

7th September, 2022

To,
National Stock Exchange of India Limited
Exchange Plaza, NSE Building,
Bandra Kurla Complex,
Bandra East, Mumbai-400 051

Trading Symbol: SERVOTECH

Sub:- Submission of Annual Report for the Financial Year 2021-22

Dear Sir/Madam,

In compliance with the Regulation 34(1) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the financial year 2021-2022.

You are requested to take the above information on record and oblige.

Thanking You,

Yours Faithfully,

FOR SERVOTECH POWER SYSTEMS LIMITED

PRIYA Digitally signed
by PRIYA PANDEY
PANDEY Date: 2022.09.07
18:11:03 +05'30'

PRIYA PANDEY
COMPANY SECRETARY
ICSI MEM. NO.: A35815

Servotech Power Systems Limited

CIN : L31200DL2004PLC129379

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

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

Tel No : 011-41183117, • Sales: +91 9717691800, • Email : servotech@servotechindia.com , • Website:

www.servotech.in



ANNUAL REPORT '22

Simplifying Technology

Scaling Sustainability

Inside The Report

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Shaping up a Greener India

Servotech's solutions have always set upon inspiring green-ovation in the tech devices space.

Epitomize

As we commemorate 18 years of manufacturing excellence, it's time for everyone to take stock of our accomplishments and lay out a clear course for the future. As one of India's trusted manufacturers of PV modules, complete EPC solutions, and rooftop solar suppliers with a rising footprint, we have gained prominence.



Optimize

Further, with the Government of India's massive push to improve local manufacturing capabilities is encouraging for the solar business as well, and we anticipate a big improvement in the ecosystem for solar power. It is essential for putting the Indian economy on a path of sustainable growth and reducing its reliance on imported fossil fuel for its energy requirements.



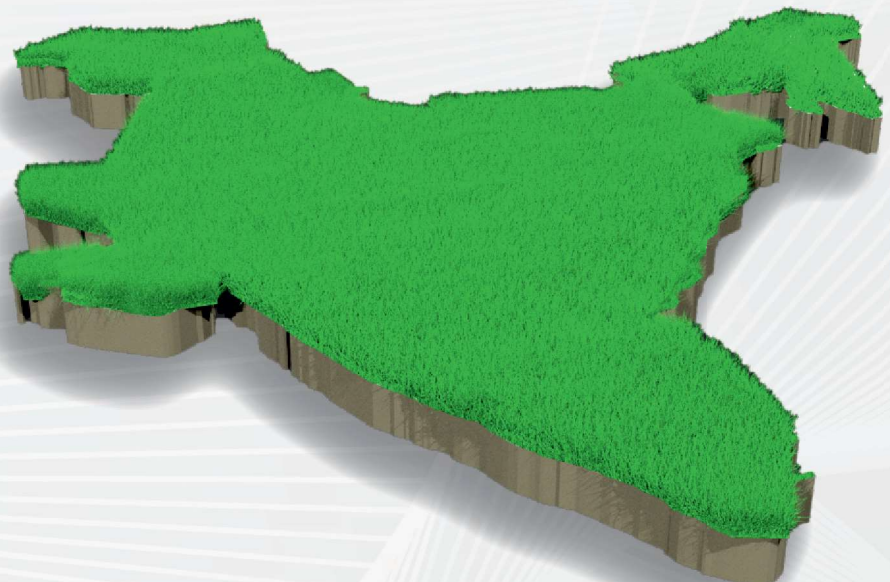
Systematize

As part of our mission to bring about a green revolution in India, we have made strategic investments, partnered with strategic companies, forayed into new markets, obtained regulatory permissions, increased production capacity, deepened our knowledge, and generated value for our stakeholders.



A LEGACY OF

18 Years



Scope of Operations



Our Vision

“Produce Green To Live Green”



Our Mission

- To design sustainable and tech-enabled solutions, achieving optimal utility and product performance.
- To bring substantial value and satisfaction to clients, investors, and customers with long- term growth in sight.

Core Values

Employees

Our people are the core of our business.
Without them, we would not have a business.
We hire the best and expect great accomplishments.

Innovation

We aim for innovation not only in our development organization but also in the way we approach all aspects of our business.

Customer Service

Every investment and decision we make has our customers in mind, and we pull out all stops to make the satisfaction of our customers paramount.

Profitability

Long-term economic success is what helps us provide employees and customers with the best productivity tools, solutions, and services.

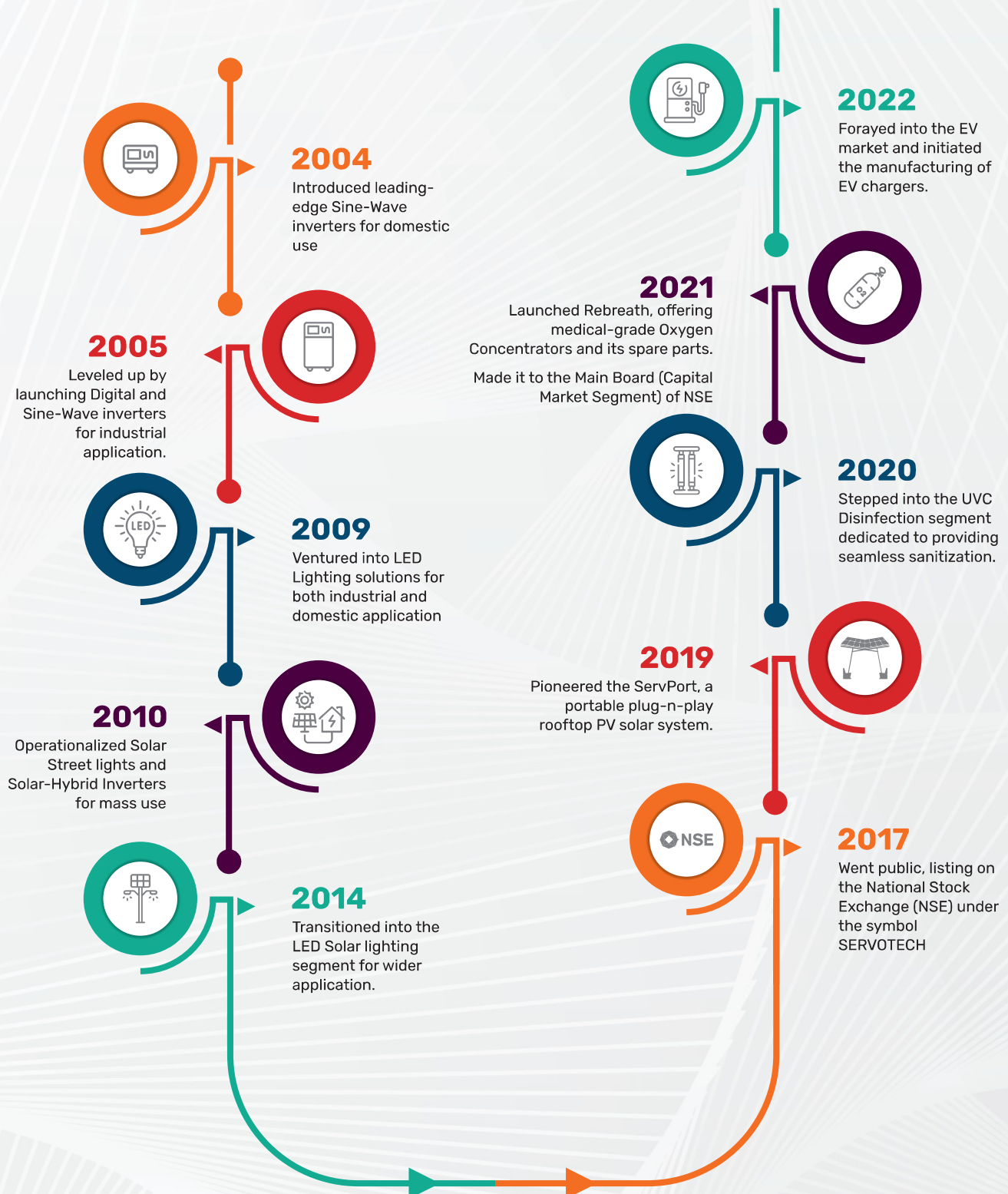
Commitment

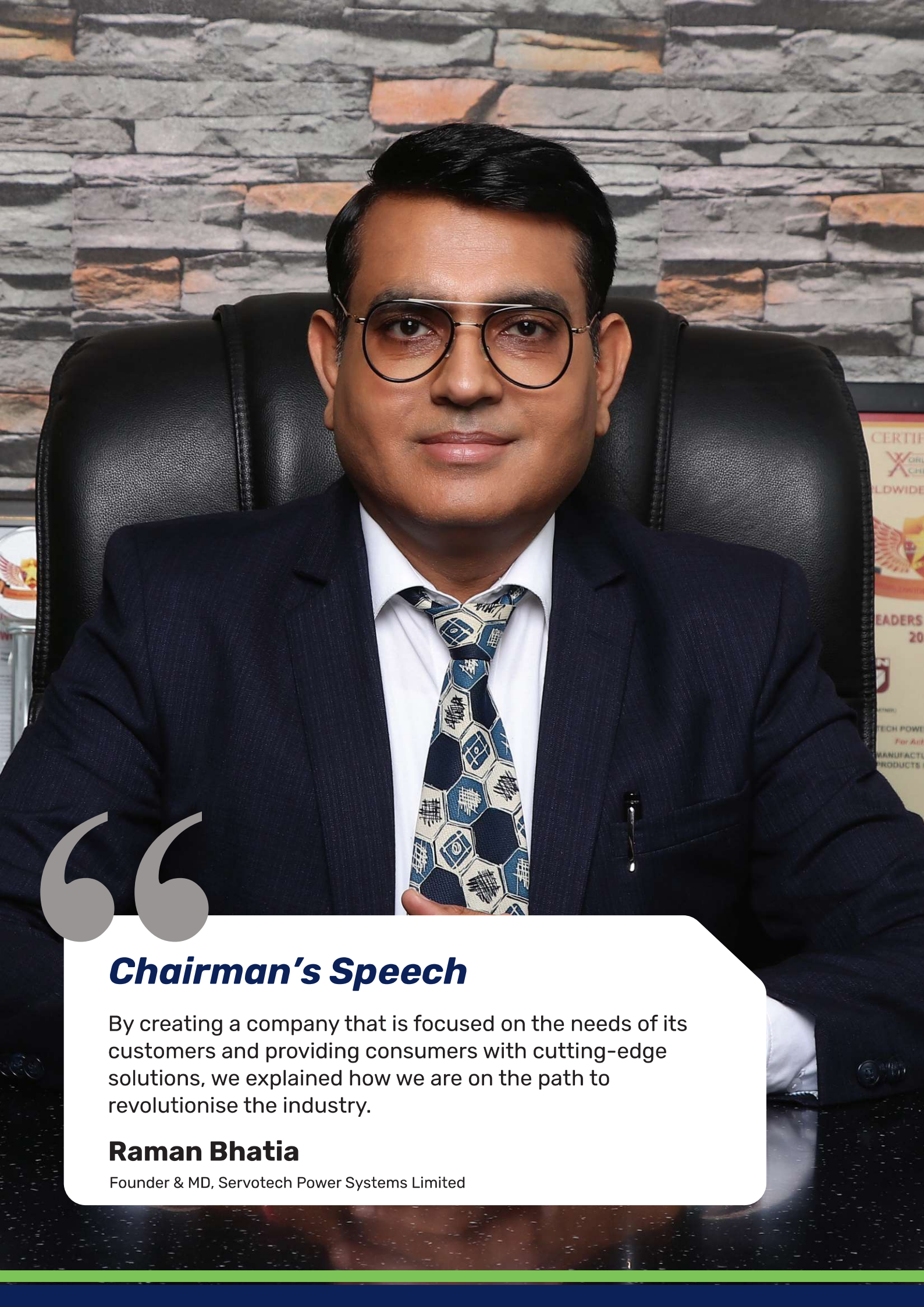
We say what we mean, and mean what we say.
We stick to our commitments, treat everyone equitably, and communicate openly and honestly.

Renewability

We are inspired by the drive to build a net zero energy future with electricity and innovative solutions and services, achieving sustainable wellbeing and economic development.

Our Timeline of Success





Chairman's Speech

By creating a company that is focused on the needs of its customers and providing consumers with cutting-edge solutions, we explained how we are on the path to revolutionise the industry.

Raman Bhatia

Founder & MD, Servotech Power Systems Limited

Dear Stakeholder,

2021 was a transformational year for Servotech. Decisive actions to strengthen the business and navigate the dynamic tech-solutions space produced strong growth and increased profitability for our organization. Despite the current backdrop of geopolitical unrest and the pandemic, we progressed considerably in 2021-22.

This time period has once again demonstrated the qualities that all of our stakeholders—including the sponsors and our workers, vendors, and customers—bring to the table. Servotech delivered beyond each of its strategic priorities: distinctive identity, product excellence, industrial know-how, direct distribution, and sustainability.

By creating a company that is focused on the needs of its customers and providing consumers with cutting-edge solutions, we explained how we intended to revolutionise the industry. By scaling our platform appropriately and improving our financial flexibility, we also made substantial strides toward enhancing our company. We are setting up our company to provide significant and lasting value for all of our stakeholders thanks to the commitment of our employees and the ongoing support of our owners, clients, and partners.

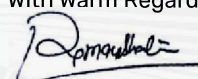
Aligning sharply with our mission of 'Produce Green to Live Green', we entered strategic alliances with key partners to optimize the solar solutions we offer, and also added another element to India's switch towards E-Mobility by venturing into the electric vehicle charging segment, pioneering to architect the nation's EV tech infrastructure. To bring and complete this ambitious change in the electric vehicle space, stakeholders must be strengthened, and given the distinctive qualities of this new infrastructure type, it must be tailored to the distinct Indian transport ecosystem. To ensure that EV charging infrastructure is implemented effectively and on schedule, as well as to ensure that it complies with local regulations and is well integrated into transportation and electrical supply networks, a contextual approach is required.

The Financial Year 2021-22 was a successful one for Servotech as we saw broad industry and geographic development and proceeded to broaden our reach across India. We've experienced the company's sharpest growth ever thanks to our unique solutions and design-led strategy. Servotech Power Systems Ltd. delivered a profit of Rs. _____ during the 2021-2022 financial year, as against Rs. _____ in the same period last fiscal, attaining a _____% increase in YoY gains. The standout product from our diversified portfolio was the solar segment, which made up for close to 60% of our total product revenue, followed by medical devices and spares. Servotech also witnessed an impressive growth in their latest venture, EV chargers, drawing an encouraging value of _____ Lacs of sale during this period.

Even though we've already made great strides in transforming our business, we're just getting started with our efforts to redefine the space we serve in. Our market is still evolving and offering Servotech useful prospects. In response to the effects of climate change and the de-carbonization of our economy, businesses and individuals are acting more firmly than ever before, and the products that we are engineering are set to make a marked contribution towards that end. Going forward, our product portfolio will become more interconnected, intelligent, and dependable than ever.

The business potential is enticing, and given our solid track record of execution, I have no doubt that we will be able to achieve our objective. Although transforming our company and reimagining our industry are challenging endeavours, achieving them will allow us to empower energy consumers and maximise value for our stakeholders.

Thanking you,
With Warm Regards,



Raman Bhatia
Founder and Managing Director

Board of Directors

Mr. Raman Bhatia
Managing Director

Ms. Sarika Bhatia
Whole-time Director

Mr. Sahiel Khurana
Independent Director

Mr. Anupam Gupta
Independent Director

Mr. Rajesh Mohan Rai
Independent Director

Mr. Nimesh Malhotra
Whole-time Director

Mr. Vikas Bhatia
Chief Financial Officer

Mr. Sampat Rai
Non-Executive
Independent Director

Mr. Jorg Gabler
Non-Executive and
Non-Independent Director

Ms. Priya Pandey
Company Secretary & Compliance Officer

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

Secretarial Auditor
M/s. R&D Company Secretaries

**M/s. Rohit KC Jain and Co.,
Chartered Accountants**

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

Bankers
**Punjab National Bank Limited
HDFC Bank Limited**

Registrar & Share Transfer Agent
Big Share Services Private Limited

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

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

Website
www.servotech.in

Strategy for Growth

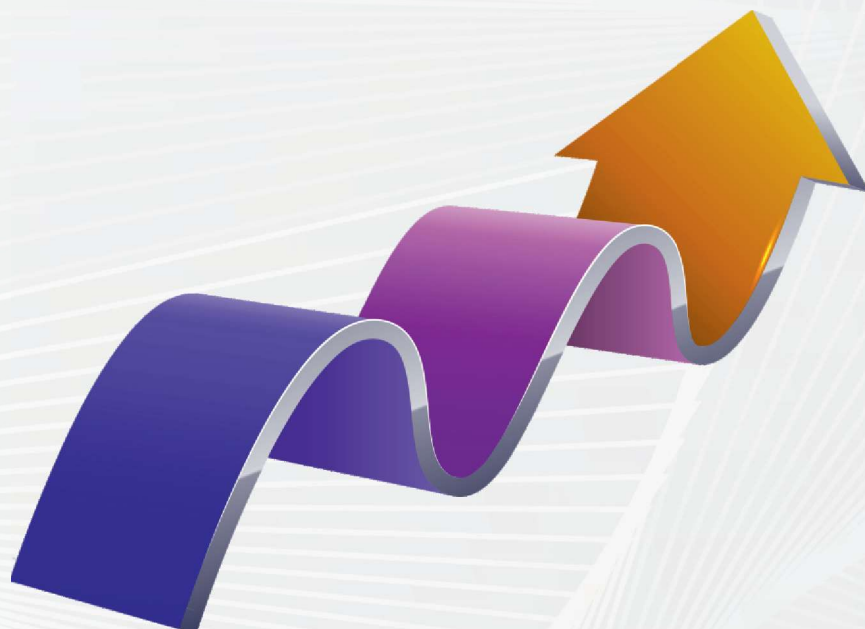
**Driving Digital
Channels to
Enhance
Profitability**

**Prioritize
Sustainability
for Efficient
Growth**

**Harness
Finance's
Comparative
Advantage**

**Targeting
Market
Expansion and
Segmentation**

**Gaining
Resilience through
Diversified
Portfolio**



Product Categories



Solar

At Servotech, we use proven methods for solar panel installation that guarantee both quality and cost-effectiveness.

We have dedicated 100 W to 10000 kW* Rooftop On-Grid, Off-Grid, and Hybrid Solar Solutions for all applications.



EV Charger

Servotech start manufacturing range of EV Chargers because charging is our core domain and we are doing same in inverters and UPS since 2004.in 1st phase we launched EV Chargers 3Kw to 44kW



Power & Backup

We understand the value of effective power supply in today's world. Servotech's home and industrial power backup solutions provide stable, continuous power, ensuring that you are always comfortable and connected.



LEDs

Servotech is more than a lighting company; we are dedicated to raising awareness about renewable energy and the worldwide green push. We offer high-end LED lighting for all purposes.



Medical-Grade Devices

Servotech offers UVC Lights medical grade oxygen concentrators to aid in all respiratory disorders. Additionally, Rebreathe, a Servotech subsidiary, provides the finest components and makings that go into developing such devices.



Servo Stabilizer

Servotech servo stabilizers are a cost-effective and viable electrical solution preventing electrical hazards. Sought out for their affordability and durability, our high-performance stabilizers maintain adequate voltage in appliances during irregular voltage flows.

Making a Difference for the Good

10

Major Projects
Commissioned

36.5K+

Houses
Solarised

1.5L+

Lives
Touched

600+

Partners
Created

21

States
Covered

2x

Boosted
Hirings

Projects



OXYGEN CONCENTRATOR

UPMSCL
DHO (Nasik)
Smile



SOLAR

UPNEDA



PV PORT

RENAC
GIZ



LED LIGHTS

Himurja
Gujarat Refinery
Haldia Refinery
Hadia Terminal

Major Announcements

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Business News > Industry > Renewables > Servotech Power Systems bags off-grid solar project from UPNEDA

Servotech Power Systems bags off-grid solar project from UPNEDA

PTI - Last Updated: Nov 23, 2021, 08:42 PM IST

Synopsis
Servotech will supply, erection, testing, and commission the off-grid Solar PV power plant in different government offices buildings in Uttar Pradesh, the statement said. The total value of the project is Rs 37.20 crore and it is valid for a year span. Initially, Servotech has been issued an LOI (letter of intent) of Rs 11.16 crore that needs execution in a short span of time.

Agencies
Servotech Power Systems NSE 4.13 % has bagged off-grid solar PV plant order from Uttar Pradesh New & Renewable Energy Development Agency (UPNEDA). "Leading manufacturer of LED Lights and Solar Products, Servotech Power Systems Ltd has bagged off-grid Solar PV Plant order from UPNEDA", a company statement said.

The project's execution is scheduled to begin in the first week of December 2021, and the project's completion is anticipated by March 2022.

Popular in Industry

1. ITC adds breakfast items to its menu
2. Bank guarantees of telcos to be returned, govt likely to tell Supreme Court
3. BPCL green hydrogen unit to be India's largest
4. Amtek takeover: DVIL gets 24 hours to pay ₹500 crore in cash

UPNEDA

Playing a pivotal part in UPNEDA's effort towards solar growth, Servotech engaged in the erection, innovation, and commissioning of solar solutions for this major public project.

EV Ventured

Servotech stepped into the EV charging space with the intent of engineering India's EV tech infrastructure and catalyzing India's push to E-mobility.

THE TIMES OF INDIA

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NEWS / BUSINESS NEWS / SERVOTECH BEGINS MANUFACTURING OF EV CHARGERS

TOP SEARCHES: Sensex News Air India News Indian Rupee GST Future Retail

Servotech begins manufacturing of EV chargers

PTI | Jan 4, 2022, 16:27 IST

New Delhi, Jan 4 (PTI) Servotech Power Systems on Tuesday said it has started the manufacturing of high-tech EV chargers to mark its entry into the electric vehicle (EV) space. "Servotech Power Systems Ltd, a leading entity engaged in the manufacturing of high-end solar products, medical devices and LED lighting solutions, initiates the manufacturing of smart tech-driven innovative EV chargers for installation at various EV charging stations across the country," the company said in a statement.

While announcing its foray into the EV market, the entity said the decision is in line with its vision of developing solutions in accordance with the government's Make In India initiative and steering the nation towards a greener and sustainable future.

Major Announcements

1st portable solar rooftop system takes off

10 PV Port systems installed at Akshardham temple complex; Each system leads to an average annual savings of Rs24,000 on electricity bills

Solar system supported by German development agency, Deutsche GIZ under Ministry of New and Renewable Energy's move to develop Renewable Energy

KUMUD DAS
MUMBAI

INDIA'S first portable solar rooftop system becomes operational on Monday at the Swaminarayan Akshardham temple complex in Gandhinagar here.

The installation of 10 PV Port systems in the temple complex has been supported by German development agency, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The systems have been installed under the Union Ministry of New and Renewable Energy's initiative to develop Renewable Energy cities across India.

Designed by GIZ, the PV Port systems are standard plug and play photovoltaic systems of a minimum



of 2 kWp that come with or without battery storage. The PV Ports have been manufactured by NewDelhi-based Servotech Power Systems Limited (SPSL), a leading manufacturer of high-end solar products, LEDs, oxygen concentrators, and EV charging equipment, under the Make in India project.

"Solar energy has to play an important role in reducing the country's dependence on conventional sources of electricity. The unique PV Port system is the way ahead for greater adoption of solar power in the country. We are thankful to GIZ and the Ministry of New and

Renewable Energy for this opportunity to contribute to ushering in a renewable transformation," said Raman Bhatia, founder and MD, Servotech Power Systems Ltd.

The 10 PV Port systems were inaugurated in the presence of GERM Vice-Chairman Hasmukh Adhia, Gujarat Climate Change Department Joint Secretary B.H Talati, and officials of Swaminarayan Akshardham temple. The 10 PV Port systems will complement the temple's existing 200 kW solar system to effectively replace the conventional polluting fuels.

"Such collaboration and the re-

sulting synergies are expected to benefit consumers to a huge extent. We are very optimistic that the partnerships will provide us insights to deal with emerging challenges and capitalise on opportunities on the city level which help us replicate the results in other cities across India," said Joerg Gaebler, Principal Advisor, GIZ.

Of the 40 PV Port systems to be installed in Gandhinagar, Servotech Power Systems has already installed more than 30 systems at Pandit Deendayal Energy University, GSPC Bhavan, Indroda Park, NIFT, Arya Bhavan, and other places.

The PV Port system is highly cost-effective, requires low maintenance, has a long shelf life of 25-30 years, can be easily installed by a single person, and is ideal for the Indian climate. It is designed for 100 per cent self-consumption and no power is fed into the grid. Unlike other conventional solar PV systems, the design of the PV Port system allows the space below the panels to be utilised. Each system leads to an average annual savings of Rs24,000 on electricity bills.

PV Port Establish Gandhinagar

Servotech helps develop and set up India's first portable solar rooftop system at the Swaminarayan Akshardham temple complex in Gandhinagar, scaling PM's 'One Solar City in Each State' vision

Super Distributorship

Expanding in channel partnership, Servotech opened another avenue of bringing its innovations closer to its customers by creating super distributors across different states.

सर्वोटेक पावर सिस्टम्स ने राजस्थान में शुरु की सुपर डिस्ट्रीब्यूटरशिप

जयपुर। राजस्थान सौर ऊर्जा (सौर ऊर्जा) का हब बना है। देश में करीब 50 हजार मेगावाट सौर ऊर्जा क्षमता विकसित हो गई है, जिसमें 22 परीयत यानि अंशजित 11 हजार मेगावाट सौर ऊर्जा उत्पादन के साथ राजस्थान शीर्ष पर है। राज्य सरकार ने वर्ष 2030 तक 30 हजार मेगावाट सौर ऊर्जा क्षमता विकसित करने का लक्ष्य निर्धारित किया है और इसके लिए प्रदेश में लगातार सौर पार्क विकसित किए जा रहे हैं। सरकार के साथ अनेक निजी कंपनियों भी यहां सौर ऊर्जा सिस्टम्स स्थापित करने में दिलचस्पी ले रही है। इसी काम में देश में गुणवत्तापूर्ण सौर प्रोडक्ट्स उत्पादक सर्वोटेक पावर सिस्टम्स लिमिटेड ने जयपुर में सुपर डिस्ट्रीब्यूटरशिप शुरू की है। राजस्थान में सौर प्रोडक्ट्स का वितरण नेटवर्क स्थापित करने के लिए सर्वोटेक पावर सिस्टम्स और




लीलमेक्स पावर सॉल्यूशंस ने समझौता ज्ञापन (एमओयू) पर हस्ताक्षर किए हैं।

सर्वोटेक पावर सिस्टम्स के वाइस प्रेसिडेंट (चैमन सेल्स) कुलदीप सिंह ने कहा कि, सर्वोटेक भारत में सौर प्रोडक्ट्स का अग्रणी उत्पादक है और कई प्रमुख सौर प्रोजेक्ट पर काम कर रहा है। हम राजस्थान में व्यापार विस्तारण करते हुए रोमांचित और गौरवान्वित महसूस कर रहे हैं। यहां चैनल की बिक्री निश्चित रूप से कम्पै और गांवों में सौर प्रसार प्रदान करेगी और कार्बन फुटप्रिंट को कम करने में योगदान देगी, जिससे बेहतर इको सिस्टम विकसित करने में मदद मिलेगी।

राजस्थान सौर ऊर्जा का हब है और यह बेहतर और ग्रीन(हरित) जीवन के मानवीय लक्ष्य को प्राप्त करने में मदद करेगा। सर्वोटेक पावर सिस्टम्स के सीनियर जीएम (चैमन सेल्स) नरेश तलत ने कहा कि, हमने जयपुर-राजस्थान में अपना सुपर डिस्ट्रीब्यूटर शुरू किया है और इसके माध्यम से राजस्थान के सभी जिलों में सर्वोटेक के सभी उत्पादों की उपलब्धता को बढ़ावा देने की तैयारी कर रहे हैं। इससे उपग्रहों की त्रुटिपूर्ण पहचान और प्रसार में मदद मिलेगी और आपूर्ति सेल्स सर्विस में तेजी आएगी। कंपनी के चैनल और वार्षिक लक्ष्यों के अनुरूप इसी तरह के मॉडल को नहरा और गुजरात राज्यों में भी लागू किया जाएगा। लीलमेक्स पावर सॉल्यूशंस के निदेशक मंडलमल लील ने कहा कि, हम सर्वोटेक पावर सिस्टम्स के साथ जुड़कर बहुत उत्साहित हैं। इससे हमारी फर्म को बिक्री बढ़ाने में मदद मिलेगी।

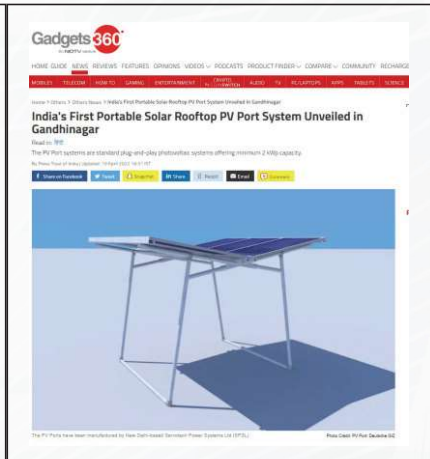
Media Coverages



Servotech launches game-changing range of solar street lights

This series includes two product variants, Integrated and also solar street light, which offers a business efficacy of over 80% in a life span of over 10 years, and an IP66 rating.

New Delhi: LEDs and Solar Products manufacturer Servotech Power Systems has launched its new range of solar street lights to deliver high-quality illumination for outdoor spaces. This series includes two product variants, Integrated and also solar street light, which offers a business efficacy of over 80% in a life span of over 10 years, and an IP66 rating, ensuring protection even in the harshest outdoor environments. These large increase charging efficiency by around 10% by utilizing all of the energy harvested by solar PV modules which are made of highly efficient polycrystalline that have been used and tested for longer durability and are utilized highly corrosion atmosphere and heavy wind loads. These solar street lights can be widely used in towns and roads, highways.

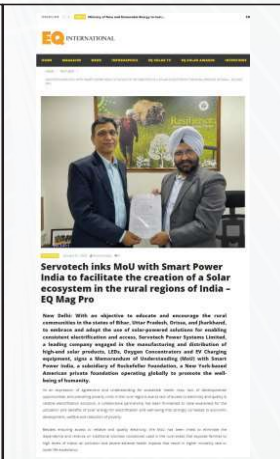


India's First Portable Solar Rooftop PV Port System Unveiled in Gandhinagar

Read by: 199


The PV Port system is a standard plug-and-play photovoltaic system offering maximum 2 kW capacity.

The PV Port system is a standard plug-and-play photovoltaic system offering maximum 2 kW capacity.



Servotech inks MoU with Smart Power India to facilitate the creation of a Solar ecosystem in the rural regions of India - EQ Mag Pro

New Delhi: With an objective to advance and encourage the rural economies in the form of Bharat, Smart, and Sustainable, Servotech Power Systems Limited, a leading company engaged in the manufacturing and distribution of high-end solar products, LED, Oxygen Concentrators and PV charging equipment, signed a Memorandum of Understanding (MoU) with Smart Power India, a subsidiary of Rockefeller Foundation, a New York-based American private foundation, operating globally to promote the well-being of humanity.

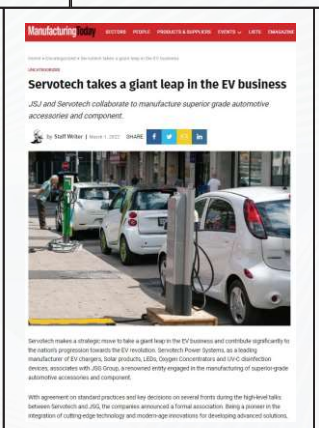


Decoding the Union Budget from e-Mobility Experts Standpoint

By ELE TIMES February 3, 2022

Raman Bhatia, Founder & Managing Director, Servotech Power Systems Limited


The key decisions made on the renewable energy front illustrated in the Union Budget 2022 precisely addresses the most critical challenges halting India's speedy transition to a clean new era. The allocation of additional Rs. 19,500 crore to the Production Linked Incentive (PLI) for the development of high-efficiency solar modules, thoughtful policies & action plans, supporting incentives for green bonds would not only accelerate our pace to achieve the 2030 target of 280 GW of installed solar capacity but would also help deliver on the 2070 net-zero emissions target commitment made by PM Narendra Modi at the COP26 summit held last year in Glasgow and play a pivotal role in tackling the global crisis of climate change.



Servotech takes a giant leap in the EV business

JSU and Servotech collaborate to manufacture superior grade automotive accessories and component.


Servotech makes a strategic move to take a giant leap in the EV business and contribute significantly to the nation's progression towards the EV revolution. Servotech Power Systems, as a leading manufacturer of EV chargers, solar products, LED, Oxygen Concentrators and PV charging equipment, associates with JSU Group, a renowned entity engaged in the manufacturing of superior-grade automotive accessories and component.



Servotech profit 4-fold up in FY22


HANS BUSINESS HYDERABAD

SERVOTECH Power Systems Ltd earned an annual revenue of Rs 144.25 crore as against Rs 87.90 crore in the same period last fiscal, registering an annual growth in revenues of around 64 per cent. Additionally, the company delivered a profit of Rs 5.59 crore during the 2021-2022 financial year, as against Rs 1.5 crore in the same period last fiscal, attaining a 386 per cent increase in YoY gains. The company has said detailing the financial results for the year ending March in a regulatory filing.



Servotech obtains project from Smile Foundation to provide sizeable consignment of Oxygen Concentrators

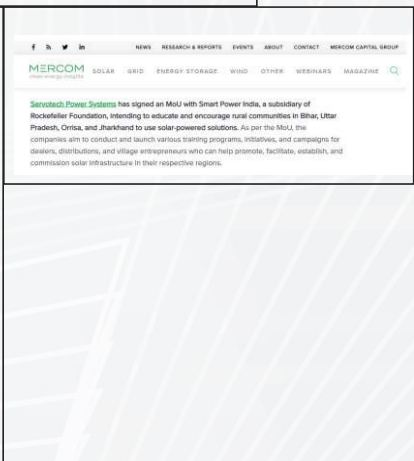
New Delhi: With a strong inclination and commitment to extend its unconditional support by contributing towards the cause of humanitarian progress during the pandemic outbreak, Servotech Power Systems Limited, an NSE listed company, recognized as a pioneer in the integration of smart technology and modern-age innovation for the manufacturing of highly sophisticated solar products, LED, Oxygen Concentrators and PV charging devices, obtained a project for providing a sizeable consignment of its medical-grade Oxygen Concentrators in a call for tender by Smile Foundation, a national-level engaged in the service of welfare and wellbeing of over 15 lakh children and their families through various on-ground projects and initiatives.



OPINION

Raman Bhatia
Founder & Managing Director, Servotech Power Systems Limited

The allocation of an additional ₹19,500 crore to the PLI for the development of high-efficiency solar modules, thoughtful policies & action plans, supporting incentives for green bonds would not only accelerate our pace to achieve the 2030 target of 280 GW of installed solar capacity but would also help deliver on the 2070 net-zero emissions target made by PM Modi at the COP26 summit held last year and play a pivotal role in tackling climate change.



Servotech Power Systems has signed an MoU with Smart Power India

Servotech Power Systems has signed an MoU with Smart Power India, a subsidiary of Rockefeller Foundation, intending to educate and encourage rural communities in Bihar, Uttar Pradesh, Orissa, and Jharkhand to use solar-powered solutions. As per the MoU, the companies aim to conduct and launch various training programs, initiatives, and campaigns for dealers, distributors, and village entrepreneurs who can help promote, facilitate, establish, and commission solar infrastructure in their respective regions.



46
Print



647
Online
Publication



12
Media
Citations

Creating a Digital Footprint

This year we drew **35.6L social media reach**,
some of our top posts are listed below:

Commemorative



Brand-Building



Innovative



Awards

Garnering Recognition from Impactful Efforts



ET Inspiring Leaders Award in Healthcare 2021

In view of our efforts to pioneer architecting India's EV charging tech infrastructure, EMobility+ recently chose Servotech for the coveted Business Leadership award in EV Charger Manufacturing segment.

Business Leadership Award in EV Chargers Manufacturing 2022

In view of our efforts to pioneer architecting India's EV charging tech infrastructure, EMobility+ recently chose Servotech for the coveted Business Leadership award in EV Charger Manufacturing segment.



Our Clientele



and counting..

Our Subsidiaries

Rebreathe Medical Devices India Private Limited



Rebreathe is a venture brought together by a common goal of making oxygen concentrator parts available, affordable, and accessible. The second wave of the Corona Virus pandemic in India served a precept like never before. The need for medical-grade and credible Oxygen Concentrators was glaringly evident.

Servotech, of whom Rebreathe is a sister concerns to, made the scene and played the role of a catalyst by partnering with eminent research institute such as IIT Jammu and IISER Bhopal for perfecting the technology and know-how that goes into manufacturing Oxygen Concentrator and, most importantly, making the device entirely indigenous and home-developed so as to succeed in its aim of providing quality oxygen concentrator devices at worthwhile prices to all.

Techbech Industries Pvt. Ltd.



Techbech Industries Private Ltd. is a leading electronics firm that specializes in the end-to-end production, procurement, and distribution of high-end, customer-focused solar goods, and electric vehicle charging.

A subsidiary of Servotech that'll help the parent organization in catalyzing their goal of amplifying the reach of smart and clean-tech solutions across different geographies with granular focus of product excellence. Techbech caters to its clients with the highest level of integrity and commitment, and believes in not just serving but developing forever-lasting relationships. Techbech is steered with experience and propelled by excellence, with cutting-edge technology developments and game-changing innovations at its core, resulting in a resounding success.

CORPORATE SUSTAINABILITY



Servotech has always put sustainability at the heart of its business approach. Our ability to fulfill and exceed our responsibilities to our stakeholders today and tomorrow is a testament to our commitment. We have balanced success as a business with unwavering focus on exemplary governance and responsiveness to the needs of the ecology and society. As a representative of responsible business, we have readily embraced our obligation to integrate environmental, social and governance (ESG) factors into what we do.

Today, leading businesses face environmental and social risks more than financial challenges. The society at large is facing extreme conditions such as pandemic, unpredictable climate and unprecedented volatility. The global risk report by the World Economic Forum (WEF) 2022 identifies the top five risks by likelihood and impact on social and environmental in nature. A fragmented recovery from the crisis created by the COVID-19 pandemic risks widening the global divides at a time when countries urgently need to collaborate to combat Climate Change. Under these circumstances, environmental, social and governance (ESG) initiatives by the business world could become key to resiliency and long-term value.

Benefits of sustainability are long standing and much needed to mitigate the man-made environmental damage. In being part of the solution rather than the problem, companies could chart a new era of shared value and trust driven governance that will create inclusive wealth for all stakeholders. Companies, at large, need to focus

not just on integrating ESG strategy into their value story but also on communicating this strategy and vision to its stakeholders. We strongly believe company’s performance on environmental and social aspects is as vital as financial and operational performance.

At Servotech, Social and Environmental responsibility has always been at the forefront of our operating philosophy. Servotech has further leveraged the materiality assessment to develop an ESG strategic framework which will provide a path to achieve the proposed vision and will be driven at the corporate level.

Our Sustainability Model



The ESG Strategy is developed after understanding all the relevant aspects of Servotech and bucketing them under similar themes. The strategy will assist Servotech in integrating ESG aspects into the Company's core business strategy and will be fundamental in laying down a comprehensive roadmap ahead to inspire sustainable living.

A. ENVIRONMENT



1. Product Stewardship

We ensure high quality, product safety, durability, reparability and serviceability as well as responsible use of resources throughout the life cycle of the product and ensure low carbon footprint and carbon intensity of our products in manufacturing and usage.

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. The Company has also stepped into the EV business to cater its vision of producing green and environment friendly products.

2. Preserving Environment

Servotech contributes to society by providing the best Green Energy and Renewable Products which helps in reducing Global Warming. We constantly adopt environment friendly practices and manufacture products that can help and contribute to combat the climate change by reducing carbon emissions.

3. Water and air quality

Water is a key resource for the society and judicious use of water is a key priority to us. Maintaining air quality in and around our premises is a top commitment for us.

B. SOCIAL



1. Employee Wellbeing, Health and Safety

At Servotech, we focus on employee engagement, learning & development, diversity & inclusion, fair treatment, leadership & succession planning etc. and ensuring safety of our employees by maintaining workplace safety standards and providing a satisfying work environment, promoting career progression and encouraging employee's safety and security to strengthen our Human Capital. We are always keen on ensuring safe, sound and healthy working environment for all employees.

2. Human rights and CSR

We constantly strive towards contributing to the upliftment of the society and upholding human rights.

C. GOVERNANCE



1. Governance and ethical business conduct

At Servotech, we continue to pursue a prudent growth strategy and have taken steps to effectively manage the emerging risks and challenges by ethical methods. We

strive to balance of pursuing economic interests while maintaining accountability and ethical integrity.

2. Brand integrity and salience

How consumers and markets perceive our Company and its products, image, and reputation including degree of recall of our brand across different product lines.

3. Customer and other stakeholders' delight

Our Stakeholders form the core of our value creation. We believe in creating value and equitable wealth for our stakeholders through our business processes.

4. Distribution network and channels

We are continuously diversifying distribution channels to reach all our customers and consumers.

Our integrated thought process is engineered to create, sustain and deliver value to all our stakeholders. We achieve this by adhering to a strong set of values and code of conduct, being aware of key developments in the external environment, deploying resources optimally, executing our holistic strategy and continuously monitoring and managing any risks to our business.

DIRECTOR'S REPORT

Dear Members,

Your Directors present the 18th Annual Report on the business and operations of the Company along with the Audited Financial Statements (Standalone as well as Consolidated) for the Financial Year ("FY") ended 31st March, 2022.

a) Standalone Financial Results

Particulars	Financial Year ended 31st March, 2022	Financial Year ended 31st March, 2021
Revenue from Operations	13,369.97	8,699.44
Other Income	56.45	91.00
Total Income	13,426	8790.44
Less: Depreciation	(156.88)	(146.79)
Other Financial Expenses	(12758.20)	(8505.27)
Profit before exceptional items and tax	511.35	138.38
Exceptional Items	5.06	23.25
Profit before tax	506.30	115.03
Tax Expenses	139.93	23.21
Profit after tax for the year	366.37	91.83
Other Comprehensive Income	0.75	1.59
Net Profit for the year	367.12	93.41
Transfer to General Reserve	00	00
Interim Dividend	0.20	00
EPS (Basic)	1.97	0.51
EPS (Diluted)	2.00	0.51

b) Consolidated Financial Results

Particulars	Financial Year ended 31st March, 2022	Financial Year ended 31st March, 2021
Revenue from Operations	14,367.41	8,699.44
Profit after tax (after minority)	405.77	91.83

c) Overview of Company Performance

The year began with the second wave of the Covid-19 pandemic which affected economic activities. Supply side imbalances, especially in crude oils, spare parts, resulted in unprecedented inflation. This had the effect of increasing input and transportation costs and lowering consumer demand.

Economic recovery was further impacted by the third wave of the Covid-19 pandemic and the Russian Invasion of Ukraine in the latter half of the year. Geopolitical turbulence arising from the war in Ukraine and restraints on trade have resulted in economic volatility. This has rendered companies and economies more vulnerable to commodity price disruptions.

FINANCIAL PERFORMANCE

Highlights of the Company's financial performance for the year ended 31st March, 2022 are as under:

The inflationary pressures resulted in reduced consumer demand, especially in rural markets, as well as an increased preference for products at lower price points.

Your Company is weathering these unprecedented challenges by focusing on the strategic pillars of cost efficiency programs, innovation, brand building and distribution in order to sustain growth and profitability. Judicious price increases were also actioned to mitigate the effects of rising commodity prices.

2. SHARE CAPITAL

a) Authorised Share Capital:

The Company vide Extra-ordinary General meeting dated 4th March, 2022 had approved the increase of Authorised

Share Capital of the Company. Consequent upon receipt of approval from shareholders, the Authorised Share Capital of the Company was increased from Rs. 19,00,00,000/- (Rupees Nineteen Crores) divided into 1,90,00,000 (One Crore Ninety Lakh) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 22,00,00,000 (Rupees Twenty Two Crores) divided into 2,20,00,000 (Two Crore Twenty Lakh) equity shares of face value Rs. 10/- (Rupees Ten), ranking pari-passu in all respects with the existing equity shares of the Company as on 31st March, 2022.

b) Paid-up Share Capital:

In the said Extra-ordinary General meeting dated 4th March, 2022, the Shareholders had also approved the issue and allotment of 355000 equity shares of Rs. 10/- each issued at a price of Rs. 102.16/- (including a premium of Rs. 92.16/-) per share issued to Other than Promoter and Promoter Group on Preferential Basis.

Consequently, the issued, subscribed and paid-up equity share capital has increased from Rs. 18,31,04,290/- divided into 18310429 equity shares of Rs. 10/- each to Rs. 18,66,54,290 divided into 18665429 equity shares of Rs. 10/- each. The said shares are duly listed on the national Stock Exchange of India Limited ("NSE") dated 6th April, 2022 and Trading Approval dated 2nd May, 2022.

3. DETAILS OF PREFERENTIAL ISSUE

During the financial year under review, Board of Directors of the Company vide its Board Meeting held on 1st February, 2022 subject to approval of the shareholders of the Company in Extra-Ordinary General Meeting held on 4th March, 2022 had issued and allotted 355000 equity shares by way of private placement on a preferential basis to other than Promoters and Promoter Group in accordance with Sections 23(1)(b), 42 and 62(1)(c) of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and read with the SEBI (ICDR) Regulations and the SEBI (LODR) Regulations, 2015.

The equity shares are duly listed and traded on National Stock Exchange India Limited vide Trading Approval dated 2nd May, 2022.

4. DETAILS OF EMPLOYEES STOCK OPTION PLAN

During financial year under review, the Shareholders of the Company in Extra-Ordinary General Meeting held on 4th March, 2022 approved by way of Special Resolution the Employees Stock Option Scheme "SERVO- Employee Stock Option Scheme 2022 (ESOP -2022)" in compliance with SEBI (Share Based Employees Benefits) Regulations, 2021.

The Company is in the process of implementing the said ESOP scheme by following the applicable provisions of the Companies Act, 2013 and the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

5. DIVIDEND

During the year under review, the Board of Directors of the Company had, for its first time since incorporation, at its meeting held on 12th November, 2021, declared an Interim dividend of Re. 0.20 per equity share of the face value of Re. 10/- each. The interim dividend was paid to the shareholders on 6th December, 2021.

In view of the changes made under the Income-Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. The Company had, accordingly, made the payment of the interim dividend after deduction of tax at source, at the rates as prescribed.

Further, pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after completion of seven years.

Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. However, since the Company had for the first time declared any Dividend and seven years have not elapsed from the date of declaration and payment of dividend since incorporation, transfer of unpaid dividend and the shares on which dividend has not been paid or claimed, to Investor Education and Protection Fund (IEPF) is not applicable to the Company.

6. CHANGE IN THE NATURE OF BUSINESS

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

7. TRANSFER TO RESERVE

The Company does not propose to transfer amounts to the general reserve.

8. DEPOSITS

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 during the financial year 2021-22 (previous year NIL).

9. DETAILS OF SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES

As on 31st March, 2022, the Company has 2 subsidiaries, the details of which are as mentioned below. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

I. Rebreathe Medical Devices India Private Limited ("RMDIPL"):

A subsidiary Company vide CIN: U33119DL2021PTC383180 was incorporated on 5th July, 2021. The Holding Company has 95% shareholding in the Subsidiary.

II. Techbec Industries Limited ("TIL")

As on the date of this Report, the Company has obtained name approval from ROC for its Subsidiary Company; Techbec Industries Limited ("TIL") vide name approval letter dated 4th August, 2022 and the incorporation is under process. The authorized share capital of the TIL shall be Rs. 10,00,000/- (Rupees Ten Lakhs Only) divided into 1,00,000 (One Lakh) equity shares of Rs. 10/- (Rupees Ten Only) each, paid-up capital of the Company shall be Rs. 10,00,000/- (Rupees Ten Lakhs Only) divided into 1,00,000 (One Lakh) equity shares of Rs. 10/- (Rupees Ten Only) each. The Holding Company shall subscribe 63.5% of the paid-up capital of the Subsidiary i.e. 63500 equity shares of Rs. 10/- each through its authorized representative.

The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholder in the Head Office of the Company and the respective offices of its subsidiary companies.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the Company's website at www.servotech.in.

10. 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.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31st March, 2022 the Board consisted of 3 (three) Executive Directors and 3 (three) Independent Directors. Out of the total 6 (six) directors, 1 (one) is woman director.

The Board of the Company upon the recommendation of the Nomination and Remuneration Committee, in its meeting held on 9th August, 2022 had appointed the following:

- I. Mr. Sampat Rai (DIN: 07710412), as Additional Director designated as Non-Executive Independent Director of the Company for period of three (3) years w.e.f. 9th August, 2022 upto 8th August, 2025.
- II. Mr. Jorg Gaebler (DIN: 09699666) as Additional Director designated as Non-Executive and Non-Independent Director of the Company for period of one (1) year w.e.f. 9th August, 2022 upto 8th August, 2023.

During the year under review, other than above, there were no changes in the Board of Directors and Key Managerial Personnel of the Company.

12. DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules thereof. In the opinion of the Board, they fulfil the condition for appointment/re-appointment as Independent Directors on the Board. Further, in the opinion of the Board, the Independent Directors also possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5)(iii)(iia) of the Companies (Accounts) Rules, 2014.

13. 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:

- a) In the preparation of annual accounts for the financial year ended 31st March, 2022, the applicable accounting standards have been followed and there are no material departures;
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the profit of the Company for that period;

- c) 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;
- d) They have prepared the annual accounts on a going concern basis;
- e) They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

14. AUDITORS AND AUDITOR'S REPORT

i. STATUTORY AUDITORS

M/s. Gupta Jalan and Associates, Chartered Accountants (FRN No. 03721N) were appointed as the Statutory Auditors for a period of 5(five) years commencing from the 12th AGM for a term of five consecutive years until the conclusion of 17th AGM in the year 2021, thereafter, M/s. Gupta Jalan and Associates were once again appointed for a period of 1(one) year commencing from the conclusion of 17th Annual General Meeting ("AGM") until this i.e. 18th AGM.

Accordingly, in accordance with the provisions of section 139 of the Companies Act, 2013, no Company can appoint or re-appoint an audit firm as Statutory Auditors for more than 2 consecutive terms, and since M/s. Gupta Jalan and Associates, Chartered Accountants have completed 2 tenure as Statutory Auditors and are not eligible for re-appointment atleast without serving the cooling-off period.

The Company is proposing to appoint M/s. Rohit KC Jain and Co., Chartered Accountants (Firm Registration No. 020422N), as Statutory Auditors for a period of 5(five) years commencing from the conclusion of the 18th AGM till the conclusion of the 23rd AGM.

M/s. Rohit KC Jain and Co., Chartered Accountants is a leading professional services firm engaged in the field of audit, taxation, risk and transaction advisory services.

M/s. Rohit KC Jain and Co., Chartered Accountants have consented to the said appointment, and confirmed that their appointment, if made, would be within the limits mentioned under Section 141(3)(g) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014. Further, they have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI).

The Audit Committee and the Board of Directors recommended the appointment of M/s. Rohit KC Jain and Co., Chartered Accountants, as Statutory Auditors of the company from the conclusion of the 18th AGM till the conclusion of the 23rd AGM.

The Board places on record its appreciation for the services of M/s. Gupta Jalan and Associates, Chartered Accountants, during their tenure as the Statutory Auditors of the Company.

The Auditors' Report for financial year 2022 on the financial statements forms part of this Annual Report. The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as declaring that they have not taken up any prohibited non-audit assignments for the Company. The Audit Committee reviews the independence of the Auditors and the effectiveness of the Audit process. The Auditors attend the AGM of the Company.

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.

ii. SECRETARIAL AUDITOR

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

The Secretarial Audit Report in prescribed Form MR-3 for the financial year ended 31st March, 2022 is appended as **Annexure-1** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

R & D Company Secretaries have been re-appointed to conduct the Secretarial Audit of the Company for the financial year 2022-23. They have confirmed that they are eligible for the said appointment.

iii. COST AUDITOR

As per Section 148 of the Act read with Companies (Cost Records and Audit) Rules 2014, M/s NN Sharma & Associates, Cost Accountants (Firm Registration No. 101702) as the Cost Auditors, have been re-appointed as Cost Auditors for the financial year 2022-23 to

conduct cost audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of ensuing AGM. The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Act and that they are not disqualified from appointment within the meaning of the said Act.

The Cost Audit Report for the financial year 2020-21, issued by M/s NN Sharma & Associates, Cost Accountants, in respect of the various products prescribed under Cost Audit Rules was filed with the Ministry of Corporate Affairs.

There were no observations (including any qualification, reservation, adverse remark or disclaimer) of the Cost Auditors in the Report issued by them for the financial year 2020-21 which call for any explanation from the Board of Directors.

15. DISCLOSURE ON COST RECORDS

Pursuant to provisions of Section 134 of the Act read with Rule 8(5) of the Companies (Accounts) Rules, 2014 it is confirmed that maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Act, is required by the Company and accordingly such accounts and records are made and maintained.

16. REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in Director's Report.

17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

18. CORPORATE GOVERNANCE

Your Company is committed to good corporate governance practices. The Corporate Governance Report, as stipulated by the SEBI Listing Regulations, forms integral part of this Annual Report along with the required Certificate from Statutory Auditors regarding compliance of the conditions of corporate governance, as stipulated.

In compliance with corporate governance requirements as per the SEBI Listing Regulations, your Company has formulated and implemented a Code of Business Conduct for all Board members and senior management personnel the Company (Code of Conduct), who have affirmed the compliance thereto. The said Code of Conduct, is available on the website of the Company at <https://www.servotech.in/img/investor/Code-of-Conduct.pdf>.

19. FORMAL ANNUAL EVALUATION

Pursuant to applicable provisions of the Act and the Listing Regulations, the Board, in consultation with the Nomination and Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new Compliance requirements.

The Board evaluation exercise for financial year 2021-22 was carried out by way of internal assessments done based on a combination of detailed questionnaires and verbal discussions.

I. Performance evaluation of the Board and Committees

The performance of the Board was evaluated by the Board Members after considering inputs from all the Directors primarily on:

- i) Board composition and quality with emphasis on its size, skill, experience and knowledge of members;
- ii) Periodic review of Company's management and internal control system for appropriateness and relevance;
- iii) Board process and procedure with emphasis on the frequency of meetings, attendance thereof, flow of information;
- iv) Oversight of Financial Reporting process including Internal Controls and Audit Functions;
- v) Engagement in Corporate Governance, ethics and compliance with the Company's code of conduct.

The Board evaluated the performance of the Committees on the following parameters:

- i) Appropriateness of size and composition;
- ii) Clarity of mandate and well-defined agenda;
- iii) Reporting to the Board on the Committee's activities;

- iv) Availability of appropriate internal and external support or resources to the Committees.

II. Performance Evaluation of Individual Directors

The performance evaluation of the Individual Directors were carried out by the Board and other Individual Directors, considering aspects such as:

- i) Sufficient knowledge of Company strategy and objective;
- ii) Understand their role as Director, as distinct from management;
- iii) Adequate and productive use of knowledge and experience of the Independent Directors for the functioning of Board;
- iv) Efforts for professional development to enable better fulfilment of their responsibilities;
- v) Ask questions/critique proposals with confidence;
- vi) Open and effective participation in Board discussions;
- vii) Keep stakeholder interest as the touchstone in endorsing decisions.

III. Performance Evaluation of Chairman

- i) Display of effective leadership qualities and skill;
- ii) Implementation of observations/recommendations of Board Members;
- iii) Effective and timely resolution of grievances of Board Members;
- iv) Ability to bring convergence in case of divergent views and conflict of interest situation tabled at Board Meetings;

IV. Evaluation Outcome

The evaluation brought to notice that the sharing of information with the Board, its timeliness, the drafting of agenda notes and the content thereof as well as the drafting of the minutes were found to be satisfactory. All the Board Members were satisfied with the way the affairs of the Company were conducted.

20. 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.

21. MATERIAL CHANGES

A Subsidiary Company under the name of Techbec Industries Limited ("TIL") is under the process of incorporation and the name approval form ROC has been received by letter dated 4th August, 2022. The Company shall hold 63.5% shareholding in TIL.

22. RELATED PARTY TRANSACTION

All transactions entered into with Related Parties as defined under Section 2(76) of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), during the Financial Year under review were in the ordinary course of business and at an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no transactions with related parties in the Financial Year which were in conflict with the interest of the Company and requiring compliance of the provisions of Regulation 23 of the Listing Regulations.

Suitable disclosure as required by the Indian Accounting Standards (Ind AS 24) has been made in the notes forming part of the Financial Statements.

The Company has formulated a policy on the materiality of Related Party Transactions and dealing with Related Party Transactions which has been uploaded on the website of the Company and can be accessed at <https://www.servotech.in/img/investor/Related-Party-Transaction-policy.pdf>.

The particulars of related party transactions in prescribed Form AOC-2 are attached as "Annexure-2".

Pursuant to Regulation 23(9) of the Listing Regulations, your Company has filed half yearly report on Related Party Transactions with the stock exchanges.

23. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal financial control procedures commensurate with its size and nature of business.

The Company has appointed Internal Auditors who periodically audit the adequacy and effectiveness of the internal controls laid down by the management and suggest improvements.

The Audit Committee of the Board of Directors approves the annual internal audit plan and periodically reviews the progress of audits as per approved audit plans along with critical internal audit findings presented by internal auditors, status of implementation of audit recommendations, if any, and adequacy of internal controls.

The detailed statement about adequacy of Internal Financial Controls is given in Point No. 10 of the Management Discussion and Analysis Report, which forms an integral part of this Annual Report.

24. 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.

25. CORPORATE SOCIAL RESPONSIBILITY

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

However, a Committee has been constituted to guide the Company in undertaking CSR activities in a focused and structured manner and review CSR Policy from time to time. The Company's CSR policy is placed on the Company's website at weblink: <https://www.servotech.in/investors/corporate-governance/policies>

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

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

27. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for its employees and Directors to report concerns about any unethical and improper activity. No person has been denied access to the Chairman of the Audit Committee. The Whistle Blower policy is uploaded on the website of the Company at <https://www.servotech.in/img/investor/Whistle-Blower-Policy.pdf>.

The Audit Committee monitors and reviews the investigations of the whistle blower complaints. During the year under review, no complaints were received under Whistle Blower Policy

28. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, read with the rules made thereunder, an extract of Annual Return of the Company in Form MGT-9 is given in **Annexure-4** and has been disclosed on the website of the Company and web-link thereto is: [https://servotech.](https://servotech.in/blog/wp-content/uploads/2022/09/Extracts-of-Annual-Return-Form-MGT-9.pdf)

[in/blog/wp-content/uploads/2022/09/Extracts-of-Annual-Return-Form-MGT-9.pdf](https://servotech.in/blog/wp-content/uploads/2022/09/Extracts-of-Annual-Return-Form-MGT-9.pdf)

29. SECRETARIAL STANDARDS

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

30. 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.

31. PARTICULARS OF EMPLOYEES

The details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of Directors, KMPs and other employees of the Company, are given in **Annexure-5** of this Board's Report.

Further, during the year ended 31st March, 2022, the Company does not have any employee, who is in receipt of remuneration of Rs. 8,50,000/- per month or Rs. 1,02,00,000 per annum and hence the Company is not required to give information under Sub rule 2 and 3 of Rule 5 of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

However, in terms of first provision of section 136(1) of the Act, the Annual Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company secretary, whereupon a copy would be sent.

32. NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall:

- i) formulate the criteria for Board membership, including the appropriate mix of Executive & Non-Executive Directors and Board Diversity;
- ii) approve and recommend compensation packages and policies for Directors, Key Managerial Personnel and Senior Management Personnel;
- iii) lay down the effective manner of performance evaluation of the Board, its Committees and the Directors; and

- iv) such other matters as provided under section 178 of the Act and under the provisions of Listing Regulations.

The salient features of the Nomination and Remuneration Policy of the Company are outlined in the Corporate Governance Report which forms part of this Annual Report. The Policy is available on the website of the Company at: <https://www.servotech.in/img/investor/Nomination-and-Remuneration-policy.pdf>.

33. RISK MANAGEMENT POLICY

Your Company has in place comprehensive risk assessment and mitigation framework, which is reviewed by the Board periodically. The Committee of Board of Directors has formulated a well-defined Policy for Risk Management to identify, assess and frame a response to threats and mitigate the various risks to our business that affects the achievement of our objectives.

More details on the Policy are given on Company's website which can be accessed through following link: <https://www.servotech.in/img/investor/Risk-Management-Policy.pdf>

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

As per the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committees (ICs) at all relevant locations across India to consider and resolve the complaints related to sexual harassment. The ICs includes external members with relevant experience. The ICs, presided by senior women conduct the investigations and make decisions at the respective locations. The ICs also work extensively on creating awareness on relevance of sexual harassment issues, including while working remotely.

During the year under review, there were no complaints pertaining to sexual harassment

All new employees go through a detailed personal orientation on anti-sexual harassment policy adopted by the Company.

35. FRAUD REPORTING

There was no fraud disclosed during the Financial Year ended 31st March, 2022.

36. LISTING OF EQUITY SHARES

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

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

37. DEPOSITORY SYSTEM

The Members are requested to note that as on 31st March, 2022, 99% of the Company's total paid-up share capital representing 18,513,536 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").

38. 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.

39. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

At Servotech, employees are its prime assets and a vital key to its success. The company is committed to creating a professional culture to nurture and enable people to grow in their careers alongside Company's success. The company constantly strives to strengthen its manpower in alignment with the business needs and continue to engage them through various initiatives in the realm of learning & development opportunities, reward & recognition, employee engagement activities and career growth.

40. ACKNOWLEDGMENTS

Your Directors would like to thank all the stakeholders viz. consumers, shareholders, dealers, suppliers, business partners, bankers, employees and all other business associates for the continuous support given by them to the Company and its Management.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

	RAMAN BHATIA	SARIKA BHATIA
	MANAGING	WHOLE-TIME DIRECTOR
DATE: 27.08.2022	DIRECTOR	DIN- 00155602
PLACE: New Delhi	DIN- 00153827	

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

I. CONTEXT

The year 2021 was characterised by volatility, cost inflation and continued pandemic-led disruptions. In the face of these challenges, we steered ahead with agility, minimising the impact on our customers. Our strategy of maintaining a diversified product portfolio, both in terms of category and channel, enables us to excel even in difficult situations. Our commitment to grow responsibly and nurture our high-quality brands contribute to consistent financial performance. Rising income levels, lower interest rates and family nuclearisation are favouring a real estate revival moreover supported by macro levers, we expect overall demand to be healthy. Having a comprehensive portfolio and robust supply chain, Servotech is well prepared to capitalise on this opportunity.

2. ECONOMY OVERVIEW

In the financial year under review, while many indicators pointed to green shoots of recovery after leaving the worst of the COVID-19 pandemic behind, the geopolitical instability originated due to Ukraine-Russia war towards the end of the financial year has further increased the ongoing volatility in crude oil and gas prices, and uncertainty to the integrated supply chain affecting most of the commodities, especially metals, spare parts of machinery, raw materials for the Company. The COVID-19 pandemic and the resultant national restrictions had already impacted two crucial business periods during the fiscal period. However, the largely vaccinated population reinforced with booster doses is expected to substantially contain any future impact of the pandemic risks.

According to the IMF's World Economic Outlook, April 2022, the economic damage from the Eastern European conflict will significantly slowdown the global growth in 2022 and add to fuel and food inflation. Global Consumers are increasingly conscious of inflation and environment. They are countering rising utility bills for electricity by gravitating more towards energy-efficient and environment friendly electrical appliances. Industry peers are responding to this by inculcating greater energy efficiency features into their various products, promising significant payback periods as purchase justification in some cases.

Industry players are focussing more on consumers' needs and are increasingly manufacturing country centric products with affordable price tags attracting new consumer segments. Technology advancements have paved the way for many

innovative product options, providing different features and advantages. With a greater variety of options and faster adoption of newer technologies and variants, the electrical consumer industry is experiencing shorter and more frequent replacement cycles by consumers. This consumer behaviour is conducive to innovation led agile players in responding to consumer tastes and technology adoption.

With deeper pockets to invest in brands, industry leaders are benefitting from a deeper and well-entrenched nationwide distribution network; higher R&D capabilities, which enable them to churn out premium and technologically superior products; and a faster adherence to change in government norms, such as the BEE ratings change. The rising consumer aspirations are also leading to a preference for branded, better quality, feature rich and aesthetically appealing products. The unbranded and smaller regional player which has intensified even further during the pandemic due to the rise in commodity prices and supply chain challenges. They are steadily relinquishing market share given the continued supply chain and working capital constraints, further exacerbated by the ensuing Eastern Europe conflict.

3. INDUSTRY STRUCTURE AND DEVELOPMENTS

• LIGHTING INDUSTRY

India LED lighting market is projected to grow at a CAGR of 25 to 30 per cent in value terms during 2018-2022 on account of increasing government initiatives to boost LED adoption and growing awareness regarding lower power consumption of LED lighting products.

The market is primarily driven by the escalating demand for energy-efficient lighting solutions in the country. In addition, the growing awareness among individuals regarding the low power consumption and eco-friendly nature of LED lights represents another major growth-inducing factor. LED lights have swiftly gained prominence among consumers owing to their numerous advantages over conventional lighting technology.

LED lights have emerged as a powerful source for lighting over the past several years. Due to their numerous advantages over conventional lighting technology, they have swiftly gained prominence in the Indian lighting market. Although Indian LED lighting market is at a nascent stage, it offers innumerable opportunities for growth over the next few decades. As India represents one of the biggest lighting markets, it offers a lucrative option for LED manufacturers to set up their facilities in the region. Skilled labour, ease of doing business and demographic advantages provides a sustainable environment for the LED industry.

- **INDIAN ELECTRIC VEHICLE MARKET**

The India electric vehicle market size was valued at USD 220.1 million in 2020 and is expected to expand at a compound annual growth rate (CAGR) of 94.4% from 2021 to 2030. The attractive incentives being offered by the Indian government on the production and purchase of electric vehicles to encourage the adoption of electric vehicles are anticipated to drive the growth of the market over the forecast period. The outbreak of the COVID-19 pandemic triggered a significant decline in the overall sales of passenger and commercial vehicles in 2020. However, the sales of electric vehicles in India remained unaffected. The post-lockdown sale of pure and hybrid electric vehicles is a prominent driving factor for the electric vehicle market in India. The stringent GreenHouse gas (GHG) emission norms drafted by the government, such as the Bharat Stage (BS) VI emission standards introduced by India's Ministry of Road Transport and Highways (MoRTH), are also expected to play a decisive role in driving the growth of the market.

The increasing prices of conventional fuel are expected to accentuate the development of vehicle electrification. The stringent emission norms being drafted by the government and the growing environmental awareness among Indian consumers are also expected to fuel the demand for electric vehicles. Furthermore, Indian automakers, such as Tata Motors, and Mahindra and Mahindra Ltd., have embarked upon aggressive efforts to add electrified vehicles to their product portfolio, which is expected to encourage Indian consumers to opt for electric vehicles. All these factors bode well for the growth of the electric vehicle market in India over the forecast period.

India has been recognized as one of the prominent regions in the automotive industry globally. Several companies are aggressively establishing manufacturing facilities in India. The outbreak of the COVID-19 pandemic changed the overall business dynamics in 2020 and is anticipated to affect the overall business scenario over the next few years. Lockdowns imposed in different parts of the world as part of the efforts to arrest the spread of coronavirus resulted in supply chains disruptions. Production was also suspended at numerous production facilities as part of the lockdowns. As a result, shipments were delayed and production volumes plummeted, thereby severely affecting automotive production. Manufacturers of electric vehicles continued to confront issues with supplies of raw materials owing to the looming delays in international shipments and hence, reported production delays. Nevertheless, although the pandemic triggered a significant decline in the overall sales of passenger and commercial vehicles, the sales of electric cars in India remained unaffected.

- **GLOBAL UV DISINFECTION EQUIPMENT MARKET**

The global ultraviolet disinfection equipment market size was estimated at USD 3.74 billion in 2021 and is expected to expand at a compound annual growth rate (CAGR) of 5.7% from 2022 to 2030. The rising demand for ultraviolet (UV) disinfection equipment in healthcare organizations is likely to boost industry growth. The COVID-19 pandemic has impacted the supply of this equipment and its components since manufacturers are unable to satisfy the increasing demand and have reached their maximum production capacity. These firms should expand their manufacturing facilities to address the increasing demand from end-users, which is not possible in a short period.

UV air purification is an established technique, and several organizations such as WHO and CDC have repeatedly promoted its usage in labs, hospitals, operating rooms, and colleges. Furthermore, UV air purifiers are advised to enhance the air quality in both the residential and commercial sectors by removing particulate matter and dust, which is thought to reduce coronavirus transmission.

With the rise of COVID cases, several hospitals have begun implementing UV systems to disinfect high-risk indoor settings, which is projected to increase product demand in the coming years. UV disinfection systems have a lower environmental effect than sodium hypochlorite and chlorine gas since UV is largely controlled by the composition of the electrical grid.

UV disinfection systems have been acknowledged by public health agencies as an effective technique for treating drinking water, reclaimed water, and wastewater. This has prompted nations throughout the world to implement these systems since they are safe and do not require the use of toxic chemicals to conserve water resources and meet sustainability goals.

The UV lamps segment led the market in 2021 with a revenue share of 36.6%. Various UV lamps, such as low-pressure bulbs, are generally used in applications with low flow rates and longer exposure durations, whereas amalgam lamps are employed in commercial-type applications because they can effectively remove microbial contamination. As a result, increased demand for UV lamps is likely to fuel industry expansion.

- **INDIAN HEALTHCARE INDUSTRY**

Healthcare has become one of the largest sectors of the Indian economy, in terms of both revenue and employment. It has been growing at a CAGR of 22% since 2016, employing 4.7 Million people directly. The sector has the potential to generate 2.7 million additional jobs in India between 2017-22 – over 500,000 new jobs per year.

Several factors are driving the growth of the Indian healthcare sector including an aging population, a growing middle class, the rising proportion of lifestyle diseases, an increased emphasis on public-private partnerships as well as accelerated adoption of digital technologies, including telemedicine, besides heightened interest from investors and increased FDI inflows over the last two decades.

The Indian Government has undertaken deep structural and sustained reforms to strengthen the healthcare sector and has also announced conducive policies for encouraging FDI. The Aatmanirbhar Bharat Abhiyaan packages include several short-term and longer-term measures for the health system, including Production-Linked Incentive (PLI) schemes for boosting domestic manufacturing of pharmaceuticals and medical devices. Additionally, India is working towards becoming a hub for spiritual and wellness tourism, as the country has much to offer in Ayurveda and Yoga.

The COVID-19 pandemic has not only presented challenges but also several opportunities for India to grow. The crisis has opened the flood gates for Indian start-ups, many of whom have risen to the occasion and accelerated the development of low-cost, scalable, and quick solutions. Further, the pandemic is providing an impetus to the expansion of telemedicine and the home healthcare market in the country.

An indigenously designed oxygen concentrator, which ensures high-purity oxygen supply, is now out in the market. An Indian startup has designed developed this affordable portable oxygen concentrator and is now manufacturing it for supply to various hospitals in the country.

Oxygen saturation levels of patients have been a major challenge in the treatment of COVID 19, especially in the second wave. Indian medical devices manufacturers and indigenous automation companies took this challenge up and came up with innovative designs of ventilators, portable respiratory aids, and related devices.

4. PRODUCT-WISE PERFORMANCE

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

The Company recently ventured into Electric Vehicle (“EV”) sector and is planning to introduce several EV related products. Apart from this newly introduced world that the Company wishes

to step-in, the Company also has UV Disinfectant series of various disinfectant products namely UV Disinfection Lamp, UV Disinfection Handheld, UV Disinfection Truck, Sterilization Box, UVC RoboTruk and UVLEN based on far UVC technology.

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

i. Electric Vehicle

An electric vehicle (EV) operates on an electric motor, instead of an internal-combustion engine that generates power by burning a mix of fuel and gases. Therefore, such as vehicle is seen as a possible replacement for current-generation automobile, in order to address the issue of rising pollution, global warming, depleting natural resources, etc. Though the concept of electric vehicles has been around for a long time, it has drawn a considerable amount of interest in the past decade amid a rising carbon footprint and other environmental impacts of fuel-based vehicles.

Electric vehicles have low running costs as they have less moving parts for maintaining and also very environmentally friendly as they use little or no fossil fuels (petrol or diesel). While some EVs used lead acid or nickel metal hydride batteries, the standard for modern battery electric vehicles is now considered to be lithium ion batteries as they have a greater longevity and are excellent at retaining energy.



ii. Oxygen Concentrator

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

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



iii. UV-C Disinfectants

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

- a) **UV DISINFECTION LAMP:** ServControl disinfection lamp comes with in-built sensor which automatically turns off if comes in contact with any human or pet and turns on using smart senses.
- b) **UV DISINFECTION HANDHELD:** ServControl UVC handheld is portable and easy to use as this is rechargeable, USB powered. It is a perfect disinfectant during holiday or any business trip.
- c) **UV DISINFECTION TRUCK:** ServControl UV disinfectant truck is built with the universal wheels to move around the zone to be disinfected. The device comes with a user-friendly remote control with options ranging from start to stop and to set the timer.
- d) **STERILIZATION BOX:** ServControl UV-C Sanitizer Box makes it possible to destroy more than 99.9 percent of bacteria and viruses with multifunctional wireless charger around without the use of chemicals, not causing secondary pollution, thus protecting your family with the innovation.

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

- f) **UVLEN:** UVLEN sanitizes the surface in few seconds by simply pointing it at your hands, utilizing your smartphone flashlight combined with the Mobile App. With this technology Ultraviolet Germicidal Irradiation coat + Diffraction Grating splitting white beams combined with a dichroic mirror filter built with Fused Silica Amorphous; let certain colors of light through while reflecting others

iv. Solar Lightening Segment



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

- a) **SOLAR HOME LIGHTING SYSTEM:** This system produces an enormous amount of energy from the sun and without any kind of pollution or other toxic wastes linked with fossil fuels. They require minimal amount of maintenance and once installed, they last for years and years.
- b) **INTEGRATED SOLAR STREET LIGHT:** It comes intelligent sensor control system, which helps in charging the battery. Intelligent control regulates the brightness depending on the PIR sensor and ensures that it gives light throughout the night.



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



V. LED Segment

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

- a) **LED STREET LIGHTS:** SAARA LEDs is featured with higher light uniformity, improved colour rendering and high colour temperature, allowing for wider coverage, can reduce the wattage of fixtures required in many outdoor applications. This significantly reduces the cost of energy, and allows for lower cost of ownership over the life of the system.
- b) **CANOPY LIGHT:** SAARA Canopy Light retrofit kits use the existing metal halide light fixture canopy mounting - no need to disrupt canopy seals during installation, eliminating potential roof leaks common with other canopy light retrofit procedures. It also provide all of the advantages of LED-based lighting versus metal halide lamps – much longer life, 70% less energy consumption and much better lighting characteristics – brighter light focused on fuel pump areas.
- c) **FLOOD LIGHT:** SAARA LED flood lights have low heat production and they don't contain any harmful elements like mercury or lead in them like traditional incandescent bulbs. These lights are energy efficient than traditional fluorescent and incandescent lights. The performance of these lights can be more than 85 lumen per watt of power utilized.
- d) **HIGHBAY LIGHT:** Large indoor space like manufacturing facilities, gymnasiums, warehouses, large department stores, factories, and more requires powerful lighting to provide the appropriate foot-candle levels to adequately illuminate, high bay lighting is usually appropriate.



5. STRENGTH

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

1. Competitive Strengths

- a) Experienced management and technical team
- b) Strong track record and financial stability
- c) Quality assurance
- d) Diversified and large customer base
- e) Domestic demand augurs well for the Company

2) Business Strategy

- a) Continue to grow the overall market share by leveraging our presence in existing business verticals
- b) Expansion plan and diversification
- c) Competitive pricing
- d) Enhancing customer base
- e) Investing in advanced technology

3) Overall business strategy shall be to

- a) Maximize revenue through capacity expansion, diversification and increase in efficiency
- b) Reduction in cost of borrowing

- c) Enhancing production efficiency and minimize process losses
- d) Reduce operational costs and be cost competitive
- e) Have a consumer centric approach
- f) Deliver value for money to customers
- g) Adopt best practices in all functions and processes.

6. OPPORTUNITIES AND THREATS

Opportunities

- 1. Energy-efficient appliances:** People are increasingly becoming concerned about the environment as well as saving on their power bills. This will lead to increased demand for energy efficient lighting solutions and solar appliances.
- 2. Increasing affluence and living standards:** Increasing disposable income and changing consumer preferences have encouraged consumers to adopt modern lighting solutions, feature-rich home appliances that not just make their fast-paced lives convenient but also reflect their rising affluence.
- 3. Urbanisation:** In an emerging economy like India, urbanisation and housing development is growing at a rapid pace. This provides a significant opportunity for the industry to grow.
- 4. Infrastructure development:** Government's focus on Infrastructure developments such as roads, railways, ports, housing is increasing and is expected to create demand for electrical goods.

Threats

- 1. Commodity price inflation:** Raw material prices have been on the rise due to various supply chain bottlenecks caused by factors like lockdown and geopolitical instability. This is leading to pressure on margins and poses a significant challenge to the business.
- 2. Demand uncertainty:** Economic volatility and the increasing frequency and magnitude of disruptive events have affected the discretionary incomes and demand sentiment. This volatility is also affecting the predictability of demand and the ability to forecast and plan efficiently.
- 3. Competitive intensity:** While the industry size for most categories is growing and expected to be healthy for the next several years, this in turn is attracting several more players, leading to much greater competitive intensity.

7. RISKS AND CHALLENGES

Our risk management system considers both external and internal risks to devise effective mitigation strategies. Risk identification, analysis, mitigation and monitoring are undertaken periodically by the Management. Post-assessment mitigation plans are also developed and implemented. Risk management is a continuous process and require dynamic mitigation mechanism, which Company's management is doing with proactive approach. While management is positive about the Company's long term outlook, it is subject to a few risks and uncertainties, as discussed below.

- 1. Economic slowdown:** Slowdown in the Indian economy due to global developments could adversely impact growth in the short-term. Also, Geo-political disturbance in many countries may also adversely impact Indian economy and supply chain.
- 2. Commodity inflation:** Sharp increase in commodity prices could lead to increase in cost of finished goods impacting the affordability and consumer sentiment.
- 3. Increase in competition:** Hyper competitiveness is normal, but it becomes a risk in case it leads to irrational behavior in the market in terms of pricing and other trade practices.
- 4. Non-availability of regular and quality power:** Availability of quality electricity is the key for demand of electrical products, any substantial shortfall in the supply of electricity may hamper growth prospects for the industry.
- 5. Pandemic:** COVID continue to remain a potential risk, though government's vaccination drive has reduced the possibility of severity up to a great extent. However, any widespread resurgence of pandemic can again cause hardship at health as well as economic front.

8. 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.

9. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Servotech recognises human capital to be one of its most important assets. As financial year 2021-22 started with outbreak of COVID-19 second wave, which was more fierce and deadly, hence it had impacted the employees of the Company and their families. In that difficult time, Company withstood with its employees like a family and extended all possible support. During those difficult times, our focus remained to ensure the safety of every employee and extend helping hand to society at large.

The Company has consciously developed a positive working atmosphere that provides a satisfying work environment,

promotes career progression and encourages employee safety. In the current financial year, we have focused our efforts on enhanced learning and development programs, enhanced communications, making our policies more employee friendly, and overall nurturing a culture of collaboration and teamwork. Since beginning, Company has special emphasis on Diversity and Inclusion, and today women are employed equally in our workforce. Company has also adopted special recruitment drives for women workforce across its factories and special arrangements for their training & skill development towards its social cause for women empowerment and gender equality, so that women are better equipped to contribute to the productivity of their families and the society at large.

Your Company has undertaken employee's development initiatives, which have very positive impact on the morale and team spirit of the employees. 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 as the Company has continued to give special attention to human resources and their overall development. Our concerted efforts to enable the growth of our employees along with the Company, has helped us significantly in ensuring enhanced employee satisfaction in Servotech.

10. INTERNAL CONTROL SYSTEMS

The Company has proper and adequate internal control system to ensure that all its assets are safeguarded and protected against any loss and that all the transactions are properly

12. KEY FINANCIAL RATIOS

The Company has identified following ratios as key financial ratios:

Sl. No.	Particulars	As at 31 st March, 2022	As at 31 st March, 2021	Changes
1.	Current Ratio (times) = Current Assets /Current liabilities	1.78	1.79	-0.96%
2.	Debt-Equity Ratio (times) = Total Borrowings/Shareholder's equity	0.42	0.64	-34.16%
3.	Debtor Turnover (Days)	96.24	210.01	-54.17%
4.	Return on Equity Ratio % = Net Profit after taxes/Average Shareholder's equity	8.6%	2.40%	259.08%
5.	Inventory Turnover ratio (times)= Revenue from operations/Average inventory	9.74	7.14	36.37%
6.	Net Profit ratio % = Net Profit/Revenue from operations	2.73%	1.06%	157.30%
7.	Return on capital employed % = EBIT/Capital employed (Average Total Equity + Debts)	11.6%	6.64%	75.16%
8.	Return on Investment % = EBIT/Average Total Assets	8.72%	4.35%	100.24%

13. DISCLOSURE OF ACCOUNTING TREATMENT

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

authorized and recorded. The internal control systems are subject to continuous improvement. Company ensures the reliability of financial reporting and compliance with laws and regulations. The internal control framework is reviewed regularly by the management as well as Internal Auditors and presented to the Audit Committee. The internal financial controls are commensurate with the size of the Company and the complexity of its operation and well capable of detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. Internal financial controls have been operating effectively throughout the year.

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.

11. CAUTIONARY STATEMENT

The statements in the 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning applicable to securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic, political, changes in government regulations, tax regimes, economic developments and various other internal and incidental factors. Company does not undertake to update any forward looking statements to reflect future events or circumstances. Investors are advised to exercise due care and caution while interpreting these statements.

Secretarial Audit Report

For the financial year ended 31st March, 2022

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2022, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities during the financial year under review;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (De-listing of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted/ proposed to delist its equity shares from any stock exchange during the financial year under review.

- h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 - Not applicable as the Company has not bought back/ propose to buy back any of its securities during the financial year under review.
- vi. The management has identified the following laws as specifically applicable to the Company.
- Legal Metrology Act, 2009;
 - The Environmental (Protection) Act, 1986;
 - The Water (Prevention & Control of Pollution) Act, 1974;
 - The Air (Prevention & Control of Pollution) Act, 1981;
 - Factories Act, 1948 and allied State Laws;
 - All other Labour, employee and Industrial Laws to the extent applicable to the Company.

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

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India notified by Central Government;
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

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

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

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

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

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

- The Equity Shares of the Company were listed on capital Market Segment (Main Board) Pursuant to Migration from SME Emerge platform vide letter No. NSE/LIST/116 dated 31st August, 2021.
- During the review period the Company has issued and allotted 3,55,000 equity shares of Rs.10 each at an issue price of Rs.102.16 on the preferential basis in the board meeting held on 16th March, 2022. The listing approval from NSE for the same was received subsequent to the end of financial year on 2nd May, 2022 vide their letter no. NSE/LIST/ 30726.

**For R&D
Company Secretaries**

**Debabrata Deb Nath
Partner**

FCS No.: 7775; CP No. : 8612

Peer Review Certificate No.1403/2021

UDIN: F007775D000769294

Place: Delhi

Date: 09.08.2022

Annexure-A

To
The Members

Servotech Power Systems Limited

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

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

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

**For R&D
Company Secretaries**

**Debabrata Deb Nath
Partner**

FCS No.: 7775; CP No. : 8612

Peer Review Certificate No.1403/2021

UDIN: F007775D000769294

Place: Delhi

Date: 09.08.2022

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)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso is given below:

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 are not in ordinary course of business or at arm's length during the year ended 31st March 2022. 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.	date(s) of approval by the Board	NIL

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

A. CONSERVATION OF ENERGY

i. Steps taken or impact on conservation of energy

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

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

1. Installation of 15KW Solar Power Plant in Office & Basement Area that saves electricity Consumption upto – Rs. 120000–150000;
2. Installation of LED lights in place of conventional lights which save electricity consumption – Rs. 25000 – 30000;
3. Usage of R2 Switch in Air Conditioner, which has a function to ON AC for 45 minutes & OFF for 15 minute in 1 hour. Same function is installed in Motor for water supply. This will save Electricity & prevent water wastage;
4. Converting official vehicles in to Battery operated (EV vehicles) to save Rs. 256000- 340000;
5. Plantation in Company premises 50 Plants.

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

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

1. Installation of 500KKWp Grid Interactive Solar Power Plant
2. Installation of 452KWp Grid Interactive Solar Power Plant in BPCL
3. Installation of 72KWp Grid Interactive Solar Power Plant in IOCL
4. Installation of 24KWp Grid Interactive Solar Power Plant in IOCL Madurai Divisional Office
5. Installation of 30KWp Grid Interactive Solar Power Plant in IOCL Chennai (Tamil Nadu)
6. Installation of 10KWp Grid Interactive Solar Power Plant in IOCL Jaisalmeri
7. Installation of 400 Pieces of 18W Solar Street light in Haryana Village under CRCA Project of IOCL
8. 40 Nos. 2 KW PV port Install and 15 Nos. 2 KW PV PORT Install under GIZ and Renec project at Gujrat and Various State
9. Installation on progress of 5 MW on grid solar plant project in UP under UPNEDA project
10. Installation of Off grid 370 KW Solar Power plant with Lithium battery in UP under UPNEDA project

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

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

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

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

- i. Introduced wifi enabled MPPT Solar charge controller for Home light & street light
- ii. Development of Auto switches to save energy.
- iii. Development of EV Charger Ac type and DC type for alternate source of Vehicles
- iv. Development of Hybrid Solar Inverter for Solar Power plant
- v. Development of On grid Solar Inverter for Solar Power plant
- vi. Development of Oxygen concentrator 5LPM and 10 LPM
- vii. Development of UV lights and UV Chamber for disinfection
- viii. Development of Charging Points for electric Vehicle
- ix. Development of Solar Auto Rickshaw

Benefits Derived as a result of the above Efforts

- i. Cost reduction as per market value of LifePo4 batteries
- ii. Reduces cost as per market value Charging Point for electric Vehicle
- iii. Reduces cost as per market value Solar Auto Rickshaw
- iv. Improvement in manufacturing processes;
- v. Partial and complete replacement of hazardous and toxic re-agents with environment-friendly substitutes;
- vi. Better Customer satisfaction and support; and
- vii. Exploitation of the resources to the fullest in a judicious manner.

C. EXPENDITURE INCURRED FOR RESEARCH & DEVELOPMENT

Capital Expenditure: NIL

Revenue Expenditure: Rs. 8,84,000

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Amount (in Lacs)
Foreign Exchange Earnings	190.53
Foreign Exchange Outgo	1176.73

DETAILS OF REMUNERATION OF DIRECTORS, KMPs AND EMPLOYEES

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1) Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2021-22.

Sl. No.	Particulars	Designation	Ratio of remuneration of each Director to median remuneration of Employees	% Increase in Remuneration
1.	Mr. Raman Bhatia	Managing Director	14.04	NA
2.	Ms. Sarika Bhatia	Whole-time Director	12.64	NA
3.	Mr. Nimesh Malhotra	Whole-time Director	5.22	16.80

2) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the financial year 2021-22.

Sl. No.	Name of the Director/KMP	Designation	Percentage increase in Remuneration
1.	Mr. Raman Bhatia	Managing Director	NA
2.	Ms. Sarika Bhatia	Whole-time Director	NA
3.	Mr. Nimesh Malhotra	Whole-time Director	16.80
4.	*Mr. Arun Handa	Chief Executive Officer	NA
5.	Mr. Anupam Gupta	Director	NA
6.	Mr. Rajesh Mohan Rai	Director	NA
7.	Mr. Sahiel Khurana	Director	NA
8.	Mr. Vikas Bhatia	Chief Financial Officer	17.51
9.	Ms. Priya Pandey	Company Secretary	15.22

*Mr. Arun Handa has resigned from the designation of Chief Executive Officer (CEO) with effect from 29.05.2021.

- 3) The percentage increase in the median remuneration of Employees in the financial year:** In Financial Year 2021-2022 was an increase of 5.82% in the median remuneration of employees.
- 4) The number of permanent Employees on roll of the Company:** The Company has 171 permanent Employees on the rolls of Company as on 31st March, 2022.
- 5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** During the financial year the average percentile increase made in the salary of employees was 36% and its comparison with the percentile increase in the managerial remuneration was NIL.
- 6) Affirmation that the remuneration is as per the remuneration policy of the company:** It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

DATE: 27th August, 2022
PLACE: New Delhi

RAMAN BHATIA
MANAGING DIRECTOR
DIN- 00153827

CORPORATE GOVERNANCE REPORT

“Nobody understands how the world will change. The only way you can plan for the future is to have scenarios. You have to have the courage to take a leap of faith on one of them.”

Anand Mahindra

In terms of Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a Report on Corporate Governance for the year ended 31st March, 2022 is presented below:

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

At Servotech, Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. The corporate governance philosophy of the Company has been further strengthened through practicing absolute Compliance.

Our corporate governance is reinforced through the Company’s Code of Conduct and Ethics, corporate governance guidelines and committee charters. Our Board and Management processes, audits and internal control systems reflect the corporate governance framework principles. This report gives a comprehensive look at how our governance adheres to the Corporate Compliance Framework.

2. BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate superintendence, control and responsibility of the affairs of the Company. The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals and targets, policies, governance standards, reporting mechanism and accountability and decision making process to be followed.

i. Composition and Board Diversity:

The Company has a balanced Board with optimum combination of Executive and Non-Executive Independent Directors, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance.

The Board currently comprise of 8 (eight) Directors out of which 3 (Three) Directors are Executive Directors including 1(one) Woman Director, 4(four) are Independent Directors and 1(one) Non-Executive and Non-Independent Director. The Independent Directors are Non-Executive Directors, as defined under Regulation 16(1)(b) of the SEBI Listing Regulations as amended from time to time.

- a) 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.
- b) The number of Directorships, Committee memberships/ chairmanships of all Directors is within the respective limits prescribed under the Act and SEBI Listing Regulations. Necessary disclosures regarding Board and Committee positions in other public companies as on March 31, 2022 have been made by all the Directors of the Company.
- c) 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).
- d) Your Company has received declarations from all its Independent Directors confirming that they meet the criteria of independence prescribed both under the Companies Act, 2013 and the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors of the Company fulfills the conditions specified in SEBI Listing Regulations and are independent of the Management.
- e) Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives declarations under Section 149(7) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations that he/she meets the criteria of independence as stated in these provisions/clauses.
- f) None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five committees across the public companies in which he/she is a director.
- g) None of the Independent Directors on the Board serve as Independent Directors in more than seven listed entities. None of the Executive Directors on the Board serve as an Independent Director in more than three listed entities.
- h) The names and categories of the Directors on the Board as on 31st March, 2022 is given herein below:

Sl. No.	Name of Directors	DIN	Designation	Category	No. of Equity Shares held in the Company
1.	Mr. Raman Bhatia	00153827	Managing Director	Promoter and Executive Director	66,98,765
2.	Ms. Sarika Bhatia	00155602	Whole-time Director	Promoter and Executive Director	25,79,675
3.	Mr. Nimesh Malhotra	07104660	Whole-time Director	Executive Director	4,532
4.	Mr. Sahiel Khurana	02340950	Director	Non-executive Independent Director	Nil
5.	Mr. Anupam Gupta	09050762	Director	Non-executive Independent Director	Nil
6.	Mr. Rajesh Mohan Rai	09050751	Director	Non-executive Independent Director	Nil

ii. Changes in Board composition during the financial year 2021-22

Name	Nature of change
Mr. Jorg Gaebler, Non-Executive Non- Independent Director	Appointed as an Additional Non-Executive Non-Independent Director vide Board Meeting held on 9 th August, 2022. His appointment is subject to approval by Members in this Annual General Meeting.
Mr. Sampat Rai, Non-Executive Independent Director	Appointed as an Additional Non-Executive Independent Director vide Board Meeting held on 9 th August, 2022. His appointment is subject to approval by Members in this Annual General Meeting.

ii. Directorships in other listed entities

None of the Directors hold directorship in other listed entities except Mr. Rajesh Mohan Rai who holds the designation as Additional Director on the Board of Enviro Infra Engineers Limited vide CIN: U45200DL2009PLC191418, a Public Unlisted Company.

circumstances, additional or supplementary item(s) on the agenda are permitted. In order to transact some urgent business, which may come up after circulation agenda papers, the same is placed before the Board by way of table agenda or Chairman's agenda. Frequent and detailed deliberation on the agenda provides the strategic roadmap for the future growth of the Company.

iv. Board Meetings and Procedures

- The Board of Directors meet at least once in each quarter to, inter-alia, review annual operating and capital expenditure plans, 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.
- Board Meetings are governed by structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary in consultation with the Senior Management prepares the detailed agenda for the meetings.
- Agenda papers and Notes on Agenda are circulated to the Directors, in advance, in the defined agenda format. All material information is circulated along with agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional

- Minimum 4 (four) Board meetings are held every year (one meeting in every calendar quarter). Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions may also be passed by way of circulation.
- The Board meets at least once every quarter to review the Company's operations and financial performance. The maximum time gap between any two meetings is not more than 120 days. The necessary quorum was present in all the meetings.
- Profile of the Directors is available on the website of the Company at <https://www.servotech.in/team>.
- During the year under review, Board met 18 (eighteen) times i.e. on 27.05.2021, 30.06.2021, 15.07.2021, 22.07.2021, 05.08.2021, 27.08.2021, 03.09.2021, 20.09.2021, 22.09.2021, 22.10.2021, 12.11.2021, 26.11.2021, 16.12.2021, 18.12.2021, 31.01.2022, 01.02.2022, 16.02.2022 and 16.03.2022. The necessary quorum was present for all the meetings.

v. 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.

The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting held on 30th September, 2021.

Name of Director(s)	Attendance at		No. of Directorship in other Public Companies	No. of Committees Positions held in other Public Companies	
	Board Meetings	Last AGM		Chairperson	Member
Mr. Raman Bhatia	18	Yes	Nil	Nil	Nil
Ms. Sarika Bhatia	18	Yes	Nil	Nil	Nil
Mr. Nimesh Malhotra	18	Yes	Nil	Nil	Nil
Mr. Sahiel Khurana	18	Yes	Nil	Nil	Nil
Mr. Anupam Gupta*	18	Yes	Nil	Nil	Nil
Mr. Rajesh Mohan Rai*	18	Yes	01	Nil	Nil
Mr. Sampat Rai	0	No	Nil	Nil	Nil
Mr. Jorg Gaebler	0	No	Nil	Nil	Nil

1. Mr. Anupam Gupta and Mr. Rajesh Mohan Rai were appointed as Additional in the category of Non-Executive Independent Director vide Board Meeting dated 12th February, 2021.
2. Mr. Sampat Rai and Mr. Jorg Gaebler were appointed as Additional in the category of Non-Executive Independent Director and Non-Executive and Non-Independent Director vide Board Meeting dated 9th August, 2022 respectively.

Notes:

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

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

vi. Details of Skills/Expertise of Board of Directors as per Schedule V of SEBI Listing Regulations

During the year, the Board accepted all recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board. Hence, the Company is in compliance of condition of clause 10(j) of Schedule V of the SEBI Listing Regulations.

The following is the list of core skills/competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

Business Leadership	Leadership experience including in areas of business development, strategic planning, succession planning, driving change and long-term growth and guiding the Company and its senior management towards its vision and values.
Financial Expertise	Knowledge and skills in accounting, finance, treasury management, tax and financial management of large corporations with understanding of capital allocation, funding and financial reporting processes.
Risk Management	Ability to understand and assess the key risks to the organization, legal compliances and ensure that appropriate policies and procedures are in place to effectively manage risk.
Global Experience	Global mindset and staying updated on global market opportunities, competition experience in driving business success around the world with an understanding of diverse business environments, economic conditions and regulatory frameworks.
Analytical and Decision Making	Ability to assess 'build or buy' & timing of decisions, analyze the fit of a target with the Company's strategy and evaluate operational integration plans
Corporate Governance	Experience in implementing good corporate governance practices, reviewing compliance and governance practices for a sustainable growth of the Company and protecting stakeholders' interest.
Technology & Innovations	Experience or knowledge of emerging areas of technology such as digital, artificial intelligence, cyber security, data center, data security etc.

The specific areas of focus or expertise of individual board members are as mentioned below:

Name of Director	Area of Skills/Expertise					
	Business Leadership	Financial Expertise	Global Experience	Analytical and Decision Making	Corporate Governance	Technology & Innovations
Mr. Raman Bhatia	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Sarika Bhatia	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Nimesh Malhotra	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Sahiel Khurana	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Anupam Gupta	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Rajesh Mohan Rai	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Sampat Rai	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Jorg Gaebler	Yes	Yes	Yes	Yes	Yes	Yes

1. Mr. Sampat Rai and Mr. Jorg Gaebler were appointed as Additional in the category of Non-Executive Independent Director and Non-Executive and Non-Independent Director vide Board Meeting dated 9th August, 2022 respectively.

vii. Meeting of Independent Directors

- a) Company's definition of 'Independence' of Directors is derived from Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (LODR) Regulations. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/disclosures received from the Directors, the Board confirms that the Independent Directors fulfill the conditions as specified under SEBI (LODR) Regulations and are independent of the management.
- b) The Board members are provided with necessary documents/brochures and reports to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, business strategy and risks involved Quarterly updates on relevant statutory changes encompassing important laws are regularly circulated to the Directors.
- c) The Independent Directors have included their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.
- d) The separate meetings of Independent Directors for the Financial Year 2021-22 as per Clause VII (1) of Schedule IV under Section 149 (8) of the Companies Act, 2013 and Regulation 25 (3) of Listing Regulations were held on 16th June, 2021 wherein the Independent Directors reviewed the performance of the Managing Director, Non-Independent Directors and other matters.
- e) All new Non-Executive Directors inducted to the Board are introduced to the Company's culture through an orientation programme. Managing Director, Executive Director and Senior Management provide an overview of operations and familiarize the new Non-Executive Directors with the organisation structure, Board procedures, operations of the Company, etc.
- f) Pursuant to Regulation 25(7) of the Listing Regulations, the Company conducted various familiarization programmes for its Directors including review of Industry Outlook at the Board Meetings, regulatory updates at Board and Audit Committee Meetings, presentations on Internal Control over Financial Reporting, Statutory Compliance, HR, IT, investor grievances, Prevention of Insider Trading Regulations, Listing Regulations, framework for Related Party Transactions, etc.
- g) The Independent Directors immediately on appointment are issued a formal letter of appointment and a welcome docket outlining their rights, roles and responsibilities, and the Business overview of the Company, policies and procedures, code of conduct, board charter etc. The Chairman as well as the Managing Director of the Company, brief the Director(s) individually on the industry and businesses of the Company, prior to their appointment.
- h) 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 web-link thereto is <https://www.servotech.in/investors/corporate-governance/policies/familiarization-programme-for-independent-directors>
- i) The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors

viii. Familiarization Programme

that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment. The details of evaluation are captured in the Directors' Report, which forms part of this Annual Report.

3. GOVERNANCE BY THE COMMITTEES

The Committees of the Board play an important role in the governance structure of the Company and have been constituted to focus on specific areas and make informed decisions within the delegated authority. Each Committee is guided by its Charter or Terms of Reference, which provides for the composition, scope, powers and duties and responsibilities. The recommendation and/or observations and decisions are placed before the Board for information or approval. The Chairman of respective Committee updates the Board regarding the discussions held/decisions taken at the Committee Meeting.

As on 31st March, 2022, the Board has constituted the following mandatory and non-mandatory Committees:-

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders' Relationship Committee
- d. Committee of Board of Directors
- e. Corporate Social Responsibility Committee

I. AUDIT COMMITTEE

Auditors and the Board to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report. The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Act read with the rules made thereunder and Regulation 18 read with Part C of Schedule II of SEBI (LODR) Regulations. The Committee comprises of members who possess financial and accounting expertise/exposure. A detailed composition of the Audit Committee is also available on the website of the Company at <https://www.servotech.in/investors/corporate-governance/board-and-committees>.

The role of the Committee inter-alia includes the following:

i. Terms of Reference

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:

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 approve the payment to Statutory Auditors for any other services rendered by Statutory Auditors;
4. 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
5. To review with the management, the quarterly financial statements before submission to the Board for approval;
6. To review, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilized for purposes other than

those stated in the offer document/prospectus/notice and making appropriate recommendations to the board to take up steps in this matter;

7. To review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. To approve or any subsequent modification of transactions of the Company with related parties;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. To evaluate the internal financial controls and risk management systems;
11. To discuss with internal auditors of any significant findings and follow up thereon;
12. To scrutinize the inter-corporate loans and investments;
13. To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. To review the functioning of the Whistle Blower Mechanism;
15. To approve the appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
16. To discuss with Statutory Auditors before audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

ii. Composition, Meeting And Attendance

During the financial year under review, the committee met 6 (six) times, on 27.08.2021, 22.10.2021, 12.11.2021, 18.12.2021, 01.02.2022 and 16.03.2022 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. Sahiel Khurana	Chairperson	Independent Director	6	6
Mr. Raman Bhatia	Member	Executive Director	6	6
Mr. Anupam Gupta	Member	Independent Director	6	6

Requisite quorum was present in all the meetings.

Ms. Priya Pandey, Company Secretary of the Company acts as Secretary to the Committee. The Chairman of the Audit Committee was present at the last AGM held on 30th September, 2021 to answer the shareholders' queries.

II. NOMINATION AND REMUNERATION COMMITTEE

The purpose of the Nomination and Remuneration Committee ('NRC') is to oversee the Company's nomination process including succession planning for the senior management and the Board and specifically to assist the Board in identifying, screening and reviewing individuals qualified to serve as Executive Directors, Non-Executive Directors and determine the role and capabilities required for Independent Directors consistent with the criteria as stated by the Board in its Policy on Appointment and Removal of Directors. The NRC and the Board periodically reviews the succession planning process of the Company and is satisfied that the Company has adequate process for orderly succession of Board Members and Members of the Senior Management.

During the year, the NRC/Board conducted an evaluation of its own performance, Individual Directors as well as the working of the Committees as per the Board evaluation framework adopted by it.

The role of the Committee inter-alia includes the following:

i. Terms of Reference

The Board has adopted the NRC Charter (which includes terms of reference as provided under the Act and SEBI Listing Regulations) for the functioning of the NRC.

- a) 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;
- b) 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;
- c) 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;
- d) 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
- e) To ensure the Board Diversity by constituting the structure of Board of Directors.

ii. Composition, Meeting and Attendance

The Committee met 2 (two) times during the period under review on 18.10.2021, and 15.01.2022 respectively.

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

Name of Directors	Designation	Category of Director	No. of meetings held	No. of meetings attended
Ms. Sarika Bhatia	Chairperson	Independent Director	2	2
Mr. Anupam Gupta	Member	Independent Director	2	2
Mr. Rajesh Mohan Rai	Member	Independent Director	2	2

Requisite quorum was present in all the meetings.

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

iii. Remuneration Policy

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavours to attract, retain, develop and motivate the high-caliber executives and to incentivize them to develop and implement the Company's strategy, thereby enhancing the business value and maintain a high performance workforce. The policy ensures that the level and composition of remuneration of the Directors is optimum. 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:

- 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;
- Motivate KMP and Senior Management to achieve excellence in their performance;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Ensuring that the remuneration of Directors, KMP and Senior Management involves a balance between

fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. This policy is uploaded on the website of the company i.e. at <https://www.servotech.in/img/investor/Nomination-and-Remuneration-policy.pdf>

iv. Details of Remuneration

1. Executive Directors

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

The details of the remuneration paid to the Executive Directors are provided in the Extract of the Annual Return which is available on the Company's website: <https://servotech.in/blog/wp-content/uploads/2022/09/Extracts-of-Annual-Return-Form-MGT-9.pdf>

2. Non-Executive Directors

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

During the financial year 2021-22, the Company paid sitting fees to its Non-Executive Directors for attending meetings of the Board of Directors of the Company. The Company also reimburses the out-of pocket expenses incurred by the Directors for attending the meetings.

The details of the remuneration paid to the Non-Executive Directors is provided in the Extracts of Annual Return is available on the Company's website: <https://servotech.in/blog/wp-content/uploads/2022/09/Extracts-of-Annual-Return-Form-MGT-9.pdf>

3. Senior Management Employees

The remuneration is divided into two components viz; fixed component of salaries, perquisites and retirement benefits and variable component of performance based incentive.

III. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee ("SRC") is constituted in line with the provisions of Regulation 20 read with Part D of Schedule II of SEBI Listing Regulations and Section 178 of the Companies Act, 2013. SRC considers and resolves the grievances of our shareholders, including complaints relating to non-receipt of annual report, transfer and transmission of securities, non-receipt of dividends/interests, issue of new/duplicate certificates, general meetings and such other grievances as may be raised by the shareholders from time to time.

i. Terms of Reference

The terms of reference of the Committee include following:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

ii. Composition, Meeting and Attendance

The Committee met 1 (One) time during the period under review on 30.01.2022 respectively.

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

Name of Directors	Designation	Category of Director	No. of meetings held	No. of meetings attended
Mr. Sahiel Khurana	Chairperson	Independent Director	1	1
Mr. Nimesh Malhotra	Member	Whole-time Director	1	1
Mr. Rajesh Mohan Rai	Member	Executive Director	1	1

Requisite quorum was present in all the meetings.

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

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

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

IV. COMMITTEE OF BOARD OF DIRECTORS

The Committee of Directors provides 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.

i. 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.

ii. Composition, Meeting and Attendance

The Committee met 4 (four) times during the period under review on 26.05.2021, 14.07.2021, 21.10.2021 and 29.01.2022 respectively.

The composition of the Committee of Board of Directors 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	Independent Director	4	4
Mr. Rajesh Mohan Rai	Member	Whole-time Director	4	4
Mr. Nimesh Malhotra	Member	Executive Director	4	4
Mr. Sahiel Khurana	Member	Independent Director	4	4
Mr. Raman Bhatia	Member	Executive Director	4	4

V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The purpose of our Corporate Social Responsibility ('CSR') Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the initiatives to be undertaken by the Company, recommend the

amount of expenditure the Company should incur on Corporate Social Responsibility ('CSR') activities and to monitor from time to time the CSR activities and Policy of the Company. The CSR Committee provides guidance in formulation of CSR strategy and its implementation and also reviews practices and principles to foster sustainable growth of the Company by creating values consistent with long-term preservation and enhancement of financial, manufacturing, natural, social, intellectual and human capital.

i. Terms of reference of the Committee

- 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;
- Recommend the amount of expenditure to be incurred on the activities as above; and
- Monitor the CSR Policy of the Company from time to time.

ii. Composition, Meeting and Attendance

The Committee met 2 (two) times during the period under review on 16.06.2021, and 11.11.2021, respectively.

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

Name of Directors	Designation	Category of Director	No. of meetings held	No. of meetings attended
Mr. Rajesh Mohan Rai	Member	Independent Director	2	2
Mr. Sahiel Khurana	Member	Independent Director	2	2
Mr. Anupam Gupta	Member	Independent Director	2	2

VI. GENERAL BODY MEETINGS

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

Financial Year	Location(s)	Meeting Date	Time
2020-21	Video Conferencing ("VC")/ Other Audio Visual Means deemed to be conducted at the Registered Office of the Company	30 th September, 2021	11:00 A.M.
2019-20	Video Conferencing ("VC")/ Other Audio Visual Means deemed to be conducted at the Registered Office of the Company	19 th December, 2020	11:00 A.M.
2018-19	Hotel Crown Plaza, Twin District Center, Sector-10, Rohini, New Delhi-110085	29th September, 2019	09:30 A.M.

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

During the year following resolution have been passed as Special Resolution(s):

a) ANNUAL GENERAL MEETING- 30th SEPTEMBER, 2021

RESOLUTION NO. 2: Re-appointment of Ms. Sarika Bhatia as the Whole-Time Director, who retires by rotation and being eligible, offer herself for re-appointment.

Category	No. of shares held	No. of Votes polled	% of votes Polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
Promoter and Promoter Group	12863475	12861600	99.99	12861600	0	100	0
Public – Institutions	0	0	0	0	0	0	0
Public -Non Institutions	5456954	89070	1.63	89070	0	100	0
Total	18320429	12950670	70.69	12950670	0	100	0

RESOLUTION NO. 3: Re-appointment of Mr. Raman Bhatia as the Managing Director for a period of 5 (five) years w.e.f. 1st June, 2022.

Category	No. of shares held	No. of Votes polled	% of votes Polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
Promoter and Promoter Group	12863475	12861600	99.99	12861600	0	100	0
Public – Institutions	0	0	0	0	0	0	0
Public -Non Institutions	5456954	89070	1.63	89070	0	100	0
Total	18320429	12950670	70.69	12950670	0	100	0

RESOLUTION NO. 6: Approve the re-appointment of Mr. Sahiel Khurana, (DIN: 02340950) as an Independent Director of the Company for a second term of five consecutive years.

Category	No. of shares held	No. of Votes polled	% of votes Polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
Promoter and Promoter Group	12863475	12861600	99.99	12861600	0	100	0
Public – Institutions	0	0	0	0	0	0	0
Public -Non Institutions	5456954	89070	1.63	89070	0	100	0
Total	18320429	12950670	70.69	12950670	0	100	0

b) ANNUAL GENERAL MEETING- 19th DECEMBER, 2020

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

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

RESOLUTION NO. 4: Payment of remuneration to Mr. Raman Bhatia, (DIN: 00153827) Managing Director.

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

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

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

RESOLUTION NO. 5: Re-appointment of Mr. Nimesh Malhotra, (DIN: 07104660) as the Whole-time Director for a period of 3 (three) years w.e.f. 19th July, 2021.

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

b) ANNUAL GENERAL MEETING- 29TH SEPTEMBER, 2019

RESOLUTION NO. 3: Appointment of Mr. Nimesh Malhotra, (DIN: 07104660) as the Whole-time Director of the Company.

Category	No. of shares held	No. of Votes polled	% of votes Polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
Promoter and Promoter Group	12856250	12856250	100	12856250	0	100	0
Public – Institutions	0	0	0	0	0	0	0
Public -Non Institutions	5482179	16282	0.3	16282	0	100	0
Total	18310429	12844532	70.15	12844532	0	100	0

RESOLUTION NO. 4: Appointment of Ms. Sarika Bhatia (DIN: 00155602) as the Whole-time Director of the Company.

Category	No. of shares held	No. of Votes polled	% of votes Polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
Promoter and Promoter Group	12856250	12856250	100	12856250	0	100	0
Public – Institutions	0	0	0	0	0	0	0
Public -Non Institutions	5482179	16282	0.3	16282	0	100	0
Total	18310429	12844532	70.15	12844532	0	100	0

RESOLUTION NO. 5: Ratification of Remuneration of M/s. N N Sharma & Associates, Cost Auditors of the Company

Category	No. of shares held	No. of Votes polled	% of votes Polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes in against on votes polled
Promoter and Promoter Group	12856250	12856250	100	12856250	0	100	0
Public – Institutions	0	0	0	0	0	0	0
Public -Non Institutions	5482179	16282	0.3	16282	0	100	0
Total	18310429	12844532	70.15	12844532	0	100	0

III. DETAILS OF THE SPECIAL RESOLUTIONS PASSED DURING THE FINANCIAL YEAR 2021-2022 THROUGH POSTAL BALLOT

During the year following resolution have been passed as Special Resolution:

1) POSTAL BALLOT PROCESS- 5th July, 2021

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated 27th May, 2021 for Migration of Company's Equity Shares From EMERGE SME Platform of National Stock Exchange of India Limited ("NSE") to Main Board of NSE, which was duly passed and the results of which were announced on 5th July, 2021 and the same were duly filed on NEAPS Portal.

The Board of Directors of the Company in its Meeting held on 27th May, 2021 had appointed Mr. Debabrata Deb Nath, (FCS No.: 7775; CP No.: 8612) Partner, R&D Company Secretaries, Practicing Company Secretaries as the Scrutinizer for conducting the Postal Ballot by way of remote e-voting process in accordance with the Act and in a fair and transparent manner.

RESOLUTION: Migration of Company's Equity Shares from Emerge SME Platform of National Stock Exchange Of India Limited ("NSE") to Main Board of NSE.

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

VI. 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 disseminates to its stakeholders as follows:

Financial Results	The quarterly, half-yearly and annual results are displayed on the Company's website and also published in leading newspapers in India which includes The Financial Express and Jansatta.
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/Quarterly and Annual financial results along with the applicable policies of the Company.

Stock Exchange(s)	Your Company makes timely disclosures of necessary information the National Stock Exchange of India Limited (“NSE”) NEAPS Portal and Digital Exchange 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.

V. DISCLOSURES

1. Code of Conduct

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

The Company has a Code of Conduct for its Board Members and Senior Management Personnel pursuant to the provisions of the Act and as per Regulation 17 of the Listing Regulations. The Code of Conduct been placed on the Company’s website www.servotech.in. All Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2022.

2. Role of the Company Secretary In Governance Process

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

3. Related Party Transactions

There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or subsidiaries that had potential conflict with the interest of the Company. Transactions with related parties, as per requirements of Indian Accounting Standard-24, are disclosed in notes to accounts annexed to the financial statements and the details of significant transactions in Form AOC-2 is annexed to the Directors Report.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company’s website.

4. 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.

5. Whistle Blower Policy/Vigil Mechanism

The Company has adopted Vigil Mechanism & Whistle Blower Policy in which any Employee, Director, Stakeholder including employees, customers, suppliers and shareholders who observes any unethical behavior, actual or suspected fraud,

improper practices or wrongful conduct may report the same to the Audit Committee. No person is denied access to the Audit Committee and whistle blower policy protects such whistle blowers from adverse personnel action.

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

6. Accounting Standards

The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements.

7. Details of utilization of funds raised through Preferential Allotment or qualified institutional placements as specified under Regulation 32(7A).

The Company vide its Board Meeting held on 1st February, 2022 subject to approval of the shareholders of the Company in Extra-Ordinary General Meeting held on 4th March, 2022 had approved the issue and allotment of 355000 equity shares on a preferential basis to other than Promoters and Promoter Group. There has been no deviation in use of proceeds of the funds raised.

8. Reconciliation of share capital audit

Mr. Debabrata Deb Nath, qualified Practicing Company Secretary, for the financial year 2021-22, had carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

9. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors is given below:

M/s. Gupta Jalan and Associates, Chartered Accountants

Payment to Statutory Auditors	FY 2021-2022
Audit Fees	4,00,000
Out of Pocket Expenses	-
Other Matters	-
Total	4,00,000

10. Recommendation of the Board Committees

During the year under review, there have been no instances of rejection by the Board of any recommendations made by any of its Committees.

11. CEO/CFO Certification

The MD and CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

12. Subsidiary Companies

As on date of this report, your Company have 2(two) Subsidiaries. The Company monitors performance of subsidiary companies, inter-alia, by the following means:

- The Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies.

- ii. The minutes of the meetings of the Board of directors of the unlisted subsidiary companies were placed at the meetings of the Board of Directors of the Company.
- iii. The statement of all significant material transactions and arrangements entered into by the Unlisted subsidiary is placed before the Audit Committee on a periodical basis.

13. Code of Conduct for Prohibition of Insider Trading

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended. All Designated Persons who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. On a quarterly basis, the Audit Committee reviews the compliance with these Regulations. Your Company has also formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Codes have been hosted the Company's website at <https://www.servotech.in/img/investor/Code-of-Conduct-for-Insider-Trading.pdf>.

14. Board Diversity

The Company has adopted the Policy on Board Diversity as required under Regulation 19 read with Part D of Schedule II of SEBI (LODR) Regulations. The policy is available at Company's website at <https://www.servotech.in/img/investor/corporate-governance-policies/Board-Diversity-Policy.pdf>.

15. Succession Planning

The Nomination and Remuneration Committee works with the Board for succession planning for its Directors, Key Managerial Personnel and Senior Management.

- 16.** Your Company has obtained a certificate from a Company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. The same is attached as an Annexure to this report.
- 17.** During the year under review, the Company had not granted any loans/advances in the nature of loans to firms/companies in which Directors are interested.
- 18.** There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
- 19.** The Company has complied with and disclosed all the mandatory corporate governance requirements under Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of Listing Regulations, 2015 (relating to disclosure on the website of the Company).
- 20.** The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Directors' Report.

VI. DISCRETIONARY REQUIREMENTS

The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations, 2015 with Stock Exchanges is provided below:

1. The Board

The Company elects its Chairman in every meeting, 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.

2. Shareholders' Rights

The Company's financials are uploaded on the Company's website <https://www.servotech.in> and on the website of National Stock Exchange of India at nseindia.com.

3. Modified Opinion in Auditors Report

The Company's financial statements for the year 2021 do not contain any modified audit opinion.

4. Separate posts of Chairman and CEO

The Company elects its Chairman in every meeting, therefore, office of Chairperson is separate from that of the Managing Directors in the Company.

5. Reporting of Internal Auditor

The Chief Internal Auditor reports to the Audit Committee and he participates in the meetings of the Audit Committee and presents his audit observations to the Committee.

VII. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting		
1.	Day and Date	Thursday, 30th September, 2022
	Time	11:00 A.M.
	Venue	Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")
2.	Financial Year	1 st April, 2021 to 31 st March, 2022
3.	Date of Book Closure	Saturday, 24 th September, 2022 to Friday, 30 th September, 2022.
4.	Dividend payment date	The Company declared Interim Dividend of Rs. 20 paise per equity share of face value of Rs. 10/- each for Financial Year 2021-2022 vide Board Resolution dated 12 th November, 2021.
5.	Name and address of Stock Exchanges at which Company's securities are listed;	National Stock Exchange of India Limited ("NSE") Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400051 The Company had migrated from NSE-SME Portal to Main Board of NSE since 31st August, 2022.
6.	Stock Symbol	NSE Symbol: SERVOTECH ISIN: INE782X01017
7.	Listing Fees to Stock Exchanges	The Company has paid the annual listing fees for the financial year 2021-22 to the above Stock Exchanges.
	Custodial Fees to Depositories	The Company has paid custodial fees for the financial year 2021-2022 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

VIII. SHARE TRANSFER SYSTEM

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

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

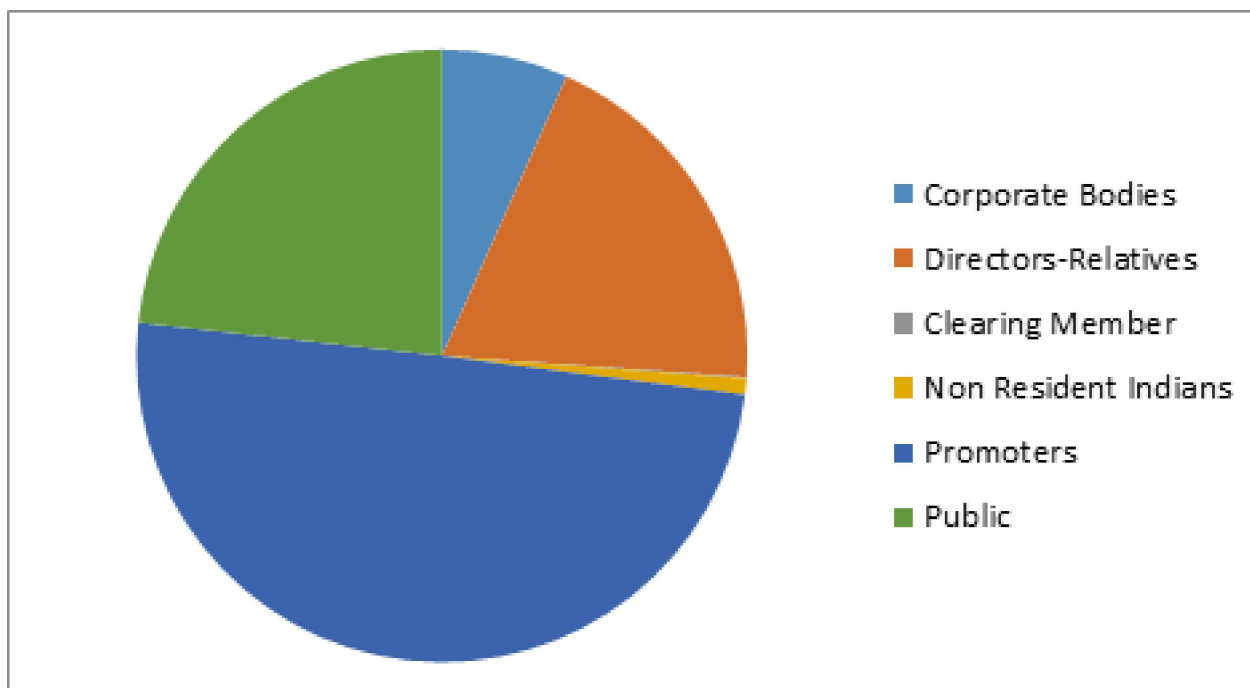
1. Certificate confirming due compliance of share transfer formalities by the Company pursuant to Regulation 40(9) of the SEBI Listing Regulations for half year ended 30th September 2021 and 31st March, 2022 respectively with the Stock Exchange and
2. Certificate regarding reconciliation of the share capital audit of the Company on quarterly basis. All share transfer and other communication regarding share certificates, change of address, dividend etc. should be addressed to R & T Agents of the Company.

IX. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2022

Sl. No.	No. of equity Shares held	No. of Shareholders	% of total Shareholders	No. of total Shares held	Shareholding in % age
1	1-5000	2501	83.64	1886410	1.03
2	5001-10000	154	5.15	1242110	0.67
3	10001-20000	79	2.64	1216220	0.66
4	20001-30000	29	0.96	744770	0.40
5	30001-40000	72	2.40	2738450	1.49
6	40001-50000	33	1.10	1488820	0.81
7	50001-100000	39	1.30	3104740	1.69
8	100001 & above	83	2.77	170682770	93.21
TOTAL		2290	100	18310290	100

X. CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2022

Sl. No.	Category	Share	Percentage (%)
1	CORPORATE BODIES	12,50,564	6.69
2	DIRECTORS-RELATIVES	36,22,905	19.40
3	CLEARING MEMBER	14,408	0.07
4	NON RESIDENT INDIANS	1,58,692	0.85
5	PROMOTERS	92,78,440	49.70
6	PUBLIC	43,40,420	23.25
	Total	1,86,65,429	100



XI. DEMATERIALIZATION OF SHARES AND LIQUIDITY

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

The Company has established connectivity with both the depositories viz. NSDL and CDSL through the Registrar & Share Transfer Agent- Bigshare Services Private Limited. This has facilitated the shareholders to hold and trade their shares in 'electronic form'. As on 31st March, 2022, 18513536 equity shares of the Company, forming 99% of the shareholding stand dematerialized.

XII. OUTSTANDING GDRs/ADRs/Warrants or any convertible Instruments, conversion dates and likely impact on equity

There are no outstanding instruments and hence there will be no dilution of the equity.

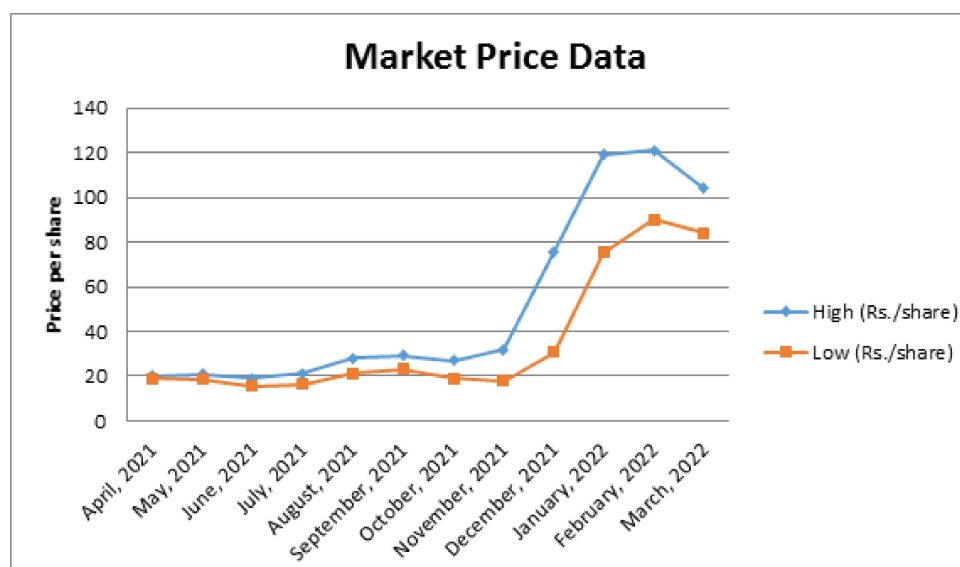
XIII. GREEN INITIATIVE IN CORPORATE GOVERNANCE

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, quarterly and half-yearly results, amongst others, to Shareholders at their e-mail address previously registered with the DPs and RTAs. To support this Green Initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the depository through their concerned Depository Participant. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA, by sending a letter, duly signed by the first/sole holder quoting details of Folio No.

XIV. MARKET PRICE DATA

Monthly high and low of the Equity Shares of the Company at NSE during the year ended 31st March, 2022 are as follows:

Months during the financial year ended 31 st March, 2022	NSE	
	High (Rs./share)	Low (Rs./share)
April, 2021	20.00	19.20
May, 2021	21.00	18.75
June, 2021	18.95	15.50
July, 2021	21.25	16.40
August, 2021	28.10	21.25
September, 2021	29.25	23.05
October, 2021	27.00	19.00
November, 2021	31.80	17.95
December, 2021	75.65	30.80
January, 2022	119.15	75.45
February, 2022	121.00	90.10
March, 2022	103.90	83.85



XV. Transfer of Unpaid/Unclaimed Dividend Amounts to Investor Education and Protection Fund

During the year under review, the Company had for the first time since its incorporation had declared an interim dividend. Therefore, there is no dividend liable to be transferred to IEPF.

XVI. PLANT LOCATIONS

1. Kundli, Sonapat, Haryana:

The Company has a manufacturing facility at Plot No.76-A, Sector-57, Kundli Industrial Area, Sonapat, Haryana – 131028.

2. Bawana, New Delhi:

The Company is under the process of incorporation of a new subsidiary, the plant location of which will be in Bawana, New Delhi.

XVII. ADDRESS FOR CORRESPONDENCE

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

COMPLIANCE OFFICER

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

DECLARATION REGARDING CODE OF CONDUCT

I hereby declare that all Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company during the year 2022.

27th August, 2022
New Delhi

Raman Bhatia
Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of **Servotech Power Systems Limited**

We have examined the compliance of conditions of Corporate Governance by Servotech Power Systems Limited, for the year ended on 31st March 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI LODR Regulations during the year ended on 31st March 2022.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For R&D
Company Secretaries**

**Debabrata Deb Nath
Partner**

**FCS No.: 7775; CP No. : 8612
Peer Review Certificate No.1403/2021
UDIN: F007775D000769294**

**Place: Delhi
Date: 09.08.2022**

COMPLIANCE CERTIFICATE

(Issued in accordance with the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Board of Directors

Servotech Power Systems Limited

806, 8th Floor, Crown Heights Building,

Sector-10, Rohini, New Delhi 110085

Dear Sirs,

We have reviewed the financial statements together with the cash flow statement of Servotech Power Systems Limited for the quarter ended 30th June, 2022 and that to the best of our knowledge and belief, we state that;

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. 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.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter ended 30th June, 2022 which is fraudulent, illegal or violative of the Company's code of conduct.
4. We accept the responsibility for establishing and maintaining internal controls for financial accounting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there had been no deficiency in design or operation of such internal controls during the period under review.

We further certify that the following information has been indicated to the Auditors and the Audit committee:

- a. There have been no significant changes in internal control over financial reporting during the year;
- b. There have been no significant changes in accounting policies during the year; and
- c. There have been no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours Sincerely

Place: New Delhi

Date: 8th August, 2022

Vikas Bhatia

Chief Financial Officer

Raman Bhatia

Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Members of **SERVOTECH POWER SYSTEMS LIMITED**

Report on the Audit of Standalone Financial Statements

OPINION

We have audited the accompanying standalone Financial Statements of **SERVOTECH POWER SYSTEMS LIMITED** ('the Company'), which comprise the balance sheet as at 31st March, 2021, the statement of profit and loss and the Statement of Cash Flows for the year ended on 31st March, 2022 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in the conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at 31st March, 2022 and profit and total comprehensive income, Cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent from the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

OTHER INFORMATION

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the

Audit Report under the provisions of the Act and the Rules made there under.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in

agreement with the books of account;

- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except non provision of retiring benefits of employees required as per accounting standard 15;
- (e) On the basis of the written representations received from the Directors as on 31st March, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2022 from being appointed as a Director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations as at 31st March, 2022 which would materially impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2022.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended 31st March, 2021.

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

CA Ram Niwas Jalan
(Partner)

Place: Delhi
The 20th Day of May, 2022

Membership No.: 082389
UDIN : 22082389AJHTYD7739

ANNEXURE "A "TO THE AUDITORS' REPORT

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

1. a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
b) All the fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the company and the nature of its assets. No serious discrepancies have been noticed on such physical verification.
c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. a) The management has conducted the physical verification of inventory at reasonable intervals.
b) The discrepancies noticed on physical verification of the inventories as compared to books records which has been properly dealt with in the books of account were not material.
3. The Company had not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, paragraph 3(iii) of the order is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, the Company has not made any loan or investment as required under the provision of section 185 and 186 of Companies Act 2013 with respect to the loans, investments, guarantees and security.
5. The Company had not accepted any deposits from the public.
6. The company has duly maintained the cost records as per section 148 (1) of the Companies Act, 2013.
7. In respect of Statutory dues: -
 - i) According to the information and explanations given to us, the company has been regular in depositing undisputed statutory dues including income tax, service tax, sales tax, any other statutory dues to the appropriate authorities, however there have been delays in certain cases. Also, no undisputed amounts payable in respect of income tax, Goods and service tax any other statutory dues were in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.
 - ii) According to the information and explanations given to us, the income tax department has created demand of Rs. 2 97 44 736/- For the assessment year 2016-17. The company had filed an appeal before commissioner of income tax New Delhi and deposited Rs. 2,50,000/-. The appeal is pending.
8. In our opinion and according to the information and explanation to us, the company had taken loan from financial Institution; the Company has not defaulted in the repayment of dues to banks.
9. (i) According to the information and explanations given to us, company had not raised money by way of initial public offer, therefore no further comments required.
(ii) According to the information and explanations given to us, the company had received term loan and had not defaulted in repayment of its installments during the year.
10. According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed during the course of our audit.
11. According to the information and explanations given to us, The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. The company is not a Nidhi Company; therefore, the provisions of Nidhi companies are not applicable on the company.
13. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the provisions of section 177 of the Companies Act 2013 are applicable to the Company, the transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Financial Statements as required by the accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The registration with Reserve Bank of India under section 45-IA of the Reserve Bank of India Act 1934 is not applicable on the company.

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

CA Ram Niwas Jalan
(Partner)

Place: Delhi
The 20th Day of May, 2022

Membership No.: 082389
UDIN : 22082389AJHTYD7739

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT

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

Opinion

We have audited the internal financial controls over financial reporting of **SERVOTECH POWER SYSTEMS LIMITED** (‘the Company’) as of 31st March, 2022 in conjunction with our audit of the standalone Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control. We are of the opinion that after designing and implementation of internal control system as per guidance note on audit of internal financial controls over financial reporting issued by ICAI will not substantially impact on our opinion on internal financial control system presently implemented in the company. The present system of internal financial control is effectively prevailing in the company.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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

CA Ram Niwas Jalan
(Partner)

Place: Delhi
The 20th Day of May, 2022

Membership No.: 082389
UDIN : 22082389AJHTYD7739

BALANCE SHEET

AS AT 31ST MARCH 2022

(Rs. in Lacs)

Particulars	Note	As at 31st March 2022	As at 31st March 2021
ASSETS			
(1) Non-Current Assets			
a) Property, Plant and Equipment	3	924.65	857.25
b) Other Intangible Assets	3	35.27	-
c) Investment Property	4	218.93	218.93
c) Financial Assets		-	-
i) Investments	4	14.25	-
ii) Loans		-	-
iii) Other Financial Assets		-	-
d) Deferred Tax Assets (net)	5	0.79	3.63
f) Other-Non Current Assets	6	1,418.47	1,132.29
g) Trade Receivables	8	813.41	1,018.98
		3,425.77	3,231.08
(2) Current Assets			
a) Inventories	7	1,218.60	1,525.88
b) Financial Assets		-	-
i) Trade Receivables	8	2,726.87	4,038.78
ii) Cash and Cash Equivalents	9	8.88	2.49
iii) Other Bank Balances	9	771.22	336.85
iv) Loans		-	-
v) Other Financial Assets		-	-
c) Other Current Assets	6	526.07	697.17
		5,251.64	6,601.18
TOTAL ASSETS		8,677.41	9,832.26
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	10.1	1,866.54	1,831.04
b) Other Equity	10.2	2,721.09	2,112.48
		4,587.63	3,943.52
(1) Liabilities			
Non-Current Liabilities			
a) Financial liabilities			
i) Borrowings	11	647.51	686.49
ii) Other Financial Liabilities		-	-
b) Other Non-Current Liabilities	12	215.20	159.90
c) Deferred Tax Liabilities	5	-	-
d) Provisions	13	36.59	106.09
f) Trade Payables	14	233.51	1,255.16
		1,132.81	2,207.63
(2) Current liabilities			
a) Financial Liabilities			
i) Borrowings	11	1,272.00	1,819.66
ii) Trade Payables	14	962.74	1,088.57
iii) Other Financial Liabilities		-	-
b) Other Current Liabilities	15	580.11	727.65
c) Provisions	13	142.12	45.21
		2,956.97	3,681.09
TOTAL EQUITY AND LIABILITIES		8,677.41	9,832.25

Significant accounting policies Notes on Financial Statements

1

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

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

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

Place: Delhi
The 20th day of May, 2022

UDIN : 22082389AJHTYD7739

For and on behalf of board

Raman Bhatia
(Managing Director)
DIN-00153827

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

Sarika Bhatia
(Whole-time Director)
DIN-00155602

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

STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31ST MARCH 2022

(Rs. in Lacs)

Particulars	Note	For the year ended 31st March 2022	For the year ended 31st March 2021
Total Income			
Revenue from operations	16	13,369.97	8,699.44
Other income	17	56.45	91.00
Total Revenue		13,426.42	8,790.44
Expenses		-	-
Cost of materials consumed	18	11,258.99	7,767.00
Change in Inventories	19	301.81	(334.76)
Employee benefits expense	20	536.97	407.11
Finance costs	21	244.93	289.56
Depreciation, amortisation and impairment expense	22	156.88	146.79
Other expenses	23	415.50	376.36
Total expenses		12,915.07	8,652.06
Profit before exceptional and tax (1 - 2)		511.35	138.38
Exceptional items		5.06	23.25
Profit before tax (3-4)		506.30	115.03
Tax expense:		139.93	23.21
(1) Current tax		127.10	30.22
(2) Deferred tax		2.84	(6.25)
(3) CSR Expenses		-	(0.76)
(4) Income Tax of Earlier Years		9.99	-
Profit (Loss) for the period (5-6)		366.37	91.83
Other Comprehensive Income		0.75	1.59
Items that will not be reclassified to profit or loss		1.00	2.12
Income tax relating to items that will not be reclassified to profit or loss		0.25	0.53
Total Comprehensive Income for the period (7+8)		367.12	93.41
Other Equity		-	-
Earnings per equity share:			
(1) Basic (@)		1.97	0.51
(2) Diluted (@)		2.00	0.51

Significant accounting policies Notes on Financial Statements 1

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

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

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

Place: Delhi
The 20th day of May, 2022

UDIN : 22082389AJHTYD7739

For and on behalf of board

Raman Bhatia
(Managing Director)
DIN-00153827

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

Sarika Bhatia
(Whole-time Director)
DIN-00155602

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2022

(Rs. in Lacs)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	506.30	115.03
Adjustments For :		
Depreciation and amortization expense	156.88	146.79
Finance Costs	244.93	289.66
Interest received	(21.07)	(17.00)
Operating Profit before Working Capital Changes	887.04	534.49
Taxes paid (Net)	(139.93)	(23.75)
	747.11	510.74
Adjustments For Working Capital :		
Inventories	307.28	(616.54)
Trade Receivables & Others	1,517.48	(731.89)
Other Financial Liabilities, Other Liabilities and Provisions	459.84	(301.88)
Trade Payable & Others	(1,147.47)	620.95
Increase/ (Decrease) in sundry creditors and other liabilities	(559.89)	639.29
Cash generated From Operating Activities	1,324.35	120.67
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(259.54)	8.41
Other/Interest Income	21.07	17.00
Long Term Loan & Advances	(51.77)	-
Short Term Loan & Advances	(523.16)	-
Investment in Holding Company	(14.25)	-
Net Cash Generated from (used in) Investing Activities	(827.65)	25.41
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment Towards Leased Laibility	(52.60)	(37.91)
Proceeds for Issue of Shares Capital	35.50	-
Other Adjustment	(45.00)	(5.00)
Repayment/Proceeds for Loan	(38.98)	211.87
Finance Cost	(244.93)	(289.66)
Share Premium Account including Reserves	290.54	
Net Cash Generated from (used in) Financing Activities	(55.47)	(120.70)
I Total increase (decrease) in cash and cash equivalents during the year (A+B+C)	441.23	25.38
II Cash and cash equivalents at beginning of year	339.75	314.37
III Cash and cash equivalents as at end of the year (I+II)	780.55	339.75

As per our report annexed
for **GUPTA JALAN & ASSOCIATES**

Chartered Accountants
FRN : 03721N

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

Place: Delhi
The 20th day of May, 2022

UDIN : 22082389AJHTYD7739

For and on behalf of board

Raman Bhatia
(Managing Director)
DIN-00153827

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

Sarika Bhatia
(Whole-time Director)
DIN-00155602

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2022

A. Equity Share Capital

(Rs. in Lacs)

Particulars	Note	For the year ended 31st March 2022	For the year ended 31st March 2021
Balance at the beginning of the Reporting period	10.1	1,831.04	1,831.04
Changes in Equity Share Capital during the year		35.50	-
Balance at the end of the Reporting period		1,866.54	1,831.04

B. Other Equity

(Rs. in Lacs)

Particulars	Note No.	Reserves and surplus		Total
		Securities Premium Reserve	Retained Earnings	
Balance at 1 April 2020	10.1	1,018.79	1,001.56	2,020.35
Additions/ Profits for the year		-	92.21	92.21
Other Comprehensive income/Adjustments		-	(0.38)	(0.38)
Total comprehensive income for the year		-	92.13	92.13
Balance at 31 March 2021		1,018.79	1,093.69	2,112.48
Balance at 1 April 2021	10.2	1,018.79	1,093.69	2,112.48
Additions/ Profits for the year		327.17	367.12	694.29
Dividend Paid			(36.62)	(36.62)
Other Comprehensive income/Adjustments		-	(49.06)	(49.06)
Total comprehensive income for the year		327.17	281.44	608.61
Balance at 31 March 2022		1,345.96	1,375.13	2,721.09

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1 Company Overview and Significant Accounting Policies

1.1 Company Overview

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

The financial statements are approved for issue by the Company's Board of Directors on 20th May, 2022

1.2 Basis of preparation of financial statements

These are company's first financial statements for the year ended 31 March 2022 that has been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, read with Ind AS based on Schedule III, under the Companies Act, 2013.

For all periods up to and including for the year ended 31 March 2022, the Company's financial statements have been prepared complying with all material aspects of the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule, 2014.

The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at April 1, 2020 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in Ind AS 101. The reconciliation of effects of the transition from Indian GAAP to Ind AS is disclosed in Note No.2.3 to these financial statements.

The Company's financial statements provide comparative information in respect to the previous year. In addition, the company presents Balance Sheet as at the beginning of the previous year, which is the transition date to Ind AS.

The preparation of the financial statements requires management to make Judgements, estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods, if the revision affects both current and future years.

1.3 Critical Accounting Estimates

i) Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

ii) Fair Value Measurement and Process

On transition to Ind AS, the Company has elected option to measure all of its property and equipments on fair value as at 1st April 2020 and to measure its office properties situated at Crown Heights, Sector-10, Rohini, Delhi on fair value as at 1st April 2020 by enhancing value of assets by Rs. 191.85 lacs and use that fair value as the deemed cost of the property and equipments.

The Company has setup a valuation committee to determine the appropriate valuation techniques and inputs for fair value measurement. In estimating the fair value of a property and plant & machinery as at 1st April 2020, the Company engages third party qualified valuers to perform the valuation. The valuation committee worked closely with the qualified external valuers to establish the appropriate valuation technique and inputs to the model.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company considered information from current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

iii) Provisions, Contingent Liabilities and Contingent Assets

The company creates a provision where 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.

Contingent assets are neither recognized nor disclosed in the financial statements.

1.4 Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2020 measured as per the previous GAAP excluding rental income earning properties which has been classified as investment properties.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All Upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Transition to Ind AS

On transition to Ind AS, the Company has accepted written down value as on 01.04.2020 as fair value all of its property & plant and machinery recognised as at 1st April 2020 except rental income earning properties which has been revalued at market price and enhance the value by Rs 191.85 lacs by creating revaluation reverseuse as deemed cost of the property & plant and machinery

The Company depreciates property, plant and equipment over their estimated useful lives using the Written Down method. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of). The estimated useful lives of assets are as follows:

S. No.	Particulars	Rate of Deperication
1	Leasehold land	Over Useful Life
2	Building other than factory	4.87%
3	Computers	
	- Computers and other peripherals	87.42%
	- Servers and networking	
4	Furniture & Fixtures	24.85%
5	Vehicles	31.88%
6	Office equipment	39.97%
7	Plant & Machinery	34.60%

The useful lives have been determined based on technical evaluation done by the management's expert which are in line those specified by Schedule II to the Companies Act 2013. The residual values are not more than 5% of the original cost of the asset. The depreciation methods, assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under Other Non-Current Assets and the cost of assets not put to use before such date is disclosed under 'Capital work-in-progress'.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

1.5 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a written down basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1st April 2020, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortization methods and useful lives are reviewed periodically including at each financial year end. The estimated useful lives for intangible assets are 5 years.

1.6 Inventories

Inventories are valued at cost or net realizable value, whichever is lower on the balance sheet date. Hedged inventories are valued at fair value as on balance sheet date. The comparison of cost and net realizable value is done separately. Cost is considered on specific identification of their individual items.

The Cost of Inventories represents cost of purchase and expenses incurred on bringing the items of inventory to their present location and condition (cost excludes GST and location premium of exchange which are subsequently recoverable). Net realizable value means the estimated selling price in ordinary course of business less estimated cost necessary to make the sale. It includes location premium/ discount prevailing on the balance sheet date. Inventories do not include commodities held in trust on behalf of its principals under agency agreements.

1.7 Financial Instruments, Financial Assets, Financial Liabilities and Equity Instruments

Recognition

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

a) Amortised Cost

Where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.

b) Fair Value through Other Comprehensive Income (FVTOCI)

Where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

c) Fair Value through Profit or Loss (FVTPL)

Where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Measurement

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Impairment of Financial Assets

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Derecognition of Financial Assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset ; or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Income Recognition

Gain on sale of Financial Assets is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the assets.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Financial Liabilities

i) Trade Payables and Other Financial Liabilities

Trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and presented as current liabilities unless payment is not due within 12 months after the reporting period.

ii) Borrowings

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Equity Instruments

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

1.9 Revenue Recognition

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

a. Sale of Goods

Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable. Revenue from services is recognised in the periods in which the services are rendered.

Advances received for products are reported as deposits until all conditions for revenue recognition are met.

b. Other Income

Gain on sale of Investment is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment.

In respect of Interest & Other heads of income, the Company follows the practice of recognizing income on accrual basis.

1.10 Employee Benefits

a. Short-term Obligations

Liabilities for wages, salaries and bonus, including non-monetary benefits that are expected to be settled wholly within 3 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Post-Employment Obligations

The Company operates the following post-employment schemes:

- defined benefit plans for gratuity, and
- defined contribution plans for provident fund.

Defined benefit plans

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.11 Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

1.12 Impairment of Non-Financial Assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.13 Borrowing Costs

Borrowings are measured at amortized cost. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

1.14 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.15 Foreign Currency Translation

a. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

b. Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses).

1.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions.

1.17 Earnings per share

a. Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

b. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.19 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest INR as per the requirement of Schedule III, unless otherwise stated.

2 First-time adoption of Ind AS

2.1 These standalone financial statements of Servotech Power Systems Limited (“the Company”) for the year ended 31st March 2022 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101, First-Time Adoption of Indian Accounting Standards, with 1st April 2020 as the transition date and Indian GAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the year ended 31st March 2022 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company’s Balance Sheet and Statement of Profit and Loss, is set out in Note No. 2.4. Exemptions on the first-time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in Note 2.2

2.2 Exemptions availed on first-time adoption of Ind AS 101

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

a. Deemed cost – property, plant and equipment (including capital work in progress)

Ind AS 101 allows a first-time adopter to elect measurement at fair value for all of its property, plant and equipment to be recognised in the financial statements as at the date of transition to Ind AS, and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure all its properties and plant & machinery at fair value as on 01.04.2020 upon transition. The Company has elected to measure all other fixed assets at their previous GAAP carrying value excluding rental income earning properties which has been classified as investment properties.

NOTE 3. Property, plant and equipment

Particulars	Property, plant and equipment										Intangible Assets		
	Leasehold Land	Freehold Land	Building	Machinery	" Computer & Printers "	Furniture & Fixtures	Vehicles	Other equipment	Total	Computer Software	Total		
Deemed cost – 1 April 2020	196.81	5.21	699.01	191.17	57.30	71.69	235.11	71.90	1,528.20	0.82	0.82		
Additions	-	-	-	0.06	5.39	-	8.07	1.56	15.08	-	-		
Disposals	-	-	-	58.15	-	-	59.05	6.58	123.78	-	-		
At 31 March 2021	196.81	5.21	699.01	133.08	62.69	71.69	184.13	66.88	1,419.50	0.82	0.82		
Additions	107.71	-	-	65.50	22.40	1.14	13.12	0.38	210.24	51.75	51.75		
Disposals	-	-	-	2.03	1.69	2.18	-	0.04	5.94	-	-		
At 31 March 2022	304.52	5.21	699.01	196.55	83.40	70.65	197.25	67.22	1,623.81	52.56	52.56		
Accumulated depreciation													
01-Apr-20	-	-	131.02	107.88	49.96	49.89	130.82	46.21	515.76	0.82	0.82		
For the year	51.34	-	27.66	15.07	3.06	5.63	32.87	11.16	146.79	-	-		
Disposals	-	-	-	42.48	5.29	-	52.53	-	100.30	-	-		
At 31 March 2021	51.34	-	158.68	80.47	47.73	55.52	111.15	57.37	562.25	0.82	0.82		
For the year	54.25	-	26.32	18.20	8.46	4.02	23.24	5.92	140.40	16.48	16.48		
Disposals	-	-	-	0.85	1.48	1.13	-	0.04	3.49	-	-		
At 31 March 2022	105.59	-	184.99	97.82	54.71	58.41	134.39	63.25	699.16	17.29	17.29		
Net carrying amount as at 31 March 2022	198.92	5.21	514.02	98.73	28.69	12.24	62.86	3.97	924.65	35.27	35.27		
Net carrying amount as at 31 March 2021	145.47	5.21	540.33		14.96	16.17	72.98	9.51	857.25	0.00	0.00		

i) Property, plant and equipment pledged as security

Refer to Note no. 37 for information on property, plant and equipment pledged as security by the Company.

NOTE 4 : INVESTMENTS

(In ₹)

Particulars	As at 31st March 2022	As at 31st March 2021
Non-Current		
- Investment in Equity Instruments - Subsidiary Rebreathe Medical Devices India P. Ltd.** (1,42,500 Equity Shares of Rs 10/- each)	14.25	-
Total Non-Current Investments in Shares	14.25	-
Non - Current		
- Investment In Properties	218.93	218.93
Total Non- Current Investments in Properties	218.93	218.93
Total Investments	233.18	218.93

**** Investments are Unquoted , At Cost , Fully Paid up . Investments are measured at Cost as Per IND AS 27 "Separate Financial Statement" .**

NOTE 5 : DEFERRED TAX ASSETS (NET)

The balance comprises temporary differences attributable to:

Particulars	As at 31st March 2022	As at 31st March 2021
Property, plant and equipment, capital work in progress and intangible assets	13.51	9.98
Brought Forward Losses	-	-
Leased Liability	(3.93)	(3.50)
Employee benefits	(12.33)	(12.33)
MAT Credits	-	-
Interest/Loan Equilisation	2.00	2.25
Others	(0.04)	(0.03)
Total Deferred Tax Assets (Net)	(0.79)	(3.63)

NOTE 6 : OTHERS CURRENT/NON-CURRENT ASSETS

Particulars	As at 31st March 2022	As at 31st March 2021
Non-current		
Security Deposits	48.68	43.35
Retention and Performance Gurantee	1,369.79	1,088.93
Total other non-current assets	1,418.47	1,132.29
Current		
Advance to suppliers and Others	378.19	587.81
Prepaid Expenses	43.72	41.53
Advance Taxes	104.16	23.12
Others	-	44.71
Total other current assets	526.07	697.17
Total others	1,944.54	1,829.46

NOTE 7 : INVENTORIES

(In ₹)

Particulars	As at 31st March 2022	As at 31st March 2021
Additional Information		
(As taken, valued and certified by the management)		
Stock-in-Trade	624.21	629.68
- Raw Materials	103.63	40.49
- Work-in-Process	490.77	855.72
- Finished Goods / Trading Goods	1,218.60	1,525.88
Total inventories	1,218.60	1,525.88

NOTE 8 : TRADE RECEIVABLE

Particulars	As at 31st March 2022	As at 31st March 2021
- Considered Secured		
- Considered Unsecured	3,540.28	5,057.76
	3,540.28	5,057.76
Total receivables	3,540.28	5,057.76
Current portion	2,726.87	4,038.78
Non-Current portion	813.41	1,018.98

Additional Information

*** Refer Note Trade Receivable Ageing Schdeule .

Break-up of Security Details

Particulars	As at 31st March 2022	As at 31st March 2021
Secured, considered good	-	-
Unsecured, considered good	2,800.09	4,841.68
Doubtful	740.19	216.07
Total receivables	3,540.28	5,057.76

NOTE 9 : CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2022	As at 31st March 2021
Balances with banks		
- in current accounts	501.01	45.10
Cash on hand	8.88	2.49
Total Cash and Cash Equivalents	509.89	47.59

NOTE 9 OTHER BANK BALANCES

Particulars	As at 31st March 2022	As at 31st March 2021
Deposits ***	270.21	291.75
Total Other Bank Balances	270.21	291.75

*** Deposits are with Schdeule Banks including Interest Accrued on such Deposits .

****Fixed Deposits amounting to Rs.138.76 Lacs (Previous year Rs.230.18 Lacs) are under lien with Punjab National bank & HDFC Bank as margin money against issuance of bank guarantees to various customers of Rs.1052.41 Lacs (Previous year Rs.1238.80 Lacs) .

***Fixed Deposits amounting to Rs.96.78 Lacs (Previous year Rs.16.69 Lacs) are under lien with Punjab National bank & HDFC Bank as margin money for issuance of letter of credit to sundry creditors of Rs.642.06 Lacs (Previous year Rs. 241.45 Lacs).

***Fixed Deposit of Rs.9.93 Lacs and Recurring Deposit of Rs.23.24 Lacs (previous year Rs.8.37 Lacs and Rs.21.70 Lacs respectively) are under lien with Punjab national Bank as margin money for working capital facilities.

NOTE -10 : EQUITY SHARE CAPITAL AND OTHER EQUITY

Share Capital

Authorised Share Capital

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of ₹ 10 each	220	2,200	190	1,900
Total		2,200		1,900

A) Reconciliation of number of Ordinary Shares outstanding:

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	Amount	No. of Shares	Amount
As at beginning of the year	183.10	1,831.04	183.10	1,831.04
Issue of shares	3.55	35.50	-	-
As at end of the year	186.65	1,866.54	183.10	1,831.04

Terms and rights attached to equity shares

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

Details of shareholders holding more than 5% shares in the Company

Name of Shareholders	As at 31st March 2022		As at 31st March 2021	
	Number of shares	Percentage holding	Number of shares	Percentage holding
Mr. Raman Bhatia	6,698,765	35.89%	6,682,675	36.50%
M/s Raman Bhatia HUF	3,123,055	16.73%	3,107,175	16.97%
Ms. Sarika Bhatia	2,579,675	13.82%	2,573,675	14.06%

Equity Shares held by promoters at the end of the year

Name of Promoter	As at 31st March 2022		As at 31st March 2021		% Change during the year
	Number of shares	% of Total Shares	Number of shares	% of Total Shares	
Mr. Raman Bhatia	6,698,765	35.89%	,682,675	36.50%	-0.61%
M/s Raman Bhatia HUF	3,123,055	16.73%	3,107,175	16.97%	-0.24%
Ms. Sarika Bhatia	2,579,675	13.82%	,573,675	14.06%	-0.24%
Mr. Manohar Lal Bhatia	284,375	1.52%	284,375	1.55%	-0.03%
Mr. Vikas Bhatia	5,000	0.03%	1,875	0.01%	0.02%
Ms. Sudesh Bhatia	1,875	0.01%	1,875	0.01%	0.00%
Mr. Rishabh Bhatia	101,800	0.55%	101,800	0.56%	-0.01%
Mr. Kanav Bhatia	106,800	0.57%	106,800	0.58%	-0.01%

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

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

Other Equity

Particulars	As at 31st March 2021	As at 31st March 2020
Securities premium	1,345.96	1,018.79
Retained earnings	1,375.13	1,093.69
Total reserve and surplus	2,721.09	2,112.48

Securities Premium

Particulars	As at 31st March 2021	As at 31st March 2020
Opening balance	1,018.79	1,018.79
Received/Utilized during the Year	327.17	-
Closing balance	1,345.96	1,018.79

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Retained Earnings

Particulars	As at 31st March 2021	As at 31st March 2020
Opening balance	1,093.61	1,001.48
Net profit for the period	281.44	92.13
Less :-		
Dividend Paid	(36.62)	
OCI Income/Adjustment	(45.69)	
Closing balance	1,093.61	1,001.48

NOTE 11 : NON-CURRENT BORROWINGS

(In ₹)

Particulars	As at 31st March 2022	As at 31st March 2021
Secured from banks		
i) From Bank	645.92	647.72
ii) From Non Banking Companies	1.59	17.00
Unsecured from banks		
i) From Bank	-	5.75
ii) From Non Banking Companies	-	16.01
Total Non current borrowings	647.51	686.49

Secured borrowings and assets pledged as security

- Various banks had sanctioned vehicle loans on different dates of Rs. 112.34 Lacs (Previous year Rs. 112.34 Lacs) secured against hypothecation of vehicles and personal guarantees of directors. The said loans are repayable upto 68 installments of different amounts and payable on different dates. Outstanding balance as on 31.03.2022 was Rs. 45.91 Lacs (Previous year Rs. 74.49 Lacs) , Payable within one year Rs. 19.35 Lacs (Previous year Rs. 26.47 Lacs) .
- Non banking finance company had sanctioned vehicle loan of Rs. 63.10 Lacs (Previous year Rs. 63.10 Lacs) on 13th of December 2017, said loan is secured against hypothecation of vehicle and personal guarantees of directors. The said loan is repayable in 65 equal installments. Outstanding balance as on 31.03.2022 was Rs. 17.00 Lacs (Previous year Rs. 30.68 Lacs) , Payable within one year Rs. 15.42 Lacs (Previous year Rs. 13.68 Lacs).
- ICICI Bank had sanctioned Home loan of Rs. 367.50.00 Lacs on 26.12.2017. Such loan is secured against equitable mortgaged of residential property situated at Basement and 3rd Floor With Roof Rights (Plot No.-B-4, Green Park Extn., Delhi-110016) and personal guarantees of directors. The said loan is repayable in upto 239 equal monthly installments. Outstanding balance as on 31.03.2022 was Rs. 346.47 Lacs (Previous year Rs. 358.08 Lacs) , Payable within one year Rs 12.52 Lacs (Previous year Rs. 11.60 Lacs) .
- Punjab National Bank had sanctioned medium term loan of Rs. 90 Lacs on 02.05.2020 under CCECL Scheme for allow additional working capital facility to ease stress under COVID-19. The loan is secured on terms & Conditions as mentioned is Note no.6 below. The loan is repayable in 18 installments after 6 months moratorium. The outstanding as on 31.03.2022 was Rs. 20.05 Lacs (Previous year Rs. 89.93 Lacs) payable within one year Rs. 20.05 Lacs (Previous year Rs. 21.25 Lacs)
- Punjab National Bank had sanctioned working capital term loan of Rs. 247 Lacs on 18.07.2020 under GECL Scheme to meet operational liabilities and restart the business effected due to COVID-19. The loan is secured on Terms & Conditions as mentioned in Note no.6 below. The loan is repayable in 36 installments after one year moratorium period. Outstanding as on 31.03.2022 was Rs. 176.85 Lacs (Previous year Rs. 247 Lacs) payable within one year Rs. 82.33 Lacs (Previous year Rs. 55 Lacs)
- 6) Punjab National Bank had sanctioned working capital term loan of Rs. 172.96 Lacs on 15.12.2021 under GECL Scheme to meet operational liabilities. The loan is secured on Terms & Conditions as mentioned. The loan is repayable in 36 installments after 2 years moratorium period. Outstanding as on 31.03.2022 was Rs. 171.73 Lacs (Previous year Rs. NIL) payable within one year Rs. NIL (Previous year Rs. NIL)
- Various banks had sanctioned un-secured working capital medium term loans of Rs. 148.49 Lacs (Previous year Rs.148.49 Lacs) on personal guarantees of directors. The said loans are repayable in upto 43 installments of different amount and payable on different dates. Outstanding balance as on 31.03.2022 was Rs. 3.64 Lacs (Previous year Rs. 40.03 Lacs), Payable within one year Rs. 3.64 Lacs (Previous year Rs. 34.27 Lacs).
- Various non banking finance companies had sanctioned un-secured working capital medium term loans of Rs. 405.15 Lacs (Previous year Rs.405.15 Lacs) on personal guarantees of directors. The said loans are repayable in upto 44 installments of different amount and payable on different dates. Outstanding balance as on 31.03.2022 was Rs.17.18 Lacs (Previous year Rs. 187.32 Lacs) , Payable within one year Rs. 17.18 Lacs (Previous year Rs. 170.14 Lacs).

CURRENT BORROWINGS

Particulars	In ₹)	
	As at 31st March 2022	As at 31st March 2021
Secured from banks		
i) From Bank	1,128.34	996.79
ii) From Non Banking Companies	-	490.45
iii) Current Maturity of Long Term Debt	143.66	332.42
Unsecured from banks		
i) From Bank	-	-
ii) From Non Banking Companies	-	-
Total Non current borrowings	1,272.00	1,819.66

*Punjab National Bank had renewed fund based limit of Rs 626 Lacs (Previous year Rs 626 Lacs) towards Cash Credit and non fund based limit of Rs.1150 Lacs (Previous year Rs 1150 Lacs) towards Bank Guarantee/Letter of Credit with interchangeability of Rs.274 Lacs from LC to CC on 30.09.2021. These limit are secured against hypothecation of inventories, books debts (except IOCL and IHB debtors which is financed by HDFC Bank), other current assets, fixed deposits of Rs. 5 Lacs and RD of Rs. 0.5 Lacs, Plant and machineries and all other fixed assets of the company, besides equitable mortgage of properties of company and its directors along with their personal guarantees. All securities are having pari passu charge with HDFC Bank.

*HDFC Bank had sanctioned Fund Based Limit of Rs.900 Lacs (Cash Credit Limit of Rs 400 Lacs and Working Capital Demand Loan of Rs 500 Lacs) and Non Fund Based Limit of Rs 1350 Lacs towards Bank Guarantee/Letter of Credit on 02.09.2021. These limit are secured by Exchange of Pari passu charge on current assets and properties of company with Punjab National Bank and exclusive charge on Book Debts of IOCL and IHB against whom working capital demand loan of Rs 500 Lacs was sanctioned and exclusive charge on FDR issued as cash margin against BG/LC.

NOTE 12 : OTHER NON CURRENT LIABILITIES

Particulars	In ₹)	
	As at 31st March 2022	As at 31st March 2021
Security Received From Customers	1.20	1.00
Lease Liability	214.00	158.90
Total other Non current liabilities	215.20	159.90

NOTE 13 : PROVISIONS

Non Current		
Provisions for Warranty Exceed One year	36.59	106.09
Total	36.59	106.09
Current		
Provision for Taxation	126.40	32.02
Others	15.72	13.19
Total	142.12	45.21

NOTE 14 : TRADE PAYABLES

MSME Creditors	25.60	56.49
Other than MSME Creditors	1,170.65	2,287.24
Total	1,196.26	2,343.73

As at 31st March 2022

(In ₹)

Particulars	Outstanding for following periods				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
i) MSME	1.34	-	-	-	1.34
ii) Others	846.30	50.71	1.31	14.93	913.25
iii) Disputed Dues - MSME	-	0.03	21.83	2.40	24.26
iv) Disputed Dues - Others	115.10	-	34.18	108.12	257.40
Total	962.74	50.75	57.32	125.45	1,196.26

As at 31st March 2021

Particulars	Outstanding for following periods				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
i) MSME	23.95	8.83	23.71	-	56.49
ii) Others	1,047.52	883.37	71.23	7.58	2,009.70
iii) Disputed Dues - MSME	-	-	-	-	-
iv) Disputed Dues - Others	17.10	130.15	-	130.29	277.54
Total	1,088.57	1,022.35	94.94	137.87	2,343.73

The amounts remaining unpaid to micro, small and medium enterprises at the end of the year

- Principal

25.60

56.49

- Interest

-

-

The amount of interest paid by the buyer as per the MSME Act, 2006

-

-

The amount of the payments made to micro, small and medium enterprises beyond the appointed day during each accounting year

-

-

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSME Act, 2006

-

-

NOTE 15 : OTHER CURRENT LIABILITIES

(In ₹)

Particulars	As at 31st March 2022	As at 31st March 2021
Advance From Customer	127.95	319.01
Expenses Payable	176.35	293.75
Contract Liability Against Sales	260.21	100.49
Statutory Liabilities Payable	15.60	14.41
Total other current liabilities	580.11	727.65

NOTE 16 : REVENUE FROM OPERATION

(In ₹)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
I) Manufactured & Trading Sales (Domestic)		
A Domestic	14,420.96	9,284.63
B Export Sale	191.31	36.77
2) Sale of Service	338.75	185.20
Less : Goods & Services tax	8,07,16,733	7,35,00,962
Net gain / (loss) on settlement of commodity forward/Future contract	-	-
Total revenue from operations	13,369.97	8,699.44

NOTE 17 : OTHER INCOME

Interest Income & Others Non-operating income		
Interest received	15.79	13.94
Rebate & discount	32.80	16.00
Rent Received	6.20	3.90
Miscellaneous Income	1.66	57.16
Total other income	56.45	91.00

NOTE 18 : COST OF MATERIAL CONSUMED

Opening Stock	629.68	347.90
Add : Purchases	12,603.10	8,891.77
	13,232.77	9,239.67
Less : Taxes & Others	1,349.58	842.99
Less : Closing Stock	624.21	629.68
Raw materials consumed	11,258.99	7,767.00

NOTE 19 : CHANGES IN INVENTORIES

Closing Balance		
Traded goods		
WIP	490.77	855.72
Total Closing balance	103.63	40.49
Opening Balance		
Traded goods	855.72	509.64
WIP	40.49	51.81
Total Opening Balance	896.21	561.45
Total changes in inventories of stock-in-trade	301.81	(334.76)

NOTE 20 : EMPLOYEE BENEFIT EXPENSE

(In ₹)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Salaries, wages and bonus	435.83	320.05
Director Remuneration	70.06	60.61
Gratuity	8.07	6.57
Staff welfare expenses	23.01	19.88
Total employee benefit expense	536.97	407.11

NOTE 21 : FINANCE COSTS

Interest and finance charges	244.93	289.56
Finance costs expended in profit or loss	244.93	289.56

Note: The amount capitalised represents finance cost on specific borrowings relating to advances given against building.

NOTE 22 :DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of property, plant and equipment & Impairment	156.88	146.79
Total depreciation and amortisation expense	156.88	146.79

NOTE 23 : OTHER EXPENSES

Operational Expenses		
Freight , forwarding & others	17.73	14.6597
Transaction Charges	-	-
Consumables	0.19	-
Job Work Charges	0.61	1.5385
Repairs & Maintenance- Machinery	30.25	66.9427
Power & Fuel	7.84	7.0471
	56.62	90.1879
Administrative Expenses		
Printing and stationery	4.26	1.77
Rent	1.77	2.10
Postage, telegram and telephone expenses	20.25	9.27
Computer and IT Expenses	19.47	12.57
Office Maintenance Expenses	2.74	2.16
Travelling and conveyance (Including Directors Tour & Travelling)	36.55	15.37
Legal and professional charges	32.91	17.64
Fees and subscription	17.56	4.66
Insurance expenses	5.09	4.48
Repairs and maintenance	16.65	16.31
Vehicle maintenance	6.76	6.88
General expenses	19.55	27.04
Audit Fees	4.00	4.00
	187.54	124.25

(In ₹)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Selling & Distribution Expenses		
Freight & labour charges	62.53	27.69
Commission paid	9.03	0.15
Liquidation damage	30.35	-
Research & Development Expenses	8.84	12.31
Tender Fees	1.91	3.11
Royalty Expense	-	7.88
Business promotion	20.60	17.49
Advertisement	20.56	28.90
Discount on sale	0.69	61.77
Warranty expenses	16.83	2.61
	171.34	161.92
	415.50	376.36

NOTE 24 : FAIR VALUE MEASUREMENTS**NOTE -24.1 : FINANCIAL INSTRUMENT BY CATEGORY & FAIR VALUE HIERARCHY**

Particulars	FVPL/	31st March 2022					
	FVOCI/	Level 1		Level 2		Level 3	
	Amortised cost	Carrying cost	fair value	Carrying cost	fair value	Carrying cost	fair value
Financial assets							
Trade receivables	Amortised cost	-	-	-	-	2,726.87	2,726.87
Cash and cash equivalents	Amortised cost	-	-	-	-	8.88	8.88
Other Bank Balances	Amortised cost	-	-	-	-	-	-
Other financial assets	Amortised cost	-	-	-	-	540.32	540.32
Total financial assets		-	-	-	-	3,276.07	3,276.07
Financial liability							
Borrowings	Amortised cost					1,919.50	1,919.50
Trade and other payables	Amortised cost					1,214.54	1,214.54
Total financial liability		-	-	-	-	3,134.04	3,134.04

Particulars	FVPL/	31st March 2021					
	FVOCI/	Level 1		Level 2		Level 3	
	Amortised cost	Carrying cost	fair value	Carrying cost	fair value	Carrying cost	fair value
Financial assets							
Trade receivables	Amortised cost	-	-	-	-	4,038.78	4,038.78
Cash and cash equivalents	Amortised cost	-	-	-	-	2.49	2.49
Other Bank Balances	Amortised cost	-	-	-	-	-	-
Other financial assets	Amortised cost	-	-	-	-	697.17	697.17
Total financial assets		-	-	-	-	4,738.45	4,738.45
Financial liability							
Borrowings	Amortised cost					2,506.14	2,506.14
Trade and other payables	Amortised cost					1,088.57	1,088.57
Total financial liability		-	-	-	-	3,594.71	3,594.71

Particulars	FVPL/	31st March 2020					
	FVOCI/	Level 1		Level 2		Level 3	
	Amortised cost	Carrying cost	fair value	Carrying cost	fair value	Carrying cost	fair value
Financial assets							
Investment in equity instruments*	FVPL/						
Trade receivables	Amortised cost	-	-	-	-	3,682.15	3,682.15
Cash and cash equivalents	Amortised cost	-	-	-	-	3.31	3.31
Other Bank Balances	Amortised cost	-	-	-	-	-	-
Other financial assets	Amortised cost	-	-	-	-	568.41	568.41
Derivative Financial Assets	Amortised cost					-	-
Total financial assets		-	-	-	-	4,253.88	4,253.88
Financial liability							
Borrowings						1,861.96	1,861.96
Trade and other payables						1,000.78	1,000.78
Other Financial Liabilities						-	-
Total financial liability		-	-	-		2,862.74	2,862.74

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price and are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3 .

NOTE 24.2 : VALUATION TECHNIQUE USED TO DETERMINE FAIR VALUE

SPECIFIC VALUATION TECHNIQUES USED TO VALUE FINANCIAL INSTRUMENTS INCLUDE:

- THE USE OF QUOTED MARKET PRICES

NOTE 24.3 : FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTISED COST

The carrying amounts of financial assets comprising trade receivables cash and cash equivalents, fixed deposits with banks, security and other deposits and carrying value of financial liabilities comprising borrowings and trade and other payables are considered to be the same as their fair values, due to their short-term nature and covered under level 3 category.

NOTE 25 : FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance, derivative financial instruments, such as foreign exchange forward contracts and commodity forward contracts, are entered to hedge certain foreign currency risk exposures and commodity price risk exposures.

This note explains the sources of risk which the Company is exposed to and how such risk were managed.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk — foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk — commodity price	Future commercial transactions	Cash flow forecasting Sensitivity analysis	Forward commodity contracts

The Company's risk management is carried out by a central treasury department under policies approved by the board of directors. The Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, commodity price risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

NOTE 25 : 1 CREDIT RISK MANAGEMENT

The risk of financial loss due to counterparty's failure to honour its obligations arises principally in relation to transactions where the Company provides goods on deferred terms.

The Company's policies are aimed at minimising such losses, and require that deferred terms are granted only to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Individual exposures are monitored with customers subject to credit limits to ensure that the Company's exposure to bad debts is not significant. The maximum exposure to credit risk regarding financial assets is the carrying amount as disclosed in the balance sheet. With respect to credit risk arising from all other financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the corresponding carrying amount of these instruments.

On account of the adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as historical experience for customers. The Company's receivable are high quality with negligible credit risk and the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil. Accordingly, no provision for expected credit loss is recognised.

The following table provides information about the exposure to credit risk for trade receivables from individual customers.

31st March 2022

(Unsecured, considered good unless otherwise specified)

Particulars	Outstanding for following periods					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables						
Considered good	2,491.11	93.35	3.35	7.62	204.66	2,800.09
ii) Undisputed Trade Receivables -						
Considered doubtful	-	-	-	-	-	-
ii) Disputed Trade Receivables -						
Considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables -						
Considered doubtful	57.29	85.12	226.18	200.12	171.48	740.19
Total	2,548.40	178.48	229.53	207.74	376.14	3,540.28

31st March 2021

(Unsecured, considered good unless otherwise specified)

Particulars	Outstanding for following periods					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables						
Considered good	3,542.30	360.55	602.80	124.70	211.34	4,841.68
ii) Undisputed Trade Receivables -						
Considered doubtful	-	-	-	-	-	-
ii) Disputed Trade Receivables -						
Considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables -						
Considered doubtful	81.73	54.20	45.90	34.25	-	216.07
Total	3,624.03	414.75	648.70	158.94	211.34	5,057.76

31st March 2020

(Unsecured, considered good unless otherwise specified)

Particulars	Outstanding for following periods					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables						
Considered good	3,376.22	202.91	159.46	397.92	-	4,136.53
ii) Undisputed Trade Receivables -						
Considered doubtful	-	-	-	-	-	-
ii) Disputed Trade Receivables -						
Considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables -						
Considered doubtful	-	103.01	34.25	52.08	-	189.34
Total	3,376.22	305.92	193.71	450.01	-	4,325.86

NOTE 25 : 2 LIQUIDITY RISK MANAGEMENT

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Working capital – fund based	1,128	997	716
Total borrowing facilities	1,128	997	716

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31st March 2022	Less than 3 months	6 Less than 12 months	More than 12 months
Non- derivative			
Borrowings	-	1,272	648
Trade payable	-	963	234
Total non-derivative liabilities	-	2,235	881

As at 31st March 2021	Less than 3 months	6 Less than 12 months	More than 12 months
Non- derivative	-	-	-
Borrowings	-	1,820	686
Trade payable	-	1,081	1,255
Total non-derivative liabilities	-	2,900	1,942

As at 31st March 2020	Less than 3 months	6 Less than 12 months	More than 12 months
Non- derivative			
Borrowings	-	1,387	475
Trade payable	-	1,001	722
Total non-derivative liabilities	-	2,388	1,197

NOTE 25 : 3 MARKET RISK MANAGEMENT

INTEREST RATE RISK

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2017 and 31 March 2016, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The long term variable interest rate borrowings are not significant and accordingly, no such sensitivity for interest rate cash flow has been disclosed.

PRICE RISK

The Company's significant exposure for price risk is relating to commodity forward contracts. However, no open commodity forward contract is outstanding as on the reporting date and accordingly, doesn't have related price risk.

NOTE 26 : CAPITAL MANAGEMENT

NOTE 26.1

RISK MANAGEMENT

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company issue new shares. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

The gearing ratios were as follows:

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020
Net debt	1919.50	2506.14	1861.96
Total equity	186.65	183.10	183.10
Net debt to equity ratio	10.28	13.69	10.17

NOTE 26 : 2 LOAN COVENANTS

The Company has complied with all loan covenants required under borrowing facilities.

NOTE : 27 RELATED PARTY TRANSACTIONS

NOTE : 27.1 CONTROLLING SHAREHOLDERS

Mr. Raman Bhatia

M/s Raman Bhatia HUF

Ms. Sarika Bhatia

NOTE : 27.2 FELLOW SUBSIDIARIES

Rebreathe Medical Devices India Private Limited

Associate Company

NIL

NOTE 27.3 KEY MANAGEMENT PERSONNEL AND THEIR RELATIVE

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over those entities. A number of these personnel transacted with the Company during the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or those which might reasonably be expected to be available, in respect of similar transactions with non-key management personnel related entities on an arm's length basis.

Name of key management personnel, their relatives and entities over which they have control or significant influence with whom transaction were entered during the year or balance was outstanding at the balance sheet date are as follows:

Key management personnel and relatives:

Mr. Raman Bhatia

Ms. Sarika Bhatia

Mr. Vikas Bhatia

Mr. Nimesh Malhotra

Ms. Priya Pandey

NOTE 27.4 TRANSACTION WITH RELATED PARTIES

The details of the related-party transactions entered into by the Company for the years ended 31st March 2022 and 31st March 2021 are as follows:

	Relationship	Nature of Transaction	Opening	Debit	Credit	Balance
Raman Bhatia	Managing Director	Remuneration	-	30.00	27.50	2.50
		Tour Advance	0.35	2.33	1.03	1.65
		Other Advances Paid	5.79	13.80	19.41	0.18
Sarika Bhatia	Whole Time Director	Remuneration	-	27.01	24.76	2.25
		Tour Advance	(0.09)	0.09	0.00	(0.00)
		Other Advances Paid	3.89	0.24	4.21	(0.09)
Nimesh Malhotra	Whole Time Director	Remuneration	-	11.15	10.03	1.13
		Other Advances Paid	0.13	0.60	0.73	-
Anupam Gupta	Director	Sitting Fees	-	0.80	0.80	-
Rajesh Mohan Rai	Director	Sitting Fees	-	0.40	0.40	-
Sahil Khurana	Director	Sitting Fees	-	0.20	0.20	-
Vikash Bhatia	Chief Financial Officer	Salary	-	11.31	10.17	1.14
		Sales (incl. Taxes)	-	0.08	0.08	-
		Tour Advance	0.12	2.44	2.43	0.12
		Other Advances Paid	0.20	-	0.20	-
Priya Pandey	Company Secretary	Salary	-	5.26	4.74	0.52
Service Solution	Entity in which director(s) or their relatives are interested	Sales (incl. Taxes)	-	131.16	100.65	30.50
		Purchases (incl. Taxes)	(212.89)	1,428.87	1,139.24	76.74
Bhatia Electronics	Entity in which director(s) or their relatives are interested	Sales (incl. Taxes)	(18.29)	296.54	120.46	157.79
		Purchases (incl. Taxes)	(232.93)	1,370.61	1,055.73	81.94
Bab Louie India LLP	Entity in which director(s) or their relatives are interested	Sales (incl. Taxes)	-	0.24	0.24	-
Rebreathe Medical Devices India Private Limited		Investment	-	14.25	-	14.25
		Purchases (incl. Taxes)	-	1.36	334.87	(333.52)
		Sales (incl. Taxes)	-	372.34	5.79	366.55

NOTE : 28 SEGMENT INFORMATION

Description of segments and principal activities

The Company's operations primarily comprise of Dealing in Commodities, Commodity Derivatives broadly falling in one segment as such there is no other reportable business segment as specified by Ind AS 109 issued by The Institute of Chartered Accountants of India.

The Geographical Segments considered for disclosure are Sales within India Sales outside India

Geographical Segment (based on Location of Customers)

Particulars	2021-22	2020-21
	₹ in Lacs	₹ in Lacs
Segment Assets		
- within India	8,677.41	9,832.26
- outside India	-	-
	8,677.41	9,832.26
Segment Revenue		
- within India	13,369.97	8,699.44
- outside India	-	-
	13,369.97	34,163.16

NOTE : 29 EARNINGS PER SHARE

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share as well as diluted earnings per share calculation are as follows:

Particulars	(Amount in lacs)	
	As at 31st March 2022	As at 31st March 2021
Profit (loss) attributable to equity shareholders	367.12	93.41
Weighted average number of equity shares of face value of INR 10/-	186.65	183.10
Basic earnings per share	1.97	0.51
Diluted Earning Per Share	2.00	0.51

NOTE : 30 CONTINGENT LIABILITIES

Particulars	(Amount in lacs)	
	As at 31st March 2022	As at 31st March 2021
Claims against the Company not acknowledged as debts	126.34	65.45
Outstanding Letter of Credit	642.06	241.45
Guarantees		
Guarantees issued by banks on behalf of the Company	1052.41	1238.81
Total contingent liabilities	1820.81	1545.71

NOTE : 31 COMMITMENTS**NOTE : 31.1 CONTRACTUAL COMMITMENTS**

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	As at 31st March 2022	As at 31st March 2021
Property, plant and equipment	-	51.60
Total commitments	-	51.60

NOTE : 31.2 NON-CANCELLABLE OPERATING LEASES

The operating leases entered by the Company are cancellable on serving a notice of one to three months and accordingly, there are no non-cancellable operating leases required commitments for operating lease payments.

NOTE : 32 ASSETS PLEDGED AS SECURITY

The operating leases entered by the Company are cancellable on serving a notice of one to three months and accordingly, there are no non-cancellable operating leases required commitments for operating lease payments.

Particulars	As at 31st March 2022	As at 31st March 2021
Current		
Financial assets		
- Cash & cash equivalents	-	-
Non-financial assets		
- Inventories	1218.60	1525.88
Total current assets pledged as security	1,218.60	1,525.88
Non-current		
Non-financial assets		
- Property, plant and equipment	538.93	566.52
Total non-current assets pledged as security	538.93	566.52
Total assets pledged as security	1,757.53	2,092.40

NOTE : 33 OTHER MATTERS

Particulars	As at 31st March 2022	As at 31st March 2021
CIF Value of Imports		
<i>Raw Material</i>	1337.94	148.53
FOB Value of Exports	191.31	36.77
Income in Foreign Currencies	190.53	279.44
Expenditure in Foreign Currencies		
Raw Materials	1113.46	120.93
Tour Advance & Advance Against Raw Material/Software License	1.86	25.58
Expenses	9.66	1.99
Asset (Software License)	51.75	0.00

NOTE : 34 DETAILS OF CHARGES PENDING FOR REGISTRATION/SATISFACTION

Details of Chargeholder	Assets under Charge	Charge Amount	Date of Creation/ Modification of Charge	Date of Satisfaction of Charge
Yes Bank Limited, 9th Floor, Nehru Centre, Discovery of India, Worli, Mumbai - 400018	mmovable property or any interest therein	8.5 Cr	12/05/2016, 26/04/2018	16/12/2021
Reason for Delay				

Considering the Covid Pandemic and imposition of lockdown immediately upon the issuance of NOC, locating documents became difficult, hence causing this inevitable delay.

Other Matters :-

- The VAT Department of Government of Haryana at Kundli had assessed the Sales Turnover of the company up to 30.06.2017 and created the demand of Rs.8.81 Lacs (Including Interest) for short submission of statutory forms on 12th March 2021. The Company paid the amount of Rs 2.28 on 29th June,2020. Hence net demand of Rs 6.52 Lacs is payable as on balance sheet date. The company had charged the said amount to profit & loss account and reduce the advance payment Rs. 40.92 Lacs from the said Government Department .
- The income tax department has created demand of Rs 252.12 Lacs for the A.Y. 2017-18 on 26th of December 2019. The company had filed an appeal before Commissioner of Income Tax, New Delhi on 21st January 2020 and deposited Rs. 2.50 Lac against the same. The appeal is pending.
- The income tax department has created demand of Rs 143.36 Lacs for the A.Y. 2016-17 on 28th March 2022. The company had filed an appeal before Commissioner of Income Tax, New Delhi on 19th of April 2022. The appeal is pending.

- (d) In the opinion of the Board, the current assets, loans and advances have a value on realization in the ordinary course of business, at least equal to the aggregate amount as shown in the Balance Sheet
- (e) The company had received Rs.127.94 Lacs from different customers against supply / to be supply of goods has been shown as advance from customers in books of accounts, will be adjusted against their outstanding after reconciliation of their accounts.
- (f) The outstanding balances of sundry debtors ,creditors & securities are as per the books of accounts of the Company which are subject to confirmations and reconciliation, if any.
- (g) Previous year figures have been regrouped/rearranged wherever found necessary.
- (h) Note 1 to 35 are forming part of Balance Sheet, Profit & Loss & Cash Flow Statement and have been authenticated by the directors.

NOTE : 35 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been no material events other than disclosed in the financial statements after reporting date which would require disclosure or adjustments to the financial statements as of and for the year ended 31st March 2022.

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

Significant accounting policies 1

Notes on Financial Statements

As per our report annexed

for GUPTA JALAN & ASSOCIATES

Chartered Accountants

FRN : 03721N

CA Ram Niwas Jalan

(Partner)

M.No.- 082389

Place: Delhi

The 20th day of May, 2022

UDIN : 22082389AJHTYD7739

For and on behalf of board

Raman Bhatia

(Managing Director)

DIN-00153827

Priya Pandey

(Company Secretary)

M.No.- 35815

Sarika Bhatia

(Whole-time Director)

DIN-00155602

Vikas Bhatia

(Chief Financial Officer)

(PAN- AJNPB0303P)

SERVOTECH POWER SYSTEMS LIMITED

CIN:- L31200DL2004PLC129379

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

Phone: 011-41117657-58-59-60

E-mail: investor.relations@servotechindia.com **Website-** www.servotech.in

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting ("AGM") of Servotech Power Systems Limited ("the Company") will be held on Friday, 30th September, 2022 at 11:00 A.M. ("IST") through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt
 - a) The Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and
 - b) The Audited Consolidated Financial Statements for the financial year ended 31st March, 2022, together with the Reports of the Auditors thereon;
2. To appoint a Director in place of Mr. Nimesh Malhotra (DIN:07104660), who retires by rotation and being eligible offers, himself for re-appointment;
3. To confirm the Interim Dividend already paid;
4. To appoint M/s. Rohit KC Jain and Co., Chartered Accountants, as Statutory Auditors of the Company for a term of 5 (five) consecutive years and to fix their remuneration and in this regard, to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT in accordance with the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. Rohit KC Jain and Co., Chartered Accountants (ICAI Firm Registration No. 020422N) be and are hereby appointed as the Statutory Auditors of the Company (in place of Gupta Jalan and Associates, Chartered Accountants, the retiring Auditors) for a term of 5 (five) years commencing from the conclusion of the 18th Annual General Meeting of the Company till the conclusion of the 23rd Annual General Meeting at such remuneration plus reimbursement of out-of-pocket, travelling expenses etc., as recommended by the Audit Committee and approved by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

SPECIAL BUSINESS:

5. To approve the appointment of Mr. Jorg Gabler (DIN:09699666) as the Non-Executive and Non-Independent Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Jorg Gabler (DIN:09699666), who was appointed as an Additional director in the category of Non-Executive and Non-Independent Director of the Company in accordance with the provisions of Section 161 of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company by the Board of Directors with effect from 9th August, 2022 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive and Non-Independent Director of the Company to hold office for 1(one) year effective from 9th August, 2022 to 8th August, 2023, liable to retire by rotation.

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

6. To approve the appointment of Mr. Sampat Rai (DIN:07710412) as the Non-Executive Independent Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 149, 150 and 152, 161 read with other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV of the said Act (including

any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time-to-time Mr. Sampat Rai (DIN: 07710412) who was appointed as an Additional Director in accordance with the provisions of Section 161(1) of the Act and the Articles of Association of the Company, by the Board of Directors with effect from 9th August, 2022 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for 3 (three) consecutive years effective from 9th August, 2022 to 8th August, 2025, not liable to retire by rotation.

RESOLVED FURTHER THAT in accordance with the provisions of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval be and is hereby given for continuation of Mr. Rai, as an Independent Director of the Company on account of his attaining the age of 71 years on the said date.

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

7. To approve payment of remuneration to Ms. Sarika Bhatia (DIN:00155602), Whole-time Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and in accordance with the provisions of Sections 196, 197, 198 and 201 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modifications or re-enactment thereof, for the time being in force) read with Schedule V of the said Act and other applicable provisions, if any, and subject to the Articles of Association of the Company, approval of the Members be and is hereby accorded to make revision in the remuneration of Ms. Sarika Bhatia (DIN:00155602), Whole-time Director of the Company as per the terms and conditions as mentioned in explanatory statement which form part of this notice.

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

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

8. To ratify the remuneration of Cost Auditors for the financial year 2022-23 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 INR 30,000/- (Rupees Thirty Thousand Only) plus service tax as applicable, payable to M/s. NN Sharma & Associates, Cost Accountants (Firm Reg. No.:101702) to carry out audit of cost records of the Company for the financial year 2022-23, be and is hereby ratified and confirmed.

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

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

**PRIYA PANDEY
COMPANY SECRETARY
ICSI MEMBERSHIP NO.: A35815**

Date: 27th August, 2022
Place: New Delhi

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

NOTES:-

1. The explanatory statement, pursuant to Section 102 of the Companies Act, 2013 ("the 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. The Ministry of Corporate Affairs ("MCA") has, vide its Circular No. 2/2022 dated 5th May, 2022, Circular No. 14/2020 dated 8th April 2020, Circular No. 17/2020 dated 13th April 2020, issued by the Ministry of Corporate Affairs ("MCA Circulars") followed by Circular No. 20/2020 dated 5th May, 2020, and Circular No. 02/2021 dated 13th January, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the 18th AGM shall be the Registered Office of the Company.
3. Generally, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and on a poll to vote instead of himself/herself. Since, this meeting is being held through VC/OAVM under the framework of MCA and SEBI circulars where physical presence of the Members has been dispensed with, accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the 18th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The attendance of Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
6. 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.
7. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to rndregular@gmail.com with a copy marked to evoting@nsdl.co.in.
8. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.servotech.in, websites of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nse.in respectively, and on the website of NSDL at <https://www.evoting.nsdl.com>.
9. The Share Transfer Books and Register of Members Books of the Company will remain closed from Saturday, 24th September, 2022 to Friday, 30th September, 2022 (both days inclusive) the purpose of the AGM.
10. Kindly note that as per SEBI (Listing Obligations and Disclosure Requirement Regulations), 2015, as amended from time to time ("Listing Regulations"), it is mandatory for the Company to print the bank account details of the investors in dividend payment instrument. Hence, Shareholders are requested to register/update your correct bank account details with the Company/RTA/Depository Participant, as the case may be. Shareholders are requested to follow the process as guided hereinbelow to register their mandate for receiving Dividend directly in their Bank accounts.
11. As per the provisions of Section 72 of the Act and circulars issued by SEBI, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she should submit the request in ISR-3 or SH-14 as the case may be. The Forms can be downloaded from Company's website <https://servotech.in/investors/investors-corner/update-physical-shareholders>. Members are requested to submit the said details to their Depository Participant in case the shares are held by them in dematerialized form and to the Company's Registrar and Transfer Agent ('RTA') in case the shares are held by them in physical form, quoting their folio number.
12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send the details of such folios together with the share certificates for consolidating their holdings in one folio to the Company or Company's RTA i.e. Bigshare Services Private Limited 302, Kushal Bazar, 32-33, Nehru Place, New Delhi 110019, Tel.: 011-42425004, Email: mukesh@bigshareonline.com ("RTA/Bigshare") and a consolidated share certificate will be issued to such Members after making requisite changes.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number ("PAN"), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.
 - a. **For shares held in electronic form:** to their Depository Participant only and not to the Company's RTA. Changes

intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its RTA provide efficient and better service to the Members.

- b. **For shares held in physical form:** to the Company's RTA in prescribed Form ISR-1 and other forms pursuant to SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021, as per instructions mentioned in the form. The said form can be downloaded from the company's website at <https://servotech.in/investors/investors-corner/updation-physical-shareholders> and is also available on the website of the RTA.
14. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz., Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said form can be downloaded from the company's website at <https://servotech.in/investors/investors-corner/updation-physical-shareholders> and is also available on the website of the Company's Registrar and Share Transfer Agent i.e. Bigshare Financial Services Private Limited ("Bigshare/RTA"). It may be noted that any service request can be processed only after the folio is KYC Compliant.
15. SEBI vide its notification dated 24th January, 2022 has amended Regulation 40 of the SEBI Listing Regulations and has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or the Company's RTA i.e. Bigshare, for assistance in this regard.
16. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in

Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to the Company at investor.relations@servotechindia.com or to its RTA at info@bigshareonline.com by 31st July, 2022. Shareholders are requested to refer to communication on this subject sent by the Company to them through e-mail or may visit the Company website www.servotech.in, for further details and formats of declaration.

Kindly note that the relevant documents should be emailed to Bigshare Financial Services Private Limited, the Registrar and Transfer Agent ("Bigshare") of the Company, at info@bigshareonline.com. You can also email the same to investor.relations@servotechindia.com.

In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details/ documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for taxes so deducted at higher rate. Copies of the TDS certificate will be emailed to you at your registered email ID.

17. The members intending to seek any information on Annual Financial Statements or any matter placed/to be placed at the meeting are requested to kindly write to the Company on or before -26th September, 2022 through email on investor.relations@servotechindia.com. The same will be replied by the Company suitably.
18. The additional details of Directors retiring by rotation/seeking appointment/re-appointment, pursuant to Regulation 36(3) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") and the Secretarial Standards issued by the Institute of Company Secretaries of India, is annexed as **Annexure-I** and forms integral part of this Notice.
19. In accordance with the provisions of Section 124(2) of the Act, the Company has uploaded the details of unclaimed dividend in respect of interim dividend declared during the financial year 2021-22, on the website of the Company. Shareholders may kindly check the said information and if any dividend amount is appearing as unpaid against their name, they may lodge their claim, duly supported by relevant documents to the Company.
20. All the documents referred to in the accompanying notice and explanatory statement annexed thereto shall be available for inspection by the members at the Registered Office of the Company on all working days (except Saturdays, Sundays & Public Holidays) during 11:00 a.m. to 02:00 p.m. from the date of circulation of this notice up to the date of AGM. These documents along with the extracts from Register of Directors and Key Managerial Personnel & their shareholding and the Register of Contracts & Arrangements in which directors are interested shall be available for inspection in electronic mode during the meeting to any person having right to attend the meeting.

21. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
22. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- III. The cut-off date for the purpose of voting (including remote e-voting) is Friday, 23rd September, 2022.
- IV. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- V. The remote e-voting facility will be available during the following period after which the portal shall forthwith be blocked and shall not be available:

Commencement of remote e-voting	09:00 a.m. (IST) on Tuesday, 27 th September, 2022
End of remote e-voting	05:00 p.m. (IST) on Thursday, 29 th September, 2022

- VI. During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, 23rd September, 2022 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

1. Voting through electronic means

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- II. Mr. Debabrata Deb Nath, Partner- R&D Company Secretaries ("ICSI Membership No. 7775 and C.P. No. 8612"), has been appointed as the Scrutinizer to scrutinize the remote e-voting process and the voting at AGM in a fair and transparent manner.

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

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

Step 1: Access to NSDL e-Voting system


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

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

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Tuesday, 27th September, 2022 at 09:00 A.M. and ends on Thursday, 29th September, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. Friday, 23rd September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 23rd September, 2022.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>  </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

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

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

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

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

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

- Your User ID details are given below :

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

- Password details for shareholders other than Individual shareholders are given below:
 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - 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.
 - How to retrieve your 'initial password'?
 - 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'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

- b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

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

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

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

General Guidelines for shareholders

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

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company’s RTA at mukesh@bighsareonline.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor.relations@servotechindia.com. If you are an
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investor.relations@servotechindia.com. The same will be replied by the company suitably.
6. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/Folio number, PAN and mobile number at investor.relations@servotechindia.com between Friday, 23rd September, 2022 (09.00 a.m. IST) and Monday, 26th September, 2022 (05.00 p.m. IST). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

OTHER INSTRUCTIONS

- 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 cut-off date i.e. 23rd September, 2022. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories, as on cut-off date only shall be entitled to avail the facility of e-Voting system during the AGM.
- ii. The result shall be declared not later than 48 hours from conclusion of this Annual General Meeting. The results declared shall be communicated to National Stock Exchange of India Limited, NSDL, M/s. Bigshare Financial Services Private Limited (i.e. Registrar & Share Transfer Agent of the Company) and shall also be displayed on the website of the Company i.e. www.servotechindia.com.
- iii. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on date of Annual General Meeting i.e. Friday, 30th September, 2022.

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

ITEM NO. 4

The Members of the Company, in their 12th Annual General Meeting ("AGM") held on 30th September, 2016, approved the appointment of M/s. Gupta Jalan & Associates ("GJA"), Chartered Accountants, (Firm Registration No. 03721N), as the Auditors of the Company for a period of 5 (five) years until the conclusion of 17th AGM in the year 2021, thereafter, M/s. Gupta Jalan and Associates were once again appointed for a period of 1 year commencing from the conclusion of 17th Annual General Meeting ("AGM") until this i.e. 18th AGM to be held in the calendar year 2022. GJA will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014. However, with the completion of said tenure, GJA will complete 2 terms of 5 consecutive years.

Therefore, the Board of Directors of the Company ("the Board"), on the recommendation of the Audit Committee ("the Committee"), have recommended for the approval of members, appointment of M/s. Rohit KC Jain and Co., Chartered Accountants (Firm Registration No. 020422N) as the Statutory Auditors of the Company for a period of 5 (five) years commencing from the conclusion of the ensuing AGM till the conclusion of the 23rd AGM of the Company to be held in the year 2027. Further, on the recommendation of the Audit Committee, the Board has approved Rs. 4,72,000/- (Rupees Four Lakhs Seventy Two Thousand only) as audit fee (plus applicable taxes and out of pocket expenses, if any) for FY 2022-23 which shall be reviewed every year and payable subject to approval of the members for their appointment in this AGM.

The Audit Committee considered various parameters like capability to serve the business landscape, audit experience in the Company's operating segments, market standing of the firm, clientele served, etc., and found M/s. Rohit KC Jain and Co., Chartered Accountants to be best suited for auditing the financial statements of the Company.

Brief Profile:

Rohit KC Jain & Co.'s (Firm Regn. No.:020422N) professional blended with approach personal touch has earned the firm enormous confidence of all its clients, which is reflected in an enduring business relationship that it enjoys with them.

Rohit KC Jain & Co. prides itself on being an independent Indian Firm. Their focus has always been to offer a personal service with the quality and assurances expected of a modern

Chartered Accountancy practice. Their Company is a global leader in assurance, tax, transaction, enterprise risk services, financial advisory and consulting to a wide range of local and multinational clients.

Rohit KC Jain & Co.'s professional blended with approach personal touch has earned the firm enormous confidence of all its clients, which is reflected in an enduring business relationship that it enjoys with them.

The firm has a workforce of more than 50 people in 6 offices across 2 Countries and 4 States. Our staff includes Advocates, Chartered Accountants, MBAs and other technically qualified persons.

M/s. Rohit KC Jain and Co., Chartered Accountants have confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors and Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) are in any way, whether financially or otherwise, concerned or interested, in the said resolution.

The Board of Directors recommend the resolution as set out at item No. 4 of the Notice for approval by the members as an **Ordinary Resolution.**

ITEM NO.: 5

On the recommendation of Nomination and Remuneration Committee ("NRC"), the Board of Directors ("Board") in its meeting held on 9th August, 2022, had appointed Mr. Jorg Gabler (DIN: 09699666), as an Additional Director in the capacity of Non-Executive & Non-Independent Director of the Company w.e.f. 9th August, 2022. In accordance with the provisions of Section 161 of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, he shall hold office up to the date of this AGM. As required under section 160 of the Act, a notice has been received from a Member signifying its intention to propose the appointment of Mr. Gabler as the Director.

The Board is of the opinion that Mr. Gabler, is a person of integrity and possesses relevant expertise and experience and is eligible for the position of a Director of the Company and fulfills the conditions specified by the Companies Act, 2013 including Rules framed thereunder and the SEBI Listing Regulations and that he is independent of the management of the Company. The Board considers that his association as Director will be of immense benefit and will be in the best interest of the Company.

His brief resume, the nature of his expertise in specific functional areas, names of companies in which he holds directorship, committee memberships/chairmanships, his shareholding etc., are separately annexed hereto. Additional information in respect of Mr. Gabler, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) is appearing in the Annexure to this Notice and in the Annual Report under Directors' Report and Report on Corporate Governance.

Brief Profile of Mr. Gabler:

Mr. Jorg Gabler, is German-American citizen, with 22 years of experience in the German-American and German Indian business culture.

From 2016–2022, Mr. Gabler has been Principal Advisor/Director of the Indo German Energy Program. Prior to that, Mr. Gabler was the Managing Director of Wagner Solar Inc from 4/2009–11/2015; the US division of Wagner & Co; the German pioneer of solar energy system manufacturing.

Mr. Gabler holds a BA International Business Administration from Northeastern University and M.Sc from the TU Vienna in Renewable Energy Technologies. At GIZ India; an assignment since 04/2016, Mr. Gabler is heading the Grid Integration and Solar Division supporting the Indian Government in reaching the 450 GW solar target by 2030 across 11 states. His work portfolio includes professional studies on Grid Integration for distribution licensee's supporting DISCOM's with integration of high shares of vRE, Sector wide enabling of a Solar Economy including Capacity Building and International Expert Exchanges programs, Pilot and Demonstration project (PV Port & Store; SHIVALIK with 100 kW Solar and 500 kWh Battery Delhi largest Mini-Grid; PVT Technology), and the largest skilling program for solar professionals across India–iRISE. Mr. Gabler will be supporting ISA in its international expansion starting August 2022.

Further, Mr. Gabler has also confirmed that he is not disqualified from being appointed as Director under Section 164 of the said Act nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his consent to act as a Director of the Company. Mr. Gabler has been appointed in the category of Non-Executive & Non-Independent Director for a term of 1 year to hold office from 9th August, 2022 to 8th August, 2023, liable to retire by rotation.

A copy of draft letter of appointment of Mr. Gabler as Non-Executive & Non-Independent Director setting out the terms and conditions of his appointment is available for inspection by members at the Registered Office of the Company.

None of the Directors or Key Managerial Personnel of the Company (including relatives of the Directors and Key Managerial Personnel) other than Mr. Gabler himself and his relatives, are concerned or interested, financially or otherwise, in this resolution.

Accordingly, based on the recommendation of the NRC, the Board recommends the resolution as set out in item No. 5 of the Notice for approval by the members as **Ordinary Resolution..**

ITEM NO. 6

Based on the recommendation of the Nomination and Remuneration Committee ("NRC"), the Board of Directors at its meeting held on 9th August, 2022, appointed Mr. Sampat Rai (DIN: 07710412) as an Additional Director of the Company and also as an Independent Director, not liable to retire by rotation, for a term of three years i.e. from 9th August, 2022 to 8th August, 2025, not liable to retire by rotation subject to the approval of the Members. According to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act'), Mr. Rai shall hold office as Additional Director up to the date of this Annual General Meeting and is eligible to be appointed as a Director.

The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director. The profile and specific areas of expertise of Mr. Rai are provided as Annexure to this Notice. Mr. Rai has given his declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and is not restrained from acting as a Director under any order passed by the Securities and Exchange Board of India or any such authority and is eligible to be appointed as a Director in terms of Section 164 of the Act. He has also given his consent to act as a Director. In the opinion of the Board, Mr. Rai is a person of integrity, possesses the relevant expertise/experience, and fulfills the conditions specified in the Act and the Listing Regulations for appointment as an Independent Director and he is independent of the management. In terms of Regulation 25(8) of Listing Regulations, Mr. Rai has confirmed that he is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

Brief Profile of Mr. Rai:

Mr. Sampat Rai has had a long corporate career of over 40 years has been on a very large canvas beginning at HCL. Later he was Regional Manager at Superphone India Pvt Ltd followed by Marketing Manager at Bharti Group.

He has helped foreign multinationals and medium sized companies from Canada, USA, Germany and Portugal to successfully enter markets in India, Sri Lanka, Bangladesh, Nepal and Burma. Very widely travelled across all parts of the globe he has trained senior and youngsters alike in the art of global working skills.

A former Vice President in well-known Indian corporates, Mr. Sampat Rai has worked in various industry verticals like Telecom, Computers, Surveillance etc. He, as a Management Consultant has turned around several companies in Instrumentation, Exports and the largest Fitness equipment company (among many others) in India.

He has been a speaker at many corporates on various topics in management. He has also been invited to speak to large audiences of students in Universities like Amity etc.

He is a graduate from Kanpur University and pursued PGDM in Marketing Management and Finance from Jamnalal Bajaj Institute of Management Studies, Mumbai in 1976.

Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. Rai on the Board of the Company and accordingly the Board recommends the appointment of Mr. Rai as an Independent Director as proposed in the Resolution no. 6 for approval by the Members as a **Special Resolution**.

Except for Mr. Rai and/or his relatives, no other Directors, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution. Disclosures, as required under Regulation 36 of the Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed to this Notice.

The terms and condition of appointment of the Independent Directors are uploaded on the website of the Company at <https://www.servotech.in/investors/corporate-governance> and is available for inspection by members at the Registered Office of the Company.

ITEM NO. 7

Ms. Sarika Bhatia, was re-appointed and designated as Whole-time Director of the Company by the Board at its Meeting held 21st August, 2019 for a period of 5 (five) years i.e. from 21st August, 2019 to 20th August, 2024. The same was subsequently approved by the members at the AGM held on 30th August, 2021.

Further, considering the contribution of Ms. Bhatia and the progress made by the Company under her guidance and as

per the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 27th August, 2022 approved the revision in the remuneration of Ms. Bhatia for period of remaining term, therefore the approval of the members of the Company is sought for revision in the remuneration as provided in the Resolution no. 7 as minimum remuneration for the remaining period of her appointment, in case of inadequacy or absence of profits.

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 her appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act. After the appointment as Whole-time Director, Ms. Bhatia has attended all the Board Meeting(s).

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 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 Ms. Bhatia is as mentioned below:

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

The Board, therefore, recommends the **Special Resolution** at Item No. 7 of the Notice for approval by the Members.

Except Mr. Raman Bhatia (Spouse of Ms. Bhatia) and Ms. Bhatia herself, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolution set out at Item no. 7 of this Notice.

ITEM NO. 8

The Board of Directors of the Company, on recommendation of the Audit Committee, at its meeting held on 9th August, 2022, had re-appointed M/s. N N Sharma & Associates, Cost Accountants (FRN. No. 101702) as Cost Auditors for the Financial Year 2022-23 at a remuneration of Rs. 30,000/- (including out of pocket expenses) plus applicable taxes.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records & Audit), Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors to conduct the cost audit for the Financial Year 2022-23.

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

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

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

PRIYA PANDEY
COMPANY SECRETARY
ICSI MEMBERSHIP NO.: A35815

Date: 27th August, 2022
Place: New Delhi

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

Annexure-1

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

PARTICULARS		DETAILS	
Name of Director	Mr. Jorg Gabler	Mr. Sampat Rai	Ms. Sarika Bhatia
Director's Identification Number (DIN)	09699666	07710412	00155602
Qualifications	BA International Business Administration	PGDM in Marketing Management and Finance	Bachelor's in Commerce
Date of Birth & Age	14 th May, 1968 (54 years)	25 th November, 1952 (69 years)	30 th June, 1978 (44 years)
Date of First Appointment on Board	9 th August, 2022	9 th August, 2022	24 th September, 2004
Nature of expertise in specific functional area	More than 22 years of experience in the German-American and German Indian business culture and solar energy system manufacturing	More than 40 years of experience in Management Consulting Business	More than 15 years of experience in Sales, Marketing, Business Operations and Development.
List of Directorships of other Boards*	NIL	NIL	NIL
Chairmanship/Membership of Committees of other Boards	NIL	NIL	Committee of Board of Directors
Number of Shares held in the Company	NIL	NIL	25,79,675
Relationship between Directors inter-se	NIL	NIL	Wife of Mr. Raman Bhatia, Managing Director of the Company.
Last Salary Drawn (in Rs.)	Mr. Gabler is appointed for the first time. Therefore, we do not have any previous details of remuneration paid.	Mr. Rai is appointed for the first time. Therefore, we do not have any previous details of remuneration paid.	30,00,000/- p.a.

*For the purposes of Directorships on other Boards, only Indian Companies are considered.

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

1.	Background details	These details form part of the disclosure required under SEBI Listing Regulations provided hereinbelow under the heading "Nature of expertise in specific functional area"
2.	Past remuneration	These details form part of the disclosure required under SEBI Listing Regulations provided hereinbelow under the heading "Last Salary drawn"
3.	Recognition or awards	Ms. Bhatia has been awarded with various awards namely "Chota Business Bade Sapne in 2010", "Best Emerging Manufacturer of Led Lights & Solar Products In Delhi/NCR:2016", "Green Entrepreneur of the Year 2016",
4.	Job profile and his suitability	These details form part of the disclosure required under SEBI Listing Regulations provided hereinbelow under the heading "Nature of expertise in specific functional area"
5.	Remuneration proposed	These Details form part of explanatory statement
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The exact figures are not readily available. However, the proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparative qualifications and experience.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Ms. Bhatia is the Promoter and Managing Director. Save as the managerial remuneration he does not have any other material pecuniary relationship with the Company.

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

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

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

Date: 27th August, 2022
Place: New Delhi

PRIYA PANDEY
COMPANY SECRETARY
ICSI MEMBERSHIP NO.: A35815

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



Servotech Power Systems Ltd.:

CIN : L31200DL2004PLC129379

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

Ph : 011 - 4111 7657 - 58 - 59 - 60

Email : investor.relations@servotechindia.com

www.servotech.in

