SERVOTEC
smart power solutions

2021

ANNUAL REPORT

Servotech
Power Systems Limited

Medical Grade
Oxygen Concentrators

Solar Solutions

UV-C Disinfection Products

Commercial LED Solutions

SERVOTEC
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MIGRATED TO MAIN BOARD OF NSE

NSE

National Stock Exchange Of India Limited

Ref: NSE/LIST/116

August 31, 2021

The Company Secretary
Servotech Power Systems Limited
806, 8th Floor, Crown Heights Buildings,
Near Hotel Crown Plaza, Sector-10, Rohini,
New Delhi – 110085.

Kind Attn: Ms. Priya Pandey

Dear Madam,

Re.: Listing of equity shares of Servotech Power Systems Limited on Capital Market Segment (Main Board) pursuant to Migration from SME Emerge platform

We refer to your application for listing and trading in equity shares of the Company on Capital Market Segment (Main Board) of the Exchange. We are pleased to inform you that the equity shares of the Company shall be listed and admitted to dealings on the Exchange (Capital Market Segment) w.e.f. September 02, 2021 pursuant to migration from SME Emerge platform as per the details given below:

Sr. No.	Description of Securities	Symbol	Series	No. of Securities	Mkt. Lot	Distinctive Numbers
1.	Equity shares of Rs.10/- each fully paid up	SERVOTECH	EQ	18310429	1	1 to 18310429

In view of the above the trading in equity shares of the Company on SME Platform (EMERGE) will be suspended with effect from September 02, 2021.

You are requested to mention the Symbol and series in all future correspondence. All important information submitted by you pursuant to the various Regulations of SEBI (LODR), 2015 shall be broadcast through our nationwide network to the trading members.

The company shall ensure submission of financial results in accordance with Reg. 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 if migrated after the end of quarter but before due date for submission of said financial results.

Please note that all critical/price sensitive information and other submissions under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015 shall be provided by the company through online filing facilities provided by the Exchange in electronic platform 'NEAPS' – NSE Electronic Application Processing System(https://neaps.nseindia.com/NEWLISTINGCORP/) for quicker and efficient processing of your submissions.

If you require any further clarifications, we shall be glad to oblige.

Yours faithfully,
For National Stock Exchange of India Limited

Jiten Patel
Manager

This Document is Digitally Signed

Signer: Jiten Bharat Patel
Date: Tue, Aug 31, 2021 18:40:59 IST
Location: NSE

National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra x, Bandra (E), Mumbai – 400 051, India +91 22 26598100 | www.nseindia.com | CIN U67120MH1992PLC069769

Confidential

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IN THE NEWS

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BOARD OF DIRECTORS

Mr. Raman Bhatia
Managing Director

Ms. Sarika Bhatia
Whole-time Director

Mr. Sahil Khurana
Independent Director

Mr. Anupam Gupta
Independent Director

Mr. Rajesh Mohan Rai
Independent Director

Mr. Nimesh Malhotra
Whole-time Director

Mr. Vikas Bhatia
Chief Financial Officer

Mr. Arun Handa
Chief Executive Officer
(resigned As Chief Financial Officer w.e.f. 29th May, 2021)

Ms. Priya Pandey
Company Secretary & Compliance Officer

Statutory Auditors
M/s. Gupta Jalan And Associates, Chartered Accountants

Secretarial Auditor
M/s. R&D Company Secretaries

Cost Auditors
M/s. N.N Sharma & Associates, Cost Accountants

Bankers
Punjab National Bank Limited

Registrar & Share Transfer Agent
Big Share Services Private Limited

Registered Office:
806, 8th Floor, Crown Heights, Hotel Crowne Plaza, Sector10, Rohini, New Delhi-110085

Plant and R&D :
Plot No.76 A, Sector-57, Kundli Industrial Area, Sonepat, Haryana - 131028

Website
www.servotech.in

CORPORATE INFORMATION

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AN ACCORD OF TOGETHERNESS

Servotech, Indegineous Manufacturing of Oxygen Concentrators In Collabration with **IIT - Jammu**

Servotech, Indegineous Manufacturing of Oxygen Concentrators In Collabration with Vikram Sarabhai Space Centre (VSSC), **ISRO**

Servotech, Indegineous Manufacturing Of Oxygen Concentrators In Collabration With Indian Institute Of Science Education And Research, Bhopal **(IISERB)**

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CHALLENGING THE COVID CRISIS

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OUR CLIENTELE

and many more.....

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Product Portfolio - Medical Grade Oxygen Concentrator

Oxygen Concentrator - 10L
Dual Flow

Oxygen Concentrator - 10L
Dual Flow

Oxygen Concentrator - 10L
Single Flow

Oxygen Concentrator - 10L
Single Flow

Oxygen Concentrator - 10L
Battery Operated

Oxygen Concentrator - 5L
Single Flow

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Product Portfolio - UV-C

Portable UV-C Lamp - 36W

UV-C DISINFECTION ROBOTRUCK

UV-C HANDHELD - 6W

Portable UV-C Lamp - 38W

DIGITAL SANITIZER

UV-C STERILIZATION BOX
with 10W WIFI CHARGER

UV-C STERILIZATION BOX
with CHARGER

CAR AIR SANITIZER

UV-C CAR INTELLIGENT SANITIZER

UV-C STERILIZATION BAG

UV-C PURIFIER

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Product Portfolio - Solar

Solar Products

Solar Projects

PV PORT

Product Portfolio - Commercial LEDs

Street Light - 100W

Flood Light

Flam Proof

Hi-Bay Light

Canopy Light

Tube Light

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report covering performance and outlook is given below:

I. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian lighting industry was witnessing strong growth. The replacement of basic and inefficient incandescent, halogen, fluorescent lamps with modern LED lights will reduce electricity consumption. However, due to the outbreak of COVID-19 not only the LED and Solar Industries but every sector of the global economy has suffered significant setback during the last quarter of the financial year. At the same time, the global pandemic led to a never expected growth in disinfection and sanitization sector. The Company did not let go of the opportunities coming its way and ventured into UV-C Disinfectant market considering it to be the need of the hour.

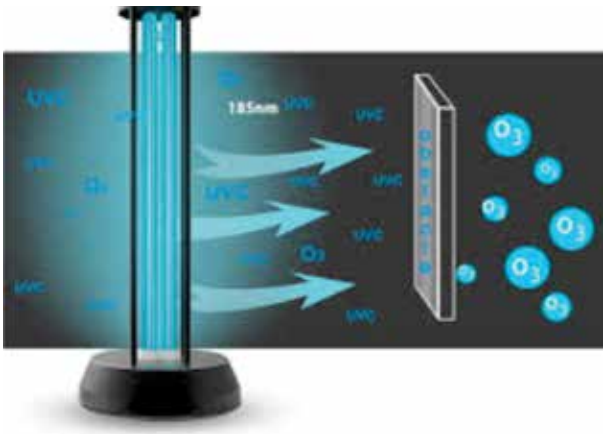
The global **UV disinfection equipment market** size is projected to grow from USD 2.9 billion in 2020 to USD 5.3 billion by 2025; it is expected to grow at a CAGR of 12.3% from 2020 to 2025. Key factors fueling the growth of this market include increasing demand for UV disinfection equipment due to threats of infectious diseases, and long life and lower power consumption of LED-based UV disinfection equipment.

"With the New Year's, global citizens began to think about their goals and what they want to accomplish in the year to come, many people focus on their finances, while others may be thinking about their health and relationships. However it didn't turned up as planned by many though, it bought up the unforeseen challenge of survival. Amidst the elated mood the Company sensed the crises soon falling on us, the Research and Development team of the Servotech instantaneously struggled to find a solution to come out from this situation and found that with UV-C technology we can ensure our survival".

1. **Ultraviolet germicidal irradiation (UVGI)** is a *disinfection* method that uses short-*wavelength ultraviolet (ultraviolet C* or UV-C) light to kill or inactivate *microorganisms* by destroying nucleic acids and disrupting their *DNA*, leaving them unable to perform vital *cellular* functions. It is used in a variety of applications, such as food, air, and *water purification*.

   UV-C light is weak at the Earth's surface since the ozone layer of the atmosphere blocks it. UV devices can produce strong enough UV-C light in circulating air or water systems to make them inhospitable environments to microorganisms such as bacteria, viruses, molds, and other *pathogens*.

   The application of UV-C to disinfection has been an accepted practice since the mid-20th century. It has been



used primarily in *medical sanitation* and sterile work facilities. Increasingly, it has found renewed application in *air purifiers*.

It was found that UVGI can be used to disinfect air with prolonged exposure. In the 1930s and 40s, an experiment in public schools in Philadelphia showed that upper-room ultraviolet fixtures could significantly reduce the transmission of measles among students. In 2020, UV-C is again being researched as a possible countermeasure against the *COVID-19 pandemic*.

Servotech, on the basis of the findings, launched its innovative game changing product Virus killing UV light with the motive to help the population in the hard times.

II. PRODUCT WISE PERFORMANCE

Servotech Power Systems Limited always strives to contribute for the betterment of the world we live in by providing high-quality product at affordable prices. The was in the business of manufacturing and installation of the Solar products and the industrial LED lights during the initial years and is well known in the field of Power and back-up industry. The Company manufactures a wide range of environment friendly products namely LED tube light, street light, flood light, canopy light, panel lights, bay lights, yard lights and solar products such as home lights, solar street lights, solar power plant/panel, solar pumping system and lithium batteries.

The Company recently ventured into UV Disinfectant segment wherein it introduced a series of various disinfectant products namely UV Disinfection Lamp, UV Disinfection Handheld, UV Disinfection Truck, Sterilization Box, UVC RoboTruk and UVLEN based on far UVC technology.

Brief glimpses of the some of the products of the Company are as mentioned below:

1. Oxygen Concentrator

An oxygen concentrator is a device that concentrates the oxygen from a gas supply (typically ambient air) by selectively removing nitrogen to supply an oxygen-enriched product gas stream for use by people requiring medical oxygen due to low oxygen levels in their blood.

It is a portable and cost-effective device widely used in hospitals. One of the major issues that COVID-19 patients start facing is the inability to breathe properly. Therefore, oxygen concentrators can be helpful in providing best possible oxygen supportive care. Some other benefits of Oxygen Concentrators include improved physical exercise tolerance, improved quality of sleep, and enhanced mental alertness.

2. UV-C DISINFECTANTS

This UV-C sanitizer technology can be used to thoroughly clean household surfaces and gadgets of harmful bacteria and viruses as it destroys the DNA of bacteria and viruses. Considering this, we have launched 6 (six) disinfectant products the details are as mentioned hereunder:

a) **UV DISINFECTION LAMP:** ServControl disinfection lamb comes with in-built sensor which automatically turns off if comes in contact with any human or pet and turns on using smart senses.

b) **UV DISINFECTION HANDHELD:** ServControl UVC handheld is portable and easy to use as this is rechargeable, USB powered. It is a perfect disinfectant during holiday or any business trip.

c) **UV DISINFECTION TRUCK:** ServControl UV disinfectant truck is built with the universal wheels to move around the zone to be disinfected. The device comes with a user-friendly remote control with options ranging from start to stop and to set the timer.

d) **STERILIZATION BOX:** ServControl UV-C Sanitizer Box makes it possible to destroy more than 99.9 percent of bacteria and viruses with multifunctional wireless charger abound without the use of chemicals, not causing secondary pollution, thus protecting your family with the innovation.

e) **UVC ROBOTRUK:** UVC RoboTruk, a sterilization lamp for big spaces with radar induction for human safety. It has a wireless remote control for you to operate the trunk from a safe distance, with 30 secs auto-delay.

f) **UVLEN: UVLEN** sanitizes the surface in few seconds by simply pointing it at your hands, utilizing your

smartphone flashlight combined with the Mobile App. With this technology Ultraviolet Germicidal Irradiation coat + Diffraction Grating splitting white beams combined with a dichroic mirror filter built with Fused Silica Amorphous; let certain colors of light through while reflecting others.

3. SOLAR LIGHTING SEGMENT

The Indian government had an initial target of 20 GW capacity for 2022, which was achieved four years ahead of schedule. In 2015 the target was raised to 100 GW of solar capacity (including 40 GW from rooftop solar) by 2022, targeting an investment of US$100 billion. India has established nearly 42 solar parks to make land available to the promoters of solar plants. In the decade ending 31 March 2020, India's installed solar power capacity stood at 34,627 MW.

Rooftop solar power accounts for 2.1 GW, of which 70% is industrial or commercial. In addition to its large-scale grid-connected solar photovoltaic (PV) initiative, India is developing off-grid solar power for local energy needs. Solar products have increasingly helped to meet rural needs.

The Company is engaged in the various projects wherein the Company has successfully installed solar panels for charging of batteries and PV ports. In addition, the Company is pioneer in manufacturing of solar invertors.

a) **SOLAR HOME LIGHTING SYSTEM:** This system produces an enormous amount of energy from the sun and without any kind of pollution or other toxic wastes linked with fossil fuels. They require minimal amount of maintenance and once installed, they last for years and years.

b) **INTEGRATED SOLAR STREET LIGHT:** It comes intelligent sensor control system, which helps in charging the battery. Intelligent control regulates the brightness depending on the PIR sensor and ensures that it gives light throughout the night.

c) **PV PORT:** It is a standardized, portable, mass produced 2 KWP PV system with electrical storage for residential applications (UPS and AC load). The electrical storage vary in capacity depending upon the application – ranging from 1 kWh lead-acid to 4.8 kWh Li-ion batteries.

4. LED SEGMENT:

SAARA LED flood lights are environmentally friendly and provide an artistic lighting effects experience and have manifold benefits to the customers.

a) **LED STREET LIGHTS:** SAARA LEDs is featured with higher light uniformity, improved colour rendering and high colour temperature, allowing for wider coverage, can reduce the wattage of fixtures required in many outdoor applications. This significantly reduces the cost of energy, and allows for lower cost of ownership over the life of the system.

b) **CANOPY LIGHT:** SAARA Canopy Light retrofit kits use the existing metal halide light fixture canopy mounting - no need to disrupt canopy seals during installation, eliminating potential roof leaks common with other canopy light retrofit procedures. It also provide all of the advantages of LED-based lighting versus metal halide lamps – much longer life, 70% less energy consumption and much better lighting characteristics – brighter light focused on fuel pump areas.

c) **FLOOD LIGHT:** SAARA LED flood lights have low heat production and they don't contain any harmful elements like mercury or lead in them like traditional incandescent bulbs. These lights are energy efficient than traditional fluorescent and incandescent lights. The performance of these lights can be more than 85 lumen per watt of power utilized.

d) **HIGHBAY LIGHT:** Large indoor space like manufacturing facilities, gymnasiums, warehouses, large department stores, factories, and more requires powerful lighting to provide the appropriate foot-candle levels to adequately illuminate, high bay lighting is usually appropriate.

III. STRENGTH

Our established record of operations and transparency in dealing with business partners is a core strength that helps us in developing new partnerships for tackling changes in the market. At the same time, product innovation focus keeps us abreast with emerging technologies nearing commercialisation stage. We look to use information technology as a major enabler for business. In addition to helping us focus our actions for growth, the data captured across the value chain helps raise for creating win-win situations for the organization, business partners and employees.

1) Competitive Strengths

a) Experienced management and technical team

b) Strong track record and financial stability

c) Quality assurance

d) Diversified and large customer base

e) Domestic demand augurs well for the Company

2) Business Strategy

a) Continue to grow the overall market share by leveraging our presence in existing business verticals

b) Expansion plan and diversification

c) Competitive pricing

d) Enhancing customer base

e) Investing in advanced technology

3) Overall business strategy shall be to

a) Maximize revenue through capacity expansion, diversification and increase in efficiency

b) Reduction in cost of borrowing

c) Enhancing production efficiency and minimize process losses

d) Reduce operational costs and be cost competitive

e) Have a consumer centric approach

f) Deliver value for money to customers

g) Adopt best practices in all functions and processes.

IV. OPPORTUNITIES AND THREATS

LED is a reliable and energy-efficient source of lighting. LED lighting products have gained a prominent spot in the Indian lighting market, owing to their numerous benefits over older lighting technology. As the demand for a smart, connected lifestyle and energy-efficient products is increasing, the Indian LED lighting industry is also registering strong growth and is expected to grow tremendously even over the long term. The requirement of huge working capital for operating in the industry that is met by taking Guarantees (minimum term of 5 years) resulting in the increase of Long Term Liabilities/Contingent liabilities day by day. The Banks are unable to cater the requirements and match with the pace with which the orders/market demand for our product are increasing. To overcome the threats faced, our Company is planning to further introduce new range of our products as per up line growing demands of market.

The Company is centrally based in New Delhi with its plant located in Kundli Haryana, which gives a distinct locational advantage. The Company do direct sales to all the customers which means quicker deliveries and owning complete responsibility of our products.

With over 4 decades of experience, the Company has developed in depth ability to understand process related problems and fine tuning of the products to suit customer needs, which has carved a niche for the Company among all the customers.

V. RISKS AND CHALLENGES

The Company's ability to foresee and manage business risks is crucial in its efforts to achieve favourable results. While management is positive about the Company's long term outlook, it is subject to a few risks and uncertainties, as discussed below.

1) Economic Risk

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, customers credit availability, fluctuations in commodities markets, customers debt levels, unemployment trends and other matters that influence customers confidence and spending. As your Company recently entered into domestic retail market, its revenues are highly dependent on customer's need for retail lightings solutions; an economic slowdown or other factors that affect the economic health of the nation or those retail industries, or any other impact on the growth of such industries, may affect your business.

2) Liability Risk

This risk refers to our liability arising from any damage to technology, equipment, office premises, life and third parties which may adversely affect our business. The Company attempts to mitigate this risk through contractual obligations and insurance policies.

3) Regulatory Risk

As your Company majorly deals in PSUs tenders, therefore if we are unable to obtain required approvals and licenses in a timely manner, our business and operations may be adversely affected. We require certain approvals, licenses, registrations and permissions for planting business operations in new locations. We may encounter delays in obtaining these requisite approvals, or may not be able to obtain such approvals at all, which may have an adverse effect on our revenues. However, the Government has come up with various scheme MSME sector and as all industry predictions suggest that this will be the trend in the future as well and given our own experience in obtaining

such permissions, we do not expect this risk to affect us materially in the coming years.

4) Labour risk

The timely availability of skilled and technical personnel is one of the key industry challenges.

The Company maintains healthy and motivating work environment through various measures. This has helped it recruit and retain skilled workforce and, in turn, achieve targets in time.

VI. FINANCIAL ANALYSIS

The Financial Performance with respect to operational performance of the Company is discussed in this Information Memorandum please refer page 121.

VII. HUMAN RESOURCES

Your Company has undertaken employee's development initiatives, which have very positive impact on the morale and team spirit of the employees. The Company has continued to give special attention to human resources and overall development. The company has also recruited highly qualified and skilled professionals, to help in the growth and functioning of the company. Your management feels proud to state that there were no instances of strikes, lockouts or any other action on part of the employees that affected the functioning of the Company. It is noteworthy that there is no Employee Union within the organization.

VIII. INTERNAL CONTROL SYSTEMS

Servotech maintains adequate internal control systems including internal financial control systems, which provide, among other things, reasonable assurance of recording the transactions of its operations in all material aspects. This system also protects against significant misuse or loss of Company assets. SPSL has a strong and independent internal audit function. The Internal Auditor reports directly to the Chairman of the Audit Committee.

Periodic audits by the professionally qualified, technical and financial personnel of the internal audit function ensure that the Company's internal control systems are adequate and are complied with.

IX. CAUTIONARY STATEMENT

The statements in the 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning applicable to securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand or supply and price conditions in the domestic and overseas markets, changes in the Government regulations, tax laws and other statutes and other incidental factors.

X. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Servotech continues to emphasize on capability building, keeping the future in mind. The Company has made rigorous efforts to ensure that employees can handle challenges of the future, while staying abreast with the knowledge in relation to their respective functional domain. It also focuses on providing opportunities to each employee to grow and utilise their complete potential.

Servotech believes in inspiring the employees to their highest potential and engaging them in cultural and festive activities. In FY 19-20, there were countless engagement activities on occasions of Diwali, Independence Day, Navratri, Women's day and Christmas Celebration, Month End Celebrations to name a few. Recognition and appreciation at the workplace go a long way in motivating the employees to work even harder and better.

Our Company values its relationship with its employees and ensures that each employee feels connected to the Company's objectives and shares the Company's broader vision to create stakeholders' value. Our Human Resource Team, guided by the Top Management relentlessly undertakes various people-centric activities to keep all our employees engaged and provide them with suitable opportunities.

XI. DISCLOSURE OF ACCOUNTING TREATMENT

The Company has followed all the treatments in the Financial Statements as per the prescribed Accounting Standards.

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present to you the 17th Annual Report of Board of Directors ("Board") on the business and operations of your Company along with its Audited Financial Statements for the financial year ended 31st March 2021.

CORPORATE OVERVIEW

The Company was incorporated in 2004 and listed its equity in National Stock Exchange of India Limited at its emerge portal in 2017. The Company has been regularly working with the Public Sector Undertakings through the tenders invited by them and has thereafter achieved remarkable position in Power and back-up industry such as LED and Solar industry and recently in UVC segments as well.

FINANCIAL PERFORMANCE

The financial performance of the Company for period under review is summarized below.

Particulars	Financial Year ended 31st March, 2021	Financial Year ended 31st March, 2020
Net Sales/Income from Business Operations	**87,99,93,001**	87,44,15,769
Other Income	**90,16,853**	53,14,397
Total Income	**88,90,09,855**	87,97,30,166
Less: Expense	**87,44,64,859**	86,74,71,191
Profit/Loss before tax and Extraordinary/exceptional items	**14,544,996**	1,22,58,974
Less: Extraordinary/exceptional items	**2,325,006**	8,34,755
Profit before tax	**1,22,19,990**	**1,14,24,219**
Less: Current Income Tax	**32,02,136**	29,70,000
Less: CSR Expenses	**-**	51,000
Less: Income Tax of earlier years	**-76,335**	2,21,068
Less: Deferred Tax	**-1,26,609**	44,044
Net Profit After Tax	**92,20,798**	**81,38,107**
Earnings per share (Basic)	**0.50**	0.44
Earnings per share (Diluted)	**0.50**	0.44

STATE OF COMPANY'S AFFAIR AND OPERATIONAL HIGHLIGHTS

During the year under review, the Gross Revenue from operations of your Company for the year ended 31st March, 2021 stood at Rs. 88,90,09,855/- as compared to the revenue generated of Rs. 87,97,301,166/- in the year ended 31st March, 2020. The EBITDA of the company for the year under review stood at Rs. 1,22,19,990/- as compare to Rs. 1,14,24,219/- in in the year ended 31st March, 2020. The Profit after tax ("PAT") for the year ended 31st March, 2021 stood at Rs. 92,20,798/- as compared to Rs. 81,38,107/-in previous year.

COVID-19

The World Health Organization declared a global pandemic of the Novel Coronavirus disease ("Covid-19") on 11th February, 2020 and in order to contain the spread of Covid-19, the Government of India declared a lockdown situation on 24th March, 2020 all over the country. In enforcing social distancing to contain the spread of the disease, our offices have been operating with minimal or no staff for extended periods of time. In keeping with its employee-safety first approach, the Company quickly instituted measures to trace all employees and assured of their well-being. The Manufacturing facility at Kundli, Haryana had resumed its operations from the last week of May 2020, when lockdown was partially lifted after establishing thorough and well-rehearsed safety protocols. Proactive preparations were done in our work locations during this transition to ensure our offices were safe.

The future impact on the business operations is difficult to assess at this point, as the crisis of the pandemic continues to accelerate and the situation remains volatile. However, barring unforeseen circumstances, the Company is confident about its ability to manage this crisis and come out of it slowly but steadily.

SHARE CAPITAL

During the period under review, there was no change in the share capital of the Company. The authorized share capital of the Company stood at Rs. 19,00,00,000, divided into 1,90,00,000 equity shares of Rs. 10 each and issued, subscribed and paid-up capital of the Company stood at Rs. 18,31,04,290 as at 31st March, 2021.

DIVIDEND

The Board of Directors of your Company has decided to retain and plough back the profits into the business of the Company, thus, no dividend is being recommended for this year.

CHANGE IN THE NATURE OF BUSINESS

For sustained growth in the future, Company wants to rely on the main business(es) of Company. There is no change in the nature of the business of the Company during the year.

TRANSFER TO RESERVE

The Company did not transfer any amount to the General Reserve for the Financial Year ended 31st March 2021.

DEPOSITS

During the period Company has not invited or accepted or renewed any fixed deposits from public as mandated under Section 73 of the Companies Act, 2013 ("the Act") read with Companies (Acceptance of Deposits) Rules, 2014.

DETAILS OF SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES

As on 31st March, 2021, the Company does not have any subsidiary or joint venture and associate Company.

However, the Company had incorporated a subsidiary namely Rebreathe Medical Devices India Private Limited ("RMDIPL/ subsidiary") vide CIN U33119DL2021PTC383180 incorporated on 5th July, 2021. The authorized share capital of the RMDIPL stood at Rs. 15,00,000, divided into 1,50,000 equity shares of Rs. 10 each and issued, subscribed and paid-up capital of the Company stood at Rs. 15,00,000 as at 31st March, 2021. The Company hold 95% shareholding in the Subsidiary i.e. 1425000.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 6 (Six) meetings of the Board of Directors were held. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company upon the recommendation of the Nomination and Remuneration Committee, in its meeting held on 22th May, 2020 and 12th February, 2021 had appointed Mr. Vikas Bhatia, as Chief Financial Officer and Mr. Rajesh Mohan Rai (DIN: 09050751), and Mr. Anupam Gupta (DIN: 09050762), as additional Non-Executive Independent Directors of the company respectively.

Mr. Yogesh Mahajan and Mr. Pankaj Dawar resigned from the position Non-Executive Independent Directors both w.e.f 11th February, 2021.

Mr. Arun Handa, Chief Executive Officer ("CEO) of the Company resigned from the Post of CEO w.e.f. 29th May, 2021.

Declaration by Independent Directors

All Independent Directors of the Company have given declaration confirming that they meet the criteria of independence laid down under section 149(6) of the Act, and Listing Regulation.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

i) in preparation of annual accounts for the financial year under review, the applicable accounting standards have been followed and that no material departures have been made from the same;

ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

iii) they have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) they have prepared the annual accounts on a 'going concern' basis;

v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and

vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS AND AUDITOR'S REPORT

STATUTORY AUDITORS

The provision of section 139 of the Companies Act, 2013 requires that the statutory auditor may be appointed by the shareholders for a period of 5 (five) consecutive years; however, the said appointment needs to be placed for ratification by the members in each AGM. Now, with effect from 7th May, 2018, the aforesaid requirement related to annual ratification of appointment of statutory auditors by the members has been omitted by the Companies (Amendment) Act, 2017. Hence, the tenure of M/s. Gupta Jalan and Associates, Charted Accountants (FRN No. 03721N) as the statutory auditor, whose appointment was approved by the members in the 12th AGM for a term of five consecutive years will be expired in the AGM held in the financial year 2021.

Accordingly, the Board had decided to re-appoint M/s. Gupta Jalan and Associates, Charted Accountants (FRN No. 03721N) for a fresh term of 1 year, subject to the approval of Members of the Company in the ensuing 17th AGM for a term of one year will be expired in the AGM held in the financial year 2021-22.

Auditors' Report and the Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors in its meeting held on 27th August, 2021 have appointed R & D Company Secretaries as Secretarial Auditor of the Company to conduct the Secretarial Audit of the Company for the financial year 2021-22.

The Secretarial Audit Report in prescribed Form MR-3 for the financial year ended 31st March, 2021 is appended as **Annexure-1** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

COST AUDITOR

Appointment of M/s. NN Sharma & Associates, as Cost Auditors of the Company for the financial year 2021-22 at an annual fee of Rs. 30,000 plus applicable taxes will be subject to ratification made by the shareholders at the ensuing AGM.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report, highlighting the performance and prospects of the Company's business, forms part of the Annual Report.

CORPORATE GOVERNANCE

Our corporate governance practices are a reflection of the Company's value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. Corporate governance is about maximizing shareholder value legally, ethically and sustainably. The Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in international corporate governance. We also endeavour to enhance long-term shareholder value and respect minority rights in all our business decisions. Our Corporate governance report for financial year 2020-21 forms part of this Annual Report.

The members may please note that the Company being listed on the Small and Medium Enterprise platform is exempted from provisions of corporate governance as per the provisions stated in Chapter IV -Regulation 15 of the Securities and Exchange Board of India Listing Regulations. However, keeping in view the objective of encouraging the use of better governance practices through voluntary adoption, the Company has decided to provide the Corporate Governance Report to its members which not only serve as a benchmark for the corporate sector but also help the Company in achieving the highest standard of corporate governance. The members may please note that any inconsistency shall not be construed as a non-compliance of any relevant provisions thereof.

BOARD EVALUATION

In pursuance to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board has carried out annual performance evaluation of its own performance of the directors individually as well the evaluation of the working of committees. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, board meetings and effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the compliance with the terms of reference of the committees, composition of committees, functions and duties, committee meetings and procedures etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings, attendance, independent judgment etc.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

COMMITTEES OF THE BOARD OF DIRECTORS

Your Company has following Committees of Board of Directors:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee; and
5. Committee of Board of Directors

The role and composition of these Committees, including the number of meetings held during the period under review and the related attendance, are provided under Corporate Governance Report which forms part of the Annual Report.

MATERIAL CHANGES

The Company had on 5th July, 2021 incorporated its Subsidiary namely Rebreathe Medical Devices India Private Limited ("RMDIPL/Subsidiary") vide CIN U33119DL2021PTC383180.

Also, the Company being eligible in accordance with the provision of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2020 read with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 has filed application for Migration to Main Board of NSE.

This application has been filed with NSE, subsequent upon the approvals of Members of the Company received by way

of vide Postal Ballot Process dated 3rd July, 2021. Thereafter, the Company had filed the in-principle application on 7th August, 2021 and NSE had issued the approval for in-principle application on 24th August, 2021.

Now, on 31st August, 2021 the Company has received the approval letter of Migration to Main Board of NSE now the shares of the Company listed on NSE Exchange Capital Market Segment.

RELATED PARTY TRANSACTION

Your Company has adopted the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length as part of its philosophy of adhering to highest ethical standards, transparency and accountability. In line with the provisions of Section 188 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contract and arrangement in Form AOC-2 is annexed with this report as **Annexure-2.** The Related Party Transactions Policy as approved by Board, on recommendation of the Audit Committee, is placed on the Company's website at www.servotech.in. For details on related party transactions entered during the year, members may refer to the notes to the financial statement.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has effective and reliable Internal Control System commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization and is aligned with the statutory requirements. The Audit Committee reviews the internal audit plans, adequacy and effectiveness of the Internal Control System, significant audit observations and monitors the sustainability of remedial measures.

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its future operations.

CORPORATE SOCIAL RESPONSIBILITY

The Company does not fall in any of the criteria of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and hence the Company is not required to comply with the same.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING AND OUTGO AND RESEARCH & DEVELOPMENT

In accordance with the requirements of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, a statement showing particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is annexed hereto as **Annexure-3** and forms part of this report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

In accordance with the provisions of the Act and Listing Regulations, the Company has adopted a Whistle Blower Policy to provide appropriate avenues employee and director to directly communicate to the Chairman of the Audit Committee to report any fraud, irregularity or mismanagement in the Company. The policy ensures strict confidentiality while dealing with concerns and also that no discrimination or victimization is meted out to any whistle blower. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also available on the website of the Company at www.servotech.in.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017 effective from 31st July, 2019, an extract of the annual return in form MGT-9 is annexed hereto as Annexure-4 and available on the website of the Company at www.servotech.in.

SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS MADE BY THE COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act, are given in the notes to the Financial Statements.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure-5** to this Report.

The Company does not have any employee, who is in receipt of remuneration of Rs. 8,50,000/- per month or Rs. 1,02,00,000 per annum and hence the Company is not required to give information under Sub rule 2 and 3 of Rule 5 of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

NOMINATION AND REMUENRATION POLICY

Nomination and Remuneration Committee covers the areas as contemplated under Section 178 of the Companies Act, 2013, besides other terms as referred by the Board of Directors.

The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board the remuneration for the directors, key managerial personnel and other employees, formulation of criteria for evaluation of Independent Directors, the Board and Committees of the Board, developing on diversity of Board of Directors and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.

The Board, on the recommendation of the Nomination and Remuneration Committee, has framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Remuneration Policy is available on the website of the Company at www.servotech.in.

RISK MANAGEMENT

The Audit Committee in supervision of Board of Directors is responsible for identifying, evaluating and managing all significant risks faced by the Company. The detailed statement indicating the development and implementation of risk management policy including identification therein of elements of risk has been covered in the Management Discussion and Analysis Report, which forms part of this report

DISCLOSURE UNDER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Sexual Harassment Policy in compliance with the requirements of the Sexual

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Internal Complaints Committee (ICC) has been set up to redress complaints regarding sexual harassment, if any.

Further, the Company has always provided a congenial atmosphere for work to all the employees that is free from discrimination and harassment including sexual harassment. There were no cases/complaints pertaining to the sexual harassment reported to the Board during the year under review.

UNPAID AND UNCLAIMED DIVIDEND

As per the provision of section 124(1) of the Act, any money transferred to the Unpaid Dividend Account of a company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Investor Education and Protection Fund established in accordance with section 125(1).

The members may please be informed that the Company has not declared any dividend in last 7 (seven) years. Accordingly, there were no funds which were required to be transferred to Investor Education and Protection fund

FRAUD REPORTING

There was no fraud disclosed during the Financial Year ended 31st March, 2021.

LISTING OF EQUITY SHARES

The equity shares of your Company are listed on National Stock Exchange of India Limited ("NSE") emerge Portal. The Annual Listing Fees for the year 2021-22 has been paid to the NSE.

In addition the Company has also paid Migration Fee and Listing Fee towards listing on the Main Board to NSE with respect to migration of Company's listing from SME Portal of NSE to Main Board.

DEPOSITORY SYSTEM

The Members are requested to note that as on 31st March, 2021, 99.31% of the Company's total paid-up share capital representing 1,81,85,343 shares are in dematerialized form. In view of the numerous advantages offered by the Depository System as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").

HEALTH, SAFETY AND ENVIRONMENT

Your Company has complied with all the applicable Health & Safety Standards, Environment Laws and Labour laws and has been taking all necessary measures to protect the environment and provide workers a safe work environment. Your Company is committed towards improvement in Health & Safety as well as Environmental performance by providing a Safe & healthy work environment to all its employees and co-workers.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Your Company considers people as its biggest assets and "Believing in People" is at the heart of its human resource strategy. Lot of efforts are put in for talent management, strong performance management, learning and training initiatives in order to ensure that your Company consistently develops inspiring strong and credible leadership. During the year under review, your Company continued to have cordial relationship with all its employees and maintained healthy, cordial and harmonious industrial relations at all levels.

ACKNOWLEDGMENTS

The Directors thank the Customers, vendors, Investors, Financial Institutions and bankers for their continued support during this year. We appreciate the contribution made by our employees at all levels. The growth of the Company is made possible by their hard work, solidarity, co-operation and support.

The Directors also thank the government of various countries, government of India, the governments of various states in India and concerned government departments/agencies for their co-operation and support to the Company who all made our consistent growth possible

FOR AND ON BEHALF OF BOARD OF DIRECTORS

	RAMAN BHATIA MANAGING DIRECTOR	SARIKA BHATIA WHOLE-TIME DIRECTOR
DATE: 27.08.2021		DIN- 00155602
PLACE: New Delhi	DIN- 00153827	

Annexure-1

Secretarial Audit Report

For the financial year ended 31st March, 2021

To
The Members
Servotech Power Systems Limited
806, 8th Floor, Crown Heights, Hotel Crown Plaza,
Sector-10, Rohini, Delhi -110085

In terms of the provisions of section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, if any, we have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Servotech Power Systems Limited, a Company incorporated under the provisions of the Companies Act, 1956, vide CIN L31200DL2004PLC129379 and having its registered office at 806, 8th Floor, Crown Heights, Hotel Crown Plaza, Sector-10, Rohini, Delhi -110085 (hereinafter referred to as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')::

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities during the financial year under review;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (De-listing of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted/ proposed to delist its equity shares from any stock exchange during the financial year under review.

h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 - Not applicable as the Company has not bought back/ propose to buy back any of its securities during the financial year under review

vi. The management has identified the following laws as specifically applicable to the Company.

- Legal Metrology Act, 2009;
- The Environmental (Protection) Act, 1986;
- The Water (Prevention & Control of Pollution) Act, 1974;
- The Air (Prevention & Control of Pollution) Act, 1981;
- Factories Act, 1948 and allied State Laws;
- All other Labour, employee and Industrial Laws to the extent applicable to the Company

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India notified by Central Government;

ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.:

We further report that:

During the period under review, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has not entered into/carried out any specific events/actions which may have a major bearing on the Company's affairs.

For R&D
Company Secretaries

Debabrata Deb Nath
Partner
FCS No.: 7775; CP No. : 8612
UDIN:F007775B000585462

Place: Delhi
Date: 27.08.2021

Annexure-A

To
The Members
Servotech Power Systems Limited
806, 8th Floor, Crown Heights, Hotel Crown Plaza,
Sector-10, Rohini, Delhi -110085

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For R&D
Company Secretaries

Debabrata Deb Nath
Partner
FCS No.: 7775; CP No. : 8612
Peer Review Certificate No.1403/2021
UDIN:F007775C000844193

Place: Delhi
Date: 27.08.2021

Annexure-2

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Details of Contracts or Arrangements or Transactions Not at Arm's Length Basis:

The Company has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or at arm's length during the year ended 31st March 2021. The Company has laid down the policies and processes/ procedures so as to ensure the compliance to the subject section in the Companies Act 2013 and the corresponding Rules.

Sl. No.	Particulars	Details
a.	Name(s) of the related party and nature of relationship	NIL
b.	Nature of contracts/arrangements/transactions	NIL
c.	Duration of the contracts / arrangements/transactions	NIL
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
e.	Justification for entering into such contracts or arrangements or transactions	NIL
f.	date(s) of approval by the Board	NIL
g.	Amount paid as advances, if any	NIL
h.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NIL

1. Details of Material Contracts or Arrangement or Transactions at Arm's Length basis

The Company has not entered into any material contract/arrangement/transaction with its related parties.

Sl. No.	Particulars	Details
a.	Name(s) of the related party and nature of relationship	NIL
b.	Nature of contracts/arrangements/transactions	NIL
c.	Duration of the contracts / arrangements/transactions	NIL
d.	Salient terms of the contracts or arrangements or transactions including the value, if any:	NIL
e.	Date(s) of approval by the Board, if any:	NIL
f.	Amount paid as advances, if any.	NIL

ANNEXURE-3

Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required to be disclosed under section 134 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 are provided hereunder:

A. CONSERVATION OF ENERGY

i. Steps taken or impact on conservation of energy

The Company has always tried to take utmost care of the impacts it has on the environment and has improved its energy efficiency through various initiatives that helped the Company in reducing energy cost. With natural resources declining at a fast pace, sustainable development becomes the need of the hour.

All offices and plant of the company have continued their efforts to improve energy usage efficiencies and increase the share of renewable energy. Energy consumptions were continuously tracked to monitor alignment with the Company's overall sustainability approach. The Company has continued its efforts to improve energy efficiency with more vigor and depth. Steps taken during the year to conserve energy include:

1. Installation of 15KW Solar Power Plant in Office & Basement Area that saves electricity Consumption upto – Rs 120000–150000;
2. Installation of LED lights in place of conventional lights which save electricity consumption – Rs. 25000 – 30000.
3. Usage of R2 Switch in Air Conditioner, which has a function to ON AC for 45minutes & OFF for 15 minute in 1 hr same function is installed in Motor for water supply. This will save Electricity & prevent water wastage

ii. Steps taken by the Company for utilizing alternate sources of energy

The Company identifies renewable resources as one of the best sources of energy that can help to bring down the carbon footprint and have a much lower environmental impact than conventional energy technologies. The Company continuously strives to use renewable energy. Steps taken during the year to utilize alternate sources of energy include:

1. Installation of 500KKWp Grid Interactive Solar Power Plant
2. Installation of 452KWp Grid Interactive Solar Power Plant in BPCL.
3. Installation of 72KWp Grid Interactive Solar Power Plant in IOCL.
4. Installation of 24KWp Grid Interactive Solar Power Plant in IOCL Madurai Divisional Office.
5. Installation of 30KWp Grid Interactive Solar Power Plant in IOCL Chennai (Tamilnadu)
6. Installation of 10KWp Grid Interactive Solar Power Plant in IOCL Jaisalmeri.
7. Installation of 400 Pieces of 18W Solar Street light in Haryana Village under CRCA Project of IOCL

iii. Capital Investment on energy conservation equipment's:Rs. 5 Crores

B. TECHNOLOGY ABSORPTION, ADAPTATION, INNOVATION, BENEFITS AND FUTURE PLANS OF ACTIONS

Your Company recognizes the role of Research & Development (R&D) in the innovation process and is a key factor in developing new competitive advantages. Technological development helps building product indigenously and the Company progressively grows to build an ecosystem and institutional framework for innovation, skills, delivery plans, collaboration, partnership and market orientation in a number of niche areas of national importance and market relevance. Your Company continued its efforts in strengthening the R&D facilities in order to provide wider range of products to suit the customer needs.

To achieve this, the Company has taken the following steps forward:

i. Introduced wifi enabled MPPT Solar charge controller for Home light & street light

ii. Development of Auto switches to save energy.

iii. Development of Charging Points for electric Vehicle

iv. Development of Solar Auto Rickshaw

Benefits Derived as a result of the above Efforts

i. Cost reduction as per market value of LifePo4 batteries

ii. Reduces cost as per market value Charging Point for electric Vehicle

iii. Reduces cost as per market value Solar Auto Rickshaw

iv. Improvement in manufacturing processes;

v. Partial and complete replacement of hazardous and toxic re-agents with environment-friendly substitutes;

vi. Better Customer satisfaction and support; and

vii. Exploitation of the resources to the fullest in a judicious manner.

C. EXPENDITURE INCURRED FOR RESEARCH & DEVELOPMENT

Capital Expenditure: NIL

Revenue Expenditure: Rs. 1,231,275

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Amount (in Rs.)
Foreign Exchange Earnings	1,03,46,538/-
Foreign Exchange Outgo	8,68,16,493.75/-

ANNEXURE-4

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED 31st MARCH, 2021

I. REGISTRATION AND OTHERDETAILS:

CIN	L31200DL2004PLC129379
RegistrationDate	24-09-2004
Name of the Company	SERVOTECH POWER SYSTEMS LIMITED
Category/Sub-Category of the Company	Public Limited Company
Address of the Registered office and contact details	806, 8th Floor,Crown Heights Building, Hotel Crown Plaza, Sector-10, Rohini, New Delhi-110085
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, ifany	Bigshare Services Pvt. Ltd. 302, Kushal Bazar, 32-33, Nehru Place, New Delhi-110019.

II. PRINCIPALBUSINESSACTIVITIESOFTHE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of main products	NIC Code of the Product service	% to total turnover of the
1	Manufacturing and Trading of LED, UPS, Solar Products & Flame proof LED Lights	26105	90%
2	Manufacturing and trading of Lithium Ferro Phosphate Batteries	27020	10%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary	%of shares held	Applicable Section
1.	Rebreathe Medical Devices India Private Limited	U33119DL2021PTC383180	Subsidiary	95	

* Incorporated after the closure of Financial Year 31st March, 2021 i.e. on 5th July, 2021.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise ShareHolding

	Category of Shareholders	No. of Shares held at the beginning of the year: 1st April, 2020				No.of Sharesheld at the end of the year: 31st March, 2021				%Change during the year
		Demat shares	Physical	Total	% of total	Demat shares	Physical	Total	% of total	
1	**Indian**									
a)	INDIVIDUAL / HUF	9256350	0	9256350	50.55	9256350	0	9256350	50.55	0.00
b)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
e)	ANY OTHERS (Specify)									
1	GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
2	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
3	DIRECTORS RELATIVES	3599900	0	3599900	19.66	3603900	0	3603900	19.68	0.02
	SUB TOTAL :	**12856250**	**0**	**12856250**	**70.21**	**12860250**	**0**	**12860250**	**70.23**	**0.02**
	(A) Shareholding of Promoter and Promoter Group2									
2	**Foreign**									
a)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
b)	INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
c)	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
e)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	(A) Shareholding of Promoter and Promoter Group2									
3	**Non-institutions**									
a)	ANY OTHERS (Specify)									
1	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Public Shareholding	**12856250**	**0**	**12856250**	**70.21**	**12860250**	**0**	**12860250**	**70.23**	**0.02**
	(B) Public shareholding									
4	**Institutions**									
a)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
b)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
c)	MUTUAL FUNDS / UTI	0	0	0	0.00	0	0	0	0.00	0.00
d)	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
e)	INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
f)	FII'S	0	0	0	0.00	0	0	0	0.00	0.00
g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
h)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
i)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
j)	FOREIGN PORTFOLIO INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
k)	ALTERNATE INVESTMENT FUND	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	(B) Public shareholding									
5	**Non-institutions**									
a)	BODIES CORPORATE	268000	80645	348645	1.90	584000	80645	664645	3.63	1.73
b)	INDIVIDUAL									
1	(CAPITAL UPTO TO Rs. 1 Lakh)	801964	38989	840953	4.59	814157	30925	845082	4.62	0.02
2	(CAPITAL GREATER THAN Rs. 1 Lakh)	3480453	64516	3544969	19.36	3344324	64516	3408840	18.62	(0.74)
c)	ANY OTHERS (Specify)									
1	HINDU UNDIVIDED FAMILY	487612	0	487612	2.66	279612	0	279612	1.53	(1.14)
2	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
3	CLEARING MEMBER	12000	0	12000	0.07	0	0	0	0.00	(0.07)
4	NON RESIDENT INDIANS (NRI)	48000	0	48000	0.26	44000	0	44000	0.24	(0.02)
5	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
6	MARKET MAKER	172000	0	172000	0.94	208000	0	208000	1.14	0.20
7	EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
8	OVERSEAS BODIES CORPORATES	0	0	0	0.00	0	0	0	0.00	0.00
9	UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
10	IEPF	0	0	0	0.00	0	0	0	0.00	0.00
d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL :	**5270029**	**184150**	**5454179**	**29.79**	**5274093**	**176086**	**5450179**	**29.77**	**(0.02)**
	Total Public Shareholding	**5270029**	**184150**	**5454179**	**29.79**	**5274093**	**176086**	**5450179**	**29.77**	**(0.02)**
	(C) Shares held by Custodians and against which Depository Receipts have been issued									
6										
e)	SHARES HELD BY CUSTODIANS	0	0	0	0.00	0	0	0	0.00	0.00
11	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
12	Public	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL :	0	0	0	0.00	0	0	0	0.00	0.00
	Total Public Shareholding	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL	18126279	184150	18310429	100.00	18134343	176086	18310429	100.00	0.00

NOTES :

1) NAME,NUMBER OF SHARES HELD & PERCENTAGE OF ENTITIES / PERSONS HOLDING MORE THAN 1% OF THE TOTAL SHARES OF THE COMPANY IS AS PER ANNEXURE

ii. Shareholding of Promoters

Sl. No	Shareholder's Name	Share holding at the beginning of the year (as on 1st April 2020)			Shareholding at the end of the year (as on 31st March 2021)			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1.	VIKAS BHATIA	1875	0.0102	0.0000	1875	0.0102	0.0000	0.0000
2.	SUDESH BHATIA	1875	0.0102	0.0000	1875	0.0102	0.0000	0.0000
3.	RISHABH BHATIA	101800	0.5560	0.0000	101800	0.5560	0.0000	0.0000
4.	KANAV BHATIA	106800	0.5833	0.0000	106800	0.5833	0.0000	0.0000
5.	MANOHAR LAL BHATIA	284375	1.5531	0.0000	284375	1.5531	0.0000	0.0000
6.	SARIKA BHATIA	2573675	14.0558	0.0000	2573675	14.0558	0.0000	0.0000
7.	RAMAN BHATIA	3103175	16.9476	0.0000	3107175	16.9694	0.0000	0.0218
8.	RAMAN BHATIA	6682675	36.4966	10.2381	6682675	36.4966	21.9471	0.0000
	Total	**12856250**	**70.2128**		12860250	70.2346		0.0218

iii. Change in Promoters' Shareholding (please specify, if there is no change)

SR NO	Name	Shareholding		Date	Increase/ Decrease in Share-holding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (31/03/2020)/ end of the year (31/03/2021)	% total Shares of the Compnay				No of Shares	% total Shares of the Compnay
1	RAMAN BHATIA	6682675	36.50	31-Mar-2020			6682675	36.50
		6682675	36.50	31-Mar-2021			6682675	36.50
2	RAMAN BHATIA HUF	3103175	16.95	31-Mar-2020			3103175	16.95
			16.97	26-Feb-2021	4,000	Buy	3107175	16.97
		3107175	16.97	31-Mar-2021			3107175	16.97
3	SARIKA BHATIA	2573675	14.06	31-Mar-2020			2573675	14.06
		2573675	14.06	31-Mar-2021			2573675	14.06
4	MANOHAR LAL BHATIA	284375	1.55	31-Mar-2020			284375	1.55
		284375	1.55	31-Mar-2021			284375	1.55
5	KANAV BHATIA	106800	0.58	31-Mar-2020			106800	0.58
		106800	0.58	31-Mar-2021			106800	0.58
6	RISHABH BHATIA	101800	0.56	31-Mar-2020			101800	0.56
		101800	0.56	31-Mar-2021			101800	0.56
7	SUDESH BHATIA	1875	0.01	31-Mar-2020			1875	0.01
		1875	0.01	31-Mar-2021			1875	0.01
8	VIKAS BHATIA	1875	0.01	31-Mar-2020			1875	0.01
		1875	0.01	31-Mar-2021			1875	0.01

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding		Date	Increase/ decrease during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (31/03/2020)/ end of the year (31/03/2021)	% total Shares of the Compnay				No. of Shares	% total Shares of the Compnay
1	MAHESH DINKAR VAZE	904000	4.94	31-Mar-2020	0		904000	4.94
			4.83	07-Aug-2020	-20000	Sell	884000	4.83
		884000	4.83	31-Mar-2021	0		884000	4.83
2	GITA KIRTI AMBANI	556000	3.04	31-Mar-2020	0		556000	3.04
		556000	3.04	31-Mar-2021	0		556000	3.04
3	VAISHALI YATIN SHAH	552000	3.01	31-Mar-2020	0		552000	3.01
			2.34	29-May-2020	-124000	Sell	428000	2.34
			2.32	05-Jun-2020	-4000	Sell	424000	2.32
			2.29	12-Jun-2020	-4000	Sell	420000	2.29
			2.36	14-Aug-2020	12000	Buy	432000	2.36
			2.34	21-Aug-2020	-4000	Sell	428000	2.34
			2.38	09-Oct-2020	8000	Buy	436000	2.38
			2.34	19-Feb-2021	-8000	Sell	428000	2.34
		428000	2.34	31-Mar-2021	0		428000	2.34
4	PRAMOD GUPTA HUF	268000	1.46	31-Mar-2020	0		268000	1.46
			0.00	21-Aug-2020	-268000	Sell	0	0.00
			0.00	31-Mar-2021	0		0	0.00
5	FINQUEST FINANCIAL SOLUTIONS PVT. LTD.	0	0.00	31-Mar-2020		Sell	0	0.00
			1.46	21-Aug-2020	268000	Buy	268000	1.46
		268000	1.46	31-Mar-2021	0		268000	1.46
6	RUCHI PRAMOD GUPTA	232000	1.27	31-Mar-2020	0		232000	1.27
		232000	1.27	31-Mar-2021	0		232000	1.27
7	CHOICE EQUITY BROKING PRIVATE LIMITED	172000	0.94	31-Mar-2020	0		172000	0.94
			0.96	10-Apr-2020	4000	Buy	176000	0.96
			1.00	17-Apr-2020	8000	Buy	184000	1.00
			1.03	24-Apr-2020	4000	Buy	188000	1.03
			0.96	08-May-2020	-12000	Sell	176000	0.96
			0.94	15-May-2020	-4000	Sell	172000	0.94
			0.96	22-May-2020	4000	Buy	176000	0.96
			0.94	29-May-2020	-4000	Sell	172000	0.94
			0.85	05-Jun-2020	-16000	Sell	156000	0.85
			0.81	19-Jun-2020	-8000	Sell	148000	0.81
			0.79	26-Jun-2020	-4000	Sell	144000	0.79

Sl. No.	Name	Shareholding		Date	Increase/ decrease during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (31/03/2020)/ end of the year (31/03/2021)	% total Shares of the Compnay				No. of Shares	% total Shares of the Compnay
			0.81	30-Jun-2020	4000	Buy	148000	0.81
			0.85	03-Jul-2020	8000	Buy	156000	0.85
			0.92	10-Jul-2020	12000	Buy	168000	0.92
			0.90	17-Jul-2020	-4000	Sell	164000	0.90
			0.94	31-Jul-2020	8000	Buy	172000	0.94
			1.03	07-Aug-2020	16000	Buy	188000	1.03
			1.07	14-Aug-2020	8000	Buy	196000	1.07
			1.14	21-Aug-2020	12000	Buy	208000	1.14
			1.16	28-Aug-2020	4000	Buy	212000	1.16
			1.14	25-Sep-2020	-4000	Sell	208000	1.14
			1.16	06-Nov-2020	4000	Buy	212000	1.16
			1.14	13-Nov-2020	-4000	Sell	208000	1.14
		208000	1.14	31-Mar-2021	0		208000	1.14
8	PRAMOD CHIMMANLAL GUPTA	152000	0.83	31-Mar-2020	0		152000	0.83
		152000	0.83	31-Mar-2021	0		152000	0.83
9	HARDIK MANOJ SHAH	104000	0.57	31-Mar-2020	0		104000	0.57
		104000	0.57	31-Mar-2021	0		104000	0.57
10	HARSH SHARMA HUF	44000	0.24	31-Mar-2020	0		44000	0.24
			0.26	17-Apr-2020	4000	Buy	48000	0.26
			0.31	24-Apr-2020	8000	Buy	56000	0.31
			0.37	08-May-2020	12000	Buy	68000	0.37
			0.46	05-Jun-2020	16000	Buy	84000	0.46
			0.55	12-Jun-2020	16000	Buy	100000	0.55
		100000	0.55	31-Mar-2021	0		100000	0.55
11	HKG LIMITED	60000	0.33	31-Mar-2020	0		60000	0.33
			0.39	14-Aug-2020	12000	Buy	72000	0.39
		72000	0.39	31-Mar-2021	0		72000	0.39
12	VRV ADVISORY PVT. LTD.	64516	0.35	31-Mar-2020	0		64516	0.35
		64516	0.35	31-Mar-2021	0		64516	0.35
13	BHUMIKA SUMIT DESAI	60000	0.33	31-Mar-2020	0		60000	0.33
			0.17	05-Jun-2020	-28000	Sell	32000	0.17
			0.13	12-Jun-2020	-8000	Sell	24000	0.13
		24000	0.13	31-Mar-2021	0		24000	0.13
14	IG FINANCIAL SERVICES INDIA PRIVATE LIMITED	60000	0.33	31-Mar-2020	0		60000	0.33
		60000	0.33	31-Mar-2021	0		60000	0.33

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No	For Each of the Director and KMP	Shareholding at the beginning of the year (1st April, 2020)		Cumulative Shareholding during the year (31st March, 2021)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	**Mr. Raman Bhatia**				
	At the beginning of the year	6682675	36.4966		
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/ sweat equity etc):	No Change			
	At the end of the year			6682675	36.4966
2.	**Ms. Sarika Bhatia**				
	At the beginning of the year	2573675	14.0558		
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/ sweat equity etc):	No Change			
	At the end of the year			2573675	14.0558
3.	**Mr. Nimesh Malhotra**				
	At the beginning of the year	NIL			
	Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g.allotment/transfer/bonus/sweat equity etc):	NIL			
	At the end of the year	NIL			
4.	**Mr. Arun Handa**				
	At the beginning of the year	750	0.004		
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):	No Change			
	At the end of the year			750	0.004
5.	**Mr. Vikas Bhatia***				
	At the beginning of the year	1875	0.001		
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):	No Change			
	At the end of the year			1875	0.001
6.	**Ms. Priya Pandey**				
	At the beginning of the year	NIL			
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):	NIL			
	At the end of the year	NIL			

*Mr. Vikas Bhatia appointed as chief Financial Officer on 22.05.2020.

V. INDEBTEDNESS

	Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
i.	Principal Amount	4,23,52,695	59,43,924	0	4,82,96,619
ii.	Interest due but not paid	0	0	0	0
iii.	Interest accrued but not due	3,81,440	1,39,031	0	5,20,471
	Total (i+ii+iii)	**4,27,34,135**	**60,82,955**	**0**	**4,88,17,090**
	Change in Indebtedness during the financial year				
	Addition	2,93,28,393	0	0	2,93,28,393
	Reduction	45,50,808	36,84,948		82,35,756
	Net change	2,47,77,585	(36,84,948)	0	2,10,92,637
	Indebtedness at the end of the financial year				
i.	Principal Amount	6,72,17,222	22,93,757	0	6,95,10,979
ii.	Interest due but not paid	0	0	0	0
iii.	Interest accrued but not due	2,94,498	1,04,250	0	3,98,748
	Total (i+ii+iii)	**6,75,11,720**	**23,98,007**	**0**	**6,99,09,727**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No	Particulars of Remuneration		Name of MD/WTD/ Manager			Total Amount
			Mr. Raman Bhatia	Ms. Sarika Bhatia	Mr. Nimesh Malhotra	
1.	Gross salary		2662337	2405533	992730	6060600
	(a)	Salary as per provisions contained in section17(1) of the Income-taxAct, 1961	-			-
	(b)	Value of perquisiteu/s 17(2)Income-tax Act, 1961				
	(c)	Profits in lieu of salary undersection17(3) Income- taxAct,1961	-			-
2.	Stock Option		-	-		-
3.	Sweat Equity		-	-		-
4.	Commission		-	-		-
	- as % ofprofit		-	-		-
	- Others,specify...		-	-		-
5.	Others, please specify		-	-		-
6.	**Total(A)**		**26,62,337**	**24,05,533**	**99,27,30**	**60,60,600**
	Ceiling as per the Act		12600000	12600000	12600000	12600000

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Pankaj Dawar	Mr. Yogesh Mahajan	Mr. Anupam Gupta*	Mr. Rajesh Mohan Rai*	Mr. Sahiel Khurana	
A	Independent Directors						
	• Fee for attending board committee meetings	0	0	20000	10000	0	30000
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total A	**0**	**0**	**20000**	**10000**	**0**	**30000**
B	Other Non-Executive Directors Other Non-Executive Directors	-	-				-
	• Fee for attending board committee meetings	-	-				-
	• Commission	-	-				-
	• Others, please specify	-	-				-
	Total B	**0**	**0**	**0**	**0**	**0**	**0**
	Total A+B	**0**	**0**	**20,000**	**10,000**	**0**	**30,000**
	Total Managerial Remuneration (A+B)	**0**	**0**	**20,000**	**10,000**	**0**	**30,000**
	OverallCeilingaspertheAct	**1,00,000**	**1,00,000**	**1,00,000**	**1,00,000**	**1,00,000**	**NA**

*Mr. Rajesh Mohan Rai and Mr. Anupam Gupta has received fees w.e.f 12.02.2021.

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No	Particulars of Remuneration	CEO	CFO		Total Amount
		Mr. Arun Handa	Mr. Vikas Bhatia	Ms. Priya Pandey	
1.	Gross salary	842967	953693	400369	2197029
	(a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961				-
	(b) Value of perquisiteu/s 17(2)Income-tax Act, 1961				
	(c) Profits in lieu of salary undersection17(3)Income-taxAct,1961	-			-
2.	Stock Option	-	-		-
3.	Sweat Equity	-	-		-
	Commission	-	-		-
	- as % ofprofit	-	-		-
	- Others,specify...	-	-		-
4.	Others, please specify	-	-		-
5.	Total(A)	8,42,967	9,53,693	4,00,369	21,97,029

Mr. Vikas Bhatia appointed as chief Financial Officer on 22.05.2020.

VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding feesimposed	Authority[RD /NCLT/Court	Appeal made. If any (give details)
A. Company					
Penalty	NIL				
Punishment					
Compounding					
B. Directors					
Penalty	NIL				
Punishment					
Compounding					
C. Other Officers InDefault					
Penalty	NIL				
Punishment					
Compounding					

CORPORATE SUSTAINABILITY

COVID presented significant challenges for our people and our business. To succeed in this uncertain and highly dynamic environment, we needed to be agile and seize opportunities in a very short timeframe. We quickly adapted our business approach, mobilised our teams to put in a strong effort despite lockdown restrictions, besides leveraging technology and innovation to address the changing environment and the emerging needs of our consumers.

During the first wave of Covid-19 pandemic, Servotech took the initiative and launched various UVC products like UVC Disinfectant Lamp, Handheld device and Robotruk, which are used for sanitization of homes, office, hotels, restaurants and industries to support entire human community in carrying out its economic activity in a safe manner. In second wave, Servotech in its continuous endeavor to extend all possible help to the country, had introduced Oxygen Concentrators to serve the affected people. With surge in covid-19 cases and growing oxygen inadequacy this year, company resolved to launch Oxygen Concentrators to help more and more people having access to it.

Not only this, At Servotech, we believe that manufacturing is our national pride and strength. We follow the philosophy which is also accepted by the Confederation of All India Traders (CAIT) that comprises 60 million merchants across the country, it has embarked on a new campaign, 'Indian Goods – Our Pride'.

Our company was very much dependent on Chinese industry for supply of raw materials and other related components for our products, we pledged to move ahead in future, our aim is to shift our supplier base from Chinese markets to Indian markets while developing and upgrading Indian manufacturers in the same domain. During the current pandemic situation, our country is undergoing huge economic crises due to lack of equipments and other facilities to protect ourselves from the deadly virus. We are surrounded by the Chinese product even in these tough times may it be sanitizers, disinfectants etc. We realised the need of the hour and decided to become self-dependent and make our society free from Chinese disinfectants. We felt that this is the right time to take a definite step in this direction and align ourselves with the theme of "Atmnirbhar Bharat" or "Self-Reliant India". For this, we are engaging with various manufacturers within India for product development activities and are confident that we will become a Self-Reliant, Make-in-India organisation in near future.

We introducing the line of UVC technology, which can help us to fight against the virus and save many lives during the current pandemic situation. UVC technology has a long proven history of killing viruses, bacteria and pathogens present in the environment by destroying their DNA within seconds, without addition of chemicals and harmful side effects.

During the current pandemic situation, UV-C technology can help us to fight against the virus and save many lives. It has a long proven history of killing of the viruses, bacteria and pathogens present in the environment by destroying their DNA within seconds, without addition of chemicals, and harmful side effects.

Despite the challenges brought about by the COVID pandemic and the resultant nationwide lockdown, we moved forward on our commitments. We implemented a series of measures both within and outside our gates to reduce the impact of our business on the environment and also support sustainable development of communities. We donated Oxygen Concentrators to the maximum extent possible and are continue to be committed to stand with our communications

At Servotech, we are fully committed to performance excellence across all spheres of its business activities and more importantly giving back to the societies in which we operate. Largely all our products are manufactured that are based on solar energy. The focus areas for reporting the current year's performance include our business performance, environmental performance, customer and employee satisfaction and community service.

Our Sustainability Model

Our contribution to a more sustainable world covers every aspect of our business, from what we develop and how we manufacture to how we deliver. At Servotech, we feel that sustainability is about balancing environmental stewardship, economic growth and social responsibility.

1. ECONOMIC STEWARDSHIP

At Servotech, we aim to achieve environmental protection through the wise use of natural resources and technological innovation and to gear all business activities towards protecting and conserving nature. We endeavor to develop products which leave a minimal impact on environment. A step towards environmental sustainability, the Company has forayed into Solar Power Business which envisaged a

long term business opportunity. Solar panels are able to harness the energy from the sun and convert it to electricity, therefore, making it to an environment friendly resource.

SAARA-LED is a highly energy efficient lighting technology, and has the potential to fundamentally change the future of lighting of common households in India. Residential LEDs -especially ENERGY STAR rated products use at least 75% less energy, and last 25 times longer, than incandescent lighting.

In order to mitigate their impact of climate change, we are committed to reducing our absolute energy consumption and CO2 emissions, while adopting clean energy, recycling waste and working towards increasing bio-diversity by involving local communities. Therefore, we ensure that our operations are energy efficient and have low environmental impact.

2. ECONOMIC GROWTH

At Servotech, we continue to pursue a prudent growth strategy and have taken steps to effectively manage the emerging risks and challenges. Through business benefits, we provide the best plant and infrastructure to the employees for producing the best products, we also provide better mental and financial life to them and their families. Combating the tough economic environment, Servotech has taken some prudent steps to control costs and improve its bottom line. Given the fluid market situation, Servotech has built greater flexibility in its manufacturing and has taken steps towards improving productivity, while keeping a strict eye on its environmental commitments.

3. SOCIAL RESPONSIBILITY

Our focus on social responsibility remains unwavering. Our community outreach initiatives have been developed keeping in mind the specific needs of the communities that we operate within. Our aim is to make a real, positive impact on the health of our Society, including our employees and the communities in which we operate.

Through all these and other initiatives, we look forward to continuing our investment in the communities we serve and to fulfilling our responsibilities as a responsible corporate citizen.

We view sustainability as an ongoing journey in our quest to be not merely a responsible compliant organisation, but a thoughtful-leader.

SERVOTECH CONTRIBUTES TO SOCIETY BY PROVIDING THE BEST GREEN ENERGY AND RENEWABLE PRODUCTS WITH 100% CUSTOMER SATISFACTION, WHICH HELPS IN REDUCING GLOBAL WARMING.

REPORT ON CORPORATE GOVERNANCE

The Company by virtue of its listing in the National Stock Exchange of India Limited at SME Portal is not required to provide the disclosure of the Corporate Governance Report. However, the Board of Directors of the Company exercise their fiduciary responsibilities towards all stakeholders by ensuring transparency and independence in the decision making process. The Company has decided to provide the Corporate Governance Report to its members keeping in view the objective of encouraging the use of better governance practices through voluntary adoption. The members may please note that any inconsistency shall not be construed as a non-compliance of any relevant provisions thereof.

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act").

II. BOARD OF DIRECTORS

The "Board", being the trustee of the Company is responsible for the establishment of cultural ethical and accountable growth of the Company is constituted with a high level of integrated, knowledgeable and committed professionals. The Management of the Company is headed by Mr. Raman Bhatia who is the Promoter Director and is designated as "Managing Director". The Chairman being an Executive Director, therefore, half of the Board of your Company comprises of Independent Directors.

a) Composition and Category of Board of Directors

The Company has a balanced board with optimum combination of Executive and Non-Executive Directors, including independent professionals, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance. As on 31st March, 2021, board comprises of 6 (Six) Directors out of which 3 (three) Directors are Executive Directors and remaining 3 (three) are Independent Directors. Out of the total 6 (six) Directors 1 (one) is women director.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing regulations as amended from time to time. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013. All Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Companies Act, 2013. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an independent Director in more than 7 Listed Companies. Further, none of the Directors on the Company's Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being. Audit Committee and Stakeholders' Relationship committee) across all the companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on 31st March, 2021. The composition of the Board is in conformity with the applicable provisions of the SEBI Listing Regulations and Companies Act, 2013.

During the financial year under review, none of the Non-Executive Directors had any material pecuniary relationship or transactions with the Company apart from receiving sitting fees for attending meetings of Board of Directors and Committees thereof. No Director is related to any other Director on the Board, except Mr. Raman Bhatia and Ms. Sarika Bhatia (wife of Mr. Raman Bhatia).

During the financial year ended 31st March, 2021, Mr, Yogesh Mahajan, Non-Executive Independent Director and Mr. Pankaj Dawar tendered their resignations as Directors of the Company both dated 11th February, 2021.

Mr. Anupam Gupta and Mr. Rajesh Mohan Rai were appointed as Additional Non-Executive Independent Directors vide Board Meeting held on 12th February, 2021.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with section 149 of the Act, and the details of which are provided herein below:

Name of Directors	DIN	Designation	Category	No. of Equity Shares held in the Company
Mr. Raman Bhatia	00153827	Managing Director	Promoter and Executive Director	66,82,675
Ms. Sarika Bhatia	00155602	Director	Promoter and Executive Director	25,73,675
Mr. Nimesh Malhotra	07104660	Whole-time Director	Executive Director	4,532
Mr. Sahil Khurana	02340950	Director	Non-executive Independent Director	Nil
Mr. Yogesh Mahajan1	03494048	Director	Non-executive Independent Director	Nil
Mr. Pankaj Dawar1	06479649	Director	Non-executive Independent Director	Nil
Mr. Anupam Gupta2	09050762	Director	Non-executive Independent Director	Nil
Mr. Rajesh Mohan Rai	09050751	Director	Non-executive Independent Director	Nil

[1]Resigned as Non-executive Independent Director w.e.f. 11th February, 2021

[2]Appointed as Additional & Non-executive Independent Director w.e.f 12th February, 2021.

b) Board Procedures

The Board of Directors meet at least once in each quarter to, inter-alia, review annual operating and capital expenditure plans, financial statements of business segments, compliance report(s) of all laws applicable to the Company, minutes of the Board Meetings of Subsidiary Companies, short-term borrowings, any other proposal from the management regarding any restructuring of investments etc.

The Board Members make presentations on matters including but not limited to the Company's performance, operations, plans, quarterly and annual financial results, compliance reports etc. The Board has complete access to any information within the Company including but not limited to information as specified in Regulation 17 and Part-A of Schedule-II of the Listing Regulations.

c) Number of Board Meetings

The Company adheres to the provisions of the Act read with the Rules issued thereunder, the Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors and its Committees.

Minimum 4 (four) Board Meetings are held in every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs of the Company. All material information is circulated to the Directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule-II of Regulation 17 (7) of the Listing Regulations to enable them for making value addition as well as exercising their judgment to take informed decisions.

During the period under review, the following 8 (eight) meetings of the Board of Directors were held on: 22.05.2020 29.07.2020, 18.11.2020, 19.12.2020, 12.02.2021, 05,03,2021, 22.03.2021, and 30.03.2021 respectively.

Requisite quorum was present in all the meetings. The intervening period between two Board Meetings was well within the maximum time gap as stipulated under Regulation 17 of the Listing Regulations read with the Act.

d) Director's Attendance Record and their other Directorships/Committee Memberships:

As mandated by Regulation 26 of the Listing Regulations, none of the Directors is a member of more than 10 (ten) Board level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairperson of more than 5 (five) Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further, all Directors have informed about their Directorships, Committee Memberships/Chairmanships including any change in their positions.

Relevant details in accordance with the requirements of the Listing Regulations are given below:

Sl. No.	Name of Director	Attendance at		No. of Directorships in other Public Companies	No. of Committees Positions held in other Public Companies	
		Board Meetings	Last AGM		Chairperson	Member
1	Mr. Raman Bhatia	8	Yes	N.A.	Nil	Nil
2	Ms. Sarika Bhatia	8	Yes	N.A.	Nil	Nil
3	Mr. Nimesh Malhotra*	8	Yes	N.A.	Nil	Nil
4	Mr. Pankaj Dawar[1]	4	Yes	Bazel International Ltd.	Nil	Nil
5	Mr. Sahil Khurana	8	Yes	N.A.	Nil	Nil
6	Mr. Yogesh Mahajan[1]	4	Yes	N.A.	Nil	Nil
7	Mr. Anupam Gupta[2]	4	N.A.	N.A.	Nil	Nil
8	Mr. Rajesh Mohan Rai[2]	4	N.A.	N.A.	Nil	Nil

[1]Resigned as Non-executive Independent Director w.e.f. 11th February, 2021

[2]Appointed as Additional & Non-executive Independent Director w.e.f 12th February, 2021.

Notes:

i. Private Limited Companies, Foreign Companies and Companies under section 8 of the Act are excluded for the above purposes.

ii. Only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies are considered for the purpose of reckoning committee positions.

iii. Mr. Anupam Gupta and Mr. Rajesh Mohan Rai attended all the meetings of the Board after their appointment on the Board w.e.f. 12th February.

iv. Mr. Anupam Gupta and Mr. Rajesh Mohan Rai were appointed after the AGM, therefore, the attendance was not applicable to them.

e) Meeting of Independent Directors

In compliance with the provisions of section 149 read with Schedule IV of the Act and Regulation 25 of the Listing Regulations, the Independent Directors meet without the presence of Non-Independent Directors. This meeting is informal and enables Independent Directors to interact and discuss matters including review of the performance of the Non-Independent Directors and the Board as a whole, review of the performance of the Chairman of the Company, taking into account views of Executive/Non-Executive Directors and assessing the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Independent Directors met on 12th February, 2021 during the financial year 2020-21.

f) Familiarization Programme

Your Company has put in place a structured induction and Familiarization Programme for all of its Directors including the Independent Directors to provide them an opportunity to familiarize with the Company, its Management and its operations so as to gain a clear understanding of their roles, rights and responsibilities and contribute significantly towards the growth of the Company.

During the year under review, a Familiarization Programme was conducted to apprise them on relevant changes in the Act and Listing Regulations. The Familiarization Programme along with the details of the training imparted to Independent Directors during the year are available on the website of the Company and the weblink thereto is https://servotech.in/policy/

III. GOVERNANCE BY THE COMMITTEES OF BOARD OF DIRECTORS

In compliance with the statutory requirements, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The committees operate as the Board's empowered agents according to their charter/terms of reference. The Board has following Committees:

1. AUDIT COMMITTEE

The Audit Committee is, inter alia, entrusted with the responsibilities to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors.

The composition of the Audit Committee is in alignment with the provisions of section 177 of the Act and Rules framed thereunder and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. The Committee invites the Managing Director, CFO and Statutory Auditor to attend the meetings of the Committee. The role of the Committee inter alia includes the following:

a) Terms of reference of the Audit Committee:

The Audit Committee is, inter alia, broadly empowered with the following pursuant to its terms of reference and its roles:

1. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
3. To review with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
   a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   b) changes, if any, in accounting policies and practices and reasons for the same;
   c) major accounting entries involving estimates based on the exercise of judgment by management;
   d) significant adjustments made in the financial statements arising out of audit findings;
   e) compliance with listing and other legal requirements relating to financial statements;
   f) disclosure of any related party transactions;
   g) modified opinion(s) in the draft audit report
4. To review with the management, the quarterly financial statements before submission to the Board for approval;
5. Valuation of undertakings or assets of the Company, wherever it is necessary;
6. To approve related party transactions of the Company;
7. To scrutinize the inter-corporate loans and investments;
8. To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
9. To review the functioning of the Whistle Blower Mechanism;
10. To approve the appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.

b) Composition, Meeting And Attendance

During the financial year under review, the committee met 8 (eight) times, on 22.05.2020 29.07.2020, 18.11.2020, 19.12.2020, 12.02.2021, 05,03,2021, 22.03.2021, and 30.03.2021 respectively. The composition and attendance of the Members at the meetings are as follows:

Name of Directors	Designation	Category of Director	No. of meetings held	No. of meetings attended
Mr. Yogesh Mahajan[1]	Chairperson	Independent Director	4	4
Mr. Sahil Khurana	Chairperson	Independent Director	8	8
Mr. Raman Bhatia	Member	Executive Director	8	8
Mr. Anupam Gupta[2]	Member	Independent Director	4	4

[1]Resigned as Non-executive Independent Director w.e.f. 11th February, 2021. Therefore attended meetings upto their tenure as Directors.

[2]Appointed as Additional Non-executive Independent Director w.e.f. 12th February, 2021. Therefore attended meetings after their appointment as Directors.

Requisite quorum was present in all the meetings.

Ms. Priya Pandey, Company Secretary acts as Secretary to the Committee. The Chairman of the Audit Committee was present at the last AGM held on 19th December, 2020 to answer the shareholders' queries.

2. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in compliance with the provisions of section 178 of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

The Nomination and Remuneration Committee broadly plays a dual role for determining the composition of the Board based on need and requirements of the Company from time to time and determines the overall compensation framework and policy for Directors, Senior Management and Employees. The Committee further reviews that the human resource practices of the Company are effective in maintaining and retaining a competent workforce.

The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of applicable laws and the Remuneration Policy:

i. Identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal, formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

ii. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

iii. To lay out remuneration principles for Directors, Key Managerial Personnel and Senior Management Personnel linked to their effort, performance and achievement relating to the Company's goals trends and practices that prevail in peer companies across the industry;

iv. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and

v. To ensure the Board Diversity by constituting the structure of Board of Directors.

a. Composition, Meeting and Attendance

The Committee met 4 (four) times during the period under review on 20.05.2020, 22.05.2020, 18.11.2020, and 12.02.2021 respectively.

The composition of the Nomination and Remuneration Committee along with the details of the meetings held and attended by the members of the Committee during the year under review is detailed below:

Name of Directors	Designation	Category of Director	No. of meetings held	No. of meetings attended
Mr. Sahiel Khuranna	Chairperson	Independent Director	4	4
Mr. Pankaj Dawar[1]	Member	Independent Director	3	3
Mr. Yogesh Mahajan[1]	Member	Independent Director	3	3
Mr. Anupam Gupta[2]	Member	Independent Director	1	1
Mr. Rajesh Mohan Rai[2]	Member	Independent Director	1	1

[1]Resigned as Non-executive Independent Director w.e.f. 11th February, 2021. Therefore attended meetings upto their tenure as Directors.

[2]Appointed as Additional Non-executive Independent Director w.e.f. 12th February, 2021. Therefore attended meetings after their appointment as Directors.

Requisite quorum was present in all the meetings.

Ms. Priya Pandey, Company Secretary acts as Secretary to the Committee.

b. Performance Evaluation Criteria for Independent Directors

The criteria for performance evaluation covers the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation; the Directors who were subject to evaluation had not participated.

c. Remuneration Policy

The Remuneration Policy is designed to attract, motivate, improve productivity and retain manpower, by creating congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The Remuneration Policy of your Company applies to the Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel and other employees of the Company.

With a view to determine the remuneration of the Directors, KMP and other employees of the Company, a Remuneration Policy has been framed by the Nomination and Remuneration Committee and approved by the Board with the following broad objectives:

i. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

ii. Motivate KMP and Senior Management to achieve excellence in their performance;

iii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

iv. Ensuring that the remuneration of Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. This policy is uploaded on the website of the company i.e. at www.servotech.in.

d. DETAILS OF THE REMUNERATION

Executive Directors

The remuneration paid to the Executive Directors is recommended by the Nomination & Remuneration Committee in accordance with Nomination & Remuneration Policy adopted by the Company and approved by the Board of Directors subject to the approval by the shareholders, if required. During the period under review, there is no change in executive directors of the company.

The details of the remuneration paid to the Executive Directors is provided in the Extract of the Annual Return which forms integral part of the Directors Report which is attached with this Annual Report.

Non-Executive Independent Directors

Non-Executive Directors are paid remuneration by way of sitting fee for attending meetings of the Board and/or Committees thereof. Further, the remuneration paid to Non- Executive Directors is in accordance with Nomination & Remuneration Policy adopted by the Company and approved by the Board of Directors subject to the requisite approvals, as may be applicable.

During the financial year 2020-21, the Company paid sitting fees to its Non-Executive Independent Directors for attending meetings of the Board of Directors of the Company. The Company also reimburses the out-of pocket expenses incurred by the Directors for attending the meetings. The details of the remuneration paid to the Non-Executive Directors is provided in the Extract of the Annual Return which forms integral part of the Directors Report which is attached with this Annual Report.

3) STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was duly reconstituted during the year to give effect to the changes in the Board Composition. The composition of reconstituted Stakeholders Relationship Committee is mentioned below.

The composition and terms of reference of Stakeholders Relationship Committee are in compliance with the provisions of Section 178 of the Act, Listing Regulations and other applicable laws. The Stakeholders' Relationship Committee oversees, inter-alia, redressal of shareholders' and investors' grievances, non-receipt of Annual Report, transfer/transmission of shares, issue of duplicate shares, exchange of new design share certificates, recording dematerialisation/rematerialization of shares and related matters.

a. Terms of reference of the Committee

The terms of reference of the Committee include enquiring into and redressing complaints of shareholders and investors. The composition of the Stakeholders' Relationship Committee is in compliance with the provisions of the Act read with Rules made thereunder and Regulation 20 read with Part D of Schedule II of the Listing Regulations.

b. Composition, Meeting and Attendance

The Committee met 4 (four) times during the period under review on 28.05.2020, 20.08.2020. 12.11.2020, and 13.02.2021 respectively.

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Name of Directors	Designation	Category of Director	No. of meetings held	No. of meetings attended
Mr. Pankaj Dawar[1]	Chairperson	Independent Director	3	3
Mr. Raman Bhatia	Member	Managing Director	4	4
Ms. Sarika Bhatia	Member	Whole-time Director	4	4
Mr. Nimesh Malhotra	Member	Whole-time Director	4	4
Mr. Sahiel Khurana	Chairperson	Independent Director	4	4
Mr. Rajesh Mohan Rai[2]	Member	Executive Director	1	1

[1]Resigned as Non-executive Independent Director w.e.f. 11th February, 2021. Therefore attended meetings upto their tenure as Directors.

[2]Appointed as Additional Non-executive Independent Director w.e.f. 12th February, 2021. Therefore attended meetings after their appointment as Directors.

Requisite quorum was present in all the meetings.

Ms. Priya Pandey, Company Secretary being the Compliance Officer takes all necessary and immediate steps for investors' grievances.

Details of Investors' complaints\requests received and redressed during the year:

Opening Balance	Received During the year	Resolved During the year	Closing Balance
Nil	Nil	Nil	Nil

4) COMMITTEE OF BOARD OF DIRECTORS

In line with the provisions of section 179 of the Act, the Board of Directors in its meeting held on 21st August, 2019, had constituted a Committee of Directors to support the Board for taking various decisions with respect to day-today affairs of the Company, to focus on certain specific areas and make informed decisions in line with the authority delegated by Board of Directors of the Company. The Committee is authorized to transact all the businesses which the Board of Directors is empowered to transact except for the transactions that are mandated to be dealt in at the Board Meeting pursuant to the provisions of the Act.

a. Terms of reference of the Committee

In accordance with the provisions of the Act, the Committee of Board of Directors has been authorized to grant powers in connection with day to day routine matters such as authorization for various tender purposes, banking matters or any other matters for day to day business operations of the Company for its smooth functioning.

b. Composition, Meeting and Attendance

The Committee met 4 (four) times during the period under review on 27.05.2020, 18.08.2020, 11.11.2020 and 20.02.2021 respectively.

Subsequent upon appointment of Mr. Nimesh Malhotra as Additional & Whole-time Director on the Board of the Company, the Committee was reconstituted by induction of Mr. Nimesh Malhotra as the member of the Committee which was duly approved by the Board of Directors at its meeting held on 20th July, 2019. The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Name of Directors	Designation	Category of Director	No. of meetings held	No. of meetings attended
Ms. Sarika Bhatia	Chairperson	Executive Director	4	4
Mr. Yogesh Mahajan1	Member	Independent Director	3	3
Mr. Rajesh Mohan Rai2	Member	Independent Director	1	1
Mr. Nimesh Malhotra	Member	Executive Director	4	4
Mr. Sahiel Khurana	Member	Independent Director	4	4
Mr. Raman Bhatia	Member	Executive Director	4	4

[1]Resigned as Non-executive Independent Director w.e.f. 11th February, 2021. Therefore attended meetings upto their tenure as Directors.

[2]Appointed as Additional Non-executive Independent Director w.e.f. 12th February, 2021. Therefore attended meetings after their appointment as Directors.

5) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In alignment with the mandatory provisions under section 135 of the Act, a Committee has been constituted to guide the Company in undertaking CSR activities in a focused and structured manner and review CSR Policy from time to time. The Company CSR policy is placed on the Company's website at weblink: https://servotech.in/investors/corporate-governance/policies/. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of "Corporate Social Responsibility Policy", observe practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary.

a. Terms of reference of the Committee

i. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in compliance with the Act and rules framed thereunder;

ii. Recommend the amount of expenditure to be incurred on the activities as above; and

iii. Monitor the CSR Policy of the Company from time to time.

b. Composition, Meeting and Attendance

The Committee met 2 (two) times during the period under review on 22.05.2020, and 18.11.2020, respectively.

The composition of the CSR Committee and the details of meetings attended by its members are given below:

Name of Directors	Designation	Category of Director	No. of meetings held	No. of meetings attended
Mr. Yogesh Mahajan[1]	Chairperson	Independent Director	2	2
Mr. Pankaj Dawar[1]	Member	Independent Director	2	2
Mr. Sahil Khurana	Member	Independent Director	2	2
Mr. Rajesh Mohan Rai[2]	Chairperson	Independent Director	N.A	N.A
Mr. Anupam Gupta[2]	Member	Independent Director	N.A	N.A

[1]Resigned as Non-executive Independent Director w.e.f. 11th February, 2021. Therefore attended meetings upto their tenure as Directors.

[2]Appointed as Additional Non-executive Independent Director w.e.f. 12th February, 2021. Therefore attended meetings after their appointment as Directors.

The Company does not fall under the purview of CSR committee. This however, is being done to ensure and promote prudent corporate governance and the scope of CSR activity in the Company.

IV. GENERAL BODY MEETINGS:

1. DETAILS OF THE LAST 3 ANNUAL GENERAL MEETINGS OF THE COMPANY

Financial Year	Location(s)	Meeting Date	Time
2019-20	Video Conferencing ("VC")/ Other Audio Visual Means deemed to be conducted at the Registered Office of the Company	19th December, 2020	11:00 A.M.
2018-19	Hotel Crown Plaza, Twin District Center, Sector-10, Rohini, New Delhi-110085	29th September, 2019	09:00 A.M.
2017-18	Hotel Crown Plaza, Twin District Center, Sector-10, Rohini, New Delhi-110085	29th September, 2018	09:00 A.M.

2. DETAILS OF THE SPECIAL RESOLUTIONS PASSED DURING PREVIOUS THREE ANNUAL GENERAL MEETINGS

During the year following resolution have been passed as Special Resolution

1. ANNUAL GENERAL MEETING -19TH DECEMBER, 2020

RESOLUTION NO.3: Ratification of Remuneration of M/s. NN Sharma & Associates, Cost Auditors of the Company

Category	No. of shares held	No. of Votes polled	% of votes Polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
Promoter and Promoter Group	12856250	9172500	71.35	9172500	0	100	0
Public – Institutions	0	0	0	0	0	0	0
Public -Non Institutions	5454179	65110	1.19	65110	0	100	0
Total	**18310429**	**9237610**	**50.45**	**9237610**	**50.45**	**9237610**	**0**

RESOLUTION NO.4: Payment of Remuneration of Mr. Raman Bhatia, (DIN: 00153827) Managing Director of the Company

Category	No. of shares held	No. of Votes polled	% of votes Polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
Promoter and Promoter Group	12856250	9073700	70.58	9073700	0	100	0
Public – Institutions	0	0	0	0	0	0	0
Public -Non Institutions	5454179	57110	1.05	57110	0	100	0
Total	**18310429**	**9130810**	**49.87**	**9130810**	**0**	**100**	**0**

RESOLUTION NO.5: Continuation of payment of remuneration to Ms. Sarika Bhatia, (DIN: 00155602) Whole-time Director in excess of threshold limits.

Category	No. of shares held	No. of Votes polled	% of votes Polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
Promoter and Promoter Group	12856250	9073700	70.58	9073700	0	100	0
Public – Institutions	0	0	0	0	0	0	0
Public -Non Institutions	5454179	57110	1.05	57110	0	100	0
Total	**18310429**	**18310429**	**9130810**	**49.87**	**9130810**	**0**	**100**

RESOLUTION NO.6: Re-appointment of Mr. Nimesh Malhotra, (DIN: 07104660) as the Whole-time Director for a period of 3 (three) years w.e.f. 19th July, 2021.

Category	No. of shares held	No. of Votes polled	% of votes Polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
Promoter and Promoter Group	12856250	9172500	71.35	9172500	0	100	0
Public – Institutions	0	0	0	0	0	0	0
Public -Non Institutions	5454179	65110	1.19	65110	0	100	0
Total	**18310429**	**18310429**	**72.54**	**9237610**	**50.45**	**9237610**	**0**

3. DETAILS OF THE SPECIAL RESOLUTIONS PASSED DURING THE FINANCIAL YEAR 2020-2021 THROUGH POSTAL BALLOT

During the year following resolution have been passed as Special Resolution

I. POSTAL BALLOT PROCESS- 5th July, 2021

RESOLUTION NO.1: Migration of Company's Equity Shares from Emerge SME Platform of National Stock Exchange of India Limited ("NSE") to Main Board of NSE

Category	No. of shares held	No. of Votes polled	% of votes Polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
Promoter and Promoter Group	12858375	12856500	99.99	12856500	0	100	0
Public –Institutions	0	0	0	0	0	0	0
Public -Non Institutions	5452054	571925	10.49	571925	0	100	0
Total	**18310429**	**13428425**	**73.34**	**13428425**	**0**	**100**	**0**

V. MEANS OF COMMUNICATION

Timely disclosure of the information on corporate financial performance and the corporate developments is a sign of good governance practice which the Company follows:

Financial Results	The Company is an SME Company therefore; publication of results is not required. However, the results are sent to stock exchanges as well as posted on the Company's website: www.servotech.in However, upon successful listing of the Company on the main board of NSE w.e.f 31st August, 2021 wide Letter Approval No. NSE/LIST/116, going forward the Company shall duly publish its Financial Results as per the Listing Regulations.
Website and News Releases	In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors Relations on the Company's website www.servotech.in gives information on various announcements made by the Company, stock quotes, Annual Report, Half-yearly/ and Annual financial results along with the applicable policies of the Company.
Stock Exchange(s)	Your Company has been making timely disclosures of necessary information to the National Stock Exchange of India Limited ("NSE") Emerge Portal in terms of the Listing Regulations and other rules and regulations issued by the Securities and Exchange Board of India ("SEBI"). However, upon the successful admission and listing on main board of NSE on Capital Market Segment, The Company shall submit disclosure as per the provision of Listing Regulations of the main board. The scrip of the company shall be duly traded w.e.f 2nd September, 2021.
SCORES (SEBI Complaints Redressal System)	SEBI processes investors' complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his/her grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.
Exclusive e-mail ID for investors	The Company has designated the email id investor.relations@servotechindia.com exclusively for investor servicing and the same is prominently displayed on the Company's website.

VI. CODE OF CONDUCT

Code of Conduct is a comprehensive document that serves as the ethical road map for the employees and the Company. It also, inter alia, governs the conduct of business in consonance with national interest, fair and accurate presentation of financial statements, being an employer providing equal opportunities to its employees, prohibition on acceptance of gifts and donations that can be intended or perceived to obtain business or uncompetitive favors, practicing political non-alignment, safe and healthy environment for its people, maintaining quality of products and services, being a good corporate citizen, ethical conduct and commitment for enhancement of stakeholder's value.

The Company has a Code of Conduct for its Board Members and Senior Management Personnel pursuant to the provisions of the Act and as per Regulation 17 of the Listing Regulations. The Code of Conduct been placed on the Company's website www.servotech.in. All Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2021.

VII. ROLE OF THE COMPANY SECRETARY IN GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. She ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. She is primarily responsible for assisting the board in the conduct of affairs of the Company, to ensure compliance with the applicable statutory requirements and Secretarial Standards to provide guidance to directors and to facilitate convening of meetings. He interfaces between the Management and the regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

VIII. DISCLOSURES

a) Related Party Transactions

During the financial year 2020-21, no transactions of material nature have been entered into by the Company that may have a potential conflict with the interests of the Company. The details of related party transactions are disclosed in Notes to Financial statements and in AOC-2 which forms integral part of this Annual report. The policy on dealing with Related Party Transactions is placed on the Company's website at weblink: https://servotech.in/investors/corporate-governance/policies/.

b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

c) Whistle Blower Policy/Vigil Mechanism

The Company has adopted Vigil Mechanism & Whistle Blower Policy in which any Employee, Director, Stakeholder including employees, customers, suppliers and shareholders who observes any unethical behavior, actual or suspected fraud, improper practices or wrongful conduct may report the same to the Audit Committee. No person is denied access to the Audit Committee and whistle blower policy protects such whistle blowers from adverse personnel action.

In accordance with the Listing Regulations and provisions of the Act, your Company has adopted a Whistle Blower Policy with an objective to provide its employees a Vigil Mechanism whereby concerns can be raised in line with the Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication. The policy is placed on the Company's website at weblink: https://servotech.in/investors/corporate-governance/policies/

d) Disclosure of Accounting Treatment

During the year under review, the Company has adopted Accounting Standards as notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 (as amended from time to time) and/or by the Institute of Chartered Accountants of India in the preparation of financial statements and has not adopted a treatment different from that prescribed in any Accounting Standard.

e) Reconciliation of share capital audit

Mr. Debabrata Deb Nath, qualified Practicing Company Secretary, for the financial year 2020-21, had carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

IX. DISCRETIONARY REQUIREMENTS

A. The Board

The Company has an Executive Chairman, henceforth no office for the Chairman is required to be maintained at the Company's expense. There was no reimbursement of expenses to the Chairman in performance of his duties.

B. Shareholders' Rights

The Company's financials are uploaded on the Company's website www.servotech.india and on the website of National Stock Exchange of India at nseindia.com.

C. Modified Opinion in audit report

The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements.

D. Separate posts of Chairman and CEO

Mr. Raman Bhatia, the Executive Chairman is also appointed as the Managing Director of the Company.

E. Reporting of Internal Auditors

The Report of the Internal Auditors is periodically placed before the Audit Committee.

X. GENERAL SHAREHOLDER INFORMATION:

1.	**Annual General Meeting**	
	Day and Date	Thursday, 30th September, 2021
	Time	11:00 A.M.
	Venue	Meeting shall be conducted over Video Conferencing.
2.	Financial Year	2020-21
3.	Date of Book Closure	Friday, 24th September, 2021 to Thursday, 30th September, 2021
4	Dividend payment date	Not applicable. The Company has not declared dividend till date. The provisions of Sections 124 and 125 on unclaimed dividend and Investor Education and Protection Fund (IEPF) under the Act are not applicable.
5	Name and address of Stock Exchanges at which Company's securities are listed;	National Stock Exchange of India Limited ("NSE") Exchange Plaza", Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400051
6	Stock Symbol	NSE Symbol: SERVOTECH ISIN: INE782X01017
7	Listing Fees to Stock Exchanges	The Company has paid the annual listing fees for the financial year 2020-21 to the above Stock Exchanges.
	Custodial Fees to Depositories	The Company has paid custodial fees for the financial year 2021-22 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

XI. SHARE TRANSFER SYSTEM

The Company's shares are compulsorily traded in the demat segment on stock exchanges, bulk of the transfers take place in the electronic form. The share transfers received in physical form are processed through R & T Agent, within seven days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, issue of duplicate share certificate, dematerialisation etc. to the Stakeholders' Relationship Committee ("SRC"). All the physical transfers received are processed by the R & T Agent and are approved by SRC well within the statutory period of one month. The share certificates duly endorsed are returned immediately to the shareholders by the R & T Agent.

The Company obtained following certificate(s) from a Practising Company Secretary and submitted the same to the stock exchanges within stipulated time:

1. Certificate confirming due compliance of share transfer formalities by the Company pursuant to Regulation 40(9) of the SEBI Listing Regulations for half year ended 30th September 2020 and 31st March, 2021 respectively with the Stock Exchanges and

2. Certificate regarding reconciliation of the share capital audit of the Company on quarterly basis. All share transfer and other communication regarding share certificates, change of address, dividend etc. should be addressed to R & T Agents of the Company.

XII. Distribution of shareholding as on 31st March, 2020

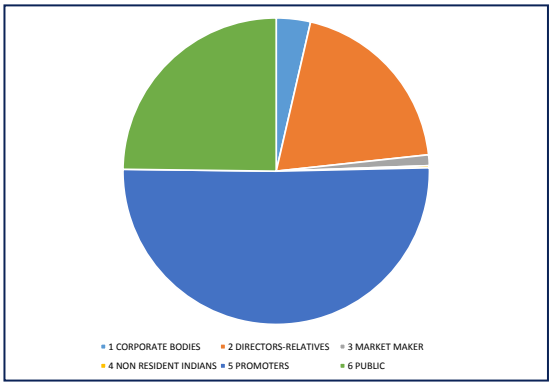
Sl. No.	No. of equity Shares held	No. of Shareholders	% of total Shareholders	No. of total Shares held	Shareholding in % age
1	1-5000	22	7.21	5282	0.03
2	5001-10000	3	0.98	2188	0.01
3	10001-20000	6	1.97	10612	0.06
4	20001-30000	1	0.33	3000	0.02
5	30001-40000	131	42.95	521683	2.85
6	40001-50000	13	4.26	58400	0.32
7	50001-100000	47	15.41	364150	1.99
8	100001& above	82	26.89	17345114	94.73
	TOTAL	**305**	**100**	**18310429**	**100**

XIII.DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Equity Shares of the Company are tradable in compulsory dematerialised segment of the Stock Exchanges and are available in depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Company has established connectivity with both the depositories viz. NSDL and CDSL through the Registrar & Share Transfer Agent-Bigshare Services Private Limited. This has facilitated the shareholders to hold and trade their shares in 'electronic form'. As on 31st March, 2021, 18,185,343 equity shares of the Company, forming 99% of the shareholding stand dematerialized.

XIV. CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2021



Sl. No.	Category	Shares	%
1	CORPORATE BODIES	6,60,645	3.61
2	DIRECTORS-RELATIVES	36,03,900	19.68
3	MARKET MAKER	2,08,000	1.14
4	NON RESIDENT INDIANS	40,000	0.22
5	PROMOTERS	92,56,350	50.55
7	PUBLIC	45,41,534	24.8
	Total	**1,83,10,429**	**100**

XV. GREEN INITIATIVE IN CORPORATE GOVERNANCE

As a continuing endeavour towards the 'Go Green' initiative, the Company shall be sending future correspondence and documents such as notice of the general meetings, audited financial statements, directors' report, auditors' report etc.in electronic form only, to the email address provided by the Members and made available to us by the Depositories.

In compliance with the provisions of section 108 of the Act read with the Rules framed thereunder and as per the provisions of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by NSDL, on all the resolutions set forth in the Notice.

XVI. MARKET PRICE DATA

Monthly high and low of the Equity Shares of the Company at NSE during the year ended 31st March, 2021 are as follows:

Months during the financial year ended 31st March, 2021	NSE	
	High (Rs./share)	Low (Rs./share)
April, 2020	09.00	7.55
May, 2020	9.65	8.50
June, 2020	17.40	10.10
July, 2020	21.30	13.55
August, 2020	21.50	18.05
September, 2020	21.30	21.00
October, 2020	22.00	19.95
November, 2020	23.80	22.00
December, 2020	21.80	19.00
January, 2021	20.75	19.75
February, 2021	19.45	18.80
March, 2021	20.40	19.45

Source: NSE website.

XVII.PLANT LOCATIONS

Plot No.76 A, Sector-57, Kundli Industrial Area Sonepat, Haryana - 131028

XVIII. ADDRESS FOR CORRESPONDENCE

REGISTERED OFFICE: 806, 8th Floor, Crown Heights, Hotel Crown Plaza, Sector-10, Rohini, New Delhi-110085	**REGISTRAR & SHARE TRANSFER AGENT** **BIGSHARE SERVICES PVT. LTD.**
INVESTOR RELATIONS DEPARTMENT	
E-mail id: investor.relations@servotechindia.com	E-mail id: bssdelhi@bigshareonline.com
Website: www.servotech.in	Website: www.bigshareonline.com

COMPLIANCE OFFICER

Ms. Priya Pandey
Company Secretary
ICSI Membership No.: A35815

DECLARATION REGARDING CODE OF CONDUCT

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company during the year 2021.

27th August, 2021
New Delhi

Raman Bhatia
Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Members of SERVOTECH POWER SYSTEMS LIMITED

Report on the Audit of Standalone Financial Statements

OPINION

We have audited the accompanying standalone Financial Statements of **SERVOTECH POWER SYSTEMS LIMITED** ('the Company'), which comprise the balance sheet as at 31st March, 2021, the statement of profit and loss and the Statement of Cash Flows for the year ended on 31st March, 2021 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in the conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at 31st March, 2021 and profit and total comprehensive income, Cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Standalone Financial Statements and our Auditors' Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting

process.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing

Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Financial Statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except non provision of retiring benefits of employees required as per accounting standard 15;

   (e) On the basis of the written representations received from the Directors as on 31st March, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2021 from being appointed as a Director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations as at 31st March, 2021 which would materially impact its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2021.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended 31st March, 2021.

For and on behalf of
Gupta Jalan & Associates
Chartered Accountants
FIRM REGN. 003721N

CA Ram Niwas Jalan
(Partner)
Membership No.: 082389
UDIN : 21082389AAAAEI1312

Place: Delhi
The 30th Day of June, 2021

ANNEXURE "A "TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of **SERVOTECH POWER SYSTEMS LIMITED** ('the Company') for the year ended on 31st March 2021, we report that:

1. a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

   b) All the fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the company and the nature of its assets. No serious discrepancies have been noticed on such physical verification.

   c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. a) The management has conducted the physical verification of inventory at reasonable intervals.

   b)) The discrepancies noticed on physical verification of the inventories as compared to books records which has been properly dealt with in the books of account were not material.

3. The Company had not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, paragraph 3(iii) of the order is not applicable to the company.

4. In our opinion and according to the information and explanations given to us, the Company has not made any loan or investment as required under the provision of section 185 and 186 of Companies Act 2013 with respect to the loans, investments, guarantees and security.

5. The Company had not accepted any deposits from the public.

6. The company has duly maintained the cost records as per section 148 (1) of the Companies Act, 2013..

7. In respect of Statutory dues: -

   i) According to the information and explanations given to us, the company has been regular in depositing undisputed statutory dues including income tax, service tax, sales tax, any other statutory dues to the appropriate authorities, however there have been delays in certain cases. Also, no undisputed amounts payable in respect of income tax, Goods and service tax any other statutory dues were in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.

   ii) According to the information and explanations given to us, the income tax department has created demand of Rs. 2 97 44 736/- For the assessment year 2016-17. The company had filed an appeal before commissioner of income tax New Delhi and deposited Rs. 2,50,000/-. The appeal is pending.

8. In our opinion and according to the information and explanation to us, the company had taken loan from financial Institution; the Company has not defaulted in the repayment of dues to banks

9. (i) According to the information and explanations given to us, company had not raised money by way of initial public offer, therefore no further comments required.

   (ii) According to the information and explanations given to us, the company had received term loan and had not defaulted in repayment of its installments during the year.

10. According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed during the course of our audit.

11. According to the information and explanations given to us, The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. The company is not a Nidhi Company; therefore, the provisions of Nidhi companies are not applicable on the company.

13. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the provisions of section 177 of the Companies Act 2013 are applicable to the Company, the transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Financial Statements as required by the accounting standards.

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The registration with Reserve Bank of India under section 45-IA of the Reserve Bank of India Act 1934 is not applicable on the company.

For and on behalf of
Gupta Jalan & Associates
Chartered Accountants
FIRM REGN. 003721N

CA Ram Niwas Jalan
(Partner)
Membership No.: 082389
UDIN : 21082389AAAAEI1312

Place: Delhi
The 30th Day of June, 2021

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of **SERVOTECH POWER SYSTEMS LIMITED** ('the Company') as of 31st March, 2021 in conjunction with our audit of the standalone Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control. We are of the opinion that after designing and implementation of internal control system as per guidance note on audit of internal financial controls over financial reporting issued by ICAI will not substantially impact on our opinion on internal financial control system presently implemented in the company. The present system of internal financial control is effectively prevailing in the company.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013. The company is in process of designing internal financial control system as per guidance note on audit of internal financial control over financial reporting issued by ICAI.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit of financial records and documents even though the company is in process of designing and implementation of internal control financial system to the extent applicable to an audit of internal financial control as prescribed in guidance note on audit of internal financial control over financial reporting and accounting standards as issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For and on behalf of
Gupta Jalan & Associates
Chartered Accountants
FIRM REGN. 003721N

CA Ram Niwas Jalan
(Partner)
Membership No.: 082389
UDIN : 21082389AAAAEI1312

Place: Delhi
The 30th Day of June, 2021

BALANCE SHEET

AS AT 31ST MARCH 2021

(In ₹)

Particulars			Note	As at 31st March 2021	As at 31st March 2020
A	**EQUITY AND LIABILITIES**				
1	**Equity**				
	i) Equity Share Capital		1	18,31,04,290	18,31,04,290
	ii) Other Equity		2	19,44,68,201	18,52,47,404
	Total	**A**		**37,75,72,491**	**36,83,51,694**
2	**Non-Current Liabilities**				
	i) Long-Term Borrowings		3	6,95,10,979	4,82,96,620
	ii) Defered Tax Liabilities			9,79,992	11,06,601
	iii) Other Long Term Liabilities		4	1,00,000	80,000
	iv) Long Term Provisions		5	1,86,51,067	2,27,47,495
3	**Current Liabilities**				
	i) Short Term Borrowings		6	18,19,65,675	13,87,34,614
	ii) Trade Payables				
	MSME		7	56,48,657	68,94,733
	Other Then MSME			22,87,24,319	16,53,83,219
	iii) Other Current Liabilities		8	6,27,16,295	3,74,21,935
	iv) Short Term Provisions		9	32,02,136	29,70,000
	Total	**B**		**57,14,99,121**	**42,36,35,217**
	Total ₹	**(A+B)**		**94,90,71,612**	**79,19,86,910**
B	**ASSETS**				
1	**Non-Current Assets**				
	i) Property, Plant and Equipment		10		
	Tangible assets			7,38,16,236	8,42,70,505
	Intangible assets			-	-
	ii) Long Term Loans & Advances		11	46,14,434	1,06,91,139
	iii) Other Non Current Assets		12	10,88,93,311	8,55,87,589
2	**Current Assets**				
	i) Inventories		13	15,25,88,351	9,09,34,830
	ii) Trade Receivables		14	50,57,75,770	43,25,86,335
	iii) Cash and Cash Equivalents		15	3,39,34,048	3,14,37,424
	iv) Short-term Loans & Advances		16	6,94,49,462	5,64,79,087
	Total ₹	**(A+B)**		**94,90,71,612**	**79,19,86,910**
Corporate Information, Accounting Policies, Contingent Liabilities and Notes			25		

The accompanying notes 1 to 25 are an integral part of the financial statements.

As per our report annexed
for GUPTA JALAN & ASSOCIATES
Chartered Accountants
FRN : 03721N

CA Ram Niwas Jalan
(Partner)
M.No.- 082389

Place: Delhi
The 30th day of July, 2021

UDIN : 21082389AAAAEI1312

For and on behalf of board

Raman Bhatia
(Managing Director)
DIN-00153827

Sarika Bhatia
(Whole-time Director)
DIN-00155602

Priya Pandey
(Company Secretary)
M.No.- 35815

Vikas Bhatia
(Chief Financial Officer)
(PAN- AJNPB0303P)

STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH 2021

(In ₹)

Particulars		Note	For the year ended 31st March 2021	For the year ended 31st March 2020
I	**INCOME**			
	i) Revenue from operation	17	87,99,93,001	87,44,15,769
	iii) Other Income	18	90,16,853	53,14,397
	Total ₹	**(A)**	**88,90,09,855**	**87,97,30,166**
II	**EXPENDITURE**			
	i) Materials Consumed		23,16,63,069	35,94,41,958
	ii) Cost of Trading Goods		54,50,36,505	34,50,34,989
	iii) Changes in inventories of finished goods, work-in-process, sub-assembled products		(3,34,75,838)	(98,85,028)
	iv) Employee Benefits Expenses		4,00,53,927	4,61,36,089
	v) Finance Costs		2,77,03,233	2,77,36,456
	vi) Other Expenses		5,38,69,611	9,00,91,934
	vii) Depreciation Written/Off		96,14,353	89,14,793
	Total ₹	**(B)**	**87,44,64,859**	**86,74,71,191**
III	**Profit before exceptional and extraordinary items and taxtation**	**(A-B)**	1,45,44,996	1,22,58,974
IV	**Exceptional Items**		23,25,006	8,34,755
V	**Profit Before Taxation**		1,22,19,990	1,14,24,219
VI	**Tax Expenses**			
	Current Tax		32,02,136	29,70,000
	Deferred Tax		(1,26,609)	44,044
	Income tax of earlier years		(76,335)	2,21,068
	CSR Expenses		-	51,000
	Profit /(Loss) for the year from continuing operations		92,20,798	81,38,107
	Profit/ (Loss) from, discontinuing operations		-	-
	Profit/ (Loss) from, discontinuing operations (after tax)		-	-
VII	**Profit after taxtation**		**92,20,798**	**81,38,107**
VIII	**Earning Per Share**			
	Basic		0.50	0.44
	Diluted		0.50	0.44
Corporate Information, Accounting Policies, Contingent Liabilities and Notes		25		

The Accompanying notes 1 to 25 are an integral part of the financial statements.

As per our report annexed
for GUPTA JALAN & ASSOCIATES
Chartered Accountants
FRN : 03721N

CA Ram Niwas Jalan
(Partner)
M.No.- 082389

Place: Delhi
The 30th day of July, 2021

UDIN : 21082389AAAAEI1312

For and on behalf of board

Raman Bhatia
(Managing Director)
DIN-00153827

Sarika Bhatia
(Whole-time Director)
DIN-00155602

Priya Pandey
(Company Secretary)
M.No.- 35815

Vikas Bhatia
(Chief Financial Officer)
(PAN- AJNPB0303P)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2021

(In ₹)

	Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before tax	1,22,19,990	1,14,24,219
	Adjustments For :		
	Depreciation and amortisation expense	96,14,353	89,14,793
	Interest expense	2,77,03,233	2,77,36,456
	Interest income	(13,10,603)	(16,79,601)
	Loss/ (profit) on sale of fixed assets	(2,22,324)	51,420
	Corporate Social responsibility	-	(51,000)
	Operating Profit before working capital Changes	**4,80,04,648**	**4,63,96,288**
	Adjustments For :		
	(Increase)/ Decrease in sundry debtors	(7,31,89,435)	(3,27,55,130)
	(Increase)/ Decrease in inventories	(6,16,53,521)	2,51,79,029
	(Increase)/Decrease in loans & advances and other current assets	(1,29,70,375)	(1,52,05,356)
	Increase/ (Decrease) in sundry creditors and other liabilities	8,76,21,521	70,04,969
	Cash generated From operating activities	**(1,21,87,161)**	**3,06,19,800**
	Less: Direct Tax Paid	29,99,192	31,91,068
	Net cash generated from/ (used in) operating activities	**(1,51,86,353)**	**2,74,28,732**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets	(15,08,533)	(1,17,73,125)
	Proceeds from sales of fixed assets	25,70,767	1,00,000
	Interest received	13,10,603	16,79,601
	Decrease/ (Increase) in Long Term Loan & Advances	60,76,711	(57,10,244)
	Decrease/ (Increase) in Other non current assets	(2,33,05,722)	(30,84,273)
	Net Cash Generated from (used in) investing activities	**(1,48,56,174)**	**(1,87,88,041)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Issue of Share Capital / Share Application Money	-	-
	Share Premium Account including reserves	-	-
	Proceeds from Secured & Unsecured loans	6,44,45,420	4,68,81,547
	Interest / Financial Charges	(2,77,03,233)	(2,77,36,456)
	Increase/(Decrease) in Long Term Liabilities	(42,03,037)	(2,54,16,528)
	Net Cash Generated from (used in) Financing Activities	**3,25,39,151**	**(62,71,437)**
I	Total increase (decrease) in cash and cash equivalents during the year (A+B+C)	24,96,624	23,69,254
II	Cash and cash equivalents at beginning of year	3,14,37,424	2,90,68,170
III	Cash and cash equivalents as at end of the year (I+II)	**3,39,34,048**	**3,14,37,424**

As per our report annexed
for GUPTA JALAN & ASSOCIATES
Chartered Accountants
FRN : 03721N

CA Ram Niwas Jalan
(Partner)
M.No.- 082389

Place: Delhi
The 30th day of July, 2021

UDIN : 21082389AAAAEI1312

For and on behalf of board

Raman Bhatia
(Managing Director)
DIN-00153827

Sarika Bhatia
(Whole-time Director)
DIN-00155602

Priya Pandey
(Company Secretary)
M.No.- 35815

Vikas Bhatia
(Chief Financial Officer)
(PAN- AJNPB0303P)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1

A) EQUITY SHARE CAPITAL

Particulars of Authorised, Issued and Paid-up Share Capital

(In ₹)

Particulars	As at 31st March 2021	As at 31st March 2020
Authorised		
1,90,00,000 Equity Shares of ₹ 10/- each	190,000,000	190,000,000
Issued, subscribed and paid up*	18,31,04,290	18,31,04,290
1,83,10,429 (including issue of 1,02,42,600 Bonus Shares by way of capitalisation of reserves).		
Total ₹	**18,31,04,290**	**18,31,04,290**

B) Reconcilation of Number of Ordinary Shares Outstanding

Particulars	Number of Shares	Number of Shares
At Beginning of the Year : - Fully paid up	1,83,10,429	1,83,10,429
Add : Issue of Shares : - Fully paid up	-	-
At end of the Year : - Fully paid up	1,83,10,429	1,83,10,429

C) Share holders holding more than 5% of the ordinary shares in the company

S.No.	Name	Number of Shares	Number of Shares
1	Raman Bhatia	66,82,675	66,66,675
2	Raman Bhatia HUF	31,03,175	30,83,175
3	Sarika Bhatia	25,73,675	25,65,675

D) Ordinary Shares allotted as fully paid up Bonus shares for the period of five years immediately preceding 31st March

Year	2021	2020	2019	2018	2017
No of Shares	-	-	-	10,242,600	-

(E) Rights, Preferences and restictions attached to equity shares

The company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and is entitled to dividend declared, if any. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the company after distribution of all preferential amounts in proportion of equity shares held by the shareholders.

NOTE 2 : OTHER EQUITY

(In ₹)

Particulars	As at 31st March 2021	As at 31st March 2020
Surplus as per Statement of Profit & Loss		
Brought From Previous Year	8,33,68,137	7,52,30,030
Profit for the Year	92,20,798	81,38,107
Carried to Next Year	9,25,88,934	8,33,68,137
Share Premium Account	10,18,79,267	10,18,79,267
Total ₹	**19,44,68,201**	**18,52,47,404**

NOTE 3 : LONG TERM BORROWINGS

Secured Term Loan		
From Banks	6,55,16,945	3,99,59,012
From Non-Banking Finance Companies	17,00,277	23,93,683
Un-Secured Term Loan		
From Banks	5,75,402	18,66,974
From Non-Banking Finance Companies	17,18,355	40,76,950
Total ₹	**6,95,10,979**	**4,82,96,620**

Particulars	Repayable within 1 year	Repayable after 1 but within 5 years	Repayable after 5 years	Total
For the year ended 31/03/2020				
Secured Term Loan				
From Banks	1,14,32,683	3,81,99,246	**2,73,17,699**	7,69,49,627
From Non-Banking Finance Companies	13,67,737	17,00,277	-	30,68,014
Un-Secured Term Loan				
From Banks	34,27,368	5,75,402	-	40,02,770
From Non-Banking Finance Companies	1,70,13,972	17,18,355	-	1,87,32,327
Total ₹	**3,32,41,760**	**4,21,93,280**	**2,73,17,699**	**10,27,52,739**
For the year ended 31/03/2019				
Secured Term Loan				
From Banks	34,95,754	2,12,53,148	**1,87,05,864**	4,34,54,766
From Non-Banking Finance Companies	12,88,053	23,93,683	-	36,81,736
Un-Secured Term Loan				
From Banks	49,46,447	18,66,974	-	68,13,421
From Non-Banking Finance Companies	1,05,29,550	40,76,950	-	1,46,06,500
Total ₹	**2,02,59,803**	**2,95,90,756**	**1,87,05,864**	**6,85,56,423**

1) Various banks had sanctioned vehicle loans on different dates of Rs. 111.37 Lac (Previous year Rs. 133.42 lacs) secured against hypothecation of vehicles and personal guarantees of directors. The said loans are repayable in 36 equated installment of different amounts and payable on different dates. outstanding balance as on 31.03.2021 was Rs. 74.49 lacs (Previous year Rs. 84.53 Lacs) , Payable within one year Rs. 26.47 Lacs previous year Rs. 25.63 Lacs) .

2) Various non banking finance companies had sanctioned vehicle loans on different dates of Rs. 63.10 Lac (Previous year Rs. 63.10 lacs) secured against hypothecation of vehicles and personal guarantees of directors. The said loans are repayable in 36 equated installment of different amounts and payable on different dates. outstanding balance as on 31.03.2021 was Rs. 30.68 lacs (Previous year Rs. 36.82 Lacs) , Payable within one year Rs. 13.68 Lacs previous year Rs. 12.88 Lacs) .

3) ICICI Bank had sanctioned Home loan of Rs. 340.00 Lac on 26.12.2017 & Rs. 27.50 lacs on 26.12.2017 secured against equitable mortgaged of Residential property at Plot No.-B-4, Basement and 3rd Floor With Roof Rights, Green Park Extn. , Delhi-110016 and personal guarantees of directors. The said loan is repayable in 239 & 177 equal monthly installment of Rs. 292912/- & 27161/-.Outstanding balance as on 31.03.2021 was Rs. 35.81 lacs (Previous year Rs. 35.00 Lacs) , Payable within one year Rs. 11.60 Lacs previous year Rs. 9.32 Lacs).

4) Punjab National Bank had sanctioned medium term loan of Rs. 90 lacs on 24.06.2020 under GECL Scheme for allow additional working capital facility to ease stress under COVID-19 . The loan is secured on terms & Conditions as mentioned is note no.6 below. The loan is repayable in 36 equal installment after one year moratorium. The outstanding as on 31.03.2021 was Rs.89.93 Lac (Previous year Rs. Nil) payable within one year Rs.21.25 Lac (Previous year Rs. Nil).

5) Punjab National Bank had sanctioned working capital term loan of Rs. 247 lacs on 18.07.2020 under GECL Scheme to meet operational liabilities and restart the business effected due to COVID-19. The loan is secured on terms & Conditions as mentioned in Note no.6 below. The loan is repayable in 36 equal installment after one year moratorium period. outstanding as on 31.03.2021 was Rs.247 lacs (Previous year Rs. Nil) payable within one year Rs. 55 lacs (Previous year Rs. Nil).

6) Various banks had sanctioned un-secured working capital medium term loans of Rs.148.49 Lac (Previous year Rs.148.49 lacs) on personal guarantees of directors. The said loans are repayable in 36 equated installments of different amount and payable on different dates. Outstanding balance as on 31.03.2021 was Rs. 40.03 lacs (Previous year Rs. 68.13 Lacs) , Payable within one year Rs. 34.27 Lacs previous year Rs. 49.46 Lacs).

7) Various non banking finance companies had sanctioned un-secured working capital medium term loans of Rs.405.15 Lac (Previous year Rs.305.15 lacs) on personal guarantees of directors. The said loans are repayable in 36 equated installments of different amount and payable on different dates. Outstanding balance as on 31.03.2021 was Rs.187.32 lacs (Previous year Rs. 146.06 Lacs) , Payable within one year Rs. 170.14 Lacs previous year Rs. 15.29 Lacs) .

NOTE 4 : OTHER LONG TERM LIABILITIES

(In ₹)

Particulars	As at 31st March 2021	As at 31st March 2020
Securities Received from Customers	1,00,000	80,000
Total ₹	**1,00,000**	**80,000**

NOTE 5 : LONG TERM PROVISIONS

Provision for warranty exceeding one year	1,86,51,067	2,27,47,495
Total ₹	**1,86,51,067**	**2,27,47,495**

NOTE 6 : SHORT TERM BORROWINGS

Working capital loans from Scheduled Banks *	9,96,79,409	7,15,97,149
Working capital loans from NBFC **	4,90,44,506	4,68,35,779
Current Maturities of Long Term Debt (including interest accrued)	3,32,41,760	2,02,59,803
Book overdraft of a Bank	-	41,883
Total ₹	**18,19,65,675**	**13,87,34,614**

*Punjab National Bank had renewed fund based limit of Rs.626 Lakhs along with interchangeability of Rs. 450 lac from LC to CC and non fund limit of Rs. 1150 lakhs on 24.06.2020. These limit are secured against hypothecation of inventories, books debts, other current assets, fixed deposits of Rs. 5 Lakhs and RD of Rs. 50,000 , Plant and machineries and all other fixed assets of the company, besides equitable mortgage of properties of company and its directors along with their personal guarantees.

**The Company has entered domestic sale bills factoring agreement on 16th January 2019 of Rs. 600 Lakhs for discounting of sales invoices with IFCI Factors Limited relating to Indian Oil Corporation limited and Bharat Petroleum Corporation Limited. The Company has pledged shares owned by its directors along with their personal guarantees and post dated cheques of Rs. 500 Lakhs in favour of the lender.

NOTE 7 : TRADE PAYABLES

MSME Creditors	56,48,657	68,94,733
Other Then MSME Creditors	22,87,24,319	16,53,83,219
Total ₹	**23,43,72,976**	**17,22,77,952**

The amounts remaining unpaid to micro, small and medium enterprises at the end of the year		
- Principal	56,48,657	68,94,733
- Interest	-	-
The amount of interest paid by the buyer as per the MSME Act, 2006	-	-
The amount of the payments made to micro, small and medium enterprises beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSME Act, 2006	-	-

NOTE 8 : OTHER CURRENT LIABILITIES

(In ₹)

Particulars	**As at 31st March 2021**	As at 31st March 2020
Advance from customers & others	3,19,00,871	59,91,646
Expenses payable	2,93,74,786	3,06,39,744
Statutory liabilities payable	14,40,638	7,90,545
Total ₹	**6,27,16,295**	**3,74,21,935**

NOTE 9 : SHORT TERM PROVISIONS

Provision for taxation	32,02,136	29,70,000
Total ₹	**32,02,136**	**29,70,000**

NOTE 10 : PROPERTY, PLANT AND EQUIPMENT

(In ₹)

ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION/AMORTISATION				NET BLOCK	
	AS AT 1ST APRIL 2020	ADDITIONS DURING THE YEAR	DELETION DURING THE YEAR	AS AT 31ST MARCH 2021	BALANCE AS AT 1ST APRIL 2020	PROVIDED DURING THE YEAR	DELETION/ ADJUSTMENTS DURING THE YEAR	BALANCE UP TO 31ST MARCH 2021	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
TANGIBLE										
LAND	1809600	0	0	1809600	0	0	0	0	1809600	1809600
BUILDINGS	71319983	0	0	71319983	13101567	2835237	0	15936804	55383174	58218416
PLANT AND MACHINERIES	19117478	6000	5815014	13308464	10787677	1507180	4248039	8046818	5261646	8329801
COMPUTERS AND DATA PROCESSING UNITS	5730027	539330	0	6269358	4995738	306109	0	5301847	967511	734289
ELECTRIC EQUIPMENTS	658497	0	658497	0	484151	45098	529249	0	0	174346
FURNITURE & FITTING	7169126	0	0	7169126	4988915	563263	0	5552178	1616949	2180212
OFFICE EQUIPMENTS	6531220	156096	0	6687316	4136614	1070684	0	5207298	1480018	2394606
MOTOR VEHICLES	23160758	807107	5905403	18062462	12783708	3274115	5253183	10804641	7257821	10377050
MOTORCYCLES	350312	0	0	350312	298129	12666	0	310795	39517	52183
Total	**135847002**	**1508533**	**12378914**	**124976621**	**51576498**	**9614353**	**10030470**	**51160380**	**73816236**	**84270504**
INTANGIBLE										
Antivirus Software (3 years)	81858	0	0	81858	81857	0	0	81857	1	1
Total	**81858**	**0**	**0**	**81858**	**81857**	**0**	**0**	**81857**	**1**	**1**
Grand Total:	**135928860**	**1508533**	**12378914**	**125058479**	**51658355**	**9614353**	**10030470**	**51242237**	**73816236**	**84270505**
Previous year figures	124616214	11773125	460478	135928860	43052620	8914794	309059	51658355	84270504	81563593

NOTE 11 : LONG TERM LOANS & ADVANCES

Securities deposits	46,14,434	1,06,91,139
Total ₹	**46,14,434**	**1,06,91,139**

(In ₹)

Particulars	**As at 31st March 2020**	As at 31st March 2019

NOTE 12 : OTHER NON-CURRENT ASSETS

(Unsecured, considered good)

Retention and performance guarantee money	10,88,93,311	8,55,87,589
Total ₹	**10,88,93,311**	**8,55,87,589**

NOTE 13 : INVENTORIES

(As taken, valued and certified by the management)

Raw Materials	6,29,67,736	3,47,90,053
Work-in-Process	40,48,678	51,80,811
Finished Goods	8,55,71,937	5,09,63,966
Total ₹	**15,25,88,351**	**9,09,34,830**

NOTE 14 : TRADE RECEIVABLES

(Unsecured, considered good unless otherwise specified)

Outstanding for more than six months		
- Good	9,93,80,385	7,60,30,150
- Doughtful and suit filed*	2,16,07,343	1,89,33,826
Others	38,47,88,042.02	33,76,22,358
Total ₹	**50,57,75,770**	**43,25,86,335**

* Includes ₹ 10 733 173/- (Previous year ₹ 13,48,624/) against that the Company had filed suit for recovery against customers at district court, Delhi.

NOTE 15 : CASH AND CASH EQUIVALENTS

Cash in hand (As certified)	2,49,319	3,31,359
Balance with scheduled banks in current account	45,09,866	19,84,820
Fixed Deposit with Scheduled bank included interest accrued thereon*	2,91,74,863	2,91,21,245
Total ₹	**3,39,34,048**	**3,14,37,424**

*Fixed Deposits amounting to Rs.2,30,18,935 (Previous year Rs.2,13,40,291) are under lien with Punjab National bank & Yes Bank as margin money against issuance of bank guarantees to various customers of Rs. 12,38,80,766 (Previous year Rs.11,29,37,576).

Fixed Deposits amounting to Rs.16,69,974 (Previous year Rs. 38,84,151) are under lien with Punjab National bank & Yes Bank as margin money for issuance of letter of credit to sundry creditors of Rs.2,41,45,496 (Previous year Rs. 3,08,98,888).

Fixed Deposit of Rs.8,36,641 Recurring Deposit of Rs. 21,69,641 (previous year Rs.8,36,641 and Rs.21,69,641 respectively) are under lien with Punjab national Bank as margin money for working capital facilities.

NOTE 16 : SHORT TERM LOANS & ADVANCES

Prepaid expenses	38,85,249	9,88,492
Advance income tax	23,12,215	30,32,775
Advance to suppliers and others	6,32,51,998	5,24,57,820
Total ₹	**6,94,49,462**	**5,64,79,087**

(In ₹)

Particulars	**As at 31st March 2021**	As at 31st March 2020

NOTE 17 : REVENUE FROM OPERATION

I) Manufactured & Trading Sales (Domestic)		
A Domestic	93,85,12,365	91,19,92,156
B Export Sale	36,77,454	-
2) Sale of Service	1,85,19,915	3,59,24,575
	96,07,09,734	**94,79,16,731**
Less : Goods & Services tax	8,07,16,733	7,35,00,962
Net Revenue from operation (Rs.)	**87,99,93,001**	**87,44,15,769**

NOTE 18 : OTHER INCOME

Interest received	13,10,603	16,79,601
Rebate & discount	16,00,392	14,28,365
Rent Received	3,90,000	98,000
Miscellanious Income	57,15,858	21,08,431
Total ₹	**90,16,853**	**53,14,397**

NOTE 19 : MATERIAL CONSUMED

RAW MATERIALS		
Opening Stock	3,47,90,053	6,98,54,110
Add: Purchased during the year	88,91,76,713	73,07,43,458
	92,39,66,767	**80,05,97,568**
Less : Cost of Trading Goods Sold	54,50,36,505	34,50,34,989
Less : Goods & service tax	8,39,38,566	6,11,12,643
Less: Material consumed under warranty	3,60,891	2,17,924
Less: Closing Stock	6,29,67,736	3,47,90,053
Raw materials consumed	**23,16,63,069**	**35,94,41,958**

NOTE 20 : CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS, SUB-ASSEMBLED PRODUCTS

Closing Stock		
Finished Goods	8,55,71,937	5,09,63,966
Work-in-Process	40,48,678	51,80,811
	8,96,20,615	5,61,44,777
Opening Stock		
Finished Goods	5,09,63,966	4,11,49,405
Work-in-Process	51,80,811	51,10,344
	5,61,44,777	4,62,59,749
Net Balance (₹)	**(3,34,75,838)**	**(98,85,028)**

(In ₹)

Particulars	**As at 31st March 2021**	As at 31st March 2020

NOTE 21 : EMPLOYEE BENEFIT EXPENSES

Directors Remuneration	60,60,600	52,25,806
Salaries & Wages	3,20,05,130	3,87,91,481
Employee Welfare Expenses	19,88,197	21,18,803
Total ₹	**4,00,53,927**	**4,61,36,089**

NOTE 22 : FINANCE COSTS

Interest Paid		
OnTerm Loan	92,30,267	88,17,832
On Working Capital Loan	1,16,01,990	97,41,617
Bank Charges & Other Interest	71,90,412	88,43,200
Difference in Currency Fluctuation	(3,19,436)	3,33,807
Total ₹	**2,77,03,233**	**2,77,36,456**

NOTE 23 : OTHER EXPENSES

(a)	**Manufacturing Expenses**		
	Power & Fuel Expenses	7,04,708	11,47,682
	Repair & Installation Expenses	66,94,269	49,34,654
	Job Work Charges	1,53,846	2,71,004
	Cartage Inward	14,65,969	4,19,673
	Consumable Goods	-	1,32,401
	Total ₹	**90,18,792**	**69,05,414**
(b)	**Administrative Expenses**		
	Printing and stationery	1,76,756	3,01,405
	Rent	51,97,500	62,88,344
	Postage, telegram and telephone expenses	9,27,324	7,03,652
	Computer and IT Expenses	12,56,515	14,33,969
	Electricity expenses	2,16,415	2,26,281
	Travelling and conveyance (Including Directors Tour & Travelling)	15,37,128	39,55,827
	Legal and professional charges	17,63,726	20,32,319
	Fees and subscription	4,65,713	6,60,328
	Insurance expenses	4,48,013	4,28,384
	Repairs and maintenance	16,31,469	20,19,178
	Vehicle maintenance	6,87,891	3,75,910
	General expenses	27,04,417	3,29,964
	Auditors' Remuneration		
	Audit Fees	400,000	400,000
		-	
	Total ₹	**1,74,12,868**	**1,91,55,562**

(In ₹)

Particulars		For the year ended 31st March 2021	For the year ended 31st March 2020
(c)	**Selling & Distribution Expenses**		
	Freight & labour charges	27,69,172	18,00,457
	Commission paid	15,327	-
	Designing charges	-	3,65,11,257
	Liquidation damage	12,31,275	12,75,685
	Research & Development Expenses	3,11,028	3,74,235
	Tender Fees	7,88,307	-
	Royalty Expense	17,48,755	8,74,861
	Business promotion	28,89,872	28,753
	Advertisement	61,76,843	50,28,269
	Discount on sale	1,15,07,371.20	1,81,37,442
	Warranty expenses	18,137,442	14,383,000
	Total ₹	**2,74,37,950**	**6,40,30,958**
	Total ₹ (a + b +c)	**5,38,69,611**	**9,00,91,934**

NOTE 24 : CORPORATE SOCIAL RESPONSIBILITY

As per Provisions of section 135 of the Companies Act, 2013, the company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility (CSR). Accordingly, a CSR committee has been formed for carrying out CSR activities as per the Schedule VII of the Companies Act, 2013. The Company has contributed a sum of Rs. Nil (Previous year Rs. 51000/-) towards this cause and shown separately in this Statement of Profit & Loss.

NOTE 25 : CORPORATE INFORMATION , ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES

1. CORPORATE INFORMATION:

Servotech Power Systems Limited ("the Company") was incorporated on 24.09.2004 as a Private Limited Company and converted in to Public Limited Company domiciled in India on 24.05.2017. Its shares are listed on NSE SME platform. The company is primarily engaged in manufacturing of LED lights and Solar power products.

2. BASIS OF PREPRATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES:

(i) Basis of preparation of Financial Statements (AS1):

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis. All amounts included in the financial statements are reported in absolute figures of Indian Rupees

(ii) Presentation and disclosure of financial statements:

During the year end 31st March, 2021, the Company has presented the financial statements as per the Schedule III notified under the Companies Act, 2013. The Company has also reclassified the previous figures years in accordance with the requirements applicable in the current year.

(iii) Use of estimates:

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, if any at the end of the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(iv) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government and from March 2021 by various State Governments to stop the spread of COVID-19. The Indian farmers had started protest at Delhi Borders from 09th August 2020 for repeals of three farm bills passed by parliament. They had started protest at Delhi Boarders . Due to those events, the operation in plant of company at Kundli Haryana got temporarily disrupted. In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 and Farmers agitation on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic and Farmers agitation , the Company has used internal and external information such as term of current contracts, financial strength of the company, future volume estimates from the business etc. has been reviewed by the management. The production at its plant had suffered. Due to this manufacturing sales had declined from Rs. 4788 lacs to Rs.2315 lacs during the financial year2020-2021. To full fill the supply obligation, the company had to procure goods as per required specification from outside parties. This had impacted on the profitability of the company. The company had added COVID related equipment (UVC Lights) in its supply chain. The underlying data and based on current estimates the Company was able to maintain its profitability and reduce the significant impact on liabilities accrued. The Company will continue to closely monitor any material changes to future economic conditions.

(v) Inventories (AS 2):

Inventories of materials including stores & spares, consumables, packing materials, components, work-in-progress, and finished goods are valued at the lower of cost and estimated net realizable value. Raw material was valued at cost (first in first out basis) or realizable value whichever is lower. Cost in case of work in progress is determined on the basis of the actual expenditure attributable to the said work till the end of the reporting period. Finished goods are value lower of cost or realizable value scrap are valued at net reasonable value.

(vi) Cash and Cash Equivalents (AS 3):

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand, cheques on hand and short-term investments with an original maturity of three months or less.

(vii) Revenue recognition (AS 9):

Revenue comprises sale of materials, service income and interest. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. The Company collects goods and service tax, as applicable on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. The company had started making provision of late delivery charges as per terms of tenders /contracts. The deductions if any from past year supplied will be accounting for the year of settlement receipts of payments.

Sales:

Revenue from sale of goods/ services is recognized in the statement of profit and loss when the significant risks and rewards in respect of ownership of goods /services has been transferred to the buyer as per the terms of the respective sales order, and the income can be measured reliably and is expected to be received.

Interest income:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(viii) Tangible Fixed Assets (AS 10):

Tangible Fixed assets are carried at cost of acquisition and other applicable costs less accumulated depreciation and accumulated impairment loss, if any. The cost of fixed assets includes cost of acquisition plus, any freight, taxes, duties and other incidental expenses that are directly attributable to bring the assets to their working conditions for their intended use.

When parts of the items of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to the property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

Gain / loss arising from de-recognition / sale / disposal of fixed assets are measured as the difference between the net disposal / sale proceeds and the carrying amount of the assets and are recognized in the statement of profit or loss when the asset is de-recognized / disposed off.

No assets have been revalued during the year.

(ix) Foreign Exchange Transactions (AS 11):

The company has policy to recognize difference in foreign currency in relation to material in Statement of Profit & Loss and relating to Fixed Assets addition to Fixed Assets, however there was no purchase of fixed asset against which liability has been created in foreign currency. The company has transferred difference in foreign exchange to Statement of Profit & Loss , because those related to purchase and sale of material.

(x) Government grants and subsidies (AS 12):

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. On disposal of an investment, if any, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss..

(xi) Investments (AS 13):

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. On disposal of an investment, if any, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(xii) Retirement and other Employee benefits (AS 15):

Defined contributions to Provident Fund are charged to the statement of Profit & Loss of the year, when the employee renders the related service. There are no other obligations other than the contribution payable to the respective statutory authorities.

The company had paid Rs. 175673 as gratuity i.e. retirement benefits to its employee during the year however no certificate of actuarial valuation has been obtained. Other retirement benefits will be accounted for as and when paid. The company had not made any provision of gratuity and other retiring benefits to its employees. The same will be accounted for as and when paid

(xiii) Borrowing Costs (AS 16)

Loan processing charges paid to bank for working facilities have been charged to revenue account since the same are not attributable to the acquisition of qualifying assets as per the requirements of AS 16. Borrowing cost primarily includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

(xiv) Segment Reporting (AS 17):

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. Factors that should be considered in determining whether products or services are related include:

(a) the nature of the products or services;

(b) the nature of the production processes;

(c) the type or class of customers for the products or services; Segment Reporting

(d) the methods used to distribute the products or provide the services; and

(xv) Operating leases (AS 19):

Where the Company is a lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on the basis of the lease (Rent Agreements). Initial direct costs such as legal costs, brokerage costs, etc. if any, are recognized immediately in the Statement of Profit and Loss.

Where the Company is a lessor

Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.; or the payments to the lessor are structured to increase inline with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(xvi) Earning/(loss) per share (AS 20):

Basic earnings / (loss) per share is computed by dividing the net profit / (loss) for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors for the purpose of calculating diluted earnings / (loss) per share. The net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

(xvii) Taxation (AS 22):

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT credit entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period in future. Separate and detailed calculation of Deferred tax is appended in Note No.-25 4(B) to these notes. During the F.Y. 2020-2021, the provisions of ICDS under the Income Tax Act, 1961 have been applicable to the Company and hence the provisions of Current tax have been made after considering the effects of ICDS wherever applicable. ICDS are not to be considered for maintaining the books of accounts and preparation of Financial statements.

(xviii) Impairment of tangible and Intangible Assets (AS 28):

As per the estimates made by the management and as per the various assessments made by the management, there were no indicators whether internal or external (as provided in para 8 of AS 28) which has led to the impairment loss to any assets. Since there are no such indicators which suggest that the net value of the assets would fall significantly by passage of time and normal use, the company has not provided for any impairment loss for any assets during the current financial period. The company has chosen the "value in use" technic and as per the measurement of future cash flow, the management is of the opinion that the future cash flow and the terminal value of the assets would not be significantly less than the carrying value and hence no impairment for any assets has been provided for in the financial statements.

In the opinion of the Board of Directors and to the best of their knowledge and belief the aggregate value of the current assets, loans and advances on realization in the ordinary course of business, will not be less than the amount at which they are stated in the Balance Sheet.

(xix)Provisions and contingent liabilities, Contingent assets (AS 29):

A provision is recognized when the Company has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions of various expenses are recognized in the financial statements since there exists present obligations as a result of event and the expenses are accrued and incurred during the year.

The opening balance of provisions is used during the year against the payments during the year. The closing balances of provisions are the expenses accrued during the year and provided.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow is remote. A contingent asset is not recognized in the Financial statements and hence not disclosed..

(2) CONTINGENT LIABILITES (AS CERTIFIED)

	Particulars	Current Year 31st March 2021 (RS.)	Previous Year 31st March 2020 (RS.)
A.	Claim against the company not acknowledged as debt	65,45,000	Nil
B.	Outstanding Letter of Credit	2,41,45,496	3,08,98,888
C.	Bank Guarantee (Performance Guarantee)		
	(Margin of Rs2,30,18,935/- Previous year Rs. 2,13,40,291/-). The action of TADA for encashment of Bank Guarantees of Rs. 15.20 lacs has been stayed by Delhi High Court	12,38,80,766	11,29,37,576
D.	Estimated amount of outstanding Capital Commitment	5160498	Nil

(3) NOTES ON ACCOUNT

A. EARNING PER SHARE

Profit Attributable to Equity Shares	92,20,798	81,38,107
Weighted average no. of shares (Excluding Potential Shares)	1,83,10,429	1,83,10,429
Weighted average no. of shares (Including Potential Shares)	1,83,10,429	1,83,10,429
Basic Earning Per Share	0.50	0.44
Diluted Earning Per Share	0.50	0.44

B. EARNING PER SHARE

Deferred Tax Liabilities	9,79,992	11,06,601

C. CIF VALUE OF IMPORTS

Raw Materials	1,48,53,474	1,17,92,539

D. EXPENDITURE IN FOREIGN CURRENCY

Raw Materials	1,20,93,264	1,17,92,539
Advance Paid (Against Raw Material)/Web	25,57,854	3,71,627
Expenses	1,99,382	1,66,530

E. FOB Value of Exports	36,77,454	-
F. INCOME IN FOREIGN CURRENCIES	2,79,44,370	-

G. RELATED PARTIES TRANSACTIONS

			Opening	Debit	Credit	Balance
Raman Bhatia	Managing Director	Remuneration		26,62,337	26,62,337	
		Advance Paid	-	12,22,778	6,43,714	5,79,064
		Tour Advance	(33,040.00)	1,53,340	85,696	34,604
Sarika Bhatia	Whole Time Director	Remuneration		24,05,533	24,05,533	
		Advance paid	-	10,91,479	7,02,483	3,88,996
		Tour Advance	-	1,46,365	1,55,320	(8,955)
Nivesh Malhotra	Whole Time Director			9,60,298	9,60,298	
		Advance Paid	-	32,988	19,718	13,270
Anupam Gupta	Director	Sitting Fees		21,621	21,621	

Rajesh Mohan Rai	Director	Sitting Fees		10,811	10,811	
Sahiel Khurana	Director	Sitting Fees		-	-	
Vikash Bhatia	CFO	Salary		9,60,317	9,60,317	
		Advance paid		43,877	23,877	20,000
		Tour Advance	9,130	1,81,715	1,79,126	11,719
Priya Pandey	Company Secretary	Salary		4,00,370	4,00,370	
Service Solution	Entity in which director(s) or their relatives are interested	Sales	15,999.80	1,23,10,336	1,23,26,336	-
		Purchases	(2,13,80,765)	9,47,34,227	9,46,42,467	(2,12,89,005)
Bhatia Electronics	Entity in which director(s) or their relatives are interested	Sales	784.00	71,48,403	89,77,982	(18,28,795)
		Purchases	(1,27,24,829)	6,71,92,273	7,77,60,830	(2,32,93,386)

H. The VAT Department of Government of Haryana at Kundli had assessed the Sales Turnover of the company up to 30.06.2017 and created the demand of Rs.880602/- (Including Interest) for short submission of statutory forms. The company had charged the said amount to profit & loss account and reduce the advance payment Rs. 4091765/- from the said Government Department.

I. The excess payment of Rs.121526/- Related Service Tax is recoverable from Service Tax department at Kundli Haryana has been shown as Service Tax recoverable under loan & advances. The same will be refunded/adjusted assessment of Service Tax returns of financial year 2017-18.

J. The income tax department has created demand of Rs.29744736/- For the assessment year 2016-17. The company had filed an appeal before commissioner of income tax New Delhi and deposited Rs. 250000/- . The appeal is pending.

K. In the opinion of the Board, the current assets, loans and advances have a value on realization in the ordinary course of business, at least equal to the aggregate amount as shown in the Balance Sheet.

L. The company had received Rs. 31900870/- from different customers against supply / to be supply of goods has been shown as advance from customers in books of accounts, will be adjusted against their outstanding after reconciliation of their accounts.

M. The outstanding balances of sundry debtors ,creditors & securities are as per the books of accounts of the Company which are subject to confirmations and reconciliation, if any.

N. Previous year figures have been regrouped/rearranged wherever found necessary.

O. Note 1 to 25 are forming part of Balance Sheet, Profit & Loss & Cash Flow Statement and have been authenticated by the directors.

As per our report annexed
for GUPTA JALAN & ASSOCIATES
Chartered Accountants
FRN : 03721N

CA Ram Niwas Jalan
(Partner)
M.No.- 082389

Place: Delhi
The 30th day of July, 2021

UDIN : 21082389AAAAEI1312

For and on behalf of board

Raman Bhatia
(Managing Director)
DIN-00153827

Sarika Bhatia
(Whole-time Director)
DIN-00155602

Priya Pandey
(Company Secretary)
M.No.- 35815

Vikas Bhatia
(Chief Financial Officer)
(PAN- AJNPB0303P)

SERVOTECH POWER SYSTEMS LIMITED

CIN:- L31200DL2004PLC129379
Registered Office: 806, 8th Floor, Crown Heights,
Crown Plaza, Sector-10, Rohini, New Delhi-110085
Phone: 011-41117657-58-59-60
E-mail: investor.relations@servotechindia.com **Website-** www.servotech.in

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting ("AGM") of Servotech Power Systems Limited ("the Company") will be held on Thursday, 30th September, 2021 at 11:00 A.M. IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Report of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Ms. Sarika Bhatia (DIN: 00155602), who retires by rotation and being eligible, offer herself for re-appointment.

   To consider and, if thought fit, to pass the following resolution as **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section(s)149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), and the Rules made thereunder, read with Schedule V of the said Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Members of the Company be and is hereby accorded for re-appointment of Ms. Sarika Bhatia (DIN: 00155602), who retires by rotation, be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

3. To approve re-appointment of Mr. Raman Bhatia as the Managing Director for a period of 5 (five) years w.e.f. 1st June, 2022 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution:**

   "RESOLVED THAT in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and any other applicable provisions of the Act (including any statutory modification(s), clarification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of Board of Directors of the Company and provisions of Articles of Association of the Company, consent of the Members of the Company, be and is hereby accorded to re-appoint Mr. Raman Bhatia (DIN:00153827) as the Managing Director of the Company, for a further period of 5 (five) years w.e.f. 1st June, 2022 on such terms and conditions including remuneration as stated in the explanatory statement attached hereto, with the power to the Board to grant increments and alter and vary the terms and conditions including remuneration read with the Remuneration Policy of the Company.

   RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary herein contained, during his tenure, the aforesaid remuneration shall be paid as minimum remuneration subject to the provisions of Part II of Schedule V of the Act or any amendments thereto.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, things and matters as may be deemed necessary, proper or expedient to give effect to this resolution and/or to make any modification as may be deemed necessary in the best interest of the Company."

4. To approve the appointment of Mr. Rajesh Mohan Rai (DIN: 09050751) as the Non-Executive Independent Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT in accordance with the provisions of Section 149, 150 and 152, 161 read with other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV of the said Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Rajesh Mohan Rai (DIN:09050751) who was appointed as an Additional Director in accordance with the provisions of Section 161(1) of the Act and the Articles of Association

of the Company, by the Board of Directors with effect from 12th February, 2021 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years effective from 12th February, 2021 to 11th February, 2024, not liable to retire by rotation."

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, things and matters as may be deemed necessary, proper or expedient to give effect to this resolution and/or to make any modification as may be deemed to be in the best interest of the Company."

5. To approve the appointment of Mr. Anupam Gupta (DIN:09050762) as the Non-Executive Independent Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** in accordance with the provisions of Section 149, 150 and 152, 161 read with other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV of the said Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Anupam Gupta (DIN:09050762) who was appointed as an Additional Director in accordance with the provisions of Section 161(1) of the Act and the Articles of Association of the Company, by the Board of Directors with effect from 12th February, 2021 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years effective from 12th February, 2021 to 11th February, 2024, not liable to retire by rotation.

RESOLVED FURTHER THAT in accordance with the provisions of Regulation 17 of the Listing Regulations, approval be and is hereby given for continuation of Mr. Gupta, as an Independent Director of the Company on account of his attaining the age of 71 years on the said date.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

6. To approve the re-appointment of Mr. Sahil Khurana, (DIN: 02340950) as an Independent Director of the Company for a second term of five consecutive years and in this connection, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"**RESOLVED THAT** in accordance with the provisions of Section 149, 152 read with other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Schedule IV to the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sahil Khurana (DIN: 02340950), be and is hereby re-appointed as an Independent Director of the Company to hold office or five consecutive years effective from 22nd June, 2022 till 21st June, 2027, not liable to retire by rotation.

7. To re-appoint of M/s. Gupta Jalan and Associates as Statutory Auditors of the company to consider and if thought fit resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audi Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Gupta Jalan and Associates, Chartered Accountants (Firm Registration No. 003721N), be and are hereby re-appointed, to hold office from the conclusion of 17th Annual General Meeting until conclusion of 18th Annual General Meeting to be held for Financial Year 2021-22, on such remuneration plus Goods & Service Tax as applicable and reimbursement of out mutually agreed upon by the Board of Directors upon the recommendations by the Audit Committee and the Statutory Auditors."

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the recommendation of Audit Committee and approval of the Board of Directors and provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s), clarification(s) or re-enactment(s) thereof for the time being in force), the remuneration of INR 30,000/- (Rupees Thirty Thousand Only) plus service tax as applicable, payable to M/s. NN Sharma & Associates, Cost Accountants (Firm Reg. No.: 101702) to carry out audit of cost records of the Company for the financial year 2021-22, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, things and matters as may be deemed necessary, proper or expedient to give effect to this resolution and/or to make any modification as may be deemed necessary in the best interest of the Company."

FOR AND ON BEHALF OF
SERVOTECH POWER SYSTEMS LIMITED

PRIYA PANDEY
COMPANY SECRETARY
ICSI MEMBERSHIP NO.: A35815

Date: 27th August, 2021
Place: New Delhi

Registered Office:
Add.: 806, 8th Floor, Crown Heights,
Hotel Crown Plaza, Sector-10, Rohini,
New Delhi-110085

NOTES:-

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its General Circular No.14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 33/3030 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and General Circular No.02/2021 dated January 13, 2021 ('MCA Circulars') and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India ('SEBI Circulars'), permitted the holding of the AGM through VC/ OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and the relevant provisions of the Companies Act, 2013, ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circulars, the 17th AGM of the Company is being held through VC/OAVM.

2. An explanatory statement, pursuant to Section 102 of the Companies Act, 2013 ("Act"), setting out material facts relating to the Ordinary/Special Businesses to be transacted at the Annual General Meeting ("AGM"/"Meeting") is annexed hereto.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to rndregular@gmail.com with a copy marked to evoting@nsdl.co.in.

5. The additional details of Directors retiring by rotation/ seeking appointment/re-appointment, pursuant to Regulation 36(3) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") and the Secretarial Standards issued by the Institute of Company Secretaries of India, is annexed as **Annexure-I** and forms part of this Notice.

6. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 24th September, 2021 to Thursday, 30th September, 2021 (both days inclusive) for the purpose of the AGM.

7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an email to investors.relations@servotechindia.com .

9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send the details of such folios together with the share certificates for consolidating their holdings in one folio to the Company or Company's RTA i.e. Bigshare Services Private Limited 302, Kushal Bazar, 32-33, Nehru Place, New Delhi 110019, Tel.: 011-42425004, Email: mukesh@bigshareonline.com ("RTA/Bigshare") and a consolidated share certificate will be issued to such Members after making requisite changes.

10. In case of joint holders attending the AGM through VC/ OAVM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

11. The members intending to seek any information on Annual Financial Statements or any matter placed/to be placed at the meeting are requested to kindly write to the Company on or before 26th September, 2021 through email on investor.relations@servotechindia.com. The same will be replied by the Company suitably.

12. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.servotech.in, websites of the Stock Exchange i.e. National Stock Exchange of India Limited at https://www1.nseindia.com/emerge ("emerge portal") respectively, and on the website of NSDL at https://www.evoting.nsdl.com.

13. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act

14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's RTA for assistance in this regard.

15. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Bigshare in case the shares are held by them in physical form.

16. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company/ Registrar and Share Transfer Agent i.e. Bigshare in case the shares are held by them in physical form.

17. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website https://servotech.in/downloads/. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to the Company in case the shares are held in physical form.

18. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days (except Saturdays, Sundays & Public Holidays) during 11.00 a.m. to 02.00 p.m. up to one day prior to date of the Meeting.

19. Since the AGM will be held through VC OAVM, the Route Map, proxy form and attendance slip are not annexed in this Notice.

20. The Company is yet to declare any dividend therefore, the provisions with respect to unpaid and unclaimed dividend vis-à-vis Investor Education and Provident Fund and their respective Rules are not applicable.

21. Since 2019, the Company had stopped accepting any fresh transfer requests for securities held in physical form. In view of this and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to dematerialise their holdings. Members may contact RTA at mukesh@bigshareonline.com for assistance in this regard.

22. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

23. Registration of e-mail address permanently with the Company/DPs: Members are requested to register the e-mail address with their concerned DPs in respect of electronic holding and with the Company's RTA in respect of physical holding by writing to them. The request letter should be signed by the first named shareholder. Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs/Company to enable servicing of Notices/documents/Annual Reports and other communications electronically to their e-mail address in future.

24. Voting through electronic means

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

II. Mr. Debabrata Deb Nath, Partner- R&D Company Secretaries ("ICSI Membership No. 7775 and C.P. No. 8612"), has been appointed as the Scrutinizer to scrutinize the remote e-voting process and the voting at AGM in a fair and transparent manner.

III. The cut-off date for the purpose of voting (including remote e-voting) is Wednesday, 22th September, 2021.

IV. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

V. The remote e-voting facility will be available during the following period after which the portal shall forthwith be blocked and shall not be available:

Commencement of remote e-voting	09:00 a.m. (IST) on Monday, 27th September, 2021
End of remote e-voting	05:00 p.m. (IST) on Wednesday, 29th September, 2021

VI. During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, 22nd September, 2021 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

VII. The details of the process and the manner for remote e-voting are explained herein below:

The remote e-voting period begins on Monday, 27th September, 2021 at 09:00 A.M. and ends on Wednesday, 29th September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 22th September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 22th September, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see **e-Voting page. Click on company name or e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rndregular@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhratreat evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company's RTA at mukesh@bighsareonline.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor.relations@servotechindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies,

Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investor.relations@servotechindia.com. The same will be replied by the company suitably.
6. Members who would like to express their views/ ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/Folio number, PAN and mobile number at investor.relations@servotechindia.com between Thursday, 23rd September, 2021 (9.00 a.m. IST) and Saturday, 25th September, 2021 (5.00 p.m. IST). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

OTHER INSTRUCTIONS

1. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date i.e 22nd September, 2021. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories, as on cut-off date only shall be entitled to avail the facility of e-Voting system during the AGM.
2. The result shall be declared not later than 48 hours from conclusion of this Annual General Meeting. The results declared shall be communicated to National Stock Exchange of India Limited, NSDL, M/s. Bigshare Financial Services Private Limited (i.e. Registrar & Share Transfer Agent of the Company) and shall also be displayed on the website of the Company i.e. www.servotechindia.in.
3. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on date of Annual General Meeting i.e. Thursday, 30th September, 2021.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO. 3

Mr. Raman Bhatia was appointed as Managing Director by way of a Special Resolution passed by the Members at Extra-Ordinary General Meeting held on 6th June, 2017 with effect from 2nd June 2017, for period of 5 (five) years upto 1st June, 2022 including the remuneration to be paid to Mr. Raman Bhatia, Managing Director.

The Managing Director has provided dedicated and meritorious services and significant contribution to the overall growth of the Company. Therefore the Board is of the view that the existing upper limit remuneration in respect of Managing Director of the Company may not be sufficient enough to pay the increased remuneration over a period of remaining term, therefore the approval of the members of the Company is sought for revision in the maximum limit of remuneration as provided in the Resolution no. 3 as minimum remuneration for the remaining period of his appointment, in case of inadequacy or absence of profits.

Mr. Bhatia satisfies all the conditions set out in Section 196 of the Companies Act, 2013 ("Act") and Part-I of Schedule V to the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. After the appointment of Mr. Bhatia on the Board, He has attended all the Board Meeting(s) held after his appointment as Managing Director.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act. Details of Mr. Bhatia are provided in the "Annexure" to the Notice pursuant to the provisions of the Listing Regulations and SS-2 issued by the ICSI.

The details of remuneration payable to Mr. Bhatia are given below:

1	Gross Remuneration	Gross Annual Remuneration in the scale from Rs. 30,00,000/- p.a. to Rs. 48,00,000/- p.a. with such increments as may be decided by the Board of Directors (hereinafter referred to as "the Board" which term shall also be deemed to include the Nomination and Remuneration Committee and/or any other-subcommittee thereof constituted by the Board) within the scale from time to time during his tenure whether paid as salary and/or allowance(s) or a combination thereof
2	Perquisites	The perquisites shall be paid as per the Rules of the Company in accordance with the provisions of the Income Tax Act, 1961
3	Commission	Commission, if any, shall be paid over and above the total remuneration as mentioned hereinabove based on the net profits of the Company, computed in accordance with the provisions of the Act, in a particular financial year as may be determined by the Board.

The Board, therefore, recommends the Special Resolution at Item No. 3 of the Notice for approval by the Members.

Except Ms. Sarika Bhatia (Spouse of Mr. Bhatia) and Mr. Bhatia himself, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolution set out at Item no. 3 of this Notice.

ITEM NO.: 4

The Board of Directors of the Company, based on the recommendations of the Nomination and Remuneration Committee, appointed Mr. Rajesh Mohan Rai (DIN: 09050751) as an Additional Director Non-Executive Independent Director on the Board with effect from 12th February, 2021 not liable to retire by rotation. In terms of Section 161(1) of the Act, Mr. Rai holds office upto the date of this Annual General Meeting ("AGM") and is eligible for appointment as a Director. The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director.

Mr. Rai is eligible to be appointed as a Director in terms of Section 164(2) of the Act. A declaration to this effect and the consent to act as Director, subject to appointment by the Members, has been received from Mr. Rai. Further, he has also confirmed that he is not debarred from holding the office of a director pursuant to any SEBI Order or any such Authority.

Mr. Rai is renowned HR Strategist, Business Coach with more than 25 years of rich and varied experience. Before joining the Company he has acted as Principal Consultant – Director at HR Anexi, Director- Human Resources at Nivio Technologies Pvt. Ltd, Regional Head (South) - HR at Aviva Life Insurance Co. Ltd., Head of Recruitment & HR (RGE & Services) at Microsoft Corporation and many more.

Over his 25-year of career, Mr. Rai has worked in a variety of corporates both being multinationals and Indian. He has been instrumental in Spearheading the Recruitment & HRBP for RGE & Services vertical, Employee Relations, and Employee Engagement at ITC Hotels Ltd. (WG Maurya Sheraton) and HCL Limited. He has been awarded with numerous awards primarily being John Mattone Certified Executive Coach (Initial Mastery).

Details of Mr. Rai is provided in the "Annexure" to the Notice, pursuant to the provisions of (i) SEBI Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Board considers that the association of Mr. Rai would be of immense benefit to the Company and accordingly, the Board commends the Ordinary Resolution set out in Item No. 4 of the accompanying Notice for approval of the Members.

Except Mr. Rai and his relatives, none of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice.

ITEM NO.: 5

The Board of Directors of the Company, based on the recommendations of the NRC, appointed Mr. Anupam Gupta (DIN: 09050762) as an Additional Director Non-Executive Independent Director on the Board with effect from 12th February, 2021 not liable to retire by rotation. In terms of Section 161(1) of the Act, Mr. Gupta holds office upto the date of this Annual General Meeting ("AGM") and is eligible for appointment as a Director. The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director.

Mr. Gupta is eligible to be appointed as a Director in terms of Section 164(2) of the Act. A declaration to this effect and the consent to act as Director, subject to appointment by the Members, has been received from Mr. Gupta. Further, he has also confirmed that he is not debarred from holding the office of a director pursuant to any SEBI Order or any such Authority.

Mr. Gupta is a seasoned Senior Management & Engineering professional with 42 years' experience of managing manufacturing operations, Product Development and R&D, New projects, foreign collaborations & Joint-Ventures. He was member ACMA committee on Technology, and R&D.

Prior to our Company he has been an integral part of JBM Group as Executive Vice President, he has managed Operations and Expansion of Jay Bharat Maruti Ltd., Sr. Vice President 2003-04 Led revival, and expansion from 450 veh/day to 1050 vehicles/ day at LML Ltd and many more.

Details of Mr. Gupta is provided in the "Annexure" to the Notice, pursuant to the provisions of (i) SEBI Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India

He is a DIIT Industrial Design - IIT Bombay 1974 and B.Tech (Hons) Mechanical Engg - IIT Kharagpur 1972.

The Board considers that the association that the continued association of Mr. Gupta would benefit the Company, given the knowledge, experience and performance of Mr. Gupta and accordingly, the Board commends the Ordinary Resolution set out in Item No. 5 of the accompanying Notice for approval of the Members.

Except Mr. Gupta and his relatives, none of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice.

ITEM NO.: 6

In terms of the provisions of Section 149 of the Companies Act, 2013 and Rules framed thereunder, the Shareholders of the Company, vide Extra-Ordinary General Meeting held on 6th June, 2017, had appointed Mr. Sahil Khurana (DIN: 02340950) as Independent Director of the Company, for a period of 5 (five) years upto 5th June, 2022 not liable to retire by rotation.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Khurana as an Independent Director, for a second term of 5 (five) consecutive years, on the Board of the Company. The performance of the Director i.e. Mr. Khurana had been very much in line with expectations and of the require standards.

The Board of Directors and Nomination and Remuneration Committee, considering the expertise, experience and contribution made by Mr. Khurana during the first term and based on his performance evaluation, approved his re-appointment as Independent Director for a period of 5 (five) years effective June 5th April, 2022, subject to the approval of Shareholders at this Annual General Meeting.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing the candidature of Mr. Khurana for the office of Director of the Company, not liable to retire by rotation.

Mr. Khurana, has done his graduation in commerce. He has an experience of more than 21 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".

The additional details of Mr. Khurana as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India are set out in the Annexure-I forming part of this Notice. He does not hold any shares in the Company. The letter of appointment of Mr. Khurana containing terms of her appointment, is available for inspection by Members on the website of the Company at www.servotech.in.

Details of Mr. Khurana is provided in the "Annexure" to the Notice, pursuant to the provisions of (i) SEBI Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India

None of the Directors and/or Key Managerial Personnel of the Company and their relatives, except Mr. Khurana, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The Board considers that Mr. Khurana continued association would immensely benefit the Company and accordingly, recommends the resolution set forth in Item No. 6 for the approval of Members as a Special Resolution.

ITEM No. 7

At the 12th AGM of the Company held on 30th September, 2016, the Shareholders had approved the appointment of M/s. Gupta Jalan and Associates, Chartered Accountants (Firm Registration No. 03721N), as Statutory Auditors of the Company, to hold office until the conclusion of 17th AGM.

The Board of Directors at their meeting held on 27th August, 2021upon recommendations of the Audit Committee, have approved the re-appointment of M/s. Gupta Jalan and Associates, Chartered Accountants as Statutory Auditors of the Company for a further term of 1 (one) years i.e. from the conclusion of 17th AGM till the conclusion of 18th AGM, subject to the approval of members of the Company.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations, 2015, M/s. Gupta Jalan and Associates, Chartered Accountants have provided their consent and eligibility certificate to that effect that, their re-appointment, if made, would be in compliance with the applicable laws.

The proposed remuneration to be paid to M/s. Gupta Jalan and Associates, Chartered Accountants for the financial year is Rs. 4,00,000/- (Rupees Four Lakhs only), including out of pocket expenses mutually agreed between the Board of Directors and Statutory Auditor, from time-to-time.

None of Directors, Key Managerial Personnel of the Company or their relatives are in any way connected or interested, financially or otherwise, in the Ordinary Resolution set out in Item No. 7 of the Notice.

The Board recommends the Ordinary Resolution set out at item no. 7 of the Notice for approval of the members.

ITEM NO. 8

The Board of Directors of the Company, on recommendation of the Audit Committee, at its meeting held on 27th August, 2021, had re-appointed M/s. N.N Sharma & Associates, Cost Accountants (FRN. No. 101702) as Cost Auditors for the Financial Year 2021-22 at a remuneration of Rs. 30,000/- (including out of pocket expenses) plus applicable taxes.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records & Audit), Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors to conduct the cost audit for the Financial Year 2021-22.

None of Directors, Key Managerial Personnel of the Company or their relatives are in any way connected or interested, financially or otherwise, in the Ordinary Resolution set out in Item No. 8 of the Notice.

The Board recommends the Ordinary Resolution set out at item No. 8 of the Notice for approval of the members.

FOR AND ON BEHALF OF
SERVOTECH POWER SYSTEMS LIMITED

PRIYA PANDEY
COMPANY SECRETARY
ICSI MEMBERSHIP NO.: A35815

Date: New Delhi
Place: 27th August, 2021

Registered Office:
Add.: 806, 8th Floor, Crown Heights,
Hotel Crown Plaza, Sector-10, Rohini,
New Delhi-110085

Annexure-1

DETAILS OF DIRECTORS SEEKING APPOINTMENT AND RE-APPOINTMENT AT THE 17TH ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, READ WITH SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA)

PARTICULARS	DETAILS			
Name of Director	Mr. Raman Bhatia	Mr. Rajesh Mohan Rai	Mr. Anupam Gupta	Mr. Sahil Khuara
Director's Identification Number (DIN)	00153827	09050751	09050762	02340950
Qualifications	Bachelor's in Commerce	HR Analysis, Bachelor's in Commerce	Engineer IIT Bombay	Bachelor's in Commerce
Date of Birth & Age	22nd November, 1973 47 years	16th December, 1967 54 years	16th August, 1950 71 years	11th April, 1976 45 Years
Date of First Appointment on Board	24th September, 2004	12th February, 2021	12th February, 2021	6th June, 2017
Nature of expertise in specific functional area	More than 27 years of experience in Sales, Marketing, Business Operations and Development	More than 25 years of experience in Sales, Marketing, Business Operations and Development.	More than 15 years of experience in Sales, Marketing, Business Operations and Development.	More than 6 years of experience in Human Resource Management and Administration
List of Directorships of other Boards	NIL	NIL	NIL	Imax Technologies Private Limited Mera Chotu Services LLP Jhutpat Technologies Private Limited Jhutpat Logistics LLP
Chairmanship/ Membership of Committees of other Boards	• Audit Committee • Committee of Board of Directors	• Corporate Social Responsibility Committee • Stakeholders Relationship Committee • Committee of Board of Directors • Nomination and Remuneration Committee	• Stakeholders Relationship Committee • Audit Committee • Nomination and Remuneration Committee • Corporate Social Responsibility Committee	• Audit Committee • Stakeholders Relationship Committee • Nomination and Remuneration Committee • Corporate Social Responsibility Committee • Committee of Board of Directors
Number of Shares held in the Compan	6682675	NIL	NIL	NIL
Relationship between Directors inter-se	Husband of Ms. Sarika Bhatia, Whole-time Director	NIL	NIL	NIL
Last Salary Drawn (in Rs.)	Rs. 26,62,337 p.a.	Rs. 10, 000 as sitting Fee	Rs. 20, 000 as sitting Fee	Rs. 5, 000 as sitting Fee

STATEMENT OF INFORMATION FOR THE MEMBERS PURSUANT TO SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013 W.R.T. ITEM 3

1.	Background details	These details form part of the disclosure required under SEBI Listing Regulations provided hereinbelow under the heading "Nature of expertise in specific functional area"
2.	Past remuneration	These details form part of the disclosure required under SEBI Listing Regulations provided hereinbelow under the heading "Last Salary drawn"
3.	Recognition or awards	Mr. Bhatia has been awarded with various awards namely "Chota Business Bade Sapne in 2010, Best Emerging Manufacturer of Led Lights & Solar Products In Delhi/NCR:2016, Green Entrepreneur of the Year 2016,
4.	Job profile and his suitability	These details form part of the disclosure required under SEBI Listing Regulations provided hereinbelow under the heading "Nature of expertise in specific functional area"
5.	Remuneration proposed	These Details form part of explanatory statement
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The exact figures are not readily available. However, the proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparative qualifications and experience.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Bhatia is the Promoter and Managing Director. Save as the managerial remuneration he does not have any other material pecuniary relationship with the Company.
8.	Nature of Industry	Lighting
9,	Date of commencement of commercial operation	24th September, 2004
10.	In case In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
11.	Financial Performance based on given indicators	Total Income : Rs. 88,90,09,855/- Total Expenditure: Rs. 874,464,859 Profit before exceptional items and tax: Rs. 14,544,996
12.	Foreign investments or collaborations, if any	None

The aforesaid should also be deemed to be notice of the abstract for terms of appointment and payment of remuneration the Managing Director.

In term of the provision of Schedule V of the Companies Act, 2013, additional disclosure is also given under appropriate head(s) in the Corporate Governance report which forms an integral part of this report.

FOR AND ON BEHALF OF
SERVOTECH POWER SYSTEMS LIMITED

PRIYA PANDEY
COMPANY SECRETARY
ICSI MEMBERSHIP NO.: A35815

Date: New Delhi
Place: 27th August, 2021

Registered Office:
Add.: 806, 8th Floor, Crown Heights,
Hotel Crown Plaza, Sector-10, Rohini,
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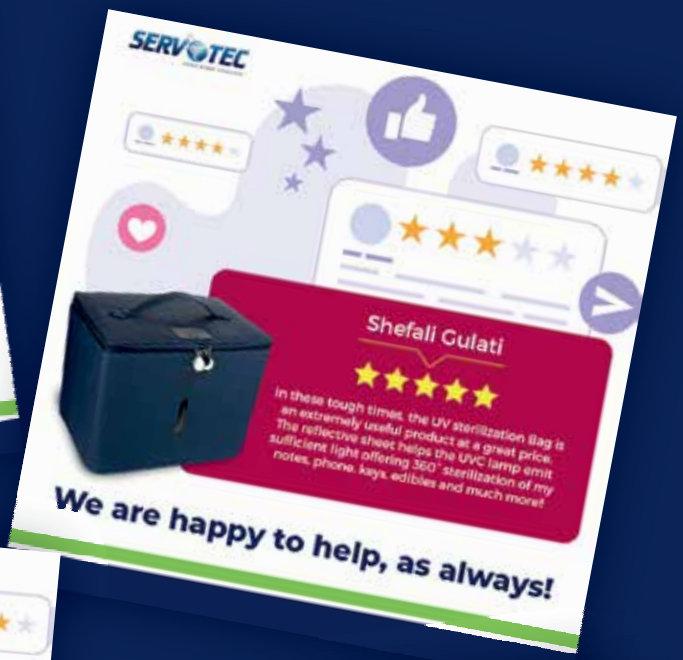
SERVOTEC
smart power solutions

CUSTOMER REVIEWS ★★★★★



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