



30th October, 2023

To,
National Stock Exchange of India Limited
Exchange Plaza, NSE Building,
Bandra Kurla Complex,
Bandra East, Mumbai-400 051

Trading Symbol: SERVOTECH

Sub: Earnings release and Shareholders' letter for results of Q2 FY 23-24.

Dear Sir/Madam,

With reference to the captioned subject, please find attached Earnings release and Shareholders' letter for results of Q2 FY 23-24.

The same is published on website of the Company at www.servotech.in.

Kindly take the above information on record and oblige.

Thanking You,

FOR SERVOTECH POWER SYSTEMS LIMITED

RAMAN BHATIA
MANAGING DIRECTOR
DIN: 00153827

Servotech Power Systems Limited

CIN : L31200DL2004PLC129379

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

PLANT AND R&D : 76A, Sector-57, Kundli Industrial Area, Sonapat, Haryana-131028

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Earning's Release & Share Holder's Letter

Q2 & H1 FY24 | October 30th, 2023



About Servotech Power Systems Ltd. (“SPSL” or the “Company”):

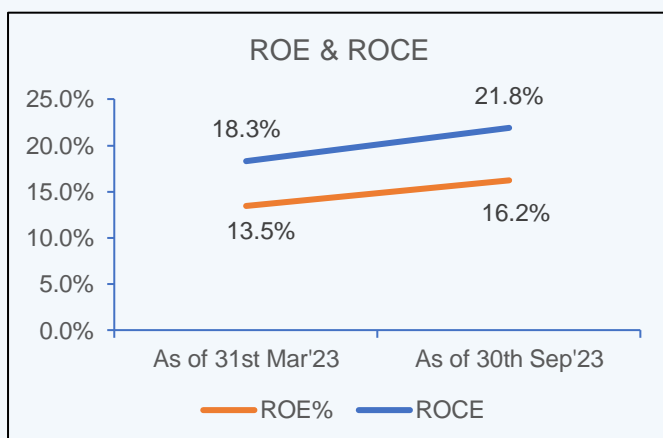
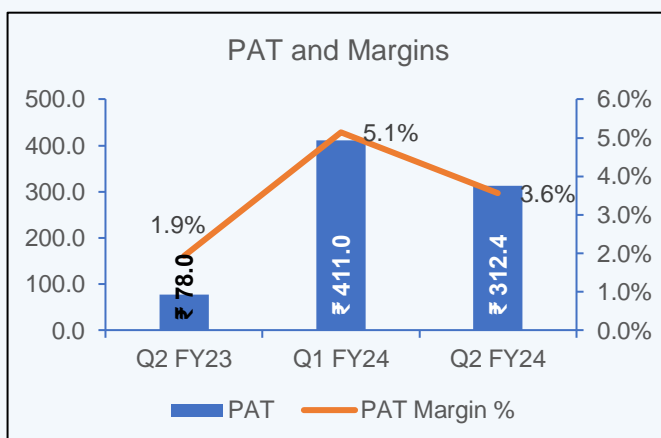
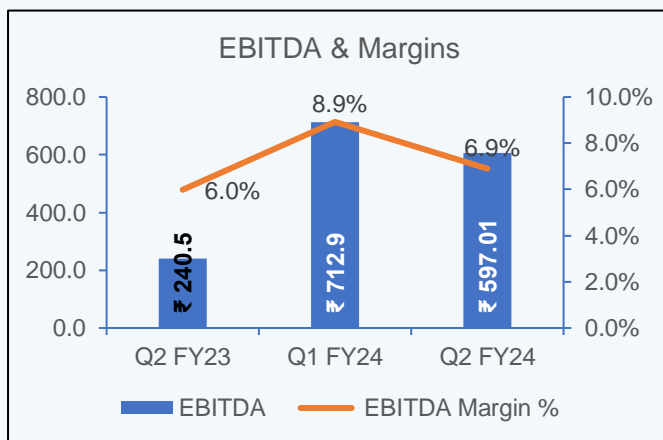
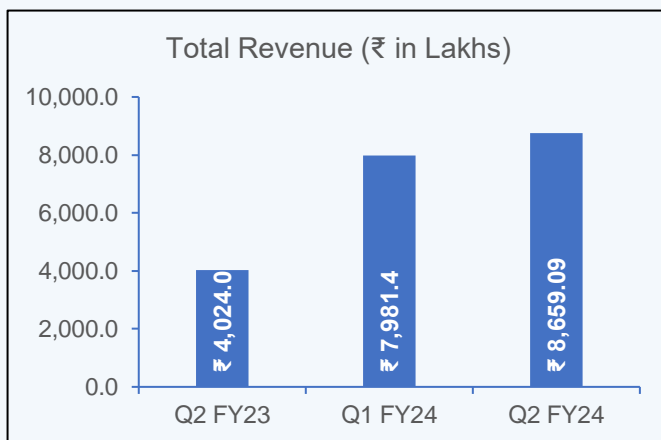
- Servotech Power Systems Ltd. (SPSL) has emerged as a pioneer in manufacturing out-of-the-box solutions for the EV and solar space by integrating technology and innovation
 - The company manufactures range of EV chargers and as of 30th September 2023, it holds a significant market share in electric vehicle charging solutions space and aims to contribute increasingly to the country's transition towards the widespread adoption of electric vehicles
 - Additionally, it is also engaged in end-to-end manufacturing, procurement and distribution of a range of high-end advanced solar products
 - SPSL is also engaged in the manufacturing & selling of LED, UVC, and medical-grade products in India
- SPSL has a state-of-the-art manufacturing facility spanning over 55,000 sq. ft. in Haryana, backed by an R&D centre that features cutting-edge technology solutions
- It has strong supply chain network with presence in over 600+ cities and presence across 21+ Indian States
- SPSL has earned a reputation for providing high-quality and reliable sustainable power solutions to a variety of industries and caters to marquee clients like IOCL, BPCL, GAIL, Indian Railways, Ministry of electronics & information technology, Government of India and others
- The company has successfully implemented over 15 MW of solar power plants in various locations throughout India
 - Solarized more than 1,00,000 homes in different states by installing Solar Home lighting Systems
- The company has two subsidiaries:
 - **Rebreathe Medical Devices India Pvt. Ltd.** (95.0% Holding) is engaged in manufacturing of critical medical equipment like oxygen concentrator devices and its spare parts
 - **Techbec Green Energy Pvt. Ltd.** (100.0% Holding) is engaged in manufacturing, trading, & distribution of essential components for Electric Vehicle (EV) Chargers

Developments in the current financial year thus far:

- Achieved implementation of SAP S/4 HANA in record breaking time, acknowledged by KPMG experts
 - SAP S4 HANA Grow is a cutting-edge enterprise resource planning (ERP) solution that will empower SPSL to transform its operations and gain real-time insights for decision-making and enhancing customer experiences
- Signed a MoU with the Government of Uttar Pradesh to establish an EV Charger manufacturing facility in the state, incorporating backward integration, in alignment with the Uttar Pradesh Electric Vehicle Manufacturing and Mobility Policy 2022
 - SPSL plans to invests ~₹ 300 Crs in the project, with an aim to generate ~10,000 DC EV fast-chargers annually. Further, the operations are expected to commence from Q1 FY25
- Signed a pact with National Solar Energy Federation of India (NSEFI) to establish a Solar powered EV Charger-enabled carport as a pilot project and has finalized Hauz Khas, Delhi as their location
 - As per the terms, SPSL will cover all the phases of the upcoming carport from design to fabrication to implementation. Further, the project will comprise of two DC chargers with a capacity of 15kW and 30kW each, 12 solar panels for 540wp, a 7kW AC charger, a 3.3kW AC charger, and a 10kW on-grid inverter
- In order to streamline its corporate structure, SPSL divested its subsidiary, in which it held 63.5% equity stake, Techbec Global Solutions Pvt. Ltd. and incorporated a new subsidiary “Techbec Green Energy Pvt. Ltd.” on 27th July, 2023.
 - Techbec Green Energy is engaged in the operations of manufacturing, trading, distribution, indenting, and acting as selling and purchasing agents of essential components for Electric Vehicle (EV) Chargers like Power modules, CCS 2 guns, Type 2 guns, Connectors, Control Cards, and PLC Modules along with Lithium-ion Batteries
- Signed two MOUs with IIT Roorkee to develop state-of-the-art rectifier units for CCS2 chargers and Onboard EV chargers for 2, 3 and 4 Wheelers
 - This strategic partnership aims produce high-quality onboard chargers which are compact and lightweight charging solution designed to be integrated directly into two, three, and four-wheelers, eliminating the need for a separate charging device

- Entered into a Strategic Partnership with EMCOR Power Solutions to Revolutionize EV Charging Infrastructure in India
 - Under the terms of this MOU, EMCOR Power Solutions has committed to provide SPSL with 1,000 CPO (Charge Point Operator) sites in India. SPSL will manufacture and install 30kW and 60kW and even higher capacity DC fast EV chargers
- SPSL filed two patents for Energy Management Technologies with an to enhance grid service optimization through a battery energy storage system and will effectively channel renewable energy into BESS for maximum value, enabling the transition to sustainable energy
- Developing and fostering a culture of employee ownership the Company has granted approval for the distribution of 33,308 options to eligible employees as part of the ESOP Scheme for the year 2022
- The Company approved stock spilt in the ratio 1:2 with the record date as 28th July, 2023

Key Financial Metrics:



Financial Performance

Particulars (₹ in Lakhs)	Q2 FY24	Q2 FY23	YoY%	Q1 FY24	H1 FY24	H1 FY23	YoY%
Revenue from operations	8,592.94	4,016.07	113.9%	7,956.62	16,549.57	7,219.94	129.2%
Other income	66.15	7.89		24.73	90.88	10.54	
Total revenue	8,659.09	4,023.96	115.2%	7,981.35	16,640.44	7,230.48	130.1%
Total Expenses excluding Depreciation, Amortization & Finance Cost	8,062.08	3,783.46		7,268.46	15,330.52	6,851.62	
EBITDA	597.01	240.50	148.2%	712.89	1,309.92	378.86	245.8%
EBITDA Margin %	6.89%	5.98%		8.93%	7.87%	5.24%	
Depreciation & Amortization	72.55	73.41		70.86	143.41	116.01	
Finance Cost	107.49	62.78		92.88	200.37	111.01	
PBT before exceptional items	416.99	104.30		549.14	966.14	151.83	
Exceptional Items	0.00	0.00		0.00	0.00	0.00	
PBT	416.99	104.30		549.14	966.14	151.83	
Tax Expense	104.59	26.26		138.18	242.77	38.23	
PAT	312.41	78.04	300.3%	410.96	723.37	113.60	536.8%
PAT Margin %	3.60%	1.94%		5.15%	4.35%	1.57%	
Other comprehensive income	0.85	0.54		0.00	0.85	0.54	
Net PAT	313.26	78.58		410.96	724.22	114.14	
Diluted EPS	₹0.15	₹0.04		₹0.19	₹0.34	₹0.06	

Particulars (₹ in lakhs)	30 th Sep'23	31 th Mar'23
Assets		
PP&E	1,827.04	1,979.53
Other Intangible Assets	58.15	15.63
Capital Work In Progress	0.00	2.03
Assets under Development	13.99	49.00
Investment Property	326.93	218.93
Investments	0.00	0.00
Other Financial Assets	0.00	0.05
Deferred Tax Assets (net)	22.55	20.96
Other-Non Current Assets	899.82	1,140.05
Trade Receivables	589.20	440.92
Non-Current Assets	3,737.68	3,867.11
Inventories	1,587.43	2,085.66
Trade Receivables	8,901.97	8,556.07
Cash & Cash Equivalents	32.59	1,194.93
Other bank balances	1,006.75	430.31
Other Financial Assets	0.00	92.02
Other Current Assets	1,905.14	448.16
Current Assets	13,433.89	12,807.15
Total Assets	17,171.57	16,674.26

Particulars (₹ in lakhs)	30 th Sep'23	31 th Mar'23
Equity & Liabilities		
Equity Share Capital	2,126.54	2,126.54
Other Equity	6,805.57	6,090.68
Shareholders Fund	8,932.11	8,217.22
Borrowings	1,315.07	751.88
Other Non-Current Liabilities	79.12	126.90
Provisions	378.74	69.04
Trade Payables	13.60	7.38
Non-Current Liabilities	1,786.53	955.19
Borrowings	3,419.49	3,478.50
Trade Payables	2,275.14	2,350.31
Other Financial Liabilities	0.00	447.98
Other Current liabilities	497.78	821.05
Provisions	260.52	404.02
Current Liabilities	6,452.93	7,501.86
Total Equity and Liabilities	17,171.57	16,674.26

Management Commentary

Commenting on the performance of Q2 FY24, Mr. Raman Bhatia, the Managing Director of Servotech Power Systems Ltd. stated:

“We are happy to present our financial and operational performance for the Q2 and H1 FY24. During this period, our revenue increased by 115.2% to ₹8,659.09 lakhs in Q2 FY24, compared to ₹4,023.96 lakhs in Q2 FY23. This growth was primarily on account of the following :

- In the EV division, we witnessed strong demand for our EV chargers due to the rapid uptake and increased demand of electric vehicles and the increasing need for improved EV infrastructure*
- In the Solar division, we continued to gain traction for our products driven by increasing focus on adopting sustainable energy for energy needs*

Further, EBITDA exhibited tremendous growth of 148.2% to ₹597.01 lakhs in Q2 FY24 from ₹240.50 lakhs in Q2 FY23, with margin expansion of 91 basis points, led by higher share of products having superior margins. Additionally, PAT for Q2 FY24 stood at ₹312.41 lakhs, up from ₹78.04 lakhs in Q2 FY23, with margins increasing to 3.60% from 1.94% in the corresponding period.

In terms of H1 performance, revenue increased by 130.1% and stood at ₹16,640.44 lakhs in H1 FY24 compared to ₹7,230.48 lakhs in H1 FY23. EBITDA increased by 245.8% from ₹378.86 lakhs in H1 FY23 to ₹1,309.92 lakhs in H1 FY24, and margins stood at 7.87% from 5.24% during the same period due to increase in scale of operations. PAT increased by 536.8% and stood at ₹723.37 lakhs in H1 FY24 compared to ₹113.60 lakhs in H1 FY23, margins improved to 4.35% from 1.57% during the same period.

*We are elated to share our substantial contribution in promoting a more eco-friendly and sustainable future. Presently, we hold a significant market share in the EV charging sector, with **~3,600** chargers supplied across India in H1 FY24. Additionally, our recently signed MoU with the Uttar Pradesh government, entailing an initial investment of **~₹300 Crs**, will enable us to establish an indigenous manufacturing facility capable of producing 10,000 EV DC chargers for the domestic and export market. This endeavor will foster a remarkable ecosystem for EV charging across the country.*

Beyond our EV offerings, our solar products have garnered attention in the market. Centered on sustainable and renewable energy, we have effectively established more than 15 MW of solar power plants throughout India, distinguished by qualities such as easy installation, cost-efficiency, and dependability.

We are also happy to share that our recent strategic partnership with EMCOR Power Solutions to manufacture and install 30kW, 60kW, and even more powerful DC fast EV chargers across India will aid in accelerating nationwide adoption of EV.

Additionally, our objective extends beyond merely advancing EV charging infrastructure development; we are dedicated to establishing a prominent market presence and asserting leadership within the industry. To realize this ambition, we are prioritizing the expansion of our production capacity and the broadening of our product portfolio, which will position SPSL as the premier provider of EV chargers to OEMs. This strategic endeavor will enable us to effectively address the burgeoning demand in the EV market by delivering state-of-the-art charging solutions, ultimately cementing our position as the industry frontrunner in OEM service.

Our commitment to providing customer-centric solutions in the sustainable energy space remains steadfast. As we look ahead, we recognize substantial growth potential in the markets we serve, as evidenced by our robust order pipeline.”

Disclaimer

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Servotech Power Systems Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstance

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