

Date: 25th January, 2018

To,
National Stock Exchange of India Limited
Listing and Compliance Department
Exchange Plaza, 5th Floor,
Plot No. C/1, G block,
Bandra Kurla Complex,
Bandra East, Mumbai – 400051

Trading Symbol: SERVOTECH

**Sub: Investor Presentation in relation to Analyst / Institution Investors meetings under the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/ Ma'am,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are forwarding herewith a Presentation in relation to analyst/institutional investors meeting with the senior management of the Company held in Mumbai on January 25, 2018.

You are requested to kindly take the same on your records.

Yours Sincerely,

For **Servotech Power Systems Limited**



Pallavi Sahni

Company Secretary & Compliance Officer

Encl: Investor Presentation – Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015

Servotech Power Systems Limited

(Formerly Known as Servotech Power Systems Private Limited)

CIN : U31200DL2004PLC129379

REGISTERED OFFICE : 806, 8th Floor, Crown Height, Hotel Crowne Plaza, Sector-10, Rohini, New Delhi -110085

PLANT AND R&D : 357, Sector-56, Phase-V, EHTP, HSIIDC Industrial Estate, Kundli, Sonipat 131028, Haryana

Tel No : 011-41117657-58-59-60 • Sales: +91 9717691800 • Email:servotech@servotechindia.com • Website: www.servotech.in

Sarathi Advisors Private Limited

Bridging the Gaps



Servotech Power Systems Limited Investor Presentation

January, 2018
Privileged and Confidential

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Corporate Overview

Company Overview

- Servotech Power Systems Ltd. (SPSL) started in year 2004 By Mr. Raman and Ms. Sarika Bhatia.
- Ventured into manufacturing of LED lights and Solar products with the prime idea of manufacturing clean and green products to support our eco system.
- Company is emerging as one of the leading manufacturer of Eco friendly LED lights & Solar Products Under SAARA brand name.
- Servotech has set up world class in-house testing lab comprising of advanced testing devices like Photogoniometer, Integrating sphere, Sun simulator etc.
- SPSL has well trained R&D Department which is exclusively dedicated in product development. Company has implement “ACT NOW” policy so that customer needs are sufficiently and timely addressed.



Company Overview

- Company manufactures Inverters and Stabilizers under the brand name “SERVOTEC”. Trusted brand in power back-up industry manufacturing Inverters, Servos Online and Offline UPS.
- Approval has been obtained to manufacture , supply & servicing of Sine wave inverters , UPS & Servo stabilizers as per the guidelines of ISO 14001:2015 & ISO 9001:2015 respectively.
- Company has also received Certificate of Compliance for proven series servo stabilizer, efficient series online UPS, alfa series online UPS, beta series online UPS, gamma series online UPS and bridge series long back-up Li UPS.
- Company provides turnkey services which includes supply, installation, commissioning, testing and 5 years of comprehensive maintenance.





Product Portfolio



LED Product Range



Solar Home Lighting System

LED with Solar Product Range



Solar Lantern



Solar Street Light



Solar Roof Top

Solar Product Range



Solar UPS



Solar Inverter



Servo Stabilizers

Key Customers



Space for a million smiles



Certifications & Registrations

ISO 9001 Certified	
Certified from Environmental Management System (ISO 14001)	
"European Conformity" Mark	
BIS certification from National standards body of India	
National small Industries Corporation Certified.	
Product certification from NABL Labs	
Certificate of Empanelment as channel Partner by Ministry of New & Renewable energy under Grid connected Rooftop & Small solar power plants program.	

Awards & Recognition



**Chota Business Bada Sapne: 2010
(CNBC AWAAZ)**



**Best Emerging Manufacturer Of
Led-Lights & Solar Products In
Delhi/NCR:2016
(Worldwide Achievers Private
Limited)**



**Green Entrepreneur of the Year 2016
(ET NOW)**



BUREAU OF ENERGY EFFICIENCY
Government of India, Ministry of Power

ENERGY IS LIFE
CONSERVE IT
Homes & Partners : ESCOs

ESCOs



Bureau of Energy Efficiency (BEE) empanelled ESCOs (129 Nos.)

List of 94 Energy Service Companies (ESCOs) empanelled with BEE with validity till 30th March, 2017
Updated List For ESCOs

S.No.	Name Of Organization	Grade
04	Servotech Power Systems Private Limited D - 212, Sector 2, DSIDC, Bawana Industrial Area, Delhi - 110 039 Ms. Sarika Bhatia Ph:098186 80033 Email : sarika78@servotechindia.com	2

Servotech BEE Ratings – Rated Grade 2 by GOI (Ministry of Power)

Operational Overview

Board of Directors



Mr. Raman Bhatia, aged 44 Years, is the founder and one of the Promoters of our Company. He is acting as the Managing Director. He has done his graduation in Commerce from University of Delhi and has a diploma in Electronics. He is a businessman having rich experience of more than 19years. He was handling the complete manufacturing and trading process of electronic items in M/s Bhatia Electronics. Currently, he is looking after purchases and business development of the Company.



Ms. Sarika Bhatia, aged 39 Years, is one of the Promoters of our Company. She has done her graduation in Arts from University of Delhi specializing in marketing and has done sales & marketing course from NSIC Delhi. She is a businesswoman having rich experience of more than 13 years and has been heading marketing department of the Company.



Mr. Arun Handa, aged 54 years is an Executive Director of our Company and is also working as the Chief Technology Officer. He is a science graduate and holds an engineering Degree in Electronics from The Institution of Engineers (India). He is responsible for the introduction of latest technology through the R&D department of the Company and its effective implementation in the production processes.

Board of Directors



Mr. Sahiel Khurana, aged 41 years is a Non-Executive and Independent Director of our Company. He has done his graduation in commerce. He has an experience of 16 years. He is a businessman and is currently working as a director in Imax Technologies Private Limited providing ERP (Enterprise Resource Planning) Solutions for Metal Industries under the brand name “iQ-Metallika”.

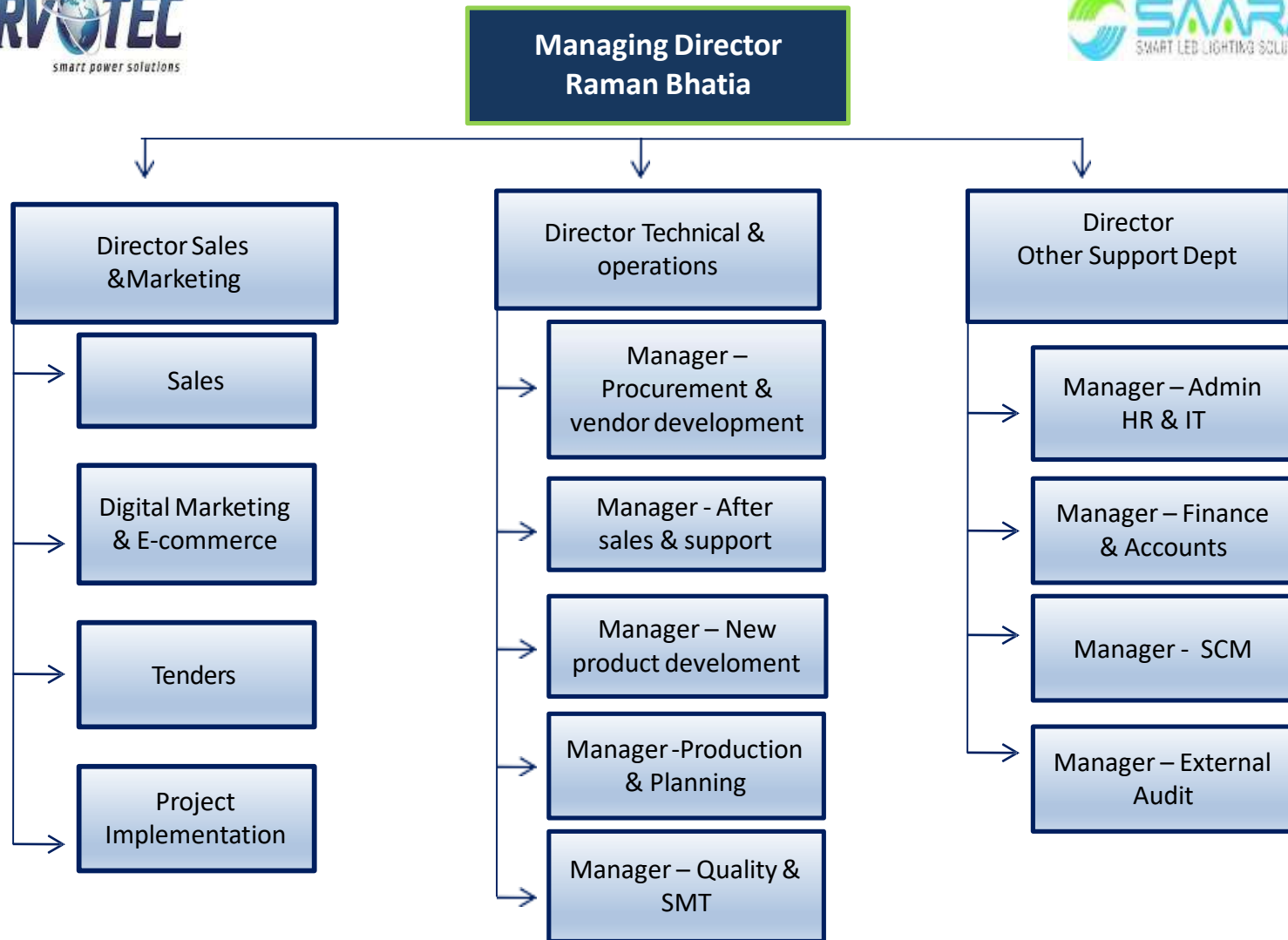


Mr. Jagmohan Singh, aged 38 years is a Non-Executive and Independent Director of our Company. He has done his graduation in commerce and is a fellow member of Institute of Chartered Accountants of India (ICAI). He has to his credit nearly 17 years of post qualification professional experience in the arena of Cash Flow Management and System set ups. He is an ardent author of book titled “Delhi-VAT” and various other articles for VAT and Service Tax. Currently, he is running his own CA partnership firm named M/s J D A & Co., practicing in Income Tax, VAT and Service Tax.



Mr. Pankaj Dawar, aged 44 years is a Non-Executive and Independent Director of our Company. He has done his graduation in commerce and is a fellow member of Institute of Company Secretaries of India. He has more than 20 years post qualification experience in varied fields such as Assets Banking, Senior Level BPO (banking domain) Expert, a Professional and an Entrepreneur. Currently, he is the Chief Executive Officer of Mehta Trans Logistics Private Limited and serves on the Board of various listed companies namely, CremicaAgro Foods Limited, Bazel International Limited etc

Organizational Chart



Utilities & Infrastructure Facilities

Manufacturing

Land area measures 1012.50 sq mtr. approximately. The aggregate built up area at Plant location in the form of production shed, administrative block, utilities section is about 708.75 sq. mtr. approximately.



Power

The total power requirement for the manufacturing unit is 110.00 kW which is met by Uttar Haryana Bijli Vitran Nigam Limited

Water

The requirement of water for manufacturing unit is met by Haryana State Industrial & Infrastructure Development Corporation Limited which is mainly used for general consumption

Raw Material

The basic raw materials required are Battery, Copper, Electrical Wires, Micro Chips, PCB, Photovoltaic Cells, Sheet Metal, Transformer, etc.

Company also imports raw materials from companies in China and Singapore namely Suzhou Sunlight Well Photovoltaic Technology Co., Limited, Sopray Solar Group Limited, Leaptech Overseas Pte. Limited etc.

Manpower

The total manpower requirement for the offices and manufacturing unit is 183 being 56 for production activities and 127 under other categories

Operational Overview

State of the Art Plant & Machineries

Plant and R&D

357, Sector 56, PH-V, HSIIDC,
EHTP, Industrial Estate,
Kundli - 131028,
Sonipat (Haryana)
Tel No.+91-9717691830-31-32

Corporate Office

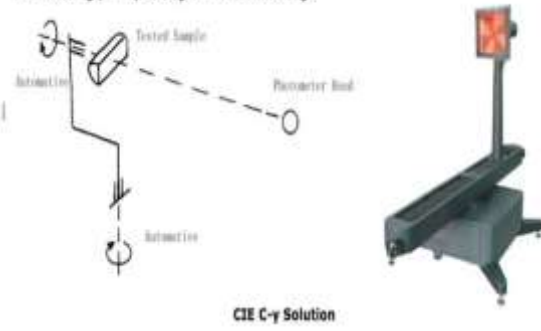
806, 8th Floor, Crown Heights,
Hotel Crowne Plaza, Rohini,
New Delhi-110085
Tel No: +91-11-41117657-58-59-60



ELECTROSTATIC DISCHARGE GENERATOR



The working principle diagram is as following:



GONIOPHOTOMETER SYSTEM



SPECTROPHOTOCOLORIMETER

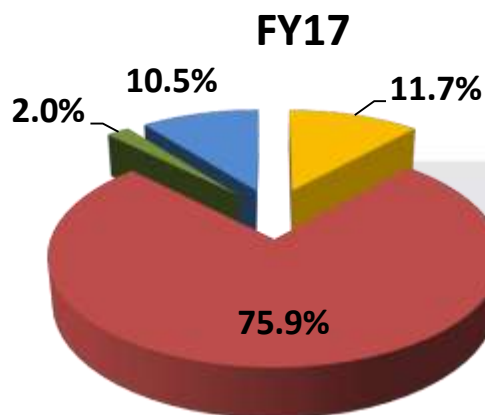
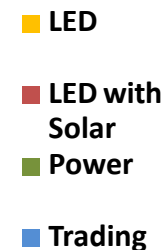
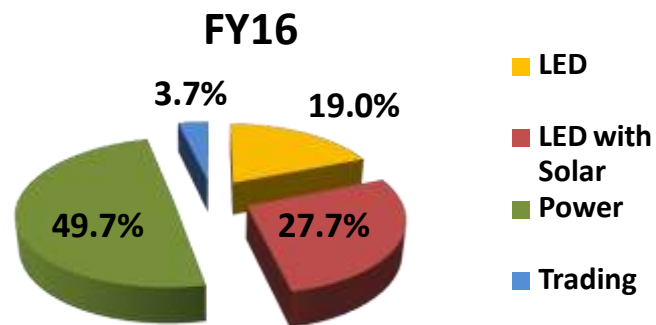
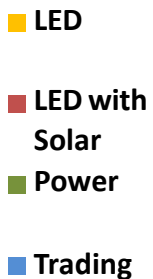
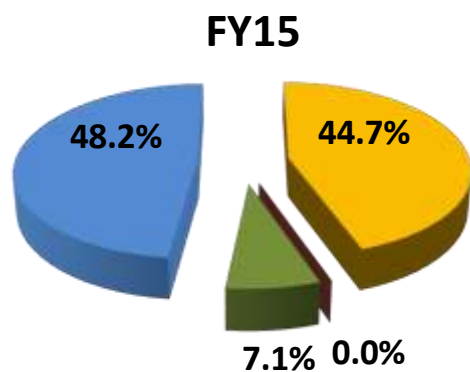


TWO ARMS MULTI-FUNCTION VISION MONITOR



Multi Function Vision Monitor

Product wise

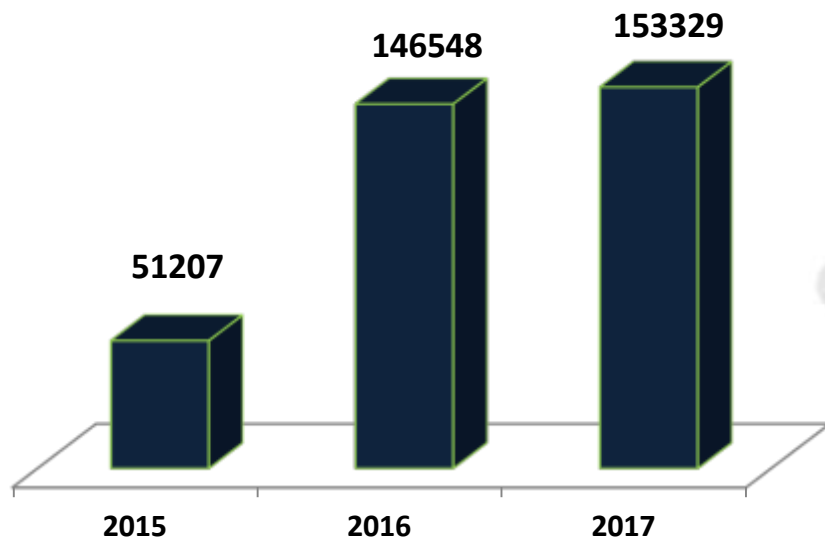


Capacity Utilisation

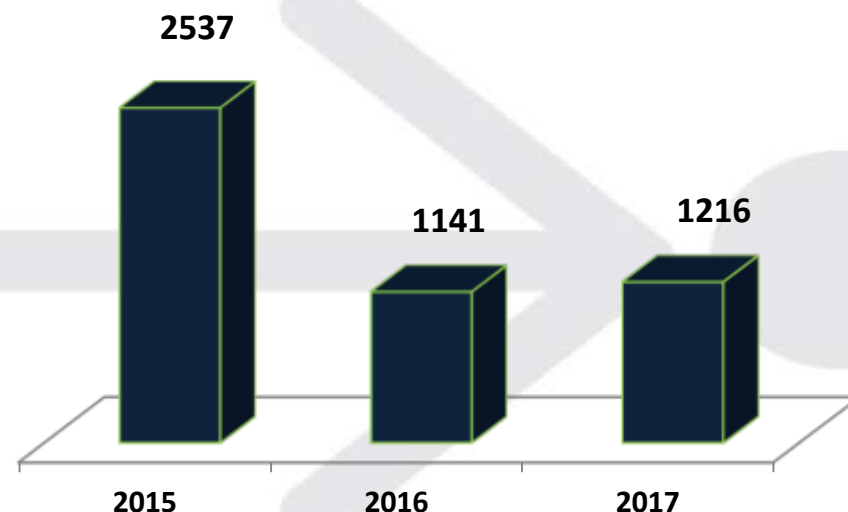


S. No.	Products	2015			2016			2017		
		Installed	Manufactured	%age	Installed	Manufactured	%age	Installed	Manufactured	%age
1.	LED with Solar	45000	51207	113.79%	320000	146548	45.80%	320000	153329	47.92%
2.	Power	25000	2537	10.15%	25000	1141	4.56%	25000	1216	4.86%
Total			53744			147689			154545	

LED with Solar



Power



SERVOTECH attaches great importance to after Sales service quality.

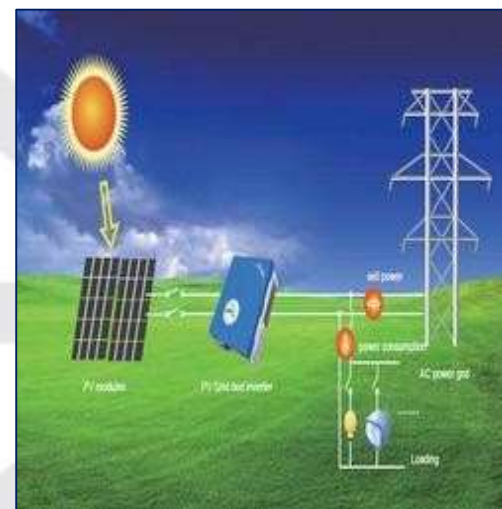
- At the time of delivery of material, 2 % buffer stock of total ordered quantity will be given to distributor.
- Whenever failure of any product is reported , that is replaced from this stock
- Faulty product is returned for getting its replacement so that buffer stock is maintained at all the time.
- The review of buffer stock is carried out on or after every 15th day in order to make sure that level of buffer stock is maintained

SERVOTECH has a Strong IT Backbone which is the need of the hour for any organisation.

- VPN Connectivity to all offices for a Hassle free connectivity
- Bandwidth Security and Management
- Cloud Sever Implementation
- Customization and implementation of Customized Tally
- Due to GPS Co-ordinates, Service team is able to manage the installed lights at different cities with a mere single click of a button.
- Automated Call management, Recording & CRM

Industry and Business Outlook

- India's energy consumption is set to grow at a CAGR of 4.2% till 2035 – faster than all major economies of the world.
- As Asia's second-biggest and the world's third-largest energy consumer, its share in global energy demand is expected to rise to 9% by 2035.
- The UN Environment Program's (UNEP) 'Global Trends in Renewable Energy Investment 2016' Report ranks India among the top ten countries in the world investing in renewable energy.
- There has been a 243% increase in solar power capacity addition (6381 MW) during the last two years.
- 3,019 MW was the solar capacity addition in 2015-16 – highest ever that India has seen. At least 50 solar parks with an aggregate capacity of 40,000 MW were sanctioned for 21 states.



Industry Outlook - Solar

Government Initiatives

- Some of the key initiatives such as solar loan programme initiated in 2003 by partnership of Indian banking group with UNE Pandit Jawaharlal Nehru National solar Mission (JNNSM) initiated in 2010 by GOI gave a major thrust to the solar power developments .
- The Government has set a target to achieve the proposed renewable energy capacity addition of 175 GW by 2022 – 100 GW being from Solar Power alone.
- The world's second largest 648-MW solar power plant, comprising 2.5 million individual solar modules was unveiled in Tamil Nadu in September 2016. This is in sync with Prime Minister Narendra Modi's International Solar Alliance initiative, which was signed by over 121 countries with an aim to improve quality and reduce the cost of solar energy in developing countries.
- The Government approved USD 769 Million for the implementation of grid-connected rooftops systems, over a period of five years up to 2019-20 under the National Solar Mission.
- India's aspiration to achieve 40% power installed capacity from non-fossil based energy resources by 2030 has made its nascent solar power industry the destination for global investors, creating growth opportunities for a host of industries.



- National Government of India is the largest customer of the lighting product portfolio for urban housing, airports, railways, and highways (NHAI).
- Lighting consumes around 17% of the overall power and thus creating a need for energy efficient lighting.
- India's LED market is predicted to reach \$1,457.8 million by 2019, at an annual growth rate of 35.9%, during 2014-19.
- Outdoor lighting applications garnered a revenue share of over 60% in India LED lighting market in 2015 and the trend is expected to continue through 2021
- Major initiatives of the government for instance replacing conventional streetlights by LED Street Lights provide a significant opportunity for the players in the segments



SWOT Analysis



Strengths

- All registrations & Certifications which are essential to get government contracts are in place.
- Strong Technical team for new product development to cater the market demand.
- Strong NPD Team capable to reduce the costing of existing products day by day to compete the market.
- Efficient team capable to execute and complete SITC (Supply+ Installation+ Testing +Commissioning) projects .



Weakness

- Working capital is required to get bigger government Contracts.
- Bank Guarantees are required to support the aforesaid contracts.



Threats

- Decreasing Prices due to competition.



Opportunities

- Market is Huge to grow YOY at a substantial rate in next 5 yrs.
- Political conditions are favorable.
- Customer requirements and existing product range are complementing each other.

Business Strategy & Growth Potential

Achieving Cost Efficiency

- An efficient procurement policy to ensure cost efficiency and timely execution.

Repeat Orders

- The company is **prequalified** with many Government customers where it gets repeat orders for meeting their expansion plans.

Increased Capacity Utilization

- The Company is currently running around 45 – 50% of its plant capacity and hence **it can fulfil increased growth with its existing capacity.**

Geographical Expansion

- The company has already **obtained various certifications and registrations** which will help them to get tenders from **new customers** in other State Governments / agencies in other geographies.

Supply to OEM

- The company is **targeting OEM's to meet their supply requirements** of various LED and Solar equipments.

Solar Panel

- The company is planning to start its own solar panel manufacturing by FY19.

Financials – Half Yearly & Annual

H1FY17 - P&L and Balance Sheet

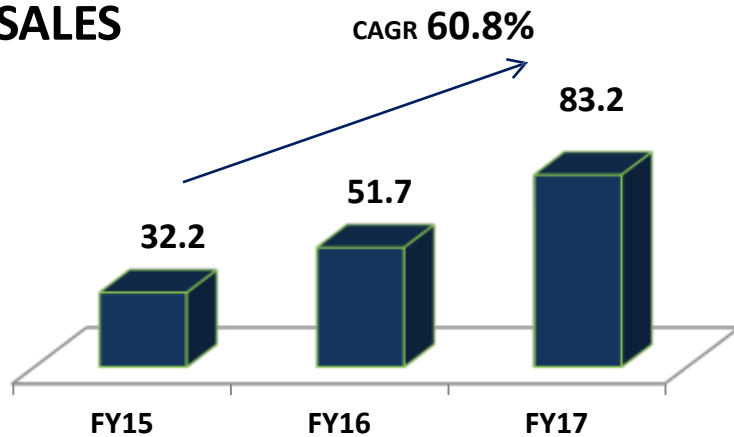
Rs. In Crs

Income Statement	H1FY18	Balance Sheet	H1FY18
Sales	30.4	Share Capital	18.3
Expenditure:		Reserve & Surplus	13.5
Operating Expenses	17.4	Shareholders Funds	31.8
Employee Expenses	1.4	Long Term Loan	4.6
Other Expenses	6.7	Other liabilities	4.2
Total Expenditure	25.4	Current Liabilities	25.5
EBITDA	4.9	Short Term Borrowings	8.1
EBITDA Margin (%)	16.3%	Trade Payables	14.1
Depreciation	0.4	Other Current Liabilities	3.3
EBIT	4.6	Source of Funds	66.1
EBIT Margin (%)	15.1%	Fixed Assets	6.2
Finance Cost	1.0	Other non current assets	9.9
EBT	3.5	Current Assets:	49.9
EBT Margin	11.6%	Inventories	11.5
Taxes	1.2	Debtors	30.9
PAT	2.4	Cash & Equivalents	4.1
PAT Margin	7.8%	Loans & Advances	2.9
		Other Current Assets	0.5
		Application Of Funds	66.1

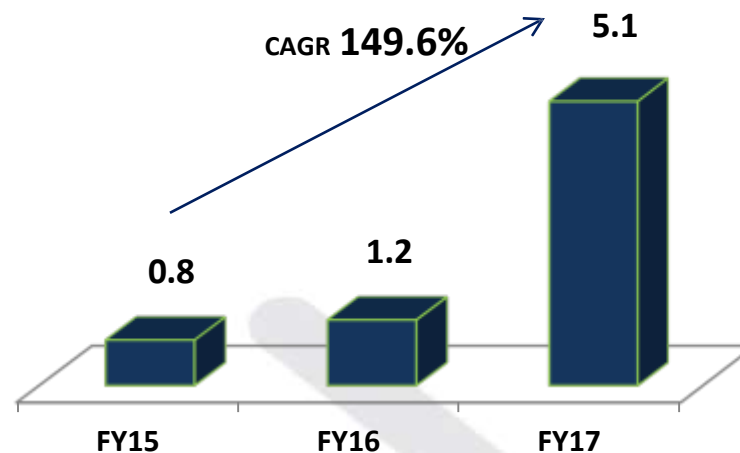
Financial Snapshot - Annual

Rs. In Crs

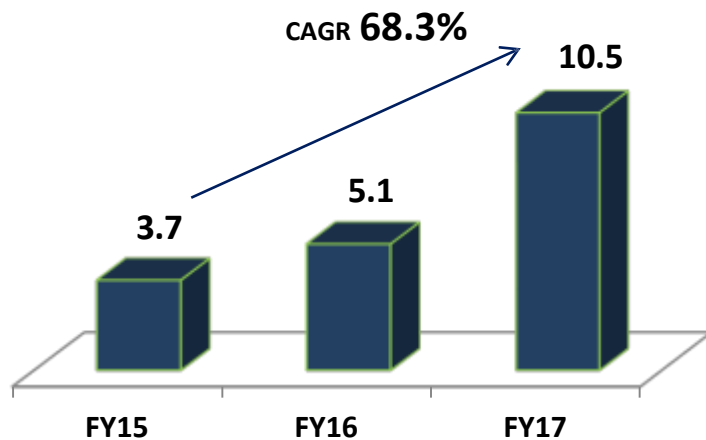
SALES



PAT

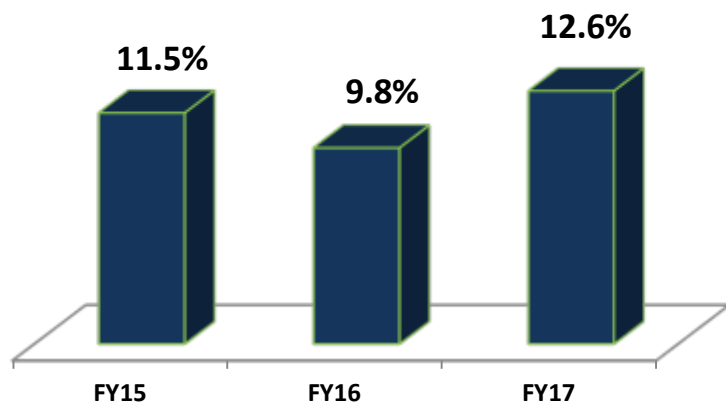


EBITDA

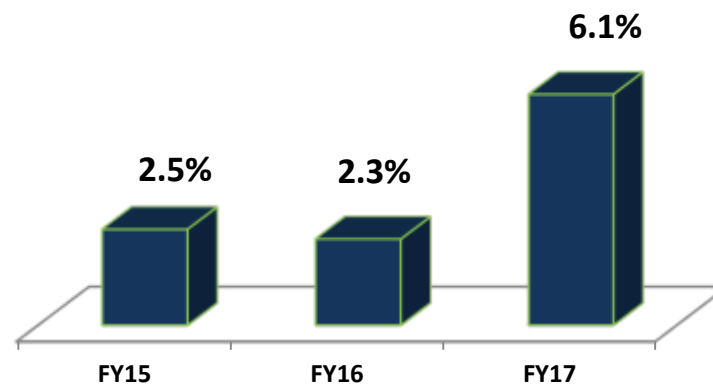


Financial Snapshot

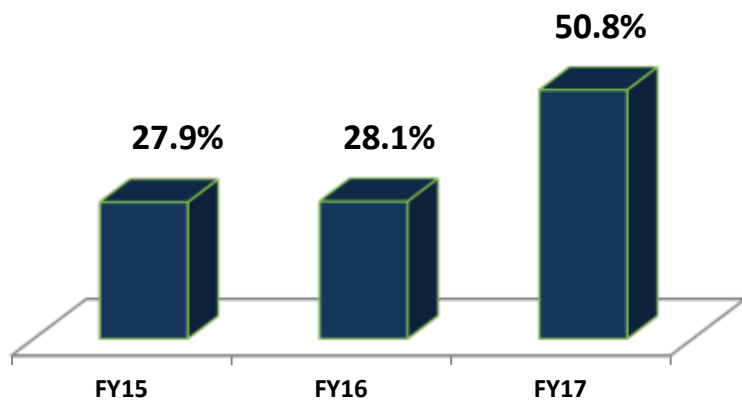
EBITDA Margin



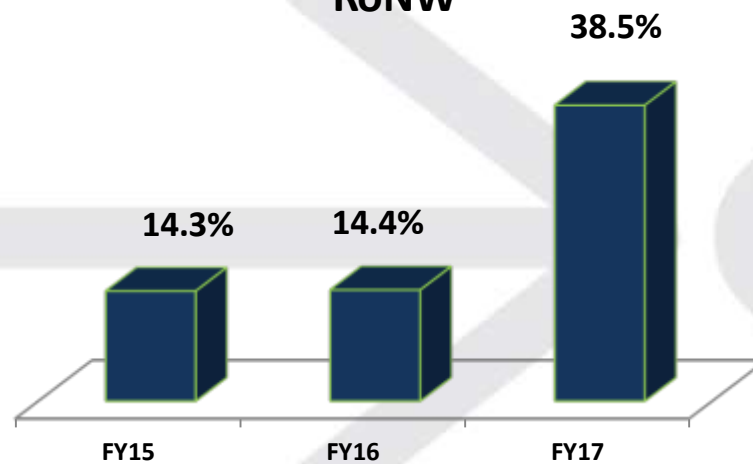
PAT Margin



RoCE



RoNW



Financial Summary (P&L)

Rs. In Crs

Income Statement	FY15	FY16	FY17
Sales	31.7	51.3	81.0
Other Income	0.5	0.4	2.2
Total Sales	32.2	51.7	83.2
Expenditure:			
Operating Expenses	22.9	35.8	59.5
Employee Expenses	3.1	3.4	6.5
Other Expenses	2.5	7.5	6.7
Total Expenditure	28.5	46.7	72.7
EBITDA	3.7	5.1	10.5
Depreciation	0.6	0.7	0.9
EBIT	3.1	4.4	9.6
Finance Cost	1.9	2.5	2.0
EBT	1.2	1.9	7.6
Exceptional Item	0.0	0.0	0.0
Taxes	0.4	0.7	2.5
PAT	0.8	1.2	5.1
EPS	3.8	4.6	19.8

Financials Summary (Balance Sheet)

Rs. In Crs

Balance Sheet	FY15	FY16	FY17
Share Capital	2.1	2.6	2.6
Reserve & Surplus	3.6	5.6	10.6
Shareholders Funds	5.7	8.1	13.1
Long Term Loan	5.4	7.5	5.8
Long Term Provisions	0.0	0.0	2.4
Other liabilities	0.0	0.0	1.9
Deferred tax liabilities	0.0	0.0	0.1
Current Liabilities			
Short Term Borrowings	10.4	10.2	11.5
Trade Payables	8.8	12.6	16.7
Other Current Liabilities	2.0	4.8	5.4
Provisions	0.1	0.6	2.2
Source of Funds	32.4	43.9	59.2
Fixed Assets	3.9	6.6	6.6
Loans & Advances	0.5	1.0	0.3
Deffered Tax Assets	0.0	0.0	0.0
Other non current assets	0.0	0.0	6.8
Current Assets:			
Inventories	7.9	13.0	12.2
Debtors	17.5	18.2	27.3
Cash & Equivalents	1.9	1.8	4.2
Loans & Advances	0.6	3.3	1.9
Application Of Funds	32.4	43.9	59.2

Ratio Analysis

Ratio Analysis	FY15	FY16	FY17
EBITDA Margin	11.5%	9.8%	12.6%
EBIT Margin	9.6%	8.5%	11.6%
EBT Margin	3.7%	3.6%	9.1%
PAT Margin	2.5%	2.3%	6.1%
RoCE	27.9%	28.1%	50.8%
RoA	2.5%	2.7%	8.1%
RoNW	14.3%	14.4%	38.5%

Disclaimer

Sarthi Capital Advisors Private Limited is the Lead Manager to the Issue. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis. Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” in the Prospectus.

This document contains certain “forward-looking statements”. These forward-looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe strategies, objectives, plans or goals are also forward-looking statements. Sarthi Capital Advisors Pvt. Ltd. cannot assure investors that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

HAPPY TO HELP....



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Bridging the Gap

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Regional Office:

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411, Pratap Bhawan, 5 Bahadurshah Zafar Marg,
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