Servotech Renewable Power System Limited

September 29, 2026

Rating Action

Total Bank Loan Facilities Rated	**Rs. 451.84 Crore (enhanced from Rs. 298.86 crore)**	**Regulator^**
Long Term Rating	**IVR BBB+/ Positive** (Rating reaffirmed; Outlook revised to Positive from Stable)	**RBI**
Short Term Rating	**IVR A2** (Rating reaffirmed)	**RBI**
^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: *None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

Rationale

Infomerics Ratings has reaffirmed its rating assigned to the bank facilities for the long-term facilities to IVR BBB+ with a revision in outlook from Stable to Positive and short term facilities to IVR A2 of Servotech Renewable Power System Limited (SRPSL).

The rating reaffirmation reflects the company's robust growth in its scale of operations and improving profitability, comfortable capital structure and healthy debt protection metrics, along with the experienced promoters and established presence in the EV charging and renewable energy segments. These strengths are, however, partially constrained by the competitive and evolving nature of the EV charging industry, working-capital intensity, and the company's susceptibility to intense competition, regulatory changes and technology-related risks.

Outlook: Positive

The revision in outlook to 'Positive' reflects the growing scale of operations and improvement in the company's performance on a year-on-year basis, with further improvement expected over the projected period. The outlook also factors in the favourable growth prospects of the electric vehicle (EV) industry, which are expected to support the company's business prospects and overall performance.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

- **Experienced promoters and established presence in the EV charging and renewable energy segment**

The company benefits from the extensive experience of its promoters and management in the renewable energy and EV charging segments. The company has an established presence in the manufacturing and supply of EV charging solutions and renewable energy products. The company has also witnessed significant growth in its scale of operations, with operating income increasing from Rs. 305.69 crore in FY2024 to Rs. 636.73 crore in FY2026.

- **Robust growth in scale of operations and improving profitability**

The total operating income of the company has grown significantly at (CAGR) of 36.72% during the past three years ended as on March 31, 2026, further, y-o-y the company has registered a increase of 8.41% in the Total Operating Income and stood at Rs. 636.73 crore in FY26 compared to 587.30 crore in FY25, primarily on account of increase in sale of solar inverters and gadgets and AC chargers. With increase in topline, the EBITDA margin of the company also improved by 120 bps and stood healthy at 10.88% in FY26 compared to 9.68% in FY25 mainly on account of percentage decline in raw material consumption cost. However, the PAT margin of the company remained stagnant at 5.65% in FY26 compared to 5.68% in FY25 on account of increase in depreciation and interest and finance cost.

- **Comfortable capital structure and healthy debt coverage indicators**

The improved EBITDA margin supported the company's debt protection metrics. Interest coverage remained comfortable at around 5.76 times in FY2026, while total debt/EBITDA stood at around 2.86 times. The capital structure of the company stood comfortable at 0.89x as on March 31, 2026, though deteriorated from 0.37x as on March 31, 2025, primarily on account of increased debt. The total indebtedness of the company as reflected by the TOL/TNW stood moderate at 1.60x as on March 31, 2026, improved from 0.73x as on March 31, 2025, on account of significant increase in creditors

Weaknesses

- **Competitive and evolving nature of the EV charging industry with working-capital pressures**

The EV charging and renewable energy industry is characterised by intense competition, evolving technology and regulatory requirements, and dependence on continued investments in charging infrastructure. The competitive environment can exert pressure on margins and working-capital requirements. This is reflected in company's working-capital-intensive operations, with trade receivables increasing to around Rs. 240.00 crore as on March 31, 2026, and negative cash flow from operations in FY2026, resulting in higher reliance on external working capital funding.

- **Susceptibility to intense competition, regulatory changes and technology-related risks**

The company operates in the rapidly evolving solar and EV segments, which are characterised by intense competition, technological advancements and evolving regulatory frameworks. Changes in government policies, incentives and regulatory support could impact demand and industry dynamics. Further, dependence on specialised components and evolving technologies exposes the company to supply-chain disruptions and technology obsolescence risks, which could exert pressure on margins and profitability.

Liquidity – Adequate

The liquidity profile of the company is expected to remain adequate in the near to medium term on the back of its expected sufficient cash flow from operations vis-vised its debt repayment obligations of Rs. 10.42 crore – Rs. 21.94 Crore during FY2027-FY2029. The average utilisation of fund-based limits remained moderate at 63.52% during the last twelve months ended June 2026 indicating a sufficient cushion. However, the company had unencumbered cash and cash equivalent of Rs.0.63 crore as on March 31, 2026.

Rating Sensitivities

Upward Factors

- Sustained improvement in working capital cycle.
- Substantial and sustained improvement in scale of operations and profitability

- Total debt to EBITDA below 1.5 times on sustained basis.

Downward Factors

- Any substantial decline in revenue and/or profitability on sustained basis.
- TOL/ATNW above 1.70 times
- Further elongation in operating cycle

About the Company

Servotech Renewable Power System Limited (SRPSL) is engaged in the manufacturing and supply of solar energy products, EV charging solutions, battery energy storage systems (BESS) and other clean-energy solutions for residential, commercial and institutional customers. The company has strengthened its in-house manufacturing capabilities across solar inverters, DC fast chargers, BESS and lithium-ion battery packs, while its forward integration is supported by institutional customers, PSU/OMC orders and an expanding retail and distribution network. The company has also procured a patent for Peak Shaving Technology and holds ISO 9001:2015, ISO 14001:2015 and ISO 45001:2015 certifications.

Financials (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	587.30	636.73
EBITDA	56.82	69.25
PAT	33.47	36.26
Total Debt	77.85	198.25
Tangible Net Worth (ATNW)	207.96	221.71
EBITDA Margin (%)	9.68	10.88
PAT Margin (%)	5.68	5.65
Overall Gearing (times)	0.37	0.89
Interest Coverage (times)	7.38	5.76

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company*

Applicable Criteria

Rating Methodology for Manufacturing Companies.

Financial Ratios & Interpretation (Non-Financial Sector).

Criteria for assigning Rating outlook.

Policy on Default Recognition

Complexity Level of Rated Instruments/Facilities

Status of non-cooperation with previous CRA: None

Any other information: Not applicable

Rating History for last three years

Sr. No.	Instruments/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					Sept 23, 2025	Jul 05, 2024	-
1.	Fund based facilities	LT	381.84	IVR BBB+/ Positive	IVR BBB+/ Stable	IVR BBB-/ Stable	-
2.	Non-fund-based facilities	ST	70.00	IVR A2	IVR A2	IVR A3	-

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator^	Complexity Indicator
Cash Credit	-	-	-	-	24.00	IVR BBB+/ Positive	NA	RBI	Simple
Cash Credit	-	-	-	-	65.00	IVR BBB+/ Positive	NA	RBI	Simple
Cash Credit	-	-	-	-	55.52	IVR BBB+/ Positive	NA	RBI	Simple
Cash Credit	-	-	-	-	50.00	IVR BBB+/ Positive	NA	RBI	Simple
Cash Credit	-	-	-	-	40.00	IVR BBB+/ Positive	NA	RBI	Simple
Cash Credit	-	-	-	-	40.00	IVR BBB+/ Positive	NA	RBI	Simple
WCTL under ECLGS	-	-	-	June 2031	6.62	IVR BBB+/ Positive	NA	RBI	Simple
WCTL under ECLGS	-	-	-	May 2031	8.00	IVR BBB+/ Positive	NA	RBI	Simple
WCTL under ECLGS	-	-	-	July 2031	6.00	IVR BBB+/ Positive	NA	RBI	Simple
WCTL under ECLGS	-	-	-	April 2031	12.92	IVR BBB+/ Positive	NA	RBI	Simple
Term Loan	-	-	-	July 2032	27.24	IVR BBB+/ Positive	NA	RBI	Simple
Term Loan	-	-	-	March 2028	27.62	IVR BBB+/ Positive	NA	RBI	Simple
Term Loan	-	-	-	July 2031	18.92	IVR BBB+/ Positive	NA	RBI	Simple
Bank Guarantee	-	-	-	-	20.00	IVR A2	NA	RBI	Simple
Bank Guarantee	-	-	-	-	35.00	IVR A2	NA	RBI	Simple
Bank Guarantee	-	-	-	-	15.00	IVR A2	NA	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:
https://infomericstorage.blob.core.windows.net/uploads/Len_Servo_Renew_Pow_Sys29_Sep26_a088ac92d0.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not applicable

Annexure 4: List of companies considered for Consolidated/Combined analysis: Not applicable

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $	RBI
19	Unlisted Security Receipts	RBI

Sr. No.	Instrument / activity Name	Regulator of the instrument
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	+
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side Regulator such as IRDAI, PFRDA @

Footnotes:

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

 # There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

Note: *For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.*

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