lot of people, and training, and trying to absorb this capacity, actually,

know? Second thing is, when we go for the expansion, we need to justify the financials. Means we cannot just go on a war debt and get stuck, actually, know?

So, we are following a very systematic procedure. My first priority is to further train the people, and stabilize, and absorb, and fulfill to the commitment level, and then go. See, if I go overboard with a capacity addition, we can raise funds and go ahead and do it. One is we ended up in diluting, the current, the market cap at a lower values, and invested, making that investment, which may not be very prudent.

Even if I make an attempt to do so, there will be a challenge on the execution side because we need so many people to execute. So in this, the biggest bottleneck is it's not on the demand. And I also don't see on the capital side, we can go and raise the capital, but I'm more interested in the raising the capital at appropriate valuations.

And third part is the people, actually, the skills and all. So our capacity status is based upon our preparedness to handle that capacity. It's not about building up capacity.

If you have seen typically in the last, not only in the last two, three years, I'm talking from the inception of this company. Synergy always built market first, then added the capacity. It's not the other way around.

The problem with the other round, thing is, if I build a capacity and go for a business, one is price gets compromised, the second is coverage will not get absorbed. Even today, we just expanded in the last March.

That is from 30 to 45,000 tons. But the customers are already standing with a 60,000 tons capacity. Means we would like to build up the pressure on the demand side first, then go with the capacities, you know?

Same thing with the greenfield project. We'd like to build the customers first, and then go with the capacity, so that you will be very quick in ramping up the capacity, actually, you know. Today, if I have to add up the demand, whatever is coming from the market, loosely, it is exceeding 60,000 tons plus. Our capacity is only 45,000, actually, you know. Again, when I say 60,000 tons always there will be some challenges, some of the OEMs, because of the some rescheduling and all those things. So we always would like to have a full capacity utilization, as you know. That's how, strategy we're adapting.

Mr. Gulam Soni (Investor / Analyst): No, I got your point. But sir, we all know that it's a kind of a cyclical sector, this wind and power sector. We have seen these cycles play out. And currently, with the AI demand, it is kind of pushing us for this, you know, playing out this cycle in a much better way. or it can get extended for 2-3 years. So, even if we are not putting up capacities, so how will we get benefit of this cycle, you know, in a maximum way?

That is what I am concerned about, because we have the capacity… capability to kind of have this large wind. But in spite of that, in the best of times, aren't we, you know, kind of too conservative?

Mr. V. Srinivasa Reddy (Executive Director): Just I would like to add one point here. It's not about a conservative. What is the ability to execute? It is not a digital company where I can go 100%, 80% per year. It's a manufacturing company. This is the first you have to understand actually, know? This is a very nice, you need a very high quality skilled people. That is one part of it. The second thing is, even if I go with you, means I would like to add capacities today. Two things are required, as I mentioned in my previous dialogue.

First thing is arranging the financials. So if I have to raise capital today, we end up in doing significant dilution for raising the capital. Even if I raise the capital, the second is arranging for the skill set of people, because just where I expanded the capacity, how we are looking at the growth of our nation.

I know that may not be the, what do you call? … very aggressive kind of growth, but at the same time, it's not a very defensive growth, actually, you know. See, current year, we're growing 33%.

Next year, also, I believe we should be growing 25-30%, actually, you know. So, our target is, can we grow 25% CAGR? This is the kind of, … The fair expectation, what we are having, actually, you know, it's not a small growth, 25, 40%.

Unless low technology, high technology, low manpower requirement, then those industries can grow like solar panels and other things. There is not much of a thing. You do automation, you put in planting message, just go and do it. But

in our kind of industry, if I buy equipment, I can't produce, because it is still art. A lot of people are involved in executing this, actually, no? It's not an easy job to go and put a capacity and convert into output, actually.

Mr. Gulam Soni (Investor / Analyst): Thank you, sir. I got your point. Just a last follow-up. So, from your current learnings, where you have expanded capacity from 30,000 to 45,000, so whenever we go for greenfield, so making that new greenfield, whenever we go. How will you kind of impart these learnings, or any learnings that you have got in this last, I think, one, two years, where we are trying to, you know, optimize our machining capacity and our casting, new casting capacity that we have built up? So, any two learnings, or anything that you want to share.

That, you know, kind of make us investors more comfortable or more confident knowing that these learnings will be helpful for us whenever we go for the next greenfield expansion.

Mr. V. Srinivasa Reddy (Executive Director): See, it's not about the learning. I have spent 33 years in this industry. I have executed three plans. This is synergy is the green field. Okay. So it's not about the experience. It is about the people to train and get it. So there is no open trained people available in the market. Just you bring and them.

And this training process is not few weeks because there are a lot of artists involved in producing such large castings. If this production was so simple, there would've been 20 foundries in India, but today there are only three foundries against 15 OEMs. So you have to look at the complexity of this product actually, you know?

So that's the reason why the scalability is not quite easy because it's a hard engineering manufactured the product actually, you know, and in fact, if you look at Synergy is one company from the beginning, we started from zero, almost we're aiming for a thousand course in the 15 years kind of.

the time origin, actually, you know? So we are, as I mentioned, we're looking at a 25-30% is the… we feel it's a comfortable and means ability to do. We can grow at this phase, which is a very decent growth for a manufacturing sector for such large products, actually, you know?

Mr. Gulam Soni (Investor / Analyst): Yeah, sir. Yes, sir, I know that. Thank you. Thank you very much, sir, for your comments. I really appreciate your execution capabilities and the way you have built up this company. It was just a concern from my side. Nothing else or nothing help in a way like I think you would have got it.

Mr. V. Srinivasa Reddy (Executive Director): Okay. Yeah, thank you.

Mrs. Javid, can you please unmute yourself and go ahead?

Mr. Javed Pinjari (Investor / Analyst): Yep. Yeah, good evening, sir. Thanks for an opportunity. Just asking the question about, the few of the statement that you just made, that, by the existing, capacity that we have, we will be reaching roughly to 650 approximately revenue, right? If the utilization goes correctly. Is my understanding right, sir?

Mr. V. Srinivasa Reddy (Executive Director): 600 to 650, you are right. 600 to 650 is the bandwidth I'm giving for that. Earlier, we used to stay 550 to 600, but now I'm revising it to 600 to 650. Reason is, inflation has gone up, the prices have gone up, the proportionately, I'm revising these numbers.

Mr. Javed Pinjari (Investor / Analyst): Yeah. Yeah. Inflation, Yes. Understood, sir. Now, sir, just like in this year, if we reach, say, 500, as what has been discussed, and next year also, you just mentioned that we can go with the same number of 23-40%, approximately. So, that will… that will lead to a little more than some 650. So, is my understanding right that for the next, two years, that is the current financial year and the next financial year, we will be growing with the CAGR of, say, 33-35%, with the existing capacity itself? Is my understanding right?

Mr. V. Srinivasa Reddy (Executive Director): You are right.

Mr. Javed Pinjari (Investor / Analyst): Okay, fine. So that's only my question was, yeah.

Mr. V. Srinivasa Reddy (Executive Director): See, that's where we are also trying to see FY27, the revenue growth is already there, okay? FY28 growth, it is already intact. There is a capacity, there is a demand, okay?

Now, we are trying to work for FY29. This is where our target is working. We are also thinking to pre-pone the Greenfield and all. We wish we would do earlier, but we need to stabilize. See, we cannot go aggressively on the investment without stabilizing what we had done yesterday, because nobody has expected this war will go on for like six, seven months. So much disruption happens. We need to observe what is happening outside our business, actually, you know? So that also kept in mind. Because, see, this organization built with so much of effort, and that is, you do a small mistake, you overboard, and go with the debt, or the higher capacities, you should not get into the trouble. Always, you should look back, if there is a little bit of any disturbance, how do you survive? So that's how we take up the decisions actually.

Mr. Javed Pinjari (Investor / Analyst): Understood. Understood. So, one last question on the same front though I think it is there in the presentation, but I just missed it, if you can just let me know, what is the current capacity utilization of our plant?

Mr. V. Srinivasa Reddy (Executive Director): No, that's what we told us. Last, first half, we had done around 75%, but by year end, we are expecting 80%, with the 85% replacement in the second half. 75 plus 85, average, we are projecting 80% for the full year.

Mr. Javed Pinjari (Investor / Analyst): Okay, so you mean to say that with 80-85% utilization for the current and the next financial year, we will be able to do 30-33% of CAGR. But in that case, if this is the run rate, if we have that, if just by from 80-85%, if we are going to still maintain the CAGR of this. is, will it not be wrong to say that even the third year, without adding any capacity, we will be further able to do the 30-35% CAGR for the next financial year also?

Mr. V. Srinivasa Reddy (Executive Director): May not be 30-35% because that's big, but still we are trying to figure out, can I push this 45 to maybe another 10-15% capacity? That's what we are working upon. See, greenfield is one part. Now, we did not expect this war is going such a long, but as I mentioned earlier, FY27 revenue is protected, FY28 revenue is protected. we are also working how I can protect, if not 30%, can I protect 15-20% revenue growth, even without banking up on the greenfield action, you know?

So, that is where our focus is right now, for FY27, 29 revenues.

Mr. Javed Pinjari (Investor / Analyst): Thank you so much, sir, and thanks for giving me an opportunity, and all the best.

Mr. V. Srinivasa Reddy (Executive Director): Yeah, thank you. Thank you all. I don't see any further questions.

PART 3: CONCLUDING REMARKS & VOTE OF THANKS

———————————————————————————————————

Mr. V. Srinivasa Reddy (Executive Director): Nilesh, shall we conclude? I don't see anyone else. You can go ahead and conclude the session. Thank you all for joining again. Yeah, Nilesh will conclude.

Mr. Nilesh Mankar (Company Secretary & Moderator): Yes. On behalf of the entire Synergy Management team, we thank all the investor and analyst community for joining today's call. Thank you once again.

Thanks. Thank you. Okay.