

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 OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013, read with the Rule 22 of the Companies
(Management and Administration Rules, 2014)]

Dear Member(s),

Notice is hereby given pursuant to the provisions of Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification, amendments or re-enactment thereof for the time being in force), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable laws and regulations read with the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021, General Circular No. 3/2022 dated May 5, 2022 and General Circular No. 11/2022 dated September 28, 2022 issued by the Ministry of Corporate Affairs ("MCA") (hereinafter collectively referred to as "MCA Circulars"), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") and Secretarial Standard - 2 on General Meetings ("SS - 2") issued by the Institute of Company Secretaries of India, and other applicable laws and regulations, if any, to pass the Resolutions appended below by way of postal ballot ('Postal Ballot') or, alternatively, through the electronic voting (e-voting) facility offered by the Company in this regard.

Pursuant to Section 102 and Section 110 and other applicable provisions of the Act, the statement pertaining to the said Resolutions setting out the material facts and the reasons/ rationale thereof are annexed to this Postal Ballot Notice ('Notice') for your consideration and forms part of this Notice. The Postal Ballot Notice is also available on the website of the Company www.servotech.in

In compliance with the provisions of Sections 108 and 110 of the Act read with Rules 20 and 22 of the Management Rules, 2014, Regulation 44 of the SEBI Listing Regulations and the MCA Circulars, this notice for postal ballot ("Postal Ballot Notice") is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ the Company's Registrar and Share Transfer Agent or the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") (together referred to as "Depositories")/ their depository participant. If your e-mail address is not registered with the Company/Depositories, please follow the process provided in the Notes to receive this Postal Ballot Notice.

The Company has engaged the services of NSDL, for providing e-voting facilities in a secure manner

Accordingly, in compliance with the requirements of the MCA Circulars, hard copy of Postal Ballot Notice along with Postal Ballot Form(s) and pre-paid business reply envelope will NOT be sent to the Members for this Postal Ballot and the Members are required to communicate their assent or dissent through the remote e-voting system only.

The Board of Directors of the Company in its Meeting held on 11th November, 2023 had appointed Mr. Debabrata Deb Nath, (FCS No.: 7775; CP No.: 8612) Partner, R&D Company Secretaries, Practicing Company Secretaries as the Scrutinizer for conducting the Postal Ballot by way of remote e-voting process in accordance with the Act and in a fair and transparent manner.

Servotech Power Systems Limited

CIN : L31200DL2004PLC129379

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

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

Further, the Company, in accordance with the provision of Section 108 of the Act, read with the Rules and Regulation 44 of the Listing Regulations, is pleased to provide the Member with the facility to exercise their Right to Vote Electronically, i.e. through remote e-voting facilities provided by National Securities Depositories Limited ("NSDL"). Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instruction in the section 'Voting through Electronic means'. The voting period shall commence from Saturday, 18th November, 2023 at 09.00 AM (IST) and will end on Sunday, 17th December, 2023 at 05.00 PM (IST).

The Scrutinizer will submit his report to the Chairman after the completion of the scrutiny of the votes cast through remote e-voting. The result of the postal ballot would be announced by the Chairman of the Company. The results of the Postal Ballot will be announced not later than 48 hours from the conclusion of the e-voting.

In addition to the Results of voting along with the Scrutinizer's report shall also be communicated to National Stock Exchange of India Limited, will be placed on Company's website i.e. www.servotech.in and the website of NSDL i.e. www.evoting.nsdl.com. The results along with the Scrutinizer's report shall also be displayed on the notice board at the Company's Registered Office at New Delhi.

The Resolution, if passed by requisite majority, will be deemed to have been passed on the last date specified for e-voting i.e. Sunday, 17th December, 2023. Further, Resolutions passed by the members through postal ballot are deemed to have been passed as if they are passed at a General Meeting of the Members.

SPECIAL BUSINESSES

ITEM NO. 1: Increase the Authorised Share Capital of the Company and consequential alteration of Memorandum of Association of the Company.

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

"RESOLVED THAT in accordance with the provisions of Sections 61, 64 and any other applicable provisions, if any, of the Companies Act, 2013, read with (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company, consent of the Board of Directors of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 22,00,00,000/- (Rupees Twenty Two Crore) Divided into 22,00,00,000/- (Rupees Twenty Two Crore) equity shares of Rs. 1/- (Rupees One) each to Rs. 25,00,00,000 (Rupees Twenty Five Crore) divided into 25,00,00,000 (Rupees Twenty Five Crore) equity shares of face value Rs. 1/- (Rupees One) ranking pari passu in all respects with the existing equity shares of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 13 and any other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules framed thereunder, the Memorandum of Associations of the Company is be and is hereby altered by substituting the existing Clause V thereof with the following new Clause V as under:

"V. The Authorised Share Capital of the Company is Rs. 25,00,00,000 (Rupees Twenty Five Crore) divided into 25,00,00,000 (Rupees Twenty Five Crore) equity shares of face value Rs. 1/- (Rupees One) each."

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things which may be necessary including but not limited to filing of necessary forms/documents with the appropriate authorities and to execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto."

ITEM NO. 2: ISSUE OF WARRANTS, CONVERTIBLE INTO EQUITY SHARES ON PREFERENTIAL BASIS TO PROMOTER AND CERTAIN IDENTIFIED NON-PROMOTERS.

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

“RESOLVED THAT pursuant to the provisions of Sections 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI LODR”), read with the provisions of the Memorandum of Association and Articles of Association of the Company, the uniform listing agreement entered into by the Company with National Stock Exchange of India Limited (“NSE”) and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Securities and Exchange Board of India (“SEBI”), NSE, Ministry of Corporate Affairs (“MCA”) and/or any other competent authorities (hereinafter singly or collectively referred to as the “Appropriate Authorities”) and subject to necessary approvals, permissions, consents and sanctions as may be necessary from the Appropriate Authorities in this regard and further subject to such terms, conditions, alterations, corrections, changes, variations and/or modifications as may be prescribed or imposed by the Appropriate Authorities while granting any such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “Board, which term shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), consent and approval of the Members of the Company be and is hereby accorded to Company to create, offer, issue and allot on preferential basis, from time to time in one or more tranches, to in compliance with Chapter V of the SEBI ICDR Regulations, 90,00,000 (Ninety Lakhs) Convertible Warrants (hereinafter referred to as “Warrants”) of Rs. 82/- each and aggregating to Rs. 73,80,00,000/- (Rupees Seventy Three Crores Eighty Lakhs Only) to the following Promoter, Promoter Group and Non-promoters (hereinafter referred to as the “Proposed Allottees/Warrant holder”) as more particularly mentioned in the explanatory statement setting out material facts, entitling the warrant holders to exercise option to convert and get allotted 1 (One) equity share of face value of Rs. 1/- (Rupees One only) each fully paid-up against each warrant within 18 (Eighteen) months from the date of allotment of warrants, in such manner and at a price (including the “Warrant Subscription Price” and the “Warrant Exercise Price”) of Rs. 82/- (Rupees Eighty Two Only) each per Warrant (“Warrant Issue Price”) arrived at in accordance with SEBI (ICDR) Regulations, on preferential allotment basis in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit.

SN	Name of Proposed Allottees	Category	Nos. of Warrants to be allotted
1	Raman Bhatia	Promoters	500000
2	Eminence Global fund PCC- EUBILIA Capital Partners Fund	Non-Promoter	1500000
3	AG Dynamic Funds Limited	Non-Promoter	1500000
4	Aveen Kaur Sood	Non-Promoter	100000
5	Rakhee Mahesh Vaze	Non-Promoter	100000
6	Rahul Jain	Non-Promoter	300000
7	MINERVA VENTURES FUND	Non-Promoter	1500000
8	FORBES EMF	Non-Promoter	1500000
9	COEUS GLOBAL OPPORTUNITIES FUND	Non-Promoter	2000000
Total			9000000

RESOLVED FURTHER THAT in terms of the provisions of Chapter V of the SEBI ICDR Regulations, the relevant date for determining the floor price for the preferential issue of the Equity Shares pursuant to the exercise of conversion of the Warrants be 10th November, 2023 (“Relevant Date”) being the date 30 days prior to the date on which the meeting of Members of the Company is held to consider the Preferential Issue of Warrants and the issue price determined in accordance with SEBI ICDR Regulations is of Rs. 82/- (Indian Rupees Eighty Two) per Warrant (“Warrant Issue Price”).

RESOLVED FURTHER THAT aforesaid issue of Warrants shall be subject to the conditions prescribed under the Act and the SEBI ICDR Regulations including the following:

1. The Warrant Holders shall, subject to the SEBI ICDR Regulations and other applicable rules, regulations and laws, be entitled to apply for and be allotted one Equity Share against each Warrant.
2. In accordance, The proposed Warrant Allottee shall, on or before the date of allotment of Warrants, pay an amount equivalent to at least 25% of the price fixed per Warrant on application (Warrant Subscription Price) in terms of the SEBI ICDR Regulations and the balance 75% (Warrant Exercise Price) at the time of exercising the conversion option attached to the Warrant
3. The Warrant Holder shall be entitled to exercise his option to convert any or all of the Warrants into equity shares of the Company in one or more tranches after giving a written notice to the Company, specifying the number of Warrants proposed to be exercised along with the aggregate Warrant Exercise Price payable thereon, without any further approval from the Members of the Company prior to or at the time of conversion. The Company shall accordingly, issue and allot the corresponding number of equity shares of the Company to the Warrant Holder.
4. The Warrant Holder shall make payment of Warrant Subscription Price and Warrant Exercise Price from its own bank account into to the designated bank account of the Company.
5. In terms of Regulation 166 of the SEBI ICDR Regulations, the price of Warrants determined above and the number of Equity Shares to be allotted on exercise of the Warrants shall be subject to appropriate adjustments, if applicable. If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the Warrants shall continue to be locked-in till the time such amount is paid by the Warrant Holder.
6. Upon exercise of the option by Warrant Holder(s), the Company shall issue and allot appropriate number of Equity Shares and perform all such actions as are required including to credit the same to the designated securities demat account of the Warrant Holder.
7. The Warrant Holder shall be entitled to all future corporate actions including but not limited to issue of bonus/rights, if any, and the Company shall reserve proportion of such entitlement for the Warrant Holder.
8. The tenure of Warrants shall not exceed 18 (eighteen) months from the date of allotment. If the entitlement against the Warrants to apply for the Equity Shares of the Company is not exercised by the Warrant Holder within the aforesaid period of 18 (eighteen) months, the entitlement of the Warrant Holder to apply for Equity Shares of the Company along with the rights attached thereto shall expire and any amount paid by the Warrant Holder on such Warrants shall stand forfeited.
9. The Warrants shall be issued and allotted in dematerialised form within a period of 15 (fifteen) days from the date of passing of the Special Resolution by the Members, provided that where the issue and allotment of the said Warrants is pending on account of pendency of any approval for such issue and allotment by any regulatory authority, the issue and allotment shall be completed within a period of 15 (fifteen) days from the date of such approval.
10. The Equity Shares so allotted on exercise of the Warrants shall be in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu with the then existing Equity Shares of the Company, including entitlement to voting powers and dividend.
11. The Warrants by itself, until exercised and converted into equity shares, shall not give to the Warrant Holder any rights with respect to that of an Equity shareholder of the Company.
12. The Warrants and Equity Shares issued pursuant to the exercise of the Warrants shall be locked-in as prescribed under Chapter V of SEBI ICDR Regulations.
13. In the event that the Company completes any form of capital restructuring prior to the exercising of the Warrants, then, the number of Equity Shares that are issued against the exercise of each Warrant and the price payable for such Equity Shares, shall be appropriately adjusted in a manner that, to the extent permitted by applicable laws, Warrant Holder: (a) receives such number of Equity Shares that Warrant holder would have been entitled to receive; and (b) pays such consideration for such Equity Shares to the Company which Warrant holder would have been required to pay, had the Warrants been exercised immediately prior to the completion of such capital restructuring.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modification(s) in the terms of issue of Warrants, subject to the provisions of the Act and the SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT the monies received by the Company from Warrant Holders, for subscription of the Warrants pursuant to the Preferential Issue shall be kept by the Company in a separate account opened by the Company for this purpose and shall be utilized by the Company in accordance with the provisions of the Act.

RESOLVED FURTHER THAT the pre-preferential allotment shareholding of the Warrant Holder, if any, in the Company shall also be subject to lock-in as per the provisions of Chapter V of SEBI ICDR Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable to give effect to the above resolution, including without limitation to issue and allot Equity Shares upon exercise of the Warrants, to issue clarifications on the issue and allotment of Warrants and thereafter allotment of Equity Shares further to exercise of the Warrants, effecting any modifications to the foregoing (including to determine, vary, modify or alter any of the terms and conditions of the Warrants including deciding the size and timing of any tranche of the Warrants), entering into contracts, arrangements, agreements, memoranda, documents to give effect to the resolution above (including for appointment of agencies, consultants, intermediaries and advisors for managing issuance of Warrants and listing and trading of Equity Shares issued on exercise of Warrants), including making applications to the Stock Exchanges for obtaining of in-principle approval, filing of requisite documents with the Registrar of Companies, National Securities Depository Limited ("NSDL"), Central Depository Services (India) Limited ("CDSL") and/or such other authorities as may be necessary for the purpose, and to take all such steps as may be necessary for the admission of the Warrants and Equity Shares (to be issued on exercise of the Warrants) with the depositories, viz. NSDL and CDSL and for the credit of such Warrants/Shares to the respective dematerialised securities account of the Warrant Holder.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to vary, modify or alter any of the relevant terms and conditions, including size of the Preferential Issue and consequent proportionate reduction (subject to rounding off adjustments) of the number of Warrants to be allotted to Warrant Holders, provide any clarifications related to issue and allotment of Warrants, listing of equity shares on Stock Exchanges and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of Warrants and Equity Shares and listing thereof with the Stock Exchanges as appropriate and utilisation of proceeds of the Preferential Issue and further to authorise all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and the decision of the Board shall be final and conclusive."

Date: 11th November, 2023
Place: New Delhi

**FOR AND ON BEHALF OF
SERVOTECH POWER SYSTEMS LIMITED**



**RUPINDER KAUR
COMPANY SECRETARY
ICSI MEM. NO.: A38697**

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

NOTES:

1. An Explanatory Statement pursuant to Section 102 read with Section 110 of the Act, setting out the material facts and reasons for the proposed Resolutions above, are appended herein below for your consideration.
2. In compliance with the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, Circular No. 22/2020 dated June 15, 2020, Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 08, 2021 and other applicable circulars issued by the Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI") (hereinafter collectively referred to as "Circulars"), this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories.
3. The Postal Ballot Notice is being sent only in electronic form to the Members who have registered their email address with the Company/Registrar and Transfer Agent of the Company (in case of physical shareholding) i.e. with Bigshare Services Private Limited ("RTA") or with Depository Participants. The Voting rights shall be reckoned on the paid-up value of shares registered in the Register of Member/beneficial owner as on **cut-off date** i.e. Friday, 10th November, 2023.
4. As per the MCA Circulars, physical copies of the Notice, postal ballot forms and pre-paid business reply envelopes are not being sent to the shareholders for this Postal Ballot. Shareholders are requested to provide their assent or dissent through e-Voting only. Therefore, those Members who have not yet registered their email address are requested to get their email addresses registered by following the procedure mentioned below:
 - i. In light of the MCA Circulars, for remote e-voting for this Postal Ballot, the Members whether holding equity shares in demat form or physical form and who have not registered their email addresses and in consequence to whom the remote e-voting notice could not be serviced, may get their e-mail addresses registered with the Company's RTA and follow the registration process as guided thereafter. Post successful registration of the e-mail address, the shareholder would get soft copy of this Notice and the procedure for e-voting along with the user-id and the password to enable e-voting for this Postal Ballot.
 - ii. It is clarified that for permanent registration of e-mail address, the Members are however requested to register their email address, in respect of electronic holdings with the depository through the concern depository participants and in respect of physical holdings with the Company's RTA, by following the due procedure.
 - iii. Those Members who have already registered their e-mail address are requested to keep their email addresses validated with their depository participants/the Company's RTA to enable servicing of notices/documents/annual Reports electronically to their e-mail address.
5. Resolutions, if passed by Members with requisite majority through Postal Ballot, shall be deemed to have been passed on the last date of Remote e-voting i.e. Sunday, 17th December, 2023, as if the same have been passed at a General Meeting of the Members.
6. The Voting rights shall be reckoned on the paid-up value of shares registered in the Register of Member/beneficial owner as on cut-off date i.e. Friday, 10th November, 2023. The voting rights of shareholder(s) for e-Voting shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. Any person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to vote through e-Voting. Any person who is not a shareholder as on the cut-off date should treat this notice for information purpose only.
7. The e-voting commences on Saturday, 18th November, 2023 (09:00 A.M. IST) and ends on Sunday, 17th December, 2023 (05:00 P.M. IST) both days inclusive. E-voting shall be disabled by NSDL at 05:00 P.M. on 17th December, 2023. During this period, the Members of the Company holding equity shares either in physical form or dematerialized form, as on Friday, 10th November, 2023 ("cut-off date"), may cast their vote electronically. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

8. For any query connected with the Resolutions proposed to be passed by means of Postal Ballot through Remote e-voting, Members may contact Company's Registrar & Share Transfer Agent (RTA), Bigshare Services India Private Limited, Mr. Mukesh Kumar, Branch Manager, 302, Kushal Bazar, 32-33, Nehru Place, New Delhi-110019; (Phone No.: 011-42425004); Email: mukesh@bigshareonline.com) or the Company Secretary of the Company by sending email at investor.relations@servotechindia.com or call at 011-41117657, Address: 806, 8th Floor, Crown Heights Building, Sector-10, Rohini, New Delhi-110085.
9. Dispatch of the Postal Ballot Notice and the Explanatory Statement shall be published through an advertisement in one Regional Newspaper, widely circulated in National Capital Territory of Delhi and one English Newspaper circulated throughout India and shall be hosted at the Company's website at www.servotech.in. The said public notice shall also mention the process for registration of email-ids by those Members who have not yet registered their email-ids with the Company.
10. The documents referred to in the Notice and the Statement pursuant to Section 102 of the Companies Act, 2013 are uploaded on the website of the Company at www.servotech.in to facilitate online inspection till the last date of Remote e-voting. The documents shall also be available for inspection at the Registered Office between 03.00 P.M. to 05.00 P.M. on all days except for Saturday and Sunday till the last date of Remote e-voting. Members who wish to inspect the documents are requested to send an email to investor.relations@servotechindia.com mentioning their name, Folio No. /Client ID and DP ID, and the documents they wish to inspect in this regard.
11. The Company has engaged the services of NSDL to provide remote e-voting facility to its Members. The instructions for Members for remote e-voting electronically are as follows:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting 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.	<ol style="list-style-type: none"> 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. 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-

	<p>Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>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.</p>

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 toll free no. 1800 22 55 33

B) Login Method 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 123026 then user ID is 123026001***

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 on NSDL e-Voting system

How to cast your vote electronically 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.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
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. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "**Upload Board Resolution/Authority Letter**" displayed under "**e-Voting**" tab in their login.
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 4430 or send request to Ms. Soni Singh, Asst. Manager, National Securities Depository Limited at 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 investor.relations@servotechindia.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 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.
 5. In terms of Listing Regulations, securities of the listed companies can only be transferred in dematerialized form with effect from 1st April, 2019 and as per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, listed companies shall issue securities in dematerialized form only in case of investor service request for matters specified in this circular. In view of the same, shareholders are advised to dematerialize shares held by them in physical form
 6. If you have any queries or issues regarding e-Voting from the NSDL e-Voting System, you can write an email to evoting@nsdl.co.in or contact at +91-22 24994545, +91-22 24994559.
 7. All grievances connected with the facility for voting by electronic means may be addressed to Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, (NSDL) at the designated email id -evoting@nsdl.co.in.

**FOR AND ON BEHALF OF
SERVOTECH POWER SYSTEMS LIMITED**



**RUPINDER KAUB
COMPANY SECRETARY
ICSI MEM. NO.: A38697**

Date: 11th November, 2023
Place: New Delhi

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

Explanatory Statement
(Pursuant to Section 102 of the Companies Act, 2013)

ITEM NO. 1

The Board of Directors in its Meeting held on 11th November, 2023 had approved the issuance of equity shares to Promoter and Non-Promoters on Preferential Basis, subject to the approval of the Members. To facilitate the growth plans of the Company and to maintain the regulatory solvency margin, it is proposed to increase the capital of the Company.

The current Authorised Share Capital of the Company is Rs. 22,00,00,000/- (Rupees Twenty Two Crore) Divided into 22,00,00,000/- (Rupees Twenty Two Crore) equity shares of Rs. 1/- (Rupees One) each.

The present authorized share capital of the Company is insufficient for further issue issuance of equity shares to Promoter and Non-Promoters on Preferential Basis Therefore, it became necessary for the Company to increase the authorized share capital of the Company.

Accordingly, the Board of directors pursuant to Sections 13 and 61 of the Companies Act, 2013, has recommended the proposal to increase the authorized share capital of the Company from Rs. 22,00,00,000/- (Rupees Twenty Two Crore) Divided into 22,00,00,000/- (Rupees Twenty Two Crore) equity shares of Rs. 1/- (Rupees One) each to Rs. 25,00,00,000 (Rupees Twenty Five Crore) Divided into 25,00,00,000 (Rupees Twenty Five Crore) equity shares of Rs. 1/- (Rupees One) each.

As a consequence to the re-classification and increase in authorized share capital of the Company, the existing authorized share capital clause in the Memorandum of Association of the Company would also require alteration so as to reflect the increase in the Authorized Share Capital in accordance with the provisions of Section 13 of the Act and the Rules made thereunder.

A copy of the Altered Memorandum of Association of the Company will be available for inspection at the registered office of the Company during business hours except Saturday, Sunday and National Holiday from the date hereof up to the date of this EGM, subject to restrictions, if any, that may be imposed by local authorities on account of the pandemic, and will also be made available for inspection during the EGM.

The resolution seeks approval of members by amending the said Clause V of the Memorandum of Association.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested, financially or otherwise in the Ordinary Resolution set out in Item No. 1 of the Notice.

The Board recommends the Ordinary Resolution set out at item No. 1 of the Notice for approval of the members.

ITEM NO. 2

The Company needs to raise additional funds to strengthen its balance sheet, have access to long term resources to meet its growth requirements and for general corporate purposes. Considering raising funds through preferential issue to be most cost and time effective way for raising additional capital, the Board of Directors at its meeting dated 11th November, 2023 have proposed to create, offer, issue and allot up to 90,00,000 (Ninety Lakh Only) Warrants, each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company having face value of Rs. 1/- (Rupee One Only) ("Equity Share") each ("Warrants") at a price (including the Warrant Subscription Price and the Warrant Exercise Price) of Rs. 82/- (Rupees Eighty Two only) each to be payable in cash ("Warrant Issue Price"), aggregating upto Rs. 73,80,00,000/- (Rupees Seventy Three Crores Eighty Lakhs Only) ("Total Issue Size") on a preferential basis to the Promoter/Promoter Group and Non-Promoter ("Warrant Holder(s)"/"Proposed Allottee(s)") on preferential basis.

Approval of the Members by way of special resolution is being sought inter-alia in terms of Sections 23(1)(b), 42 and 62(1)(c) the Companies Act, 2013 ("Act") as well as Regulation 160 of the ICDR Regulations to create, offer, issue and allot Warrants as per details mentioned in the resolution at Item no.2 of this Notice.

The issue and allotment of Warrants including resultant equity shares arising out of exercise of option attached to Warrants shall be on the terms and conditions, as mentioned below:

- a) Pursuant to Regulation 160(c) of ICDR Regulations, the allotment of the Warrants (including the Equity Shares to be allotted on conversion of such Warrants) shall be made only in dematerialised form;
- b) In accordance with the provisions of Regulation 161 of ICDR Regulations, the 'Relevant Date for the Warrant issue is determined to be Thursday, 16th November, 2023;
- c) In accordance with the applicable provisions of the ICDR Regulations an amount of Rs. 18,45,00,000/- (Rupees Eighteen Crore Fourty Five Lakhs Only) which is equivalent to 25% (twenty five per cent) of the Warrant Issue Price shall be paid by the Warrant Holders to the Company as upfront payment ("Warrant Subscription Price");
- d) The Warrant Holders shall be, subject to the ICDR Regulations and other applicable rules, regulations and laws, entitled to exercise the conversion rights attached to the Warrants in one or more tranches within a period of 18 (Eighteen) months from the date of allotment of the Warrants by issuing a written notice to the Company specifying the number of Warrants proposed to be exchanged or converted with/into the Equity Shares of the Company and making payment at the rate of Rs. 82/- (Rupees Eighty Two only) for an amount of Rs. 55,35,00,000/- (Indian Rupees Fifty Five Crores Thirty Five Lakhs Only) being 75% (seventy five per cent) of the Warrant Issue Price ("Warrant Exercise Price") in respect of each Warrant proposed to be converted by the Warrant Holder;
- e) Pursuant to Regulation 160(c) of ICDR Regulations, the allotment of the Warrants. On receipt of such application from a Warrant Holder, the Company shall without any further approval from the Shareholders of the Company take necessary steps to issue and allot the corresponding number of Equity Shares to the Warrant Holders;
- f) If the entitlement against the Warrants to apply for the Equity Shares of the Company is not exercised by the Warrant Holders within the aforesaid period of 18 (eighteen) months, the entitlement of the Warrant Holders to apply for Equity Shares of the Company along with the rights attached thereto shall expire and any amount paid by the Warrant Holders on such Warrants shall stand forfeited;
- g) The pre-preferential allotment shareholding of the Warrant Holders, if any, in the Company and Warrants allotted in terms of this resolution and the resultant Equity Shares arising on exercise of rights attached to such Warrants shall be subject to lock-in as per the provisions of the ICDR Regulations;
- h) The Equity Shares allotted on exercise of the Warrants shall only be in dematerialized form before an application seeking in-principle approval is made by the Company to the stock exchange(s) where its Equity Shares are listed and shall rank pari-passu with the then existing Equity Shares of the Company in all respects including entitlement to voting powers and dividend;
- i) The proposed issue and allotment of the Warrants and the exercise of option thereof will be governed by the Memorandum and Articles of Association of the Company, the Act, ICDR Regulations, Listing Regulations, applicable rules, notifications and circulars issued by the SEBI, Reserve Bank of India and such other acts/rules/regulations as maybe applicable and subject to necessary approvals/consents, if any, from the statutory and/or regulatory authorities;
- j) The allotment of the Warrants is subject to the Proposed Allottees and any member of promoter and promoter group not having sold any Equity Shares of the Company during 90 trading days preceding the Relevant Date i.e., Friday, 10th November, 2023.

The details of the Warrant issue and other particulars and relevant disclosures, inter alia, as required under of the Companies Act, 2013 including rules notified thereunder ("Act") and under Regulation 163 of the ICDR Regulations (including any statutory modifications(s) or re-enactment thereof, for the time being in force) are set out below:

1. Particulars of the Preferential Issue including date of passing of Board resolution

The Board of Directors at its meeting held on 11th November, 2023 had, subject to the approval of the Members and such other approvals as may be required, approved the issuance of up to 90,00,000 warrants convertible into equivalent no. of equity shares of the face value of Rs. 1 only per Equity

Share, at a price of Rs. 82 per Equity Share to the Investors, for cash consideration, by way of a preferential issue on a private placement basis.

2. Basis on which the price has been arrived at and justification for the price (including premium, if any)

The Equity Shares of the Company are listed on the National Stock Exchange of India Limited ("NSE"). The Equity Shares are frequently traded in terms of the SEBI ICDR Regulations and NSE, for a period of 90 trading days or more as on the relevant date, the price of the equity shares to be allotted pursuant to the preferential issue shall be not less than higher of the following.

3. Amount which the company intends to raise by way of such securities;

Aggregating up to Rs. 73, 80, 00,000/-

4. Purpose/Objects of the Preferential Issue and aggregate amount proposed to be raised

The Company proposes to raise an amount aggregating up to Rs. 73, 80, 00,000 through the Preferential Issue. The proposed issue and allotment of fully paid-up equity shares of the Company on private placement basis will aid the Company to expand its industry presence, local and global presence, rapid, cost-effective solutions across verticals of the Company. The Company will achieve greater benefits in terms of financial, managerial, technical and marketing resources which will lead to maximizing stakeholder's value.

5. Kinds of securities offered and the price at which security is being offered, and the total/maximum number of securities to be issued

Warrants Upto 90,00,000 (Ninety Lacs), each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company presently have face value of Rs. 1/- (Rupee One Only) ("Equity Share") each at a price (including the Warrant Subscription Price and the warrant exercise price) of Rs. 82/- (Rupees Eighty Two only) each to be payable in cash ("Warrant Issue Price"), aggregating upto Rs. 73,80,00,000/- (Rupees Seventy Three Crores Eighty Lakhs Only) ("Total Issue Size"), out of which 25% (twenty five per cent) of the Warrant Issue Price shall be paid by the Warrant Holders to the Company before the allotment of Warrant ("Warrant Subscription Price") and 75% (seventy five per cent) of the Warrant Issue Price ("Warrant Exercise Price") shall be paid by the Warrant Holders to the Company upon exercise of Warrant entitlement.

6. Intent of the Promoters, Director(s) or Key Managerial Personnel of the Company to subscribe to the offer

The following Promoters, Director(s) or Key Managerial Personnel of the Company intends to subscribe to the Warrants by way of Preferential Issue upto 5,00,000 (Five Lakh only):

Sl. No.	Name	Category	Maximum No. of warrants to be allotted
1.	Mr. Raman Bhatia	Promoter/Promoter Group, Whole-time Director	5,00,000
TOTAL			5,00,000

Except as mentioned above, no other Promoters, Directors or Key Managerial Personnel of the Company will subscribe to the proposed issue and they will not be making any contribution as part of the offer.

7. Proposed time schedule and time frame within which the Preferential Issue shall be completed

Pursuant to Regulation 170 of ICDR Regulations, preferential allotment of the Warrants is required to be completed within a period of 15 (fifteen) days from the date of passing of the special resolution of the Shareholders of the Company or within such other statutory time limits as may be prescribed by the regulatory authorities subject to all the necessary approvals being in place. If any approval or permissions by any regulatory or statutory authority (ies) for allotment is pending, the period of 15 (fifteen) days shall commence from the date of such approval or permission being obtained.

8. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:

Name of the proposed allottee	Category	Pre-issue shareholding		No. of shares proposed to be issued	Post issue shareholding		Identity of the natural persons who are the ultimate beneficial owners
		No. of Equity shares held	% held		No. of Equity shares held	% held	
Raman Bhatia	Promoter	67006900	31.51	500000	6,75,06,900	30.45	NA
Eminence Global fund PCC-EUBILIA Capital Partners Fund	Non-Promoter	-	-	1500000	15,00,000	0.67	Grigor Jabishvili
AG Dynamic Funds Limited	Non-Promoter	-	-	1500000	15,00,000	0.67	Paul Boskma
Aveen Kaur Sood	Non-Promoter	-	-	100000	1,00,000	0.04	NA
Rakhee Mahesh Vaze	Non-Promoter	-	-	100000	1 00,000	0.04	NA
Rahul Jain	Non-Promoter	4,18,558	0.19	300000	7,18,558	0.32	NA
MINERVA VENTURES FUND	Non-Promoter	-	-	1500000	15,00,000	0.67	Nitin Kakaria
FORBES EMF	Non-Promoter	-	-	1500000	15,00,000	0.67	LI HOY CHOO LI KIM FOR
COEUS GLOBAL OPPORTUNITIES FUND	Non-Promoter	-	-	2000000	20,00,000	0.90	LI HOY CHOO LI KIM FOR

Notes:

1. The percentage is by assuming the allotment of total diluted share capital i.e. issue of equity shares and all warrants issued are fully converted into the equity shares of the Company.

9. The change in control, if any, in the Company that would occur consequent to the Preferential Issue, and the percentage of post preferential issue capital that may be held by the allottee

Consequent to the proposed preferential issue of Convertible Warrants and allotment of Equity Shares upon conversion of Convertible Warrants into Equity Shares; there will be no change in control or change in management of the Company.

10. Relevant Date and Warrant Issue Price:

In terms of the provisions of Chapter V of the SEBI ICDR Regulations and in accordance with the explanation to Regulation 161 of the SEBI ICDR Regulations, the relevant date for determining the floor price for the Preferential Issue is 10th November, 2023, being the working day preceding 30 days prior to the last date for remote e-voting for Postal Ballot

The minimum issue price or Floor Price for issue of Warrants as determined in accordance with Regulation 164(1) read with Regulation 161 of Chapter V of the ICDR Regulations is 82/- (Rupees Eighty Two only). In view of the above, the Board has approved a Warrant Issue Price of 82/- (Rupees Eighty Two only).

11. Basis or Justification of Warrant issue price

i. Report of independent registered valuer

Notwithstanding the provisions of the Companies Act read with Companies (Share Capital and Debentures) Rules, 2014, as amended, which exempts a listed company from determining the price of the shares to be issued on a preferential basis by the valuation report of a registered valuer, however, in accordance with the articles of association of the Company, the price of the Equity Shares has been determined taking into account the valuation report of a registered valuer namely Jhamb & Associates, registration no. IBBI/RV/11/2019/12355 having office situated at A-259, Portion-II, Defence Colony, New Delhi 110024.

The price of Rs. 82/- (Rupees Eighty Two only) for the shares to be issued and allotted has been determined in accordance with the said Valuation report.

The Valuation Report shall be available for inspection by the members and the same may be accessed on the Company's website at the link:

- ii. The Equity Shares of the Company are listed on National Stock Exchange of India Limited ("NSE"), the shares were frequently traded on and the trading volume of Equity Shares of the Company was higher on NSE during the preceding 90 trading days prior to the Relevant Date for computation of issue price. Therefore, trading volume of the Equity Shares on the NSE has been considered to determine the minimum issue price.
- iii. In terms of the provisions of Regulation 164(1) of ICDR Regulations, the price at which Warrants shall be allotted shall not be less than higher of the following:
 - a) the 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or
 - b) the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

It is to be noted that nothing is mentioned in the Articles of Association of the Company provide for a method of determination of floor price for equity shares to be allotted pursuant to the preferential issue.

- iv. Pursuant to above, the minimum issue price determined in accordance with Regulations 164(1) read with Regulation 161 of Chapter V of the ICDR Regulations is 82/- (Rupees Eighty Two only)

which is computed vide Valuation report obtained by the Company. In view of the above, the Board of the Company has fixed the Warrant Issue price (i.e. the price including the Warrant Subscription Price and the Warrant Exercise Price) of Rs. 82/- (Rupees Eighty Two only) which is above the Minimum Price as determined in compliance with the requirements of the ICDR Regulations.

12. Number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price

None.

13. Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

Not Applicable.

14. Lock-in Period

The Equity Shares to be allotted on a preferential basis shall be locked-in for such period as specified under Regulations 167 of the SEBI ICDR Regulations.

15. Listing:

The Company will make an application to NSE at which the existing Equity Shares are presently listed, for listing of the Equity Shares that will be issued on conversion of Warrants. Such Equity Shares, once allotted, shall rank pari-passu with the then existing Equity Shares of the Company, in all respects, including voting rights and dividend.

16. Current and proposed status of the allottee(s) post the preferential issues namely, promoter or non-promoter:

The proposed Allottees as mentioned in the resolution belonging to the Promoter/Promoter Group and Non-Promoter of the Company is correct. Further, upon the issuance and allotment of the warrants, they will continue to be categorized members of the Promoter/Promoter Group and Non-promoter group respectively.

17. Principal terms of assets charged as securities:

Not applicable.

18. Material terms of raising such securities

The Equity Shares being issued shall be pari-passu with the existing Equity Shares of the Company in all respects, including dividend and voting rights.

19. Company Secretary's Certificate

The certificate from Practising Company Secretary, R&D Company Secretaries, being the Secretarial Auditors of the Company certifying that the Preferential Issue is being made in accordance with the requirements contained in the SEBI ICDR Regulations shall be made available for inspection by the Members during the meeting and will also be made available on the Company's website and will be accessible at link: www.servotech.in

20. Undertakings

- i. None of the Company, its Directors or Promoters have been declared as wilful defaulter or fraudulent borrower as defined under the SEBI ICDR Regulations. None of its Directors or Promoter is a fugitive economic offender as defined under the SEBI ICDR Regulations.

- ii. The Company is eligible to make the Preferential Issue to its Investor under Chapter V of the SEBI ICDR Regulations.
- iii. As the Equity Shares have been listed for a period of more than ninety days as on the Relevant Date, the provisions of Regulation 164(3) of SEBI ICDR Regulations governing re-computation of the price of shares shall not be applicable.
- iv. The Company shall re-compute the price of the Equity Shares to be allotted under the Preferential Allotment in terms of the provisions of SEBI ICDR Regulations where it is required to do so.
- v. If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the Equity Shares to be allotted under the Preferential Allotment shall continue to be locked-in till the time such amount is paid by the allottees.
- vi. The Company is in compliance with the conditions for continuous listing of Equity Shares as specified in the listing agreement with the Stock Exchanges and the Listing Regulations, as amended and circulars and notifications issued by the SEBI thereunder.

21. Valuation and Justification for the allotment proposed to be made for consideration other than cash

Notwithstanding the provisions of the Companies Act read with Companies (Share Capital and Debentures) Rules, 2014, as amended, which exempts a listed company from determining the price of the shares to be issued on a preferential basis by the valuation report of a registered valuer, however, in accordance with the articles of association of the Company, the price of the Equity Shares has been determined taking into account the valuation report of a registered valuer namely Jhamb & Associates, registration no. IBBI/RV/11/2019/12355 having office situated at A-259, Portion-II, Defence Colony, New Delhi 110024.

22. Change in control:

Consequent to the proposed preferential issue of Convertible Warrants and allotment of Equity Shares upon conversion of Convertible Warrants into Equity Shares; there will be no change in control or change in management of the Company.

23. The class or classes of persons to whom the allotment is proposed to be made

The Preferential Issue of warrants convertible into equity shares is proposed to be made to 9 investors which belongs to both Promoter and Non- Promoter Group.

24. Shareholding pattern of the Company before and after the Preferential Issue

Sl. No.	Category of shareholders	Pre- Issue Shareholding		Preferential Issue	Post-Issue Shareholding	
		No. of shares held	% of total shares		No. of shares held	% of total shares
(A)	Promoters and Promoter Group's Shareholding					
	Promoters and Promoter Group					
	(1) Indian					
	a) Individuals/HUF	128872700	60.60	500000	129372700	58.37
	b) Central Govt./State Govt.	0	0	0	0	0
	c) Financial Institutions/Banks	0	0	0	0	0
	d) Any other (Specify)	0	0	0	0	0
	Subtotal (A) (1)	128872700	60.60	500000	129372700	58.37
	(2) Foreign					
	a) Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0	0
	b) Institutions	0	0	0	0	0
	Subtotal (A) (2)	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	128872700	60.60	500000	129372700	58.37
(B)	Public Shareholding					
	(1) Institutions	0	0	0	0	0
	a) Mutual Funds/UT	0	0	0	0	0
	b) Financial Institutions/Ban	0	0	0	0	0
	c) Central Govt./State Govt.	0	0	0	0	0
	d) Venture Capital Funds	0	0	0	0	0
	e) Insurance Companies	0	0	0	0	0
	f) Foreign Institutional Investors/ Foreign Portfolio Investors	18135748	8.53	8000000	26135748	11.79
	g) Foreign Venture Capital Investors	0	0	0	0	0
	h) Alternate Investment Fund	0	0	0	0	0
	i) Provident funds/Pension funds	0	0	0	0	0
	Subtotal (B) (1)	18135748	8.53	8000000	26135748	11.79
	(2) Non-institutions					
	a) Bodies Corporate	7581866	3.56	0	7581866	3.42
	b) Individuals					
	i. Individual shareholders holding nominal share capital up to Rs. 2 Lakh	23828253	11.21	200000	24028253	10.84
	ii. Individual shareholders holding nominal share	24963970	11.74	300000	25263970	11.40

	capital in excess of Rs. 2 Lakh					
	c) NBFC Registered with RBI	0	0	0	0	0
	d) Employee Trusts	0	0	0	0	0
	e) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0
	f) Any Other (Clearing Member)	73080	0.03	0	73080	0.03
	g) Any Other (HUF)	3436710	1.62	0	3436710	1.55
	h) NRI	5760363	2.71	0	5760363	2.60
	i) Any Other (Trust)	1600	0	0	1600	0
	Subtotal (B) (2)	65645842	30.87	500000	66145842	29.84
	Total Public Shareholding (B) = (B)(1)+(B)(2)	83781590	39.4	8500000	92281590	41.63
(C)	Non Promoter-Non Public	0	0	0	0	0
(C1)	Shares underlying DRs	0	0	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0
	Non Promoter-Non Public (C) = (C)(1)+(C)(2)	0	0	0	0	0
	Total (A+B+C)	212654290	100	9000000	221654290	100

Notes:

1. The percentage of post issue is calculated by assuming allotment of all warrants issued (as per Item no. 2) are fully converted into the equity shares of the Company.
2. The Pre-preferential shareholding pattern is as on November 10, 2023

25. The current and proposed status of the allottee(s) post Preferential Issue namely, promoter or non-promoter

The equity share warrants are being issued and allotted to Promoter and Non- Promoter Group

26. Other disclosures

- i. The report of the registered valuer has been obtained as required under the provisions of second proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014 for the proposed Preferential Issue and under applicable provisions of SEBI ICDR Regulations.
- ii. The Company shall be making application seeking in-principle approval to the stock exchange(s), where its equity shares are listed, on the same day when this notice will be sent in respect of the general meeting seeking shareholders' approval by way of special resolution;
- iii. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer is not applicable as the allotment of Equity Shares under the Preferential Issue is for a cash consideration.
- iv. Investors have confirmed that they have not sold any Equity Shares of the Company during the 90 trading days preceding the Relevant Date.

Mr. Raman Bhatia, Managing Director and Spouse of Ms. Sarika Bhatia and their relatives being part of the promoter/promoter group are concerned or interested in the resolution at Item No. 2 only, to the extent of their shareholding interest in the Company.

The other Directors/Key Managerial Personnel(s) of the Company or their relatives are not concerned or interested, financially or otherwise, in the above referred resolutions, except to the extent of their shareholding interest, if any, in the Company.

In terms of the provisions of Section 23(1)(b), Section 62(1)(c) of the Companies Act, 2013 as amended including rules notified thereunder ("Act"), Regulation 160(b) of Chapter V of ICDR Regulations, the said issue of Warrants requires prior approval of the Shareholders of the Company by way of a Special Resolution.

The Board believes that the proposed issue of Warrants is in the best interest of the Company and its Shareholders and therefore recommends the agenda mentioned in Item No. 2 to be approved by Special Resolution of the Members.

**FOR AND ON BEHALF OF
SERVOTECH POWER SYSTEMS LIMITED**



**RUPINDER KAUR
COMPANY SECRETARY
ICSI MEM. NO.: A38697**

Date: 11th November, 2023
Place: New Delhi

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