Servotech Renewable

Operator: Welcome to Servotech Renewable Power System Limited Q1 FY27 earnings conference call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Raman Bhatia, Managing Director. Thank you, and over to you, sir.

Management: Thank you. Good day everyone, and a very warm welcome. It is a pleasure to have you join us today as we discuss the performance of Servotech Renewable Power Systems Limited for the first quarter of FY27. This quarter marks a strong beginning to the new financial year and reflects a steady execution of our long-term growth strategy. We have delivered robust financial performance while continuing to strengthen our position across the renewable energy value chain.

Our focus on expanding manufacturing capabilities, advancing indigenous technologies, and delivering integrated solutions across solar battery storage systems, EV charging infrastructure, and EV charger manufacturing has helped us capitalize on the growing opportunities emerging from India's clean energy transition. During the quarter, we secured a major rooftop solar order from South Central Railway and signed an MOU with the Government of Haryana to expand our manufacturing capacity in the state. We also secured one more order for a 900-kilowatt BSS from UP, and we received the BEE 5-star rating for our 60-kilowatt and 120-kilowatt chargers, while the 240-kilowatt is already in process.

Together these wins reflect the continuous strength of our order pipeline and our ability to convert opportunity into execution as we build a future-ready clean energy ecosystem. One more thing I want to add here is that we are increasing our channel partners across India day by day. Now we are penetrating South India, North India, Northeast India, and many more areas.

I am pleased to share the financial highlights for the first quarter of FY27. Looking at our standalone performance, the company delivered strong year-on-year growth across all key financial parameters. Total revenue grew by 66.31% reaching 208.11 crores compared to 125.14 crores in Q1 FY26. EBITDA increased by 62.85% from last year's performance. Profit After Tax grew by 47% standing at 11.1 crores. These results reflect improved operational efficiencies, disciplined execution, and sustained demand across our key business segments.

On a consolidated basis, we also recorded a strong quarter. Total revenue increased by 57.69% to 216.29 crores compared to 137.17 crores in the corresponding quarter last year. EBITDA witnessed an impressive growth of 93.35%, reaching 20.91 crores, while profit after tax stood at 7.95 crores, registering a growth of 74.15% year-on-year. These results reflect the collective efforts of our team, the confidence of our customers and partners, and the continued execution of our long-term strategy while we remain encouraged by the momentum we have built. Our focus continues to be disciplined growth, operational excellence, and creating sustainable long-term value for all stakeholders. Thank you.

Operator: Hello. Should we begin with the question and answer session now?

Management: Please.

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Operator: Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use headsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Atul, an individual investor. Please proceed. Atul, are you there? As there is no response, I am taking the next question from the line of Darshil from Crown Capital. Please proceed.

Darshil – Crown Capital: Hello. Good afternoon, sir. Thank you so much for taking my question. Firstly, congratulations on a great set of results, sir. Sir, I just wanted to understand in terms of our outlook, what do you see FY27 panning out as?

Management: No, I did not understand your question. Please, can you repeat your question?

Darshil – Crown Capital: What I mean, sir, is that in the first quarter, we have achieved around 50% growth compared to last year. So what do you think about the revenue and margins for FY27?

Management: We are trying to do better year-on-year, and the first quarter itself is self-explanatory that we will be better this year. No doubt.

Darshil – Crown Capital: Yes, sir, but what range can we assume? Because this is a very big jump in the first quarter. Do you think this jump can continue at this level?

Management: Sir, our full effort is to continue this. We are working towards that. Our distribution channel and network expansion play a very big role in this. Regarding the new product lines, the manufacturing, and the investments we made last year in capital, machinery, and plant, the outcomes of all those will start coming in now. That is exactly what is happening.

Darshil – Crown Capital: Okay, sir. And sir, what do you feel about margins? I think we achieved 10% in FY26. Now that there will be higher momentum, how will the margins be for us this year?

Management: Sir, I have already said on many previous calls that the margin is not very important for us because it will definitely come. When you work and work correctly, the margin follows. However, it is more important that you are able to deliver what the customer needs. If you focus on that, the margin becomes a byproduct on its own. It increases day by day, and if you look at the books and financials of the last 5-6 years, you will understand this yourself. So we feel that the more we increase the quantum, the margin will naturally become better and better.

Darshil – Crown Capital: Okay, fair enough, sir. And sir, what will be our order book?

Management: Sir, in the order book, there is a large part involving government and project orders where you get confirmed purchase orders. Their size is gradually getting smaller because now the game is about the overall channel partners connected with us and the model we are working on. In that model, you do not have a firm order book on paper, but given the scenario and the way we have set up the production and pipeline with the efforts of the marketing and sales team, the order book becomes very strengthened. The chances of a drop are very low. If we talk according to that, we will reach where we are planning for this year. I would just like to say one thing: we have so many orders that we are unable to manufacture enough material. That is why we need to increase our

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capacity further. That is all I know.

Darshil – Crown Capital: Okay, fair enough, sir. And sir, since we have done quite well now, is there any seasonality? Perhaps H2 is better than H1? Do we have any idea about that?

Management: Yes, it is always like that. H3 and H4 are always better than H1. Sorry, H2 is always better than H1. If you look at the records of the last 5 or 10 years, you will see the same pattern.

Darshil – Crown Capital: Okay, fair enough, sir. That is all from my side. Thank you so much, sir.

Management: Thank you.

Operator: Thank you. A reminder to all participants, anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Pradeep Kumar, an individual investor. Please proceed.

Pradeep Kumar – Individual Investor: Greetings, sir. I want to ask about our DC charger and AC charger. Can you tell me a little bit about them?

Management: Please ask, what do you want to know?

Pradeep Kumar – Individual Investor: Yes, sir, regarding the DC charger and the AC charger you were making, what is the growth in those?

Management: Currently, there is no major growth in that because the market is a bit segmented. It looks like some growth will come in the future, but currently, there is no significant growth.

Pradeep Kumar – Individual Investor: Sir, nowadays trucks are also coming in EV versions. So are there any chances regarding contracts or awards for that? Could you repeat that? I did not understand your point.

Pradeep Kumar – Individual Investor: EV trucks are coming nowadays, right?

Management: Yes, yes.

Pradeep Kumar – Individual Investor: So, regarding the chargers for those, are you planning to make them?

Management: Sir, we are already making them and already installing them. We have been doing this for a long time.

Pradeep Kumar – Individual Investor: Okay, sir. Thank you. Also, sir, can you give some details about the product mix and what products you are manufacturing?

Management: Sir, this is a financial call. If you want to see the product details, please visit the website; everything is available there.

Pradeep Kumar – Individual Investor: Okay, thank you, sir. Thank you.

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Operator: Thank you. The next question is from the line of Satyam Choudhary, an individual investor. Please proceed.

Satyam Choudhary – Individual Investor: Hello. Am I audible, sir?

Management: Hello. Yes.

Satyam Choudhary – Individual Investor: Sir, my question is first regarding battery packs. How much demand are we looking at, and what kind of expansion are we looking to do in that particular segment?

Management: In which segment, sir? Which segment are you talking about?

Satyam Choudhary – Individual Investor: The battery packs.

Management: In battery packs, the production capacity we had installed is now fully utilized. We are unable to meet the demand, and we are moving to the next phase to further increase our production capacity. We have high expectations from this, and we are setting up a new plant because we have recently signed an MOU with the Haryana government. So our new plant is coming very soon.

Satyam Choudhary – Individual Investor: Okay.

Management: Its building and everything else is now starting to be constructed.

Satyam Choudhary – Individual Investor: Okay, so for FY27, what percentage of revenue are we expecting from this particular segment?

Management: Sir, I will not be able to comment on that, but I would like to say that based on the scenario you are seeing, we will be much better than before.

Satyam Choudhary – Individual Investor: Okay. And sir, regarding EV rollouts, they are happening quite a lot now. The government is also pushing it, and even e-buses are being rolled out. But since there are major key players in that, is the competition growing or is the demand sustainable in EV?

Management: Sir, the work we are doing is in chargers. When we talk about the big players, we are counted among the big ones; we are in that list as well. So, no doubt we will definitely contribute to it, and we are working in that direction.

Satyam Choudhary – Individual Investor: Okay, sir. And to increase depth, will there be an increase this year, or are there chances of a reduction?

Management: No, as the company grows, money is required. It will come either from equity or debt. There is no logic in going for equity right now given the market position, so we will go for debt. Debt might increase, but we will certainly try to keep it within a range. We will also try to increase our profits and net worth accordingly. We will definitely try to maintain the debt-equity ratio.

Satyam Choudhary – Individual Investor: Okay, sir. Thank you. That was my question.

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Management: Yes.

Operator: Thank you. The next question is from the line of Darshil from Crown Capital. Please go ahead.

Darshil – Crown Capital: Thank you so much, sir, for giving me the opportunity to ask a question again. Sir, I wanted to ask about the new capacity you are installing. What will be the timeline, and by when can we expect it to be completed?

Management: Sir, in terms of battery capacity, we want to double the current capacity within the next 6 months. We will triple the capacity before March 31, 2027. Our target is to reach 10x capacity in the next 2 years.

Darshil – Crown Capital: Okay, sir. 3x by end of the year and 10x in 2 years?

Management: I am talking about battery capacity, specifically BSS.

Darshil – Crown Capital: Yes, sir, I understand. Since we see such a tailwind in this segment, do you have any fear of competition? Because 10x is a very big jump, and it represents a significant capital jump.

Management: This is not a capital jump; this is about production capacity. 10x capital is not going to be invested; 10x production capacity is going to happen. There is a difference between the two.

Darshil – Crown Capital: Yes, sir. So what capital will be involved in this, and what return can we expect? If you could help us with that, sir.

Management: Sir, the work we are doing today in Battery Energy Storage and EV is very helpful in improving our EBITDA. We have significant captive consumption, and we are focusing on large plants. So the results are good, and our investments are not that large. We have already done the necessary investment, and there will not be any investment bigger than that.

Darshil – Crown Capital: Okay, sir. So going forward, where do you see the company in the next 2–3 years? Because you are thinking of increasing capacity so much right now.

Management: I want to ask you one thing. You must have studied everything. Where was the company 5 years ago, and where is the company today? How much difference do you see? Whatever you see, we are thinking of something similar for the next 2–5 years.

Darshil – Crown Capital: Okay, that is really great, sir. I think 5 years ago we were at 300, and now it has doubled—rather, more than doubled.

Management: No, sir, 5 years ago we were not even at 300. We were not even at 300.

Darshil – Crown Capital: Sir, I think it was around 300.

Management: Sir, I said 5 years ago.

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Darshil – Crown Capital: Okay, 5 years ago. I am talking about 2021, sir. It was 87, and now it is 10x, so that same plan is going on now.

Management: We want that plan, and we are working in that direction.

Darshil – Crown Capital: That is great to hear, sir. Thank you so much, sir.

Management: Thank you.

Operator: Thank you. A reminder to all participants, anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Neha, an individual investor. Please proceed.

Neha – Individual Investor: Hello.

Management: Hello.

Neha – Individual Investor: Congratulations, sir, on such a great result. I just wanted to know, our share prices have fluctuated a lot in the last 3 months. But the results have been really great, so can you shed some light on this?

Management: I have no comment on that. The reason is that we have no focus or attention on the stock market, nor do we have any control over it. We can do business, and we are doing business. We can only give results. I have no control over how market sentiments will move, or how the share will go up or down, nor do I know much about it.

Neha – Individual Investor: Okay, sir, thank you so much.

Management: Thank you.

Operator: The next question is from the line of Satyam Choudhary, an individual investor. Please go ahead.

Satyam Choudhary – Individual Investor: Hello.

Management: Hello.

Satyam Choudhary – Individual Investor: I have one more question. You mentioned our overall production capacity, so what percentage utilization do we already have for this quarter?

Management: What was the utilization? Hello, sir, I cannot hear the voice.

Management: Yes. Currently, the capacity utilization of different lines is different, but if you ask for an average, it is approximately 50-60%.

Satyam Choudhary – Individual Investor: 50-60% is our current capacity utilization.

Management: Yes. That is why we are trying to increase the capacity.

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Satyam Choudhary – Individual Investor: What are we targeting by the end of the year? How much of our current capacity will be utilized by year-end?

Management: Sir, the current capacity will be fully utilized. That is why we are building new capacity. Work is going on for that.

Satyam Choudhary – Individual Investor: Is the target 100% of current capacity this year?

Management: Yes, but it will not appear as 100% because new capacity will have been added by then.

Satyam Choudhary – Individual Investor: No, that is true, sir.

Management: Yes, absolutely. Then we will definitely be using double the capacity.

Satyam Choudhary – Individual Investor: Okay, so in terms of capacity, overall on average including all segments, we are looking at doubling from here?

Management: Yes, in terms of capacity utilization.

Satyam Choudhary – Individual Investor: Okay, sir. Thank you, sir, that was all.

Management: Thank you.

Operator: Thank you. A reminder to all participants, anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Atul, an individual investor. Please proceed.

Atul – Individual Investor: Hello.

Management: Hello.

Atul – Individual Investor: Hello.

Management: Yes, please tell me.

Atul – Individual Investor: I wanted to know about your subsidiary, Servotech Sports for Entertainment.

Management: Hmm.

Atul – Individual Investor: This is profitable now, right?

Management: Which one?

Atul – Individual Investor: Servotech Sports for Entertainment.

Management: No. Are you speaking based on the results, or without looking at the results?

Atul – Individual Investor: No, I am speaking after looking at the results.

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Management: So, according to the results, it is not profitable in this quarter.

Atul – Individual Investor: One second.

Management: Thank you.

Operator: Thank you. A reminder to all participants, anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Muskan Bansal, an individual investor. Please go ahead.

Muskan Bansal – Individual Investor: Good afternoon, sir.

Management: Good afternoon.

Muskan Bansal – Individual Investor: Sir, I have a question about the PM Surya Ghar Yojana. What kind of response has Servotech received from it so far? Are we getting good orders because of it?

Management: Yes, absolutely. The expansion we are doing in channel distribution for the PM Surya Ghar Yojana is moving in that direction. Because of that, there are good responses and the market is responding well to it.

Muskan Bansal – Individual Investor: Thank you, sir.

Management: Thank you.

Operator: Thank you. A reminder to all participants, anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Neha, an individual investor. Please proceed.

Neha – Individual Investor: So sir, I just wanted to ask that since Servotech Sports is not profitable at this point, what kind of business segments are you handling within it?

Management: Servotech Sports manages events, looks after the marketing activities of Servotech and other similar companies, and manages events. It is also the owner of a cricket team franchise. Apart from this, it is the owner of the Dream League of India. It is handling all these things, and currently, there are investments being made in creating IP within them. That is why you do not see it as profitable, but in the long term, it will become profitable.

Neha – Individual Investor: Sure, sir. Got it.

Management: Thank you.

Operator: A reminder to all participants, anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Gaurav Singh, an individual investor. Please go ahead.

Gaurav Singh – Individual Investor: Hello, sir. I hope you can hear me.

Management: Yes, please speak.

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Gaurav Singh – Individual Investor: Sir, basically the results have been very good in this particular quarter, so congratulations on that. Before this, you had received many orders in recent quarters as well. So what will be the share of those orders in the revenue generated this time? And what is the weightage of current tenders compared to previous ones? Has this revenue come from earlier orders or purely from new orders?

Management: The execution of any new order does not happen in just one or two months. So if any orders came in the last quarter, the possibility of their execution in the same quarter is very low. Usually, there is a chain, so previous orders are in the process of execution. Right? So whatever you are seeing is from previous orders. Work on the current orders has not started yet. You will see that in the coming quarters.

Gaurav Singh – Individual Investor: Okay, sir. As we are talking about the coming quarters, there is more news about the PM E-Drive scheme. In Delhi, registrations for three-wheelers, specifically CNG and petrol ones, will stop in some time. So regarding the PM E-Drive scheme, what will be Servotech's role in it in the future?

Management: We will sell chargers there, sir. There are two parts to this. We will sell chargers, and Servotech EV Infra will expand its charging network across different states. These two things will happen, and we are working on that.

Gaurav Singh – Individual Investor: Okay, sir. And my next point is that when we talk about EVs, the discussion of battery packs comes up for three-wheelers.

Management: No, we do not make battery packs for EVs. We only work for solar or we make packs for BSS.

Gaurav Singh – Individual Investor: Yes, sir. But since lithium batteries will be used for three-wheeler e-rickshaws and autos, will you be in that as well?

Management: It was only for e-rickshaws. We are working on that and selling for e-rickshaws.

Gaurav Singh – Individual Investor: Okay. Okay, sir, that is all from my end. Thank you.

Management: Thank you.

Operator: Thank you. A reminder to all participants, anyone who wishes to ask a question may press star and one on their touchtone telephone. The next question is from the line of Satyam Choudhary, an individual investor. Please proceed.

Satyam Choudhary – Individual Investor: Sir, actually I was going through the PPT which you provided. In that, the current capacity of our production lines is not mentioned.

Management: Yes, please go on.

Satyam Choudhary – Individual Investor: Sir, I am talking about the PPT you provided.

Management: Sir, we do not put that in; it is not needed. We have not included it.

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Satyam Choudhary – Individual Investor: So can we know the current capacity of our production lines? Is there any idea about that?

Management: Sir, I already gave an answer to this 5 minutes ago. We are currently utilizing only 50% of our current production capacity.

Satyam Choudhary – Individual Investor: Utilization is fine, sir. I just wanted to know if we can know what our capacity is. What is our current capacity?

Management: Sir, it will take some more time to determine how we can provide this data in the public domain. We are working on that model. I cannot tell you just like that right now.

Satyam Choudhary – Individual Investor: Okay, can we get any idea at all?

Management: No, sir, it is very risky to give an idea while standing in the public domain. So whatever we talk about should be very precise. I will not say anything that I cannot say precisely right now.

Satyam Choudhary – Individual Investor: Okay, sir. Thank you.

Management: Thank you.

Operator: A reminder to all participants, anyone who wishes to ask a question may press star and one on their touchtone telephone. As there are no further questions from the participants, I now hand the conference over to the management for closing comments. Over to you, sir.

Management: Thank you all for your insightful questions and for taking the time to join us today. We truly value your continued trust and engagement with Servotech. As we move ahead, we remain committed to strengthening our capabilities, expanding our technology portfolio, and pursuing growth opportunities with a disciplined and long-term approach.

India's clean energy transition continues to present significant opportunities, and we believe Servotech is well-positioned to contribute meaningfully through innovation, manufacturing excellence, and customer-centric solutions. On behalf of the entire Servotech team, I would like to thank our shareholders, customers, business partners, and employees for their continued confidence and support. We look forward to engaging with you again in the coming quarters. Thank you once again and have a wonderful evening.

Operator: Thank you. On behalf of Servotech Renewable Power System Limited, that concludes this conference. Thank you for joining us and you may now disconnect your line. Thank you.

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