

ANNUAL REPORT 2019



**SERVOTECH POWER
SYSTEMS LIMITED**



A long-exposure photograph of a city street at night. The image features a curved road with multiple lanes, showing vibrant light trails from moving vehicles in shades of white, yellow, and red. Tall, modern streetlights line the road, their bright lights creating prominent starburst patterns against the dark night sky. In the background, the silhouettes of city buildings are visible, some with illuminated windows and signage, including a prominent 'HILTON' sign. The overall atmosphere is one of dynamic urban energy.

BETWEEN THE COVERS

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CORPORATE INFORMATION

Board of Directors

Mr. Raman Bhatia
Ms. Sarika Bhatia

Mr. Sahil Khurana
Mr. Pankaj Dawar
Mr. Yogesh Mahajan
Mr. Nimesh Malhotra

Managing Director

Whole-time Director (Appointed as Whole-time Director w.e.f. 21st August, 2019)

Independent Director

Independent Director

Independent Director

Whole-time Director (Appointed as Whole-time Director w.e.f. 20th July, 2019)

Chief Executive Officer

Mr. Arun Handa

Chief Financial Officer

Mr. Shyam Sundar Choudhary
Mr. Kamlesh Kumar Thakur

(Appointed as Chief Financial Officer w.e.f. 21st August, 2019)

(Resigned as Chief Financial Officer w.e.f. 21st August, 2019)

Company Secretary and Compliance Officer

Ms. Priya Pandey

Statutory Auditors

M/s. Gupta Jalan and Associates,
Chartered Accountants

REGISTERED OFFICE:

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

Secretarial Auditor

M/s. R&D
Company Secretaries

PLANT AND R&D

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

COST AUDITOR

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

BANKERS:

United Bank of India

REGISTRAR & SHARE TRANSFER AGENT

BIGSHARE SERVICES PRIVATE LIMITED

302, Kushal Bazar,
33-34 Nehru place
New delhi - 110091

SERVOTECH FAMILY





CHAIRMAN'S WORDS

“For every problem there is an answer. Empty your thoughts and allow the solution to visit you.”

The 21st century has been called the “Century of the Environment”. Governments – and individual citizens – can no longer assume that social challenges such as pollution, dwindling natural resources and climate change can be set aside for future generations. India is moving forward as one of the world’s fastest growing major economies, with the country’s urban clusters driving the growth. At the same time, a larger force of consumers and purchasing power is emerging beyond the metros.

Within 2 (two) years of listing on NSE Emerge – A SME Growth Platform, our performance has affirmed our strategic choices. Now our focus is on accelerated execution, which will be the key indicator of our overall performance.

I have great pleasure in sharing with you the insights of the continued positive momentum of your Company when the performance boundaries were further stretched by another notch last year. The revival in the domestic market due to the Government’s increased investments in infrastructure allowed your Company to perform moderately well in spite of the challenging domestic scenario and disappointing global economic scenario.

I am pleased to inform that your Company is highly optimistic for growth in its profitability. Despite such demanding conditions, your Company was able to clock Total Revenue of ₹ 8901 Lacs and recorded Net Profit of ₹ 300 Lacs during the Financial Year ended 31st March, 2019.

The LED lighting industry has grown over the past decade and only continues to spur at rapid rate here on, owing to its numerous benefits over the older technology. Increasing adoption of LED lighting is being witnessed across commercial and residential sectors, government projects, upcoming smart building projects, etc. We are looking forward to extend our span to capture housing/non-commercial. All things considered .It gives me immense pleasure to say that we have already revolutionized the LED lighting products and have made them available for the masses and are working hard to do the same for Solar products.

Having established ourselves as strong players in all the areas of our presence, we are now firmly on track towards expanding and growing our business as we surge towards future. We remain encouraged by the long term macroeconomic fundamentals supporting our business and we are optimistic about enhancing our profitability and maximizing returns to our stakeholders. Overall, your Company is equipped to shift to a higher growth trajectory.

I believe your Company has delivered another year of positive operational and financial performance. The bar is now set high but I am confident that with the growth strategies and plans in place and ably supported by a determined and passionate team, your Company will continue to excel in the coming years.

Finally, I would like to thank you for the unstinted support and confidence in the Company. I would also like to thank the government, customers, suppliers and lenders for their continued support to the Company and also to the employees and the management team for their deep level of commitment to the Company. I look forward to your continued and valuable support in taking the Company to greater and newer heights in the future.

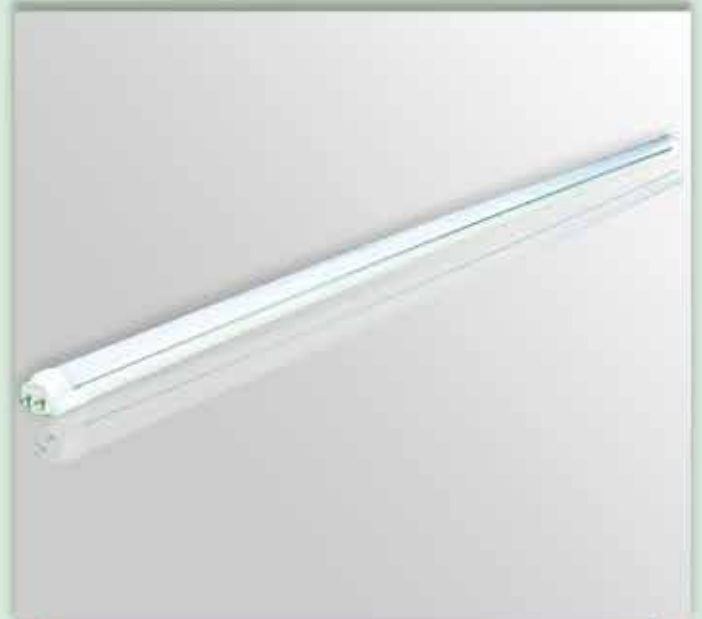
Thanking you,
With Warm Regards,

Raman Bhatia
Managing Director

PRODUCTS AT A GLANCE



SOLAR HOME LIGHTING - PCU



TUBE LIGHT



FLAME PROOF LIGHT



LITHIUM BATTERY 80 Ah



FLOOD LIGHT



BAY LIGHT



STREET LIGHT



2x2 SURFACE PANEL LIGHT

CORPORATE SUSTAINABILITY

"PRODUCE GREEN TO LIVE GREEN – MR. RAMAN BHATIA."



Embedding sustainability, in its every operation, has been an unrelenting approach of Servotech Power Systems Limited ("Servotech/Company"). The Company has, since its inception, been at the forefront of adopting sustainability initiatives while carrying out its business activities. Your Company has been practicing sustainability for many years now and is committed to achieve the highest standards of corporate behaviour towards everyone your Company works with, the communities it touches and the environment on which it has an impact.

Being sustainable is all about maintaining a perfect equilibrium between Environment, Economy and the Society. We attain this through an integrated, phased programme that creates long-term stakeholder value by generating Economic, Environmental and Social value. We have always strived to build a successful and sustainable business enterprising the highest ethical standards in our workplace and our communities. As we evolve and expand our operations, the responsibilities towards the People and the Planet grow manifold. We have been driving our sustainability and development agenda in a way that it not just meets the current needs of our society but also enables future generations to meet their own needs.

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.



DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present to you the 15th Report of Board of Directors ("Board") on the business and operations of your Company together with its Audited Financial Statements for the financial year ended 31st March, 2019.

FINANCIAL PERFORMANCE

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

Particulars	Financial Year ended 31 st March, 2019 (Amount in ₹)	Financial Year ended 31 st March, 2018 (Amount in ₹)
Net Sales/Income from Business Operations	86,08,68,382	1,12,48,49,457
Other Income	2,99,98,836	2,08,27,560
Total Income	89,08,67,218	1,14,56,70,398
Less: Expense	84,91,98,749	1,09,05,63,103
Profit /Loss before tax and Extraordinary/ exceptional items	4,16,68,469	5,51,13,914
Less: Extraordinary/ exceptional items	-	6,619
Profit before tax	4,16,68,469	5,51,07,295
Less: Current Income Tax	1,15,00,000	1,52,00,000
Less: Previous Year Adjustment of Income Tax	-	50,950
Less: Deferred Tax	1,21,072	3,67,313
Net Profit After Tax	3,00,47,397	3,94,89,032
Earnings per share (Basic)	1.64	2.16
Earnings per share (Diluted)	1.64	2.16

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, 2019 stood at ₹ 89,08,67,218 as compared to the revenue generated of ₹ 1,13,91,89,111 in the year ended 31st March, 2018. The EBITDA of the company for the year under review stood at ₹ 4,16,68,469 as compare to ₹ 5,51,07,295 in the year ended 31st March, 2018. The Profit after tax ("PAT") for the year ended 31st March, 2019 stood at ₹ 3,00,47,397 as compared to ₹ 3,94,89,032 in previous year .

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 ₹ 19,00,00,000, divided into ₹ 1,90,00,000 equity shares of ₹ 10 each and issued, subscribed and paid-up capital of the Company stood at ₹ 18,31,04,290 as at 31st March, 2019.

CHANGE IN THE NATURE OF BUSINESS

For sustained growth in the future, the 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.

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.

TRANSFER TO RESERVE

The Company did not transfer any amount to the General Reserve for the Financial Year ended 31st March 2019.

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, 2019, the Company does not have any subsidiary or joint venture and associate Company.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 18 (eighteen) 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 20th July, 2019 and 21st August, 2019 had appointed Mr. Nimesh Malhotra (DIN: 07104660) and Ms. Sarika Bhatia (DIN: 00155602) as the Whole-time Directors of the Company.

Mr. Malhotra who was associated with the Company as the General Manager- Human Resource, is appointed as the Whole-time Director of the Company for a term of 2

(two) years w.e.f. 20th July, 2019. Ms. Sarika Bhatia, who has held the position of Director since the incorporation of the Company is further appointed as the Whole-time Director for a period of 5 (five) years w.e.f 21st August, 2019. Your approval for his appointment is being sought in the ensuing Annual General Meeting ("AGM") as per the Resolution No. 3 and 4 of the Notice, which forms part of the Annual Report

Brief resume(s) of Mr. Nimesh Malhotra and Ms. Sarika Bhatia proposed to be appointed as the Whole-time Director, along with their shareholding in the Company, as stipulated under Secretarial Standard-2 ("SS-2") of ICSI and as per the provisions of Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), are appended as an Annexure to the Notice of the ensuing AGM.

Mr. Arun Handa had been appointed as the Chief Executive Officer ("CEO") of the Company vide Board Meeting of the Company held on 5th November, 2018.

Mr. Ghanshyam Das Singla resigned from the position of Chief Financial Officer w.e.f 23rd September, 2018. Thereafter, Mr. Kamlesh Kumar Thakur was appointed as the Chief Financial Officer ("CFO") of the Company in place of Mr. Singla w.e.f 5th November, 2018 in accordance with the Act and the Listing Regulations. Lastly, Mr. Shyam Sundar Choudhary had been appointed as the CFO of the Company w.e.f 21st August, 2019.

Ms. Mansi Gupta (ICSI Membership No.: A55341) had been appointed as Company Secretary & Compliance Officer of the Company in place of Ms. Pallavi Sahani ("ICSI Membership No.: A46035") w.e.f 29th June, 2018 in accordance with the Act and the Listing Regulations.

Thereafter, Ms. Mansi Gupta resigned from the Position of Company Secretary & Compliance Officer with effect from 30th October, 2018.

Afterwards, the Board appointed Ms. Priya Pandey ("ICSI Membership No.: A35815") as the Company Secretary of the Company in its Meeting held on 31st January, 2019 with immediate effect.

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 Act, 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 resolution for ratification of appointment of M/s. Gupta Jalan and Associates, Chartered Accountants (FRN No. 03721N)) as the statutory auditor, whose appointment was approved by the members in the 12th AGM for a term of 5 (five) consecutive years, has not been put for motion as an ordinary business in the 15th AGM.

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 Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed A Divay & Co. Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report in prescribed Form MR-3 for the financial year ended 31st March, 2019 is appended as Annexure-1 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, pursuant to the recommendation of the Audit Committee, the Board of Directors in its meeting held on 21st August, 2019 have appointed R&D Company Secretaries as Secretarial Auditor of the Company to conduct the Secretarial Audit of the Company for the financial year 2019-20.

COST AUDITOR

M/s. NN Sharma & Associates, Cost Accountants (Firm Regn. No.:101702) were appointed by the Board of Directors as the Cost Auditors of the Company to conduct Cost Audit of the Company for the financial year 2018-19.

Further, the Board, on the recommendation of the Audit Committee, has re-appointed M/s. NN Sharma & Associates, as Cost Auditors of the Company for the financial year 2019-20 at an annual fee of ₹ 30,000 plus applicable taxes subject to its ratification by the shareholders at the ensuing AGM.

INTERNAL AUDITOR

Pursuant to the recommendation of Audit Committee, the Board of Directors in its meeting held on 31st August, 2018 had appointed M/s. VGDG and Co., Chartered Accountants as Internal Auditors of the Company to conduct the internal audit of the period ended 31st March, 2019. The Internal Audit Reports received from the Internal Auditors was periodically reviewed by the Audit Committee.

Further the Board, at its meeting held on 21st August, 2019 upon the recommendation of the Audit Committee, has appointed Ms. Vandana Chaudhary (Membership No: 551792) Chartered Accountant, an employee of the Company, as the Internal Auditor of the Company for the financial year 2019-20.

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

It is pertinent to mention that the Company, keeping in view the objective of encouraging the use of better practices your Company follows majority of the provisions of the corporate governance voluntarily. The Board of Directors of your Company has always laid a strong emphasis on transparency, accountability and integrity and believes that good governance is the basis for sustainable growth of the business and for enhancement of shareholder value. In consideration of the same the Company has decided to adopt and disseminate disclosure of Corporate Governance and is annexed to and forms part of the 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. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors was discussed.

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 during the year ended under review, shifted its manufacturing facility from 357, Sector-56, Phase V, EHTP, HSIIDC, Industrial Estate, Kundli, Sonipat 131028, Haryana to 76A, Sector-57, Kundli, Sonipat 131028, Haryana.

RELATED PARTY TRANSACTIONS

All the related party transactions are entered on an arm's length basis and are in compliance with the applicable provisions of the Act, and SEBI Listing Regulations. Pursuant to the provisions of Section 188 of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the prescribed format in Form AOC-2 is annexed with this report as Annexure-2. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the company at large. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions for its approval. The Related Party Transactions Policy as approved by Board, on recommendation of the Audit Committee, is uploaded on the Company's website.

For details on related party transactions entered during the year, members may refer to the notes to the financial statement.

INTERNAL CONTROL SYSTEMS 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 efficacy of the internal checks and control systems are validated by the Statutory Auditors.

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 is committed to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. The Board of Directors of the Company has constituted Corporate Social Responsibility ("CSR") Committee in compliance with Section 135 of the Act. The Company is committed to inclusive, sustainable development and contributing to building and sustaining economic, social and environmental capital and to pursue CSR projects that are replicable, scalable and sustainable with a significant multiplier impact on sustainable livelihood creation and environmental replenishment. The brief outline of the CSR policy and initiatives taken by the Company on CSR activities during the period under review are provided in the Annexure-3 of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is available on the website of the Company.

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

In accordance with the requirements of Section 134(3) (m) of the Act, 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-4 and forms part of this report.

VIGIL MECHANISM

In accordance with the provisions of the Act and Listing Regulations, the Company has adopted a Whistle Blower Policy, as part of Vigil Mechanism to provide appropriate



avenues to the Directors and Employees to bring to the attention of the management any issue which is an actual or suspected fraud or perceived to be in violation of or in conflict with the Code of Conduct of the Company. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also available on the website of the Company.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Act, as amended by the Companies (Amendment) Act, 2017 effective from 31st July, 2018, an extract of the annual return in the prescribed Form MGT-9 is available on the website of the Company viz. 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 ₹ 8,50,000/- per month or ₹ 10,20,00,000 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 REMUNERATION POLICY:

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 i.e. www.servotech.in. This Policy of the Company acts as a guideline for determining, inter alia, qualification, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of the performance of the Director, Key Managerial Personnel and Senior Managerial Personnel.

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 HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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, 2019.

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 2019-20 has been paid to the NSE.

DEPOSITORY SYSTEM

The Members are requested to note that as on 31st March, 2019, 98.9% of the Company's total paid-up share capital representing 1,81,26,279 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

Your Directors take this opportunity to thank the Customers, Employees, Financial Institutions, Banks, Central and State Government Authorities, Regulatory Authorities, Stock Exchanges and all the various stakeholders for their continued cooperation and support to the Company who all made our consistent growth possible.

Your Directors also wish to record their appreciation for the continued co-operation and support extended by the Governments of various countries where we have our operations.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

RAMAN BHATIA
MANAGING DIRECTOR
DIN: 00153827

SARIKA BHATIA
DIRECTOR
DIN: 00155602

DATE: 21st August, 2019

PLACE: New Delhi



ANNEXURE-1

FORM -MR-3
Secretarial Audit Report
For the Financial Year ended March 31, 2019
Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014

The Members

Servotech Power Systems Limited

806, 8th Floor, Crown Heights, Hotel Crown Plaza,

Sector 10, Rohini, New Delhi-110085

I have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Servotech Power Systems Limited (hereinafter referred to as "company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit. I hereby report that in my opinion, the company has during the audit period covering the financial year ended March 31, 2019 complied with the statutory provisions contained herein 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under and the applicable provisions of the Companies Act, 1956.
- ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under.
- iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under.
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- v) The following Regulations and Guidelines prescribed under 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) The 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 (Share Based Employee Benefits) Regulations, 2014;

Not Applicable to the Company during Audit Period.

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Not Applicable to the Company during Audit Period.

- (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 (Delisting of Equity Shares) Regulations, 2009 as amended from time to time;

Not Applicable as the Company has not delisted/proposed to delist its equity shares from any Stock Exchange during the Audit Period.

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Not Applicable as the Company has not bought back/proposed to buy-back any of its securities during the Audit Period

- vi) Other laws applicable specifically to the company namely:

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

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board and General Meetings.
- ii) The Listing Agreements entered into by the Company with National Stock Exchange(s) of India Limited as per the Securities And Exchange Board of India (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. mentioned above wherever applicable.

Based on the information received and records maintained, I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women 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 provisions of the Act.

Adequate notice was given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days 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 within the terms of the provisions of the Act.

The decisions carried through are recorded in the minutes. Further as informed, no dissent was given by any director in respect of resolutions passed in the board and committee meetings.

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.

I further report that during the audit period the company has not incurred any specific actions or events having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For A DIVAY & CO.

Proprietor

Name: Divay Arora

Membership No.: 41451

C.P. No.: 17852

Date: 1st August, 2019

Place: Delhi



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)

1. 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 2019. 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

2. 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

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline of the Company's CSR Policy, including overview of projects or programmes undertaken:
- While Servotech strives to achieve its business objectives, it has never lost sight of its commitment to play its role as an enlightened corporate citizen to serve the society at large. The Company has been a self-adopter of Corporate Social Responsibility ("CSR") initiatives. As a continuing endeavor towards community development, the Company contributed to Kerala Floods during the year under review.

Your Company believes in making meaningful and lasting contribution to the society as a responsible corporate citizen. Accordingly, the Company has formulated CSR Policy ('Policy') in terms of the provisions of Section 135 of the Companies Act, 2013 ("the Act"). The Policy is available on the Company's website www.servotech.in.

2. **Composition of CSR Committee:**

Mr. Yogesh Mahajan – Chairman

Mr. Pankaj Dawar – Member

Mr. Sahiel Khurana – Member

3. **Average net profit of the company for last three financial years – ₹ 339.4 Lacs.**
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – ₹ 6.79 Lacs**
5. **Details of CSR spent during the financial year:**
- (a) Total amount proposed to be spent for the financial year: ₹ 6.79 Lacs
- (b) Total amount to be spent for the financial year: ₹ 1 Lacs
- (c) Amount unspent, if any: ₹ 5.79 Lacs
6. **Manner in which the amount spent during the financial year is detailed below.**

1	2	3	4	5	6	7	8
Sl. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes: (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programme wise	Amount spent on the project or programme, Sub Heads; Direct expenditure on projects or i) Programmes ii) Overheads	Cumulative expenditure up to the reporting period	Amount spent Directly or through implementing agency
1.	Donation to Kerala CM Relief Fund	Contribution for Disaster Relief	Kerala	1,00,000	1,00,000	1,00,000	Direct

7. In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

In terms of the CSR Policy of the Company, the initiatives and identified areas include skill development, eradicating hunger, education of children and Contribution to eligible government fund ("State and Central Government") for social developments and socio-economic relief funds including natural disasters and calamities.

Keeping in view requirements of Section 135 of the Act, read with Companies ("CSR Policy") Rules, 2014, within the overall ambit of CSR on a sustainable basis, discussions on an on-going basis are being held with several implementing partners. Your Company is committed towards the CSR activity and would be taking up a suitable CSR projects/ activities in FY 2019-20.

8. A responsibility statement of the CSR Committee that the implementation and monitorin of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

The CSR Committee has confirmed that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

YOGESH MAHAJAN
CHAIRMAN, CSR COMMITTEE
DIN:03494048

RAMAN BHATIA
MANAGING DIRECTOR
DIN.:00153827

DATE: 21st August, 2019

PLACE: New Delhi



ANNEXURE-4

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

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 and Basement Area that saves electricity Consumption upto – ₹ 120000–150000;
2. Installation of LED lights in place of conventional lights which save electricity consumption – ₹ 25000 – 30000.
3. Usage of R2 Switch in Air Conditioner, which has a function to ON AC for 45 minutes and OFF for 15 minute in 1 hr same function is installed in Motor for water supply. This will save Electricity and 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 500 KKWp Grid Interactive Solar Power Plant
2. Installation of 452 KWp Grid Interactive Solar Power Plant in BPCL.
3. Installation of 72 KWp Grid Interactive Solar Power Plant in IOCL.
4. Installation of 24 KWp Grid Interactive Solar Power Plant in IOCL-Madurai Divisional Office.
5. Installation of 30 KWp Grid Interactive Solar Power Plant in IOCL-Chennai (Tamil Nadu)
6. Installation of 10 KWp 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: ₹ 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 consider it as 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's needs.

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

- i. Introduced wifi enabled MPPT Solar charge controller for Home light and Street light;
- ii. Development of Auto switches to save energy;
- iii. Development of Charging Points for Electric Vehicle; and
- 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: ₹ 21437652.11

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Amount (in ₹)
Foreign Exchange Earnings	-
Foreign Exchange Outgo	29,84,222



ANNEXURE-5

DETAILS OF EMPLOYEES

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) Of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2018-19.

Sl. No.	Name of the Director/KMP	Remuneration (in ₹)	Median Remuneration	Ratio
1.	Mr. Raman Bhatia	31,00,000	3,27,100	11.01
2.	Ms. Sarika Bhatia	27,25,000	3,27,100	9.86

- ii. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Manager and Company Secretary during the financial year 2018-19.

Sl. No.	Name of the Director/KMP	Designation	Percentage increase in Remuneration
1.	Mr. Raman Bhatia	Managing Director	NA
2.	Ms. Sarika Bhatia	Director	NA
3.	Mr. Arun Handa	Chief Executive Officer	NA
4.	*Mr. Kamlesh Kumar Thakur	Chief Financial Officer	NA
5.	*Mr. Ghanshyam Das Singla	Chief Financial Officer	NA
6.	*Ms. Pallavi Sahani	Company Secretary	NA
7.	*Ms. Mansi Gupta	Company Secretary	NA
8.	*Ms. Priya Pandey	Company Secretary	NA

- Ms.PallaviSahani- Ceased to be the Company Secretary on 30-06-2018.
- Ms.Mansi Gupta- Appointed on 30-06-2018 and ceased to be the Company Secretary on 30-10-2018.
- Ms.Priya Pandey- Appointed on 31-01-2019 as Company Secretary.
- Mr.Ghanshyam Das Singhla- Ceased to be the Chief Financial Officer on 23-09-2018.
- Mr.Kamlesh Thakur Appointed on 05-11-2018.

- iii. The percentage decrease in the median remuneration of Employees for the financial year was 59.97%.
- iv. Average increase made in the salaries of Employees other than the managerial personnel in the financial year was 20.74% whereas the target increase in the managerial remuneration was NIL%. The average increases every year is an outcome of Company's market competitiveness as against its peer group companies. In keeping with our reward philosophy and benchmarking results, the increases this year reflect the market practice.
- v. The Company has 164 permanent Employees on the rolls of Company as on 31st March, 2019.
- vi. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Note:

The Non-Executive Directors of the Company are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the Members. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.

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:

INDIAN LIGHTING & FIXTURES INDUSTRY OVERVIEW

The Indian lighting industry is currently witnessing strong growth. The replacement of basic and inefficient incandescent, halogen, fluorescent lamps with modern LED lights will reduce electricity consumption. According to a report by ELCOMA, the lighting industry is expected to reduce energy consumption for lighting from the 18% (2018) of total power consumption to 13% by 2020 by introducing more energy efficient products and working more closely with the government to execute various schemes and awareness programmes.

Smart lighting is an innovative technology that is replacing with more efficient LED lights and sensors for energy conservation. As India is one of the countries having the largest consumers of electricity, it has been witnessing an increasing electricity demand-supply gap. This has resulted in regular power shortages and blackouts across the country. As a result, the government is playing an active role in replacing the current lighting sector with more energy efficient products.

Light Emitting Diode (LED) is now the dominant lighting technology across all applications. Other technologies that are still present, although declining are Fluorescent Lighting (FTL and CFL) incandescent bulb and High Intensity Discharge (HID) Lamps. LED lighting costs and prices have continued to drop across all applications, leading to higher uptake from consumers. Street lighting and LED lamps market, this demand is particularly enabled by EESL programs, enabling wider penetration for lamps and consolidated sourcing for streetlights. Energy Savings Company (ESCO) model is an emerging new trend in commercial lighting, where capital commitment for the buyer is lowered and the supplier of the products gets revenue from Threats Changes in the market and operating model also pose a list of threats that need to be managed.

Apart from reducing energy consumption and cutting electricity costs, smart lighting also offers numerous other advantages to end users. Smart Lighting replaces switches and push-buttons with motion sensors which can automatically switch the lights on and off when the consumer enters or leaves a room. Moreover, smart light bulbs use LEDs that can be adjusted using a smart phone so that it can change colour according to the user's requirements and can also be switched on and off from a remote location. It can also help in dimming light which can save huge energy and cost.

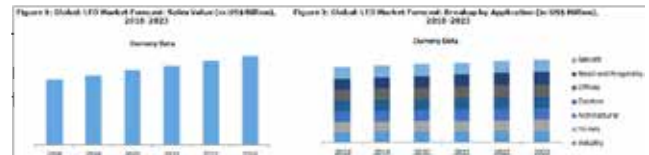
Some of the other major factors driving the smart light market in India include increasing affordability of smart lights, technological advancements, development

of various smart cities, increasing awareness levels, etc. Smart lights appear on a short list of technologies beginning to appear on many buyers' must-have lists because of its ability to improve security and comfort and cut electricity costs, according to Market Watch. Smart light can also help to introduce human centric lighting, effects of light on human health.

GLOBAL LIGHTING & FIXTURES INDUSTRY OVERVIEW

According to the latest research report of LED inside, during 2018 to 2023, LED lighting market scale will gradually increase. LED lighting market scale will reach USD 56.6 billion in 2023. CAGR during 2018 to 2023 will be 9%. European LED lighting market scale continuously expands, to the tune of USD 8.292 billion in 2018, with an annual growth of 9.5% and a penetration rate over 50%. In this market, lighting fixtures for commercial lighting have the greatest growth momentum, such as spotlight, filament lamp and decorative lamps.

Cost of lighting products is expected to transfer to consumers due to the impact of US-China Trade War and rising raw material price. The unit prices in the Japanese market are higher. Besides, due to the rebound of Japan's economy and the impact of 2020 Tokyo Olympics, the growth of Japanese market will remain. Southeast Asia is gradually developing into a dynamic LED lighting market due to the rapid growth of local economy, infrastructure investment and population, the demand for lighting is massive.



PRODUCT WISE PERFORMANCE

Servotech Power Systems has evolved the contribution towards the Green Revolution by adding to its arsenal Energy Efficient LED Lights and Solar Products under the brand name "Saara". The Company has already revolutionized the LED lighting products and have made them available for the masses and are working hard to do the same for Solar products.

Initially the Company was working for Government projects and street lighting projects as the Business expanded, the Company started working for petroleum industries and parallelly joined hands with the retailers as well. The company not only manufacture LED Tube lights and bulbs but also manufactures street light, flood light, canopy light, yard lights, FLP tubes, Hoarding lights, System Controller, Solar Charge Controller, Solar Roof tops. The Company has expanded to deliver its products to refineries, bottling plants, Petrol pumps, terminals etc.

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



1. LED SEGMENT:

LED lights have been growing at such a big rate all over the world. Certainly, India is no exception. Now-a-days, India struggles to meet the increasing electricity demand with its exceptional growth in the economy leading to build more power plants for sustaining the higher electricity demand of its widely growing population. But there is also another very simple solution; just change light bulbs to the new LED technology and this can surprisingly reduce the country's electricity demand by as much as 40 percent. With the biggest benefit of energy saving, long lamp life and environment friendly technology, LEDs would notably lessen the lighting load, peak demand and overall energy consumption of India, even without compromising on the environment and safety.

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

• LED STREET LIGHTS



LED is becoming more common in street lighting applications because it projects the lumen output of the LED more efficiently, which allows for wider coverage of a consistent light pattern. Lighting specifiers often had to over-compensate with an abundance of initial lumens to account for lumen depreciation over the life of the light source. Dark pools just continue to get darker as lamp lumens depreciate over their rated life. LEDs depreciate more slowly than many traditional light sources such as metal halide or induction technologies. In technologies with less light depreciation over time, fewer initial lumens can be designed into the application. All of these factors, including 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.

• CANOPY LIGHT



SAARA LED Canopy Light Retrofit Kits are designed to replace existing metal halide light/CFL fixtures under-

canopies in petrol pump stations easily. 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. This retrofit procedure also produces THE LOWEST INSTALLED COST ON THE MARKET - 75% LESS TIME TO INSTALL (15 MINUTES vs. 1 HOUR) and that time savings is cost savings for our Customers. SAARA Canopy Light Retrofit Kits 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.

• FLOOD LIGHT

SAARA LED flood lights are environmentally friendly and provide an artistic lighting effects experience. SAARA LED flood lights are now top eco-friendly lighting option present



in the market. Our 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 don't emit harmful gases like CO₂. For these reasons, our LED lights are much friendlier to both environment and human health.

SAARA LED flood 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. By using these lights, you can cut down your energy usage by as much as 80% and eventually your electricity costs.

• HIGHBAY LIGHT

Whenever a large indoor space needs to be illuminated, high bay lighting is usually appropriate. Consider spaces



like manufacturing facilities, gymnasiums, warehouses, large department stores, factories, and more; these facilities are typically vast and cover a lot of vertical as well as horizontal space. This requires powerful lighting to provide the appropriate foot-candle levels to adequately illuminate. High bay lighting fixtures typically hang from

the ceiling via hooks, chains or pendants, or they may be fixed to the ceiling directly (similar to troffer lights).

2. SOLAR LIGHTING SEGMENT



Solar Power is one of the largest contributors among the renewable energy technologies in terms of capacity addition in FY 2018-19. The Government of India has allocated huge funds to develop approx. 1 Lac MW Solar Projects in next 5 years, hence business environment for Solar Products and Systems are likely to remain bullish in next 5-10 years. Considering this, the company foresees huge potential in this business in the coming times. The above initiative of solar power business will have great synergy with the Company's existing energy businesses. As a part of this initiative, the Company is planning to bring all its production facilities on solar power

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

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.

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.

FINANCIAL ANALYSIS

The Financial Performance with respect to operational performance of the Company is discussed in the Directors' Report which forms part of the Annual Report.

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.

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.

CAUTIONARY STATEMENT

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and other statutes over which the Company does not have any direct control.



REPORT ON CORPORATE GOVERNANCE

The Board of Directors of the Company exercise their fiduciary responsibilities towards all stakeholders by ensuring transparency and independence in the decision making process. Although, 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, 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.

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the Company believes in adopting 'best practices' that are followed in the area of Corporate Governance across various geographies. Corporate governance is creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process. It is about commitment to values and about ethical business conduct. This includes its corporate structure, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial performance, ownership and material developments in respect of the Company is an integral part of Corporate Governance.

At Servotech, Corporate Governance Policies and practices are based on the following principles:

- To recognize the respective roles and responsibilities of the Board and Management.
- To protect, recognize and facilitate shareholders rights and ensure timely and accurate disclosure to them;
- To ensure a robust risk management system and internal controls;
- To ensure that employees of the company subscribe to the corporate values and apply them in their conduct;
- To set the Company's values and standards and ensure that obligations to shareholders and others are understood and fulfilled. The Board

recognizes that in conducting its business, the Company should be responsive to other relevant constituencies.

II. BOARD OF DIRECTORS

The Board of Directors ("Board") is responsible for and is committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

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.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 20th July, 2019 appointed Mr. Nimesh Malhotra, GM- Human Resource of the Company as an Additional Director and Whole-time Director of the Company, for a period of 2 (two) years w.e.f. 20th July, 2019 subject to the approval of Members of the Company at the ensuing Annual General Meeting.

a) Composition and Category of Board of Directors

The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

As on the date of this Report, the Board consists of 6 (six) Directors comprising an Executive Chairman, 2 (two) Executive Directors and 3 (three) Independent Directors. Out of the total 6 (six) Directors 1 (one) is women.

As on 31st March, 2019, none of the Director is a Director in more than 10 (ten) public limited companies (including 7 Listed Companies), neither a Chairman of more than 5 Committees nor a member of more than 10 Committees in all the public companies in which they are Directors. Further, all the Directors have made necessary disclosures regarding their Directorship and Chairmanship/Committee Membership in other companies as per the requirement of Listing Regulations, Act and other applicable provisions, if any.

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).

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with section 149 of the Companies Act, 2013 ("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	65,74,675
Ms. Sarika Bhatia*	00155602	Director	Promoter and Executive Director	25,25,675
Mr. Nimesh Malhotra*	07104660	Whole-time Director	Executive Director	4,532
Mr. Sahil Khurana	02340950	Director	Non-executive Independent Director	Nil
Mr. Yogesh Mahajan	03494048	Director	Non-executive Independent Director	Nil
Mr. Pankaj Dawar	06479649	Director	Non-executive Independent Director	Nil

*Appointed as Whole-time Director w.e.f 21st August, 2019 and 20th July, 2019 respectively.

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 18 (eighteen) meetings of the Board of Directors were held on:

SL.NO.	DATE OF BOARD MEETING
1.	29.05.2018
2.	14.06.2018
3.	29.07.2018
4.	13.07.2018
5.	31.08.2018
6.	03.10.2018
7.	05.10.2018
8.	10.10.2018
9.	26.10.2018
10.	30.10.2018
11.	14.11.2018
12.	28.12.2018
13.	09.01.2019
14.	16.01.2019
15.	31.01.2019
16.	26.02.2019
17.	02.03.2019
18.	12.03.2019



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	18	Yes	N.A.	Nil	Nil
2	Ms. Sarika Bhatia	18	Yes	N.A.	Nil	Nil
3	Mr. Nimesh Malhotra*	N.A.	Yes	N.A.	Nil	Nil
4	Mr. Pankaj Dawar	17	Yes	Cremica Agro Foods Ltd. Bazel International Ltd.	Nil	Nil
5	Mr. Sahil Khurana	18	Yes	N.A.	Nil	Nil
6	Mr. Yogesh Mahajan	15	Yes	N.A.	Nil	Nil

*Appointed as Additional & Whole-time Director w.e.f 20th July, 2019.

Notes:

- A. Private Limited Companies, Foreign Companies and Companies under section 8 of the Act are excluded for the above purposes.
- B. Only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies are considered for the purpose of reckoning committee positions.

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 26th February, 2019 during the financial year 2018-19.

f) Familiarization Programme

Your Company has put in place a structured induction and Familiarization Programme for all of its Directors including the Independent Directors. The Company conducts Familiarization Programme for the Independent Directors to provide the man 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 for Independent Directors was conducted to apprise the Directors 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 Half yearly and annual 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 6 times, on 29.05.2018, 31.08.2018, 26.10.2018, 14.11.2018, 16.01.2019 and 12.03, 2019 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	Chairperson	Independent Director	6	6
Mr. Raman Bhatia	Member	Managing Director	6	6
Mr. Sahil Khurana	Member	Independent Director	6	6

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 29th September, 2018 to answer the shareholders' queries.

1. 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:

- 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;
- 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;

- 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;
- 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
- To ensure the Board Diversity by constituting the structure of Board of Directors

a. Composition, Meeting and Attendance

The Committee met 5 times during the period under review on 29.05.2018, 29.07.2018, 31.08.2018, 26.10.2018 and 31.01.2018 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 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	5	5
Mr. Pankaj Dawar	Member	Independent Director	5	5
Mr. Yogesh Mahajan	Member	Independent Director	5	5

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 to Directors, KMP and Senior Management involves a balance between fixed & 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 PAID DURING THE FINANCIAL YEAR 2018-19 IS AS MENTIONED BELOW:

EXECUTIVE DIRECTORS

Sl. No.	Name of the Director	Salary (₹ p.a.)	Perquisites, Provident Fund and other benefits (₹)	Total (₹ p.a.)
1.	Mr. Raman Bhatia	31,00,000	Nil	31,00,000
2.	Ms. Sarika Bhatia	27,25,000	Nil	27,25,000
3.	Mr. Nimesh Malhotra*		N.A	

Mr. Nimesh Malhotra was appointed as Whole-time Director on 20th July, 2019.

NON-EXECUTIVE INDEPENDENT DIRECTORS

During the financial year 2018-19, the Company paid sitting fees of Rs. 5,000 per meeting 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

Sl. No.	Name of the Director	Sitting Fees (in Rs.)
1.	Mr. Sahil Khurana	5,000
2.	Mr. Yogesh Mahajan	5,000
3.	Mr. Pankaj Dawar	10,000

2. STAKEHOLDER'S RELATIONSHIP COMMITTEE

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

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
Mr. Panjak Dawar	Chairperson	Independent Director	4	4
Mr. Raman Bhatia	Member	Managing Director	4	4
Ms. Sarika Bhatia	Member	Director	4	3

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 & redressed during the year:

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

3. 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, has constituted a Committee of Directors to support the Board for taking various decisions with respect to day-to-day 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.

The Committee consists of directors namely

Composition, Meeting and Attendance

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	Director	N.A.	N.A.
Mr. Yogesh Mahajan	Member	Independent Director	N.A.	N.A.
Mr. Sahil Khurana	Member	Independent Director	N.A.	N.A.
Mr. Raman Bhatia	Member	Managing Director	N.A.	N.A.
Mr. Nimesh Malhotra	Member	Whole-time Director	N.A.	N.A.

*The committee is constituted vide Board Meeting held on 21st August, 2019. The meetings of the committee are yet to be convened.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company, as a responsible corporate citizen, strives to enhance value creation in the society and in the community in which it operates. 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 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 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	Chairperson	Independent Director	4	4
Mr. Pankaj Dawar	Member	Independent Director	4	4
Mr. Sahil Khurana	Member	Independent Director	4	3

IV. GENERAL BODY MEETINGS:

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

Financial Year	Location(s)	Meeting Date	Time
2017-18	Hotel Crown Plaza, Twin District Center, Sector-10, Rohini, New Delhi-110085	29 th September, 2018	09:00 A.M.
2016-17	806, 8 th floor, Crown heights, Hotel Crown Plaza, Sector 10, Rohini, New Delhi-110085	10 th July, 2017	12.00 P.M.
2015-16	806, 8 th floor, Crown heights, Hotel Crown Plaza, Sector 10, Rohini, New Delhi-110085	30 th September, 2016	2:00 P.M.

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

There were no special resolutions passed by the Company in the previous three Annual General Meetings of the Company.

3. DETAILS OF THE SPECIAL RESOLUTIONS PASSED DURING THE FINANCIAL YEAR 2018-19 THROUGH POSTAL BALLOT

During the year under review, the Company did not pass any resolution through postal Ballot during.

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
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 Exchanges	Your Company makes timely disclosures of necessary information 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").
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 has 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, 2019.

VII. DISCLOSURES

a) Related Party Transactions

There were no materially significant related party transactions i.e. transactions of the

Company of material nature with the related parties which could conflict with the interests of the Company. All transactions entered into by the Company with related parties, during the financial year 2016-17, were in ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

The Policy on Related Party Transactions has been placed on the Company's website www.servotech.in

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

Your Company believes in conducting its business and working with all its stakeholders, including employees, customers, suppliers and shareholders in an ethical and lawful manner by adopting highest standards of

professionalism, honesty, integrity and ethical behavior. Your Company prohibits any kind of discrimination, harassment, victimization or any other unfair practice being adopted against an employee. 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.

During the financial year ended 31st March, 2019, no personnel have been denied access to the Chairman of the Audit Committee of the Company.

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. Divay Arora, a qualified Practicing Company Secretary, had for the financial year 2018-2019 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.

VIII. 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

As the Company's quarterly results are published in an English newspaper having a circulation all over India and in a Hindi newspaper having a circulation in the region of National Capital Territory of Delhi and also uploaded on the Company's website www.servotech.in, the half-yearly declaration of financial performance is not sent separately to each household of shareholders of the Company.

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.

IX. GENERAL SHAREHOLDER INFORMATION:

1. Annual General Meeting

Date	Sunday, 29 th September, 2019
Time	09:30 A.M.
Venue	Crown Plaza Hotel, Sector-10, Rohini
2. Financial Year 2018-2019
3. Date of Book Closure 23rd September, 2019 – 29th September, 2019
4. 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
5. Stock Symbol NSE Symbol: SERVOTECH ISIN: INE782X01017
6. Listing Fees to Stock Exchanges The Company has paid the annual listing fees for the financial year 2019-20 to the above Stock Exchanges.



7. Custodial Fees to Depositories
- The Company has paid custodial fees for the financial year 2019-20 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Share Transfer(s) etc. The Company has complied with the provisions of the requisite guidelines issued by the regulatory authorities in respect of the transfer of shares and other related matters. The share transfers, which are received in physical form, are processed and the share certificates are duly returned within 15 days of lodgment, subject to the documents being valid and complete in all respects.

X. SHARE TRANSFER SYSTEM

The Company has appointed Bigshare Services Private Limited as the Registrar and Share Transfer Agent ("RTA") of the Company. The work related to share transfer in terms of both physical and electronic mode is being dealt at single point by the RTA. After the completion of preliminary formalities of transfer/transmission by the RTA, the approval of transfer of shares in the physical form is given by the Stakeholders' Relationship Committee ("SRC") of the Board of Directors.

The Company obtains a half-yearly Compliance Certificate from a Company Secretary in Practice to the effect that all certificates have been issued within 30 (thirty) days of the date of valid lodgment of transfer, sub-division, consolidation and renewal as required under Regulation 40 (9) of the Listing Regulations and files a copy of the said certificate with NSE.

XI. UNCLAIMED/UNPAID DIVIDEND

XII. Distribution of shareholding as on 31st March, 2019

The SRC meets periodically to inter alia approve the

Sr. No.	No. of equity Shares held	No. of Shareholders	% of total Shareholders	No. of total Shares held	Shareholding in % age
1	1-500	21	6.4815	5250	0.0287
2	501-1000	2	0.6173	1750	0.0096
3	1001-2000	7	2.1605	12112	0.0661
4	2001-3000	1	0.3086	3000	0.0164
5	3001-4000	153	47.2222	610483	3.3341
6	4001-5000	16	4.9383	72270	0.3947
7	5001-10000	49	15.1235	380321	2.0771
8	10001 & above	75	23.1481	17225243	94.0734

XIII. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company has established connectivity with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (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, 2019, 1,81,26,279 equity shares of the Company, forming 98.9% of the shareholding stand dematerialized.

XIV. CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2019

Category	Shares	%
Indian Body Corporates	260645	1.42
Non Institutional Individuals	5009534	27.36
Non Resident Indian	16000	0.09
Clearing Member	68000	0.38
Market Maker	140000	0.76
Director and their Relatives	3583900	19.57
Promoters	9232350	50.42
Total	18310429	100

XV. GREEN INITIATIVE IN CORPORATE GOVERNANCE

As a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send future correspondence and documents such as notice of the general meetings, audited financial statements, directors' report, auditors' report etc. in electronic form, to the email address provided by the Members and made available to us by the Depositories. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

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, 2019 are as follows:

Months during the financial year ended 31 st March, 2019	NSE	
	High (Rs./ share)	Low (Rs./ share)
April, 2018	48.9	33.5
May, 2018	44	31.4
June, 2018	39.5	30
July, 2018	32.2	29
August, 2018	33.95	27.1
September, 2018	28	26.5
October, 2018	26.5	21.7
November, 2018	22.5	20
December, 2018	22.9	18.1
January, 2019	28.5	23
February, 2019	23.95	19.5
March, 2019	24.5	17

XVII. PLANT LOCATIONS

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

XVIII. ADDRESS FOR CORRESPONDENCE

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

INVESTOR RELATIONS DEPARTMENT

E-mail id: investor.
relations@servotechindia.
com

Website: www.servotech.in

REGISTRAR & SHARE TRANSFER AGENT

BIGSHARE
SERVICES PVT. LTD.
302, Kishal Bazar
33-34 Nehru Place
New Delhi-110091

E-mail id: bssdelhi@
bigshareonline.com

Website: www.
bigshareonline.
com/

COMPLIANCE OFFICER

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



CEO AND CFO CERTIFICATION

The Board of Directors

Servotech Power Systems Limited

Dear members of the Board,

We, Arun Handa, Chief Executive Officer and Kamlesh Kumar Thakur, Chief Financial Officer of Servotech Power Systems Limited, to the best of our knowledge and belief, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining

to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

- (d) We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Servotech Power Systems Limited

Arun Handa
Chief Executive Officer

Kamlesh Kumar Thakur
Chief Financial Officer

Place: 29th May, 2019

Date: New Delhi

Telephone: +91-011-41117657

Website: www.servotech.in

Email id: investor.relations@servotechindia.com

INDEPENDENT AUDITOR'S REPORT

To the Members of SERVOTECH POWER SYSTEMS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SERVOTECH POWER SYSTEMS LIMITED** (company converted into public limited on 24th May, 2017), which comprise the balance sheet as at 31st March 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019 and its profit and its cash flows for the year ended on that date.

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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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.) that the litigations pending by the company or against the company as on 31st March, 2019 will not materially impact its financial position.
 - ii. the Company did not have any long-term contracts including derivative contracts as at 31st March, 2019.
 - 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, 2019.
- FOR GUPTA JALAN & ASSOCIATES**
CHARTERED ACCOUNTANTS
CA RAM NIWAS JALAN
PARTNER
M.NO.-082389
- Date: 29th May, 2019
Place: New Delhi

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 2019, 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. Maintenance of cost records under section 148 (1) of the Companies Act, 2013 is not applicable to the company.
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, service tax, sales tax, any other statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.
 - ii) According to the information and explanations given to us, there is no disputed statutory liability as on 31st March 2019.
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 raised money during the year by way of initial public offer. and the money raised by way of initial public offer and the term loans were applied for the purpose for which those are raised.
10. (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.
11. 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.
12. The company is in the process of taking approval of prescribed authority/members for excess payment made for managerial remuneration due to fall in profits as required by the provision of section 197 read with schedule 5 to the Companies act 2013.
13. The company is not a Nidhi Company; therefore the provisions of Nidhi companies are not applicable on the company.
14. 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 transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the accounting standards.
15. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment shares during the year Under review and the requirement of section 42 of companies act 2013 have been complied with and the amount raised has been used for the purpose for which the funds were raised
16. 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.
17. 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 GUPTA JALAN & ASSOCIATES
CHARTERED ACCOUNTANTS
CA RAM NIWAS JALAN
PARTNER
M.NO.-082389**

Date: 29th May, 2019

Place: New Delhi



“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”)**

We have audited the internal financial controls over financial reporting of **SERVOTECH POWER SYSTEMS LIMITED** (‘the Company’) as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 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 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 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 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.

Opinion

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 2019, 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.

**FOR GUPTA JALAN & ASSOCIATES
CHARTERED ACCOUNTANTS
CA RAM NIWAS JALAN
PARTNER
M.NO.-082389**

Date: 29th May, 2019

Place: New Delhi

SERVOTECH POWER SYSTEMS LIMITED
BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2019

(In ₹)

			AS AT 31 ST MARCH 2019	AS AT 31 ST MARCH 2018
PARTICULARS	NOTE			
A EQUITY AND LIABILITIES				
1 Shareholders' Funds				
i) Share Capital	1		183,104,290	183,104,290
ii) Reserves and surplus	2		177,109,296	147,061,899
			360,213,586	330,166,189
2 Non-Current Liabilities				
i) Long-term borrowings	3		63,820,570	70,675,862
ii) Deferred tax liabilities			1,062,557	941,485
iii) Other Long term liability	4		46,932,920	47,198,100
			111,816,047	118,815,447
3 Current Liabilities				
i) Short-term Borrowings	5		91,853,067	97,643,505
ii) Trade payables				
(A) Total outstanding dues of micro enterprises and small enterprises	6		158,23,802	14,939,356
(B) Total outstanding dues of creditor other than micro enterprises and small enterprises	6		139,139,977	226,240,548
iii) Other current liabilities	7		24,988,291	34,950,016
iv) Short term provisions	8		11,500,000	15,200,000
			283,305,136	392,001,109
Total ₹			755,334,770	840,982,745
B ASSETS				
1 Non Current Assets				
i) Property, Plant and Equipment				
Tangible assets	9		81,563,219	90,116,554
Intangible assets	9		374	374
ii) Long term loans & advances	10		4,578,519	3,115,964
iii) Other non current assets	11		82,503,317	80,691,187
			168,645,429	173,924,079
2 Current Assets				
i) Inventories	12		116,113,859	135,877,736
ii) Trade receivables	13		399,831,204	435,847,058
iii) Cash and cash equivalents	14		29,068,170	57,884,207
iv) Short-term loans & advances	15		41,676,108	37,449,665
			586,689,341	667,058,666
Total ₹			755,334,770	840,982,745

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

Raman Bhatia
Managing Director
DIN: 00153827

Priya Pandey
Company Secretary
M.No.: 35815

For and on behalf of board
Servotech Power Systems Limited

Sarika Bhatia
Director
DIN: 00155602

Kamlesh Kumar Thakur
Chief Financial Officer
PAN-ABZPT1391D

Date: 29th May, 2019
Place: Delhi



SERVOTECH POWER SYSTEMS LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(In ₹)

PARTICULARS	NOTE	AS AT 31 ST MARCH 2019	AS AT 31 ST MARCH 2018
I REVENUE FROM OPERATIONS			
i) Sales	16	860,868,382	1,124,849,457
ii) Service charges received		24,141,615	11,348,654
iii) Other income	17	5,100,683	9,478,906
Total Rs.	(A)	890,110,680	1,145,677,017
II EXPENSES			
i) Cost of materials consumed	18	246,538,685	401,045,517
ii) Cost of trading Goods	18	397,209,348	535,081,927
iii) Changes in inventories of finished goods, work-in-process, sub-assembled products"	19	30,459,638	(30,590,871)
iv) Employee benefits expenses	20	65,869,727	67,372,587
v) Finance costs	21	23,918,275	20,682,785
vi) Depreciation written-off	9	9,806,156	8,460,412
vii) Other expenses	22	75,396,921	88,510,747
Total ₹	(B)	849,198,750	1,090,563,103
Profit before Exceptional and Extra Ordinary Items and tax	(A-B)	40,911,930	55,113,914
Exceptional items	23	(756,539)	6,619
Profit before taxation		41,668,469	55,107,295
Tax expenses			
Current tax		11,500,000	15,200,000
Deferred tax		121,072	367,313
Short/ (Excess) tax of earlier years			50,950
Profit(Loss) for the period from continuing operations		30,047,397	39,489,032
Profit(Loss) from discounting operations		-	-
Profit/(Loss)from discontinue operation (after tax)		-	-
Profit for the year (V-VI)		30,047,397	39,489,032
Earnings per equity share			
Basic		1.64	2.16
Diluted		1.64	2.16

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

Date: 29th May, 2019
Place: Delhi

Raman Bhatia
Managing Director
DIN: 00153827

Priya Pandey
Company Secretary
M.No.: 35815

For and on behalf of board
Servotech Power Systems Limited

Sarika Bhatia
Director
DIN: 00155602

Kamlesh Kumar Thakur
Chief Financial Officer
PAN-ABZPT1391D

SERVOTECH POWER SYSTEMS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(In ₹)

PARTICULARS	AS AT 31 st MARCH 2019	AS AT 31 st MARCH 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	41,668,468	55,107,295
Adjustments For :		
Depreciation and amortisation expense	9,806,156	8,460,412
Interest expense	23,918,275	20,682,784
Interest income	(2,875,008)	(2,563,294)
Loss/ (profit) on sale of fixed assets	-	37,943
Operating Profit before working capital Changes	72,517,892	81,725,139
Adjustments For :		
(Increase)/ Decrease in sundry debtors	36,015,854	(161,134,856)
(Increase)/ Decrease in inventories	19,763,877	(13,425,124)
(Increase)/Decrease in loans & advances and other current assets	(4,226,442)	(9,196,925)
Increase/ (Decrease) in sundry creditors and other liabilities	(102,905,536)	59,325,247
Cash generated From operating activities	21,165,644	(42,706,519)
Less: Direct Tax Paid	11,500,000	15,250,950
Net cash generated from/ (used in) operating activities	<u>9,665,644</u>	<u>(57,957,469)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,252,821)	(33,057,839)
Proceeds from sales of fixed assets	-	100,000
Interest received	2,875,008	2,563,294
Decrease/ (Increase) in Long Term Loan & Advances	(1,462,555)	(719,698)
Decrease/ (Increase) in Other non current assets	(1,812,130)	(13,181,380)
Net Cash Generated from (used in) investing activities	<u>(1,652,498)</u>	<u>(44,295,623)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital / Share Application Money	-	55,071,790
Share Premium Account including reserves	-	101,879,267
Proceeds from Secured & Unsecured loans	(5,790,437)	(34,483,096)
Interest / Financial Charges	(23,918,275)	(20,682,785)
Increase/(Decrease) in Long Term Liabilities	(7,120,470)	16,559,204
Net Cash Generated from (used in) Financing Activities	<u>(36,829,182)</u>	<u>118,344,379</u>
I Total increase (decrease) in cash and cash equivalents during the year (A+B+C)	(28,816,036)	16,091,288
II Cash and cash equivalents at beginning of year	<u>57,884,207</u>	<u>41,792,919</u>
III Cash and cash equivalents as at end of the year (I+II)	<u>29,068,171</u>	<u>57,884,207</u>

The cash flow statement has been prepared under the "indirect method" as set out in accounting standard-3 on cash flow statement issued by the Institute of Chartered Accountant of India.

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

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

Date: 29th May, 2019
Place: Delhi

Raman Bhatia
Managing Director
DIN: 00153827

Priya Pandey
Company Secretary
M.No.: 35815

For and on behalf of board
Servotech Power Systems Limited

Sarika Bhatia
Director
DIN: 00155602

Kamlesh Kumar Thakur
Chief Financial Officer
PAN-ABZPT1391D



SERVOTECH POWER SYSTEMS LIMITED
Notes forming part of the financial statements
Note no. 1
(i) Particulars of shares capital : Authorised, Issued and Subscribed

	(In ₹)	
PARTICULARS	AS AT 31st MARCH ,2019	AS AT 31st MARCH, 2018
Share Capital		
Authorised		
19,000,000 Equity Shares of ₹ 10 each	190,000,000	190,000,000
Issued, subscribed and paid up		
18,310,429 Equity shares of ₹ 10 each fully paid up	183,104,290	183,104,290
Total ₹	183,104,290	183,104,290

(ii) Reconciliation of shares outstanding at the beginning and at the end of the year

Equity shares	CURRENT YEAR		PREVIOUS YEAR	
	Number	Amount	Number	Amount
At the beginning of the year	18,310,429	183,104,290	2,560,650	25,606,500
Add: issue of bonus shares during the year	-	-	10,242,600	102,426,000
Add: issue of shares during the year	-	-	5,507,179	55,071,790
At the end of the year	18,310,429	183,104,290	18,310,429	183,104,290

(iii) Share holder having more than 5% of Shares of the company

Name of The Shareholders	Number	%	Number	%
Mr. Raman Bhatia	6,666,675	36.41%	6,574,675	36%
Raman Bhatia HUF	3,083,175	16.84%	3,079,175	17%
Ms. Sarika Bhatia	2,565,675	14.01%	2,525,675	14%

(iv) Bonus Share issued during the last 5 years .

Year	2014	2015	2016	2017	2018
Number of shares	1170000	Nil	Nil	10242600	Nil

(v) Rights, preferences and restrictions attached to equity shares

The company has only 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 no.2**RESERVES & SURPLUS****(In ₹)**

Statement of Profit & Loss		
At the beginning of the year	45,182,632	96,300,900
Add: Profit for the year	30,047,397	39,489,032
Less :- Utilized for issue of bonus shares	-	90,607,300
At the end of the year (A)	75,230,029	45,182,632
Share Premium Account		
At the beginning of the year	101,879,267	11,818,700
Add:- Received during the year	-	115,650,759
Less: Utilized for issue of bonus shares	-	11,818,700
Less : Utilized for Shares issue expenses	-	13,771,492
At the end of the year (B)	101,879,267	101,879,267
Total ₹ (A+B)	177,109,296	147,061,899

Note no. 3**LONG TERM BORROWINGS****(In ₹)**

A. Secured		
Medium Term loans from Banks	36,918,979	35,208,316
Medium Term loans from Non-Banking Finance Company	3,681,736	4,869,222
Total ₹ A	40,600,715	40,077,538
B. Un-Secured Loan		
From banks	8,613,355	7,725,953
From Non-Banking Finance Company	14,606,500	22,872,370
Total ₹ B	23,219,855	30,598,323
Total ₹ (A+B)	63,820,570	70,675,861



	Repayable within one year	Repayable after one but within five years	Total
For the year ended 31st MARCH, 2019			
Medium term loans from banks	2,811,610	36,918,979	39,730,589
Medium term loans from Non-Banking Finance Company	1,187,486	3,681,736	4,869,222
Total ₹ A	3,999,096	40,600,715	44,599,811
Unsecured loans from Banks	5,605,102	8,613,355	14,218,457
Unsecured loans from Non-Banking Finance Company	13,780,559	14,606,500	28,387,059
Total ₹ B	19,385,661	23,219,855	42,605,516
Total ₹ (A+B)	23,384,757	63,820,570	87,205,327

For the year ended 31st MARCH, 2018

Medium term loans from banks	2,437,159	35,208,316	37,645,475
Medium term loans from Non-Banking Finance Company	1,094,771	4,869,222	5,963,993
Unsecured loans from Banks	6,509,778	7,725,953	14,235,731
Unsecured loans from Non-Banking Finance Company	17,569,221	22,872,370	40,441,591
Total ₹	27,610,929	70,675,861	98,286,790

- 1) Various banks and Non Banking Financial Company had sanctioned medium term loans of ₹ 148.02 lacs against hypothecation of vehicles and ₹ 367.50 Lacs against hypothecation of properties, Vehicle & Property loans carry different rate of interest, different tenure and different amount of installments.

Note no. 4

(In ₹)

OTHER LONG TERM LIABILITIES		
Provision for warranty exceeding one year	32,528,697	46,673,724
Long Term Creditors	14,212,847	-
Securities received from customers	191,376	524,376
Total ₹	46,932,920	47,198,100

Note no. 5

(In ₹)

PARTICULARS	AS AT 31 st MARCH 2019	AS AT 31 st MARCH 2018
SHORT TERM BORROWINGS		
Current maturities of long - term debts	23,384,757	27,610,929
*Working capital loans from Banks	44,411,568	70,032,576
Working capital loans from non-banking finance company	23,936,581	-
Bank Overdraft Of a Bank	120,161	-
Total ₹	91,853,067	70,032,576

*United bank of India had renewed fund based limit of ₹ 626 Lakhs and non fund limit of ₹ 1150 lakhs on 12.04.2018 secured against hypothecation of inventories, books debts, other current assets, fixed deposits of ₹ 5 Lakhs and RD of ₹ 50,000, Plant and machineries and all other fixed assets of the company. Besides equitable mortgage of properties of company and it's directors along with their personal guarantees.

*The Company has entered domestic sale bills factoring agreement on 16th January 2019 of ₹ 600 Lakhs for discounting of sales invoices by IFCI Factors Limited relating to Indian Oil Corporation limited and Bharat Petroleum Corporation Limited. The Company has pledged it's shares owned by it's directors, post dated cheques of ₹ 500 Lakhs in favour of the lender and opened an Escrow Account.

Note no. 6

(In ₹)

TRADE PAYABLES		
(A) Total outstanding of micro and small enterprises	15,823,802	17,967,041
(B) Total outstanding other than micro and small enterprises	139,139,977	229,268,232
Total ₹	154,963,779	244,207,588
Dues to micro enterprises and small enterprises:		
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	15,823,802	14,939,356
Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act, 2006	50,400	-
The amount of the payments made to micro and small suppliers 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 MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under the MSMED Act, 2006	-	-

Note no. 7

(In ₹)

OTHER CURRENT LIABILITIES		
Advance from customers & others	7,804,827	89,382
Expenses payable	15,812,151	33,794,354
Statutory liabilities	1,371,313	1,066,279
Total ₹	249,88,291	34,950,016

Note no. 8

(In ₹)

SHORT TERM PROVISIONS		
Provision for taxation	11,500,000	15,200,000
Total ₹	11,500,000	15,200,000



Note no.9

Tangible Assets

(In ₹)

ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK	
	BALANCE AS AT 1ST APRIL 2018	ADDITIONS DURING THE YEAR	DELETION DURING THE YEAR	BALANCE AS AT 31ST MARCH 2019	BALANCE AS AT 1ST APRIL 2018	PROVIDED DURING THE YEAR	DELETION / ADJUSTMENTS DURING THE YEAR	BALANCE AS AT 31ST MARCH 2019	BALANCE AS AT 31ST MARCH 2019	BALANCE AS AT 31ST MARCH 2018
TANGIBLE ASSETS										
LAND	1,809,600	-	-	1,809,600	-	-	-	-	1,809,600	1,809,600
BUILDING	71,319,983			71,319,983	6,988,229	3,132,956	-	10,121,185	61,198,798	64,331,754
PLANT AND MACHINERY	16,511,669	29,000		16,540,669	7,742,309	1,603,609	-	9,345,918	7,194,751	8,769,360
COMPUTERS AND DATA PROCESSING UNITS	5,077,976	269,570		5,347,546	4,051,781	511,737		4,563,518	784,028	1,026,195
ELECTRIC EQUIPMENT	607,798	42,999		650,797	357,240	66,217		423,457	227,340	250,558
" FURNITURE										
"	6,303,372	63,037		6,366,409	4,110,200	570,289		4,680,489	1,685,920	2,193,172
OFFICE EQUIPMENT	3,577,866	848,215		4,426,081	3,039,045	427,968		3,467,013	959,068	538,821
MOTOR VEHICLES	17,722,959			17,722,959	6,619,267	3,469,646		10,088,914	7,634,045	11,103,692
MOTORCYCLE	350,312			350,312	256,909	23,733	-	280,642	69,670	93,403
Total	123,281,535	1,252,821	-	124,534,356	33,164,980	9,806,156	-	42,971,137	81,563,219	90,116,554
INTANGIBLE ASSETS										
Antivirus Software (3 years)	81,858	-	-	81,858	81,484	-	-	81,484	374	374
Total	81,858	-	-	81,858	81,484	-	-	81,484	374	374
Grand Total	123,363,393	1,252,821	-	124,616,214	33,246,465	9,806,156	-	43,052,621	81,563,593	90,116,928
Previous Year Figure's	90,864,987	33,057,839	559,434	123,363,393	25,207,544	8,460,412	421,491	33,246,465	90,116,928	65,657,443

Particulars	Maruti Eco Flexi	Apple Mac book	Computer	Total
WDV NET	-			-
Sale Rs.				-
Net Loss /(Profit)	-	-	-	-

Note no. 10

			(In ₹)
LONG TERM LOANS & ADVANCES			
Securities deposits			
Unsecured and considered good		4,578,519	3,115,964
Total ₹		4,578,519	3,115,964

Note no. 11

	(In ₹)	
OTHER NON-CURRENT ASSETS		
(Unsecured and considered good)		
Retention and performance guarantee money (retained by customers receivable after one year)	82,503,317	80,691,187
Total ₹	82,503,317	80,691,187

Note no. 12

	(In ₹)	
INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials	69,854,110	59,158,349
Work-in-Process	5,110,344	6,201,854
Finished Goods	41,149,405	70,517,533
Total ₹	116,113,859	135,877,736

Note no. 13

	(In ₹)	
TRADE RECEIVABLES		
(Unsecured, considered good unless specified)*		
Outstanding for more than six months		
- good	126,111,775	58,456,490
- Doubtful and suit filed*	9,981,545	4,318,256
Less than Six month	263,737,884	373,072,311
Total ₹	399,831,204	435,847,058

*The Company had filed suit for recovery of Rs. 13,48,624 against the customer in Appropriate Court of Law

Note no.14

	(In ₹)	
PARTICULARS	AS AT 31 st MARCH, 2019	AS AT 31 st MARCH, 2018
CASH AND CASH EQUIVALENTS		
Balance with scheduled banks		
-in current Account	218,294	245,655
-Fixed deposit*		
More than 12 Months	18,786,021	25,027,928
Less Than 12 Months	9,619,533	31,892,520
Cash in hand (As certified)	444,322	718,103
Total ₹	29,068,170	57,884,207

*Fixed Deposits amounting to ₹ 1,87,86,021 are under lien with United Bank of India & Yes Bank as margin money against bank guarantee of Rs.10,38,76,392 issued on behalf of company to various customers as counter performance guarantee and retention money.



Fixed Deposits amounting to Rs.60,45,570 are under lien with United Bank of India & Yes Bank as margin money against letter of credit of Rs.5,17,44,392 issued on behalf of company to various creditors of company.

Fixed Deposit of Rs.8,36,641 and Recurring Deposit of Rs.21,69,641 are under lien with United Bank of India as margin money against working capital facilities sanctioned by them.

Note no.15

(In ₹)

SHORT TERM LOANS & ADVANCES

(Unsecured and considered good.

Advances

recoverable in cash or in kind or for
value to be received or adjusted)

Advance to suppliers and others	28,853,378	20,650,529
Security deposits	402,376	1,925,176
Prepaid expenses	4,723,786	3,866,993
Advance income tax	7,696,567	11,006,968

Total ₹	41,676,108	37,449,665
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Note no.16

(In ₹)

REVENUE FROM OPERATIONS

Sales, including trading sales

Domestics Sale	959,879,615	1,204,994,758
	-	707,741

Less : Goods & services tax	99,011,233	79,437,560
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Total ₹	860,868,382	1,124,849,457
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Note no.17

(In ₹)

PARTICULARS	FOR THE YEAR ENDED 31st MARCH 2019	FOR THE YEAR ENDED 31st MARCH 2018
OTHER INCOME		
Interest received	2,875,008	2,563,294
Rebate & discount	1,756,711	2,139,063
Other income	468,964	4,776,549
Total ₹	5,100,683	9,478,906

Note no.18**(In ₹)**

CONSUMPTION OF RAW MATERIALS		
Opening Stock	59,158,349	76,324,096
Add: Purchased during the year	341,765,220	465,786,638
Add: Trading Goods Purchased	397,209,348	535,081,927
	798,132,916	1,077,192,661
less : Cost of goods sold	397,209,348	535,081,927.03
Less : Central Excise duty		291,273
Less : Goods & service tax	82,697,849	80,828,366
Less: Closing Stock	69,854,110	59,158,349
Less: Material consumed under warranty	1,832,924	787,230
Total ₹	246,538,685	401,045,517

Note no.19**(In ₹)**

CHANGES IN INVENTORIES OF FINISHED GOODS/WORK-IN PROCESS		
Opening Stock		
Finished Goods	70,517,533	38,225,195
Work-in-Process	6,201,854	7,903,321
Total (A)	76,719,387	46,128,516
Closing Stock		
Finished Goods	41,149,405	70,517,533
Work-in-Process	5,110,344	6,201,854
Total (B)	46,259,749	76,719,387
Net (Increase)/ decrease in Stock of Finished Goods		
/Work-in-Process (₹)	(A-B)	(30,590,871)
	30,459,638	

Note no.20**(In ₹)**

EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	61,969,956	65,217,250
Contribution to provident and other funds	1,386,661	1,092,469
Labour & staff welfare expenses	2,513,111	1,062,867
Total ₹	65,869,727	67,372,587



Note no.21

FINANCE COSTS

Interest on Medium Term Loan	12,119,120	10,814,793
Interest on Working Capital Loan	7,590,878	6,316,117
Bank Charges	3,736,800	4,629,029
Difference in Currency Fluctuation	471,477	(1,077,154)
Total ₹	23,918,275	20,682,785

Note no. 22

	(In ₹)	
PARTICULARS	FOR THE YEAR ENDED 31st MARCH 2019	FOR THE YEAR ENDED 31st MARCH 2018
OTHER EXPENSES		
A) Direct Expenses		
Power & Fuel Expenses	1,423,412	1,247,159
Installation Expenses	15,199,766	16,011,213
Job Work	2,068,180	615,170
Cartage Inward	309,562	2,334,518
Consumable Goods	-	77,130
Total ₹	19,000,920	20,285,190
B) Administrative Expenses		
Printing and stationery	357,288	229,997
Rent paid	3,682,532	2,986,630
Postage, Telegram and Telephone expenses	872,755	883,090
Computer and Software Expenditure	805,571	1,231,272
Electricity expenses	267,170	228,625
Travelling and Conveyance	4,240,613	3,437,778
Legal and Professional charges	1,556,915	1,620,958
Insurance expenses	393,008	1,030,437
Repairs and Maintenance	1,779,032	1,233,038
Vehicle Maintenance	914,219	651,410
Loss/ (profit) on sale of fixed assets	-	37,943
General expenses	7,647,773	1,872,004
Auditors' Remuneration		
Tax Audit Fees	50,000	50,000
Audit Fees	350,000	250,000
Total ₹	22,916,874	15,743,181

C) Selling & Distribution Expenses

Freight & Cartage Outward	13,202,388	11,407,736
Commission Paid	242,000	10,750
Designing Charges	16,220	20,950
Liquidation damage	3,580,915	6,674,281
Business promotion	1,775,621	1,820,545
Discount on sale	278,983	26,113
Warranty expenses	14,383,000	32,522,000
Total ₹	33,479,126	52,482,376
Total ₹ (A+ B +C)	75,396,920	88,510,747

Note no. 23

	(In ₹)	
Exceptional ITEMS		
Prior period expenses	134,823	387,549
Less: Perior period income	(891,362)	(380,930)
Total ₹	(756,539)	6,619

Note no. 24

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 ₹ 100000 (31st March, 2019) towards this cause and charged the same to the Statement of Profit And Loss .

	(In ₹)	
Particulars	Current Year	Previous Year
Gross amount spent during the year for Chief Miniter's Relief Fund	100,000	-

Note no. 25**1) CORPORATE INFORMATION, ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES****A CORPORATE INFORMATION:**

Servotech Power Systems Limited ("the Company") was incorporated on 24th September, 2004 as a private Limited company and converted in Public Limited company domiciled in India on 24th May, 2017. Its shares are listed on NSE SME platform. The company is primarily engaged in manufacturing of LED lights and Solar products

B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**(a) Basis of preparation of Financial Statements**

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



(b) Presentation and disclosure of Financial Statement

During the year end 31st March 2019, 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 in accordance with the requirements applicable in the current year.

(c) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions 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 period. 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.

(d) Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost of acquisition is inclusive of freight inward, duties, taxes and other directly attributable expenses incurred to bring the assets to their working condition for intended use.

(e) Intangible Fixed Assets

Intangible fixed assets are recognised only if acquired and it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of assets can be measured reliably. The intangible fixed assets are recorded at cost of acquisition including incidental costs related to acquisition and installation and are carried at cost less accumulated amortisation and impairment losses, if any.

(f) Depreciation and Amortisation Expense

Depreciation on tangible fixed assets is provided on written down value method at the rates and in the manner in Schedule II of the Companies Act, 2013.

Intangible fixed assets are amortised on a straight line basis over their estimated useful life of 3 (three) years.

The estimated useful lives of the fixed assets are as follows:

Asset class	Useful life
Building	60 years
Plant & Machinery	15 years
Electrical equipments	10 years
Furniture and fixtures	10 years
Office equipments	5 years
Computer hardware	3 years
Motor cycles	10 years
Motor vehicles	8 years

The above rates and methods of depreciation are also in line with the estimated useful lives, as determined by management. The residual value of the assets is estimated to be 5% of cost of the assets.

(g) Current–Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period within 12 months for the purposes of classification of assets and liabilities as current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;

- iii) it is expected to be realised within 12 months after the reporting date; or
- iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i) it is expected to be settled in the company's normal operating cycle;
- ii) it is held primarily for the purpose of being traded;
- iii) it is due to be settled within 12 months after the reporting date; or
- iv) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

h) Inventory Valuation

The company followed system of valuation of raw materials, packing materials at cost (FIFO) and finished goods at raw material cost plus 5% over head charges or market price whichever is lower, respectively whereas valuation of work in process are being taken on raw material cost or realisation value whichever is lower and is certified by the management.

i) Revenue Recognition

Sales are net of sales return, discount on sales and goods transfer to branches.

Revenue from services is recognised as per the terms of the contract to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest Income

Interest on the deployment of surplus funds is recognised using the time-proportion method, based on interest rates contracted in the transaction.

j) Foreign Exchange Transactions

Foreign exchange transactions are recorded using the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognised in the Statement of Profit and Loss for the period.

Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at the exchange rates on that date, the resultant exchange differences are recognised in the Statement of Profit and Loss.

k) Earnings per share

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

l) Taxation

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax laws) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liability and/ or deferred tax asset are recognised using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in the future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at the Balance Sheet date and are written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

m) Impairment of Assets

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment, using external and internal sources. If any indication exists, the assets recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. Impairment occurs where the carrying value of the asset or its cash generating unit exceeds the present value of future cash flows expected to arise from the continuing use of the asset or its cash generating unit and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

n) Provisions, Contingent Liabilities and Contingent Assets

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. The Company does not recognise assets which are of contingent nature. However, if it has become virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the financial statements of the period in which the change occurs.

o) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

p) Retirement benefits to employees

The company is not making any provisions of gratuity or other retiring benefits to its employees. The same will be accounted as and when paid.

q) Warrenty Valuation

Sales and services provided by the company which includes warrenty period of 5 years against quality and maintainces . The company making provisions for warrenty on the basis of accuterial certificate . 20 % of the provision has been treated as current liabilities and balance is treated as long term liabilities . The expenses incurred has been debited to the provision account

2) CONTINGENT LIABILITIES

	AS AT 31 st MARCH, 2019	AS AT 31 st MARCH, 2018
A. Claim against the company not acknowledged as debt Bank Guarantee (Performance Guarantee) (Margin of Rs. 1,87,86,201/- previous year Rs. 2,50,27,928/-) Two outside parties had filed claim for recovery of Rs.2,39,087/- before district court/ consumer court. The matter is pending before the respective courts.	103,876,392	112,424,379
B Estimate amount of Outstanding Capital Commitment.	-	-

3) CIF VALUE OF IMPORTS

Import of Raw Materials	4,940,836	68,803,005
Import of Fixed Assets	-	-

4) EXPENDITURE IN FOREIGN CURRENCY

Import of Raw Materials	4,940,836	67,113,801
Interest on Buyers Credit	106,771	779,798
Foreign Travelling Expenses	1,065,662	122,180
Import of Fixed Assets	-	-

5) FOB VALUE OF EXPORTS

6) RELATED PARTY TRANSACTIONS

Name of related party	Nature of relationship	Nature of transaction	Opening Balance	Volume of Transaction		Closing Balance
				Dr	Cr	
Raman Bhatia	Managing Director	Remuneration		3,100,000	3,100,000	
Sarika Bhatia	Director	Remuneration		2,725,000	2,725,000	
K K Thakur	CFO	Salary		705,900	705,900	
Pallavi Sahni	Company Secretary	Salary		124,200	124,200	
Mansi Gupta	Company Secretary	Salary		156,000	156,000	
Priya Pandey	Company Secretary	Salary		135,000	135,000	
Manohar Lal Bhatia	Relative of director	Salary		504,000	504,000	-
Rishabh Bhatia	Relative of director	Salary		444,000	444,000	-

Vikas Bhatia	Relative of director	Salary		788,892	788,892	-
Service Solution	Entity in which director(s) or their relatives are interested	Sales	7316032	45,467,713	52,783,744	-
		Purchases	30040	95,352,661	115,714,638	20392017 Cr.
Bhatia Electronics	Entity in which director(s) or their relatives are interested	Sales/ Purchases	42944134 Dr.	151,490,402	198,315,395	3880858 Cr

- 7) In the opinion of the Board, the current assets, loans and advances have a value on realisation in the ordinary course of business, at least equal to the aggregate amount as shown in the Balance Sheet.
- 8) Tax Liabilities on VAT input taken on purchase of various fixed assets/spares parts and consumable Goods will be accounted for as and when liabilities if any arises due to assessment by VAT authorities.
- 9) The outstanding balances of Sundry Debtors and Creditors are as per the the books of accounts of the Company and are subject to confirmation.
- 10) Previous year figures have been regrouped/rearranged wherever found necessary.
- 11) Notes 1 to 25 are forming part of Balance Sheet & Statement of Profit & Loss and have been duly authenticated.

As per our report annexed
for GUPTA JALAN &
ASSOCIATES
Chartered Accountants
FRN : 03721N
CA Ram Niwas Jalan
(Partner)
M.No.- 082389

Date: 29th May, 2019
Place: Delhi

Raman Bhatia
Managing Director
DIN: 00153827

Priya Pandey
Company Secretary
M.No.: 35815

**For and on behalf of board
Servotech Power Systems Limited**

Sarika Bhatia
Director
DIN: 00155602

Kamlesh Kumar Thakur
Chief Financial Officer
PAN-ABZPT1391D

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 15th Annual General Meeting ("AGM") of **Servotech Power Systems Limited** will be held on Sunday, 29th September, 2019 at 09:30 A.M. in Crown Plaza Hotel, Sector-10, Rohini, New Delhi-110085, to transact the following business(es):

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 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.

SPECIAL BUSINESS

3. To approve the appointment of Mr. Nimesh Malhotra (DIN: 07104660) as the Whole-time Director of the Company and payment of remuneration and in this regard, to consider and, if thought fit, to pass, with or without modification(s) the following resolution as **Ordinary Resolution**:

"RESOLVED THAT Mr. Nimesh Malhotra (DIN: 07104660) who has been appointed as an Additional Director of the Company by the Board of Directors w.e.f. 20th July, 2019 and holds office up to the date of the ensuing Annual General Meeting in accordance with the provisions of Section 161 of the Companies Act, 2013 ("Act"), be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 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 the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute) and provisions of the Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to appoint Mr. Nimesh Malhotra (DIN: 07104660) as the Whole-time Director of the Company, for a period of 2 (two) years w.e.f. 20th July, 2019, 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, subject to the same not exceeding the overall ceiling of the total managerial remuneration as provided under Section 197 of the Act or such other limits as may be prescribed from time to time in accordance 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, aforesaid remuneration shall be paid as minimum remuneration, subject to Part-II of Schedule V of Act or any amendment 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 Ms. Sarika Bhatia (DIN: 00155602) as the Whole-time Director of the Company and payment of remuneration and in this regard, to consider and, if thought fit, to pass, with or without modification(s) the following resolution as **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 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 the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute) and provisions of the Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to appoint Ms. Sarika Bhatia (DIN: 00155602) as the Whole-time Director of the Company, for a period of 5 (five) years w.e.f. 21st August, 2019, 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, subject to the same not exceeding the overall ceiling of the total managerial remuneration as provided under Section 197 of the Act or such other limits as

may be prescribed from time to time in accordance 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, aforesaid remuneration shall be paid as minimum remuneration, subject to Part-II of Schedule V of Act or any amendment 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."

5. To ratify Remuneration of M/s. N.N Sharma & Associates, Cost Auditors 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** 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 ₹30,000/- (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 2019-20, 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
ACS: 35815
Add.: 806, 8th Floor, Crown Heights,
Crown Plaza, Sector-10, Rohini,
New Delhi-110085**

**Date: 21st August, 2019
Place: New Delhi**

NOTES:-

1. The 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.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/**

HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE DEPOSITED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF THE AGM.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. **M/s. Gupta Jalan and Associates, Chartered Accountants, Firm Registration No. 03721N), were appointed as Statutory Auditors of the Company from conclusion of 12th AGM till conclusion of 17th AGM of the Company, subject to ratification at every AGM of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors. The Ministry of Corporate Affairs ("MCA") vide its circular dated 7th May, 2018 notified various sections of the Companies (Amendment) Act, 2017, thereby modifying Section 139 of the Act. Accordingly, the requirement for ratification of appointment of Statutory Auditors by the shareholders at every AGM has been omitted, hence the same has not been put for motion as an ordinary business.**
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 (three) days of notice in writing is given to the Company
5. The Register of Members and Share Transfer Books of the Company will remain closed from 23th September, 2019 to 29th September, 2019 (both days inclusive) the purpose of the AGM.
6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.
7. In all correspondence with the Company and/or the Registrar & Transfer Agent, members are requested to quote their folio number and in case their shares are held in the dematerialized (electronic) form, they must quote their DP ID and Client ID number for easy reference and speedy disposal thereof.
8. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the AGM.

In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

9. For the convenience of the members and for proper conduct of the AGM, entry to the place of AGM will be regulated by the attendance slip, which forms part of the Notice. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
10. Members are requested to write to the Company their query(ies), if any, proposed to be raised at the AGM, at least 10 (ten) days prior to the date of AGM to enable the Company to keep the information ready the meeting.
11. The members holding shares in physical form are requested to intimate any change in their address(ess) to the Company's RTA. Those holding shares in dematerialized form should intimate any such change to their Depository Participants.
12. Members who have not yet got their Equity Shares dematerialized are requested to contact any of the Depository Participants in their vicinity for getting their Shares dematerialized. In case, any clarification is needed in that regard, the undersigned may be contacted in person or by communication addressed at the Registered Office of the Company.
13. This is to inform that the SEBI vide its circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, has mandated all listed companies to update the PAN and Bank account details of the shareholders who are holding shares in physical form.

Therefore, all those shareholders who have not updated their PAN and/or Bank details with the Company are requested to send the enclosed form, duly filled in and signed (including joint holders) along with the following documents to our Registrar and Share Transfer Agent:
 - a) Self-attested copy of PAN Card of sole shareholder or all the joint-shareholders and;
 - b) Original Cancelled Cheque Leaf bearing the name of Sole/first named shareholder or a copy of Bank Passbook/Statement, duly attested by the Bank.
14. This is to also inform that the SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 has also directed that w.e.f. 5th December, 2018, except in case of transmission or transposition of securities, the Company shall not process/give effect to any request of transfer of securities unless the securities are held in dematerialized form. Any request for transfer of shares lodged in physical form after the aforesaid date shall be liable to be rejected, hence, all the shareholders who hold shares in physical form are advised to get their shares dematerialized with

the depository (NSDL/CDSL) at the earliest possible. To understand the process of dematerialization of shares, please refer the guidance note placed in our website.

15. Members holding shares in physical form and desirous of making a nomination or cancellation/variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit the prescribed Form No. SH.13 with the Registrar and Transfer Agent of the Company for nomination and Form No. SH.14 for cancellation/variation as the case may be. Shareholders holding shares in demat form are also advised to avail nomination facility by submitting the prescribed form to their respective Depository Participants (DPs).
16. Members of the Company who have multiple folios in identical name(s) are requested to apply for consolidation of such folio(s) and send the relevant Share Certificates to the Company's Registrar and Transfer Agent ("RTA") viz. Bigshare Services Pvt. Ltd. for necessary endorsement thereon.
17. In accordance with section 20 of the Act, and Regulation 36 of SEBI Listing Regulations, service of documents to members by a Company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report for the year ended 31st March, 2019 has been sent to all the Members whose email address(es) are registered with the Company/Depository Participant(s) unless any Member has requested for a physical copy of the same. Such Annual Report along with Notice is also available on the Company's website www.servotech.in
18. The Company has designated an exclusive e-mail ID "investor.relations@servotechindia.com" for redressal of shareholders' complaints/grievances. If you have any query please write to us at investor.relations@servotechindia.com.
19. The annual report of the Company is being circulated to the Members of the Company, will be made available on the Company's website.
20. All documents referred to in the accompanying Notice and statement pursuant to Section 102(1) of the Act, will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the results of the 15th AGM of the Company.
21. Details pursuant to Regulation 36 (3) of SEBI Listing Regulations and Secretarial Standards on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India (ICSI) in respect of the appointment and re-appointment of Director(s) are set out in the explanatory statement and Annexure(s) to the Notice. The Company has received relevant declarations from the Directors seeking their appointment/re-appointment.
22. The relative Explanatory Statement pursuant to

Section 102 of the Act, is provided in respect of Special Businesses forms integral part of the notice.

23. The complete particulars of the venue of the AGM including route map and prominent land mark for easy location are enclosed herewith. The route map of the Venue of the AGM is also hosted along with the Notice on the website of the Company i.e. www.servotech.in

24. VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Company is pleased to provide its members the facility to exercise their right to vote at the 15th AGM by electronic means and the business(es) may be transacted through remote e-voting services provided by National Securities Depository Ltd. ("NSDL").

INSTRUCTIONS

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

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step-1 is mentioned below:

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 'Shareholders' section.
3. A new screen will open. You will have to enter your User-ID, your Password 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 112039 then user ID is 101456001***

5. Your password details 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, your 'initial password' is communicated to you on your

postal address.

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 2 (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.
 - 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.

Details on Step-2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step-1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. 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

4. Other Instructions:

- i. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e 22nd September, 2019. A 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 avail the facility of remote e-voting, as well as voting through ballot paper at the Meeting.
- ii. The remote e-voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for remote e-voting :

Commencement of remote e-voting	26th September, 2019
End of remote e-voting	28th September, 2019

- iii. Members can opt for only one mode of voting i.e., either through remote e-voting or by poll. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and poll shall be treated as invalid.
- iv. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of Notice and holding shares as of the cut-off date, may obtain the Login ID and password by sending a request

at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting vote.

- v. The Board of Directors of the Company has appointed Mr. Debabrata Deb Nath, Practicing Company Secretary ("ICSI Membership No. 7775 and C.P. No. 8612"), as the Scrutinizer to scrutinize the remote e-voting process as well as polling process in a fair and transparent manner.
- vi. The Scrutinizer shall, immediately after conclusion of the remote e-voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and make, not later than 3 (three) days of conclusion of the Meeting, a consolidated scrutinizer's report. The Scrutinizer shall submit his report to the Chairman of the Company or a person authorized by him in writing.
- vii. The Chairman or in his absence, a person authorized by him in writing shall declare the results after receiving the Scrutinizer's Report.
- viii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.servotech.in and on the website of NSDL www.evoting.nsdl.com and communicated to National Stock Exchange of India Limited (emerge portal), where the equity shares of the Company are listed.
- ix. Queries relating to remote e-voting, shall be addressed to:

• **NSDL**

Ms. Pallavi Mhatre

Address : Trade World, A Wing, 4th & 5th Floors,
Kamala Mills Compound, Lower Parel,
Mumbai-400013, Maharashtra

Phone No.: 1800222990

E-mail: evoting@nsdl.co.in

25. Members may also note that the members who have cast their vote by remote e-voting prior to the AGM may also attend the Meeting but shall not be entitled to cast their vote again at the AGM.
26. Since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the AGM. The shareholders who will be physically present at the AGM shall be provided with ballot papers to cast their votes at the AGM.

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

Item No. 3

Pursuant to the recommendation of the Nomination and Remuneration Committee, Mr. Nimesh Malhotra (DIN: 07104660) was appointed as an Additional Director on the Board of the Company with effect from 20th July, 2019 to hold office up to the date of the ensuing 15th Annual General Meeting ("AGM"). Mr. Malhotra has also been appointed as the Whole-time Director of the Company with effect from 20th July, 2019, subject to the approval of the Members.

Mr. Malhotra holds a Bachelor's Degree in Commerce and possesses more than 6 (six) years of experience and knowledge in the field of Human Resource and Administration. He has been involved in the operations and administration of the Company for more than 6 (six) years and it would be in the interest of the Company to appoint Mr. Nimesh Malhotra as the Whole-time Director of the Company for a period of 2 (two) years with effect from 20th July, 2019.

Mr. Malhotra 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. Malhotra on the Board, a Board Meeting was held on 21st August, 2019. He has attended the Board Meeting(s) held after his appointment as Whole-time 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. Malhotra 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. Malhotra are given below:

1.	Gross Remuneration	Gross Annual Remuneration of ₹8,15,052 for a period of 2 (two) years, 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 sub-committee thereof constituted by the Board) within the scale from time to time whether paid as salary and/or allowance(s) or a combination thereof.
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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 total remuneration including salary, perquisites and allowances and commission shall not exceed 5% of the net profit individually and 10% of the net profit collectively payable to the Managing Director(s)/ Whole-time Director(s) in any year computed in the manner laid down under Sections 197 and 198 of the Act.

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

Except Mr. Malhotra, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution set out at Item no. 3 of this Notice.

Item No. 4

Pursuant to the recommendation of the Nomination and Remuneration Committee, Ms. Sarika Bhatia (DIN: 00155602) has been a Director since the incorporation of the Company is appointed as the Whole-time Director on the Board of the Company for a period of 5 (five) years w.e.f 21st August, 2019.

Ms. Bhatia holds a Bachelor's Degree in Commerce and possesses more than 15 (fifteen) years of experience and knowledge in the field of Human Resource and Administration. She has been involved in the operations and administration of the Company for more than 15 years and it would be in the interest of the Company to appoint her as the Whole-time Director of the Company.

Ms. 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. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

This explanatory statement may also be read and treated as disclosure in compliance with the

requirements of Section 190 of the Act.

Details of Ms. Bhatia pursuant to the provisions of the Listing Regulations and SS-2 issued by the ICSI are provided in the "Annexure" to the Notice.

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

1.	Gross Remuneration	Gross Annual remuneration of Rs. 27,25,000 for a period of 5 (five) years, 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 sub-committee thereof constituted by the Board) within the scale from time to time 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 here in above 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 total remuneration including salary, perquisites and allowances and commission shall not exceed 5% of the net profit individually and 10% of the net profit collectively payable to the Managing Director(s)/ Whole-time Director(s) in any year computed in the manner laid down under Sections 197 and 198 of the Act.

Except Ms. Sarika Bhatia and Mr. Raman Bhatia, Managing Director (Spouse of Ms. Bhatia), none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in the resolution set out at Item no. 4 of this Notice.

The Board, therefore, recommends the Ordinary

Resolution at Item No. 4 of the Notice for approval by the Members.

ITEM NO.5

The Board of Directors of the Company, on recommendation of the Audit Committee, at its meeting held on 21st August, 2019 re-appointed M/s. N.N Sharma & Associates, Cost Accountants ("FRN. No. 101702") as Cost Auditors for the Financial Year 2019-20 at a remuneration of ₹ 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 2019-20.

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.5 of the Notice.

The Board recommends the Ordinary Resolution set out at item no.5 of the Notice for approval of the members.

For and on behalf of
Servotech Power Systems Limited

Priya Pandey
Company Secretary
ACS: 35815

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

Date: 21st August, 2019
Place: New Delhi

Details of Directors seeking appointment and re-appointment at the 15th 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	NAME OF DIRECTORS	
Name of Director	Mr. Nimesh Malhotra	Ms. Sarika Bhatia
Director's Identification Number (DIN)	07104660	00155602
Qualifications	Bachelor's in Commerce	Bachelor's in Commerce
Date of Birth & Age	28 th September, 1987 (32 years)	30 th June, 1978 (41 years)
Date of First Appointment on Board	20 th July, 2019	24 th September, 2004
Nature of expertise in specific functional area	More than 6 years of experience in Human Resource Management and Administration	More than 15 years of experience in Sales, Marketing, Business Operations and Development.
List of Directorships of other Boards	Servotech Solar Applications Private Limited	Nil
Chairmanship/Membership of Committees of other Boards	Nil	Committee of Board of Directors
Number of Shares held in the Company	4,532	25,61,675
Relationship between Directors inter-se	Nil	Wife of Mr. Raman Bhatia, Managing Director of the Company.
Last Salary Drawn (in ₹)	Nil	27,25,000

Note: Mr. Nimesh Malhotra had drawn Salary of Rs. 8,15,052 as Manager-Human Resource Manager and Administration.

NOTES

[illegible]

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

ATTENDANCE SLIP 15th Annual General Meeting Sunday, 29th September, 2019

Name & Address of the Member

Joint holder, if any

Folio No. / D.P. & Client I.D. No

No. of Equity Shares held

Name of the Proxy / Representative, if any

I/ we hereby record my/our presence at the 15th Annual General Meeting ("AGM") of the Company, being held at Crown Plaza Hotel, Sector-10, Rohini, New Delhi-110085, India on Sunday, 29th day of September, 2019 at 09:30 A.M.

(Signature of the Shareholder/Proxy/Authorised Representative)



VOTING THROUGH ELECTRONIC MEANS

Shareholders may please note the electronic voting particulars set out below for the purpose of e-voting in terms of section 108 of the Companies Act, 2013 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

The remote e-voting period commences on Thursday, 26th September, 2019 (9:00 A.M.) and ends on Saturday, 28th September, 2019 (5:00 P.M.).

The e-voting details and instructions form an integral part of the Notice of the 15th AGM.



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PROXY FORM

(Form No. MGT 11)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member	Folio no. / DP & Client ID No.
Registered Address	
E-mail ID	

I/We, being the member(s) of Servotech Power Systems Limited, holding shares hereby appoint:

1. Name:.....E-mail-ID.....
Address:.....Signature:.....or failing him/her;
2. Name:.....E-mail-ID.....
Address:.....Signature:.....or failing him/her;
and
3. Name:.....E-mail-ID.....
Address:.....Signature:.....or failing him/her.

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 15th Annual General Meeting of the Company, to be held at Crown Plaza Hotel, Sector-10, Rohini, New Delhi-110085, India on Sunday, the 29th Day of September, 2019 at 09:30 A.M. and at any adjournment thereof in respect of Resolutions as indicated below:

Sl. No.	Resolution	For*	Against*
Ordinary Business(es)			
1.	Adoption of Audited financial statements for the year ended 31st March, 2019 together with the Report of Directors and Auditors thereon		
2.	Re-appointment of Ms. Sarika Bhatia (DIN: 00155602) as Director, who retires by rotation		
Special Business(es)			
3.	Appointment of Mr. Nimesh Malhotra (DIN: 07104660) as the Whole-time Director of the Company		
4.	Appointment of Ms. Sarika Bhatia (DIN: 00155602) as the Whole-time Director of the Company		
5.	Ratification of Remuneration of M/s. NN Sharma & Associates, Cost Auditors of the Company		

Signed this _____ day of _____ 2019

.....

Signature of Proxy Holder(s)

.....

Signature of Shareholder

Affix
Revenue
Stamp

Notes:

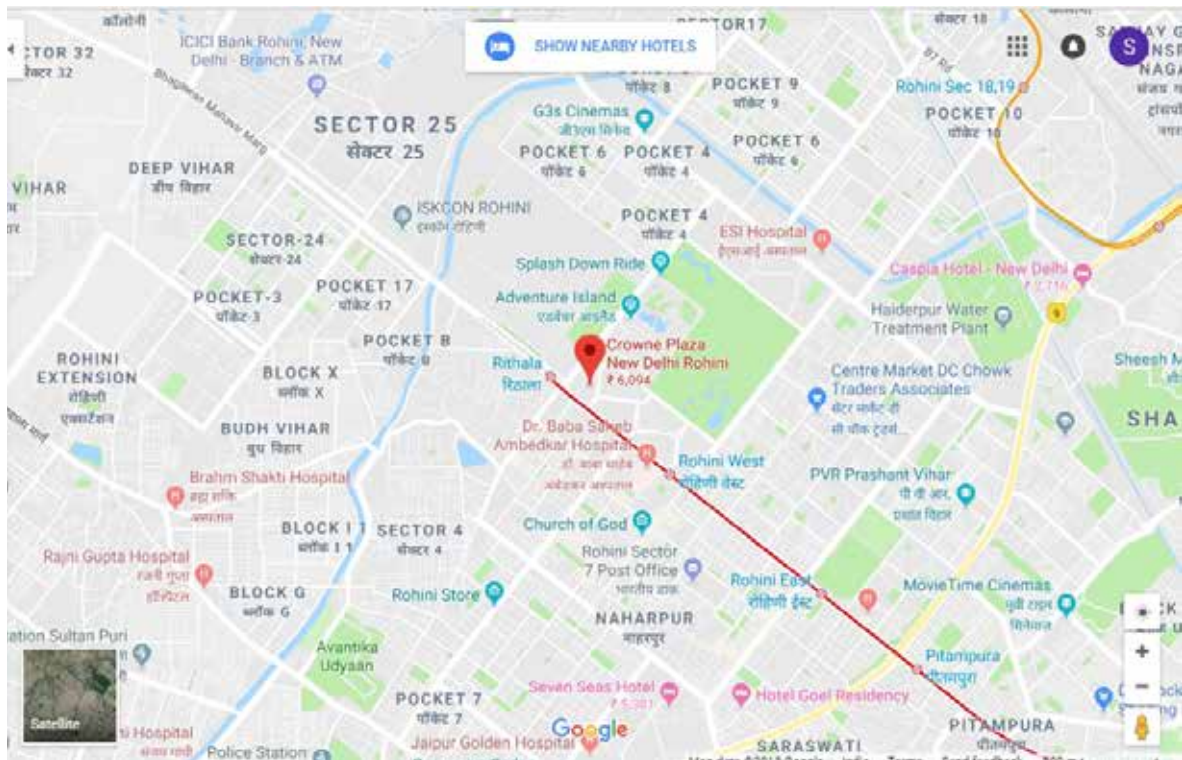
This form of Proxy, in order to be effective, should be deposited at the Registered of the Company, not later than 48 Hours before the commencement of the AGM.

For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 15th AGM.

*This is only optional. Please put a (✓) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against the resolution, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Route Map To The Venue of AGM

Hotel Crowne Plaza, Twin District Centre, Rohini





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