

SERVOTECH POWER SYSTEMS LIMITED

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

NOTICE OF POSTAL BALLOT

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

Dear Member(s),

NOTICE is hereby given, pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 ("the Rules"), including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force, and General Circular No.14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 39/2020 dated 31st December, 2020 ("MCA Circulars"), as amended from time-to-time, Regulation 44 of Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and SEBI Circular No.: SEBI/HO/CFD/CMD1/CIR/P/2020 dated 12th May, 2020 SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and any other applicable laws and regulations, for seeking the approval of the Members of Servotech Power Systems Limited ("the Company") by way of Special Resolution for the business set out hereunder by way of Postal Ballot only through remote e-voting.

In view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, Ministry of Corporate Affairs, Government of India (the "MCA") in terms of the MCA Circulars, has advised the companies to take all decisions requiring members approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of postal ballot/e-voting in accordance with the provisions of the Act and Rules made thereunder, without holding a general meeting that requires physical presence of members at a common venue. MCA has clarified that for companies that are required to provide remote e-voting facility under the Act, while they are transacting any business(es) only by postal ballot up to 30th June, 2021, the requirements provided in Rule 20 of the Rules as well as the framework provided in the MCA Circulars will be applicable mutatis mutandis. Further, the Company will send Postal Ballot Notice by email to all its members who have registered their email addresses with the Company or depository/depository participants and the communication of assent/dissent of the members will ONLY take place through the remote e-voting system. This Postal Ballot is accordingly being initiated in compliance with the MCA Circulars.

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

The Explanatory Statement pertaining to the Resolution proposed in this notice setting out all material facts and reasons thereof in terms of Section 110 read with Section 102 of the Companies Act, 2013 is annexed herewith for your consideration.

The Board of Directors of the Company in its Meeting held on 7th December, 2022 had appointed Mr. Debabrata Deb Nath, (FCS No.: 7775; CP No.: 8612) Partner, R&D Company Secretaries, Practicing

For Servotech Power Systems Ltd.


Company Secretary

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 : 011-41130158, • Sales : +91 9717691800, • Email : servotech@servotechindia.com, Website : www.servotech.in

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.

Further, the Company, in accordance with the provision of Section 108 of the Act, read with the Rules and Regulation 44 of the Listing Regulations, is pleased to provide the Member with the facility to exercise their Right to Vote Electronically, i.e. through remote e-voting facilities provided by National Securities Depositories Limited ("NSDL"). Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instruction in the section 'Voting through Electronic means'. The voting period shall commence from Tuesday, 13th December, 2022 at 09.00 AM (IST) and will end on Thursday, 12th January, 2023 at 05.00 PM (IST).

The Scrutinizer shall submit his report to the Chairman or in his absence to any other Director as authorized by the Chairman after completion of scrutiny of votes cast through remote e-Voting. The results of voting by Postal Ballot (i.e. through e-Voting) will be declared on or before Saturday, 14th January, 2023 by or before 05:00 p.m. (IST) at the Registered office of at 806, 8th Floor, Crown Heights, Hotel Crown Plaza, Sector-10, Rohini, New Delhi-110085, India. In addition to the Results of voting along with the Scrutinizer's report shall also be communicated to National Stock Exchange of India Limited, will be placed on Company's website i.e. www.servotech.in and the website of NSDL i.e. www.evoting.nsdl.com. The results along with the Scrutinizer's report shall also be displayed on the notice board at the Company's Registered Office at New Delhi.

The date of declaration of results of Postal Ballot Process shall be the date on which the resolution would be deemed to have been passed, if approved, by the requisite majority i.e. on Saturday, 14th January, 2023.

SPECIAL BUSINESSES

ITEM NO. 1: Sub-division (split) of face value of equity shares of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 61(1)(d) and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules framed thereunder ("the Act"), applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (in each case, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), in accordance with the Articles of Association of the Company and subject to receipt of such other approvals, consents, permissions and sanctions, as may be required from concerned statutory authorities or bodies or third parties and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals, and on recommendation of the Board of Directors of the Company (hereinafter referred to as 'the Board', which expression shall include any Committee constituted/to be constituted by the Board thereof or any other person(s) as may be authorized by the Board in that behalf), consent of the shareholder(s) of the Company, be and is hereby accorded for sub-dividing/splitting the existing equity shares of the Company, such that each equity share having face value of Rs. 10/- (Rupees Ten only) fully paid-up, be sub-divided into five (5) equity shares having face value of Rs. 2/- (Rupees Two only) each, fully paid-up, ranking pari-passu with each other in all respects, with effect from such date as may be fixed by the Board as the Record Date ("Record Date").

RESOLVED FURTHER THAT pursuant to the sub-division of equity shares of the Company with effect from the Record Date, each equity share of the Company having a face value of Rs. 10/- (Rupees Ten Only) in the authorized, issued, subscribed and paid-up equity share capital shall stand sub-divided into 5 (Five) equity shares of a face value of Rs. 2/- (Rupee Two Only) each.

RESOLVED FURTHER THAT upon sub-division of equity shares as aforesaid, the existing share certificate(s) in relation to the existing equity shares of face value of Rs. 10/- (Rupees Ten only) each, fully paid up, held in physical form, shall be deemed to have been automatically cancelled and shall be of no

effect on and from Record Date and no letter of allotment shall be issued to the allottees of the sub-divided equity shares having face value of Rs. 2/- (Rupees Two only) each, fully paid up, and the Company shall, without requiring the shareholders to surrender the old/existing share certificate(s), issue and dispatch the new share certificate(s) in lieu thereof, with regard to the sub-divided equity shares in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014 (as amended), the Articles of Association of the Company and other applicable rules and regulations and, in case of the equity shares held in the dematerialized form, the number of sub-divided equity shares of the face value of Rs. 2/- (Rupees Two only) each, fully paid up, shall be credited to the respective beneficiary accounts of the shareholders maintained with their respective depository participants, *in lieu* of the existing credits representing the equity shares of the Company of face value of Rs. 10/- (Rupees Ten only) each on the Record Date.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to agree to such changes/modifications as may be suggested by the Registrar of Companies or other competent authority or that may otherwise deem fit by the Board and to take such other steps as may be required to give effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, to give such directions as they may in their absolute discretion deem necessary, proper or desirable, to settle any question, remove any difficulty, to agree to such changes/modifications as may be suggested by the Stock Exchanges, Registrar of Companies or other competent authority and that may be deemed fit by the Board, with regard to the sub-division of the equity shares and the alteration of the capital clause of the Memorandum of Association of the Company, as aforesaid and to carry out/execute all matters in connection therewith and incidental thereto in order to give full effect to this resolution including delegate all or any of its powers herein conferred to any Committee of Directors and/or any person(s) without any further approval of the shareholders."

ITEM NO. 2: Alteration of Clause V of the Memorandum of Association of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 and the allied rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force) subject to such approvals, consents, permissions and sanctions as may be necessary from the concerned authority or bodies, and upon sub-division of equity shares, from existing 1 (one) Equity Share of face value of Rs. 10/- each into 5 (Five) Equity Shares of face value of Rs. 2/- each, the approval of the Members of the Company be and is hereby accorded for the alteration and substitution of the existing Clause V of the Memorandum of Association of the Company with the following new Clause V:

The Authorized Share Capital of the Company is Rs. 22,00,00,000/- (Rupees Twenty Two Crores only), divided into 11,00,00,000 (Eleven Crores only) equity shares of Rs. 2/- (Rupees Two only) each.

RESOLVED FURTHER THAT Mr. Raman Bhatia, (DIN: 00153827) Managing Director, Ms. Sarika Bhatia, (DIN: 00155602) Whole-time Director and Ms. Priya Pandey, (ICSI MEM. NO.: A35815) Company Secretary of the Company be are hereby severally authorized to sign, submit, file necessary forms papers and documents with such authorities as may be required from time to time and to do all such acts, deeds, matters and things as they may deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to give effect to the foregoing resolution."

ITEM NO. 3: Re-designation of Mr. Rajesh Mohan Rai (DIN: 09050751) from Independent Director to Whole Time Director.

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

“RESOLVED FURTHER THAT in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and any other applicable provisions of the Act (including any statutory modification(s), clarification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of Board of Directors of the Company and provisions of Articles of Association of the Company, consent of the Members of the Company, be and is hereby accorded to re-designate Mr. Rajesh Mohan Rai (DIN: 09050751) as the Whole-Time Director of the Company, for a period of 3 (Three) years on such terms and conditions including remuneration as stated in the explanatory statement attached hereto, with the power to the Board to grant increments and alter and vary the terms and conditions including remuneration read with the Remuneration Policy of the Company.

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

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

ITEM NO. 4: Authorization to the Board of Directors under Section 180 (1) (a) of the Companies Act, 2013 for creation of charge upto the limit of Rs. 200 crores.

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

“RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company through Extra-Ordinary General Meeting held on Tuesday, 6th June, 2017 and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, for the purpose of due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company in respect of such borrowings and in such form, manner and with such ranking and on such terms & conditions, as the Board may deem fit, in favour of the Lenders/Security Trustee, provided that the aggregate indebtedness secured by the assets/properties of the Company shall not at any time exceed the aggregate limit of Rs. 200 Crores (Rupees Two Hundred Crores Only).

RESOLVED FURTHER THAT the Directors of the Company, be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolution, including filing of the necessary forms with the Registrar of Companies and do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolution and to settle any question or difficulty that may arise with regard to the aforesaid purpose and which it may deem fit in the interest of the Company”

ITEM NO. 5: Creation of charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings under Section 180(1)(c) of the Companies Act, 2013

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

“RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company through Extra-Ordinary General Meeting held on Tuesday, 6th June, 2017 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 200 crores (Rupees Two Hundred Crores Only) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution.”

ITEM NO. 6: Amendment of SERVO-Employees Stock Option Scheme 2022 (ESOP-2022).

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

“RESOLVED THAT in accordance with the provisions of Section 62(1)(b) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (“Act”) and in accordance with provisions of the Memorandum of Association and Articles of Association of the Company, applicable provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB & SE) Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), and other rules, regulations, circulars and guidelines as may be applicable and subject to such approvals, consents, permissions and approvals as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (“the Board”), which term shall include its duly empowered Committee(s) constituted/to be constituted by it including the Nomination and Remuneration Committee (“NRC”) to exercise its powers including the powers conferred by this resolution), the consent of the Members of the company be and is hereby accorded to amend the SERVO- Employee Stock Option Scheme, 2022 (“ESOP 2022/Scheme”) of the Company previously formulated and approved by the members of the Company at the Extra-ordinary General Meeting (“EGM”) held on 4th March, 2022 in accordance with the manner mentioned in explanatory statement annexed to this notice.

RESOLVED FURTHER THAT the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari-passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares and/or equity linked instruments (including options) of the Company are issued to the option grantees for the purpose of making a fair and reasonable adjustment to such equity shares, the maximum number permissible under the scheme of stock options convertible into equity shares be deemed to be increased in proportion to such additional equity shares issued in the aforesaid corporate action(s).

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the ESOP 2022 shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares

of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER THAT the Board of Directors had authorized Nomination and Remuneration Committee ("Committee"), to formulate, evolve, decide upon and bring into effect ESOP 2022, on such terms and conditions as contained in relevant explanatory statement and to make any change(s), modifications, variations, revisions in the terms and conditions of the ESOP 2022 from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of the equity shares allotted under ESOP 2022 on the stock exchanges where the equity shares of the Company are listed in due compliance with the SBEB Regulations and other applicable laws.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2022.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2022 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2022 and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SBEB Regulations and any other applicable laws in force.

RESOLVED FURTHER THAT the Board/Committee be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint Merchant Banker(s), brokers, solicitors, registrars, compliance officer, investors service centre, and other advisors, consultants or representatives, being incidental to the effective implementation and administration of ESOP 2022 and also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

ITEM NO. 7: Grant of stock options to the employees of the Company's subsidiaries companies under the "SERVO- Employees Stock Option Scheme 2022 (ESOP-2022)".

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

"RESOLVED THAT in accordance with the provisions of Section 62(1)(b) read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 and applicable rules made thereunder (including any statutory modifications or re-enactment thereof) ("Act"), and in accordance with provisions of the Memorandum of Association and Articles of Association of the Company and the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 including any modifications thereof or supplements thereto (the "Regulations") and in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") entered into with the Stock Exchanges where the shares of the Company are listed and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Compensation Committee/Nomination and

Remuneration Committee), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company and Nomination and Remuneration Committee to create, offer, issue, reissue, grant, transfer and allot options, at any time, to the employee(s)/directors of the existing and future subsidiary companies of the Company and to extend the benefits of the "SERVO-Employees Stock Option Scheme 2022" ("ESOP 2022") to such employees (whether in India or abroad) (including Executive Directors and Non-Executive Directors, but excluding Independent Directors) of the subsidiaries companies who may or may not be the Members of the Company, (hereinafter collectively referred to as "Employees").

RESOLVED FURTHER THAT the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to such issue or offer, allocation, allotment and utilization of the proceeds (including power to amend or modify any terms of such issue or allotment) without being required to seek any further consent or approval of the Members, as it may in its absolute discretion deem fit and further to execute all documents and writings as may be necessary, proper, desirable or expedient and to give such directions and/or instructions as it may from time to time decide and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions of the Plan.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to any Committee of Directors of the Company with a power to further delegate to any Officers/Executives of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc. as may be necessary in this regard.

RESOLVED FURTHER THAT any of the Directors and the Company Secretary of the Company be and are hereby severally authorized to take all necessary steps for listing of the Securities allotted under the Plan on the Stock Exchanges, where the existing securities of the Company are listed as per the provisions of the Listing Regulations and other applicable guidelines, rules and regulations."

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



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



Date: 7th December, 2022
Place: New Delhi

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

NOTES:

1. An Explanatory Statement pursuant to Section 102 read with Section 110 of the Act, setting out the material facts and reasons for the proposed Resolutions above, are appended herein below for your consideration.
2. In compliance with the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, Circular No. 22/2020 dated June 15, 2020, Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 08, 2021 and other applicable circulars issued by the Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI") (hereinafter collectively referred to as "Circulars"), this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories.
3. The Postal Ballot Notice is being sent only in electronic form to the Members who have registered their email address with the Company/Registrar and Transfer Agent of the Company (in case of physical shareholding) i.e. with Bigshare Services Private Limited ("RTA") or with Depository Participants. The Voting rights shall be reckoned on the paid-up value of shares registered in the Register of Member/beneficial owner as on **cut-off date** i.e. Friday, 9th December, 2022.
4. As per the MCA Circulars, physical copies of the Notice, postal ballot forms and pre-paid business reply envelopes are not being sent to the shareholders for this Postal Ballot. Shareholders are requested to provide their assent or dissent through e-Voting only. Therefore, those Members who have not yet registered their email address are requested to get their email addresses registered by following the procedure mentioned below:
 - i. In light of the MCA Circulars, for remote e-voting for this Postal Ballot, the Members whether holding equity shares in demat form or physical form and who have not registered their email addresses and in consequence to whom the remote e-voting notice could not be serviced, may get their e-mail addresses registered with the Company's RTA and follow the registration process as guided thereafter. Post successful registration of the e-mail address, the shareholder would get soft copy of this Notice and the procedure for e-voting along with the user-id and the password to enable e-voting for this Postal Ballot.
 - ii. It is clarified that for permanent registration of e-mail address, the Members are however requested to register their email address, in respect of electronic holdings with the depository through the concern depository participants and in respect of physical holdings with the Company's RTA, by following the due procedure.
 - iii. Those Members who have already registered their e-mail address are requested to keep their email addresses validated with their depository participants/the Company's RTA to enable servicing of notices/documents/annual Reports electronically to their e-mail address.
5. Resolutions, if passed by Members with requisite majority through Postal Ballot, shall be deemed to have been passed on the last date of Remote e-voting i.e. Saturday, 14th January, 2023, as if the same have been passed at a General Meeting of the Members.
6. The Voting rights shall be reckoned on the paid-up value of shares registered in the Register of Member/beneficial owner as on cut-off date i.e. Friday, 9th December, 2022. The voting rights of shareholder(s) for e-Voting shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. Any person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to vote through e-Voting. Any person who is not a shareholder as on the cut-off date should treat this notice for information purpose only.

7. The e-voting commences on Tuesday, 13th December, 2022 (09:00 A.M. IST) and ends on Thursday, 12th January, 2023 (05:00 P.M. IST) both days inclusive. E-voting shall be disabled by NSDL at 05:00 P.M. on 12th January, 2023. During this period, the Members of the Company holding equity shares either in physical form or dematerialized form, as on Friday, 9th December, 2022 ("cut-off date"), may cast their vote electronically. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
8. For any query connected with the Resolutions proposed to be passed by means of Postal Ballot through Remote e-voting, Members may contact Company's Registrar & Share Transfer Agent (RTA), Bigshare Services India Private Limited, Mr. Mukesh Kumar, Branch Manager, 302, Kushal Bazar, 32-33, Nehru Place, New Delhi-110019; (Phone No.: 011-42425004); Email: mukesh@bigshareonline.com) or the Company Secretary of the Company by sending email at investor.relations@servotechindia.com or call at 011-41117657, Address: 806, 8th Floor, Crown Heights Building, Sector-10, Rohini, New Delhi-110085.
9. Dispatch of the Postal Ballot Notice and the Explanatory Statement shall be published through an advertisement in one Regional Newspaper, widely circulated in National Capital Territory of Delhi and one English Newspaper circulated throughout India and shall be hosted at the Company's website at www.servotech.in. The said public notice shall also mention the process for registration of email-ids by those Members who have not yet registered their email-ids with the Company.
10. The documents referred to in the Notice and the Statement pursuant to Section 102 of the Companies Act, 2013 are uploaded on the website of the Company at www.servotech.in to facilitate online inspection till the last date of Remote e-voting. The documents shall also be available for inspection at the Registered Office between 03.00 P.M. to 05.00 P.M. on all days except for Saturday and Sunday till the last date of Remote e-voting. Members who wish to inspect the documents are requested to send an email to investor.relations@servotechindia.com mentioning their name, Folio No./Client ID and DP ID, and the documents they wish to inspect in this regard.
11. The Company has engaged the services of NSDL to provide remote e-voting facility to its Members. The instructions for Members for remote e-voting electronically are as follows:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nSDL.com either on a Personal Computer or on a mobile. On the e-Services home page click on the " Beneficial Owner " icon under " Login " which is available under ' IDeAS ' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on " Access to e-Voting " under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting

	<p>website of NSDL for casting your vote during the remote e-Voting period.</p> <ol style="list-style-type: none"> 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. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 40px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will

	authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

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

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

4. Your User ID details are given below :

**Manner of holding shares i.e. Demat Your User ID is:
(NSDL or CDSL) or Physical**

a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 123026 then user ID is 123026001***

5. Password details for shareholders other than Individual shareholders are given below:

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

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rndregular@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "**Upload Board Resolution/Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 4430 or send request to Ms. Soni Singh, Asst. Manager, National Securities Depository Limited at evoting@nsdl.co.in.

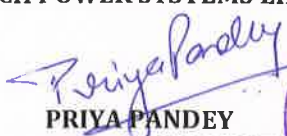
Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

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

update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

5. In terms of Listing Regulations, securities of the listed companies can only be transferred in dematerialized form with effect from 1st April, 2019 and as per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, listed companies shall issue securities in dematerialized form only in case of investor service request for matters specified in this circular. In view of the same, shareholders are advised to dematerialize shares held by them in physical form
6. If you have any queries or issues regarding e-Voting from the NSDL e-Voting System, you can write an email to evoting@nsdl.co.in or contact at +91-22 24994545, +91-22 24994559.
7. All grievances connected with the facility for voting by electronic means may be addressed to Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, (NSDL) at the designated email id -evoting@nsdl.co.in.

FOR AND ON BEHALF OF
SERVOTECH POWER SYSTEMS LIMITED


PRIYA PANDEY
COMPANY SECRETARY
ICSI MEM. NO.: A35815



Date: 7th December, 2022
Place: New Delhi

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

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

ITEM NO. 1 & 2

The share price of the Company has appreciated significantly since its listing on National Stock Exchange of India Limited, backed by credible performance of the Company over the years coupled with the general positive economic environment. However, the shares of the Company are very thinly traded on the stock exchanges. With a view to encourage wider participation of retail investors by making it more affordable for them and to enhance the liquidity of equity shares of the Company in the stock market, the Board of Directors of the Company in its meeting held on 7th December, 2022 considered and approved the sub-division/splitting of the existing equity shares of the Company, such that each equity share having face value of Rs. 10/- (Rupees Ten only) fully paid-up, be sub-divided into five (5) equity shares having face value of Rs. 2/- (Rupees Two only) each, fully paid-up, ranking pari-passu with each other in all respects, with effect from such date as may be fixed by the Board as the Record Date ("Record Date"), subject to approval of shareholders and other competent authorities.

Article 12 of the Articles of Association of the Company provides the authority to the Company to sub-divide/split the share capital of the Company.

The Record Date for the aforesaid sub-division of equity shares shall be fixed by the Board (which expression shall also include any Committee thereof or any other person(s) as may be authorized by the Board in that behalf) after the approval of the shareholders is obtained for the proposed sub-division.

The Board of Directors at their meeting held on 7th December, 2022, pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013, consequential to the aforesaid

sub-division/split of face value of the equity shares of the Company, also approved the alteration and substitution to the existing Clause V of the Memorandum of Association (“MOA”) of the Company to reflect the corresponding changes in the Authorised Share Capital of the Company, subject to approval of the members and such other approvals as may be required.

The proposed sub-division/split of equity shares of the Company will not result in any change in the total amount of authorized and paid-up share capital of the Company. The sub-division shall be on proportionate basis and there shall not be any change in the shareholding pattern of the Company due to the aforesaid sub-division.

The capital structure of the Company pre and post sub-division shall be as below:

Particulars	Pre sub-division			Post sub-division		
	No. of equity shares	Face Value (INR)	Total Share Capital (INR)	No. of equity shares	Face Value (INR)	Total Share Capital (INR)
Authorised Share Capital	22000000	10	22,00,00,000	110000000	2	22,00,00,000
Issued, Subscribed and Paid-up Share Capital	21265429	10	21,26,54,290	106327145	2	21,26,54,290

The Board recommends the Resolution set forth in Item No. 1 and 2 of the Notice for approval of the Members by way of a Special Resolution in the best interest of the Company.

In terms of the provisions of Sections 13 and 61 of the Companies Act, 2013, the Board recommends the Resolution set forth in Item No. 1 and 2 approval of the shareholders of the Company is sought by way of Special Resolution for sub-division of equity shares and consequential alteration to Capital Clause (Clause V) of the Memorandum of Association of the Company.

None of the Directors, Key Managerial Personnel (KMP) or their relatives are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No.1 and 2 of the Notice, except to the extent of their shareholding in the Company, if any.

ITEM NO. 3

Mr. Rajesh Mohan Rai (DIN: 09050751) was appointed as Independent Director in 17th Annual General Meeting (“AGM”) held on 30th September, 2021 to hold office for 3 (three) consecutive years for a term up to 11th February, 2024.

Mr. Rai is renowned HR Strategist, Business Coach with more than 26 years of rich and varied experience. Before joining the Company he has acted as Principal Consultant – Director at HR Anexi, Director- Human Resources at Nivio Technologies Pvt. Ltd. Regional Head (South) - HR at Aviva Life Insurance Co. Ltd., Head of Recruitment & HR (RGE & Services) at Microsoft Corporation and many more.

Over his 26-years of career, Mr. Rai has worked in a variety of corporates both being multinationals and Indian. He has been instrumental in Spearheading the Recruitment & HRBP for RGE & Services vertical, Employee Relations, and Employee Engagement at ITC Hotels Ltd. (WG Maurya Sheraton) and HCL Limited. He has been awarded with numerous awards primarily being John Mattone Certified Executive Coach (Initial Mastery).

The Board of Directors on 7th December, 2022, on recommendation of Nomination and Remuneration Committee ("NRC"), considered to re-designate him from the position of an Independent Director to Whole Time Director for a period of 3 years with effect from 15th December, 2022 subject to the approval of the members of the company in general meeting.

In the event of any loss, absence or inadequacy of profits of the Company, the Company can pay remuneration to their managerial personnel as per the limits mentioned in Section II of Part II of Schedule V of the Companies Act, 2013, if the conditions mentioned therein are fulfilled.

As per the provision of Sections 196, 197, Schedule V and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force), the appointment of and payment for remuneration to Whole Time Director requires the approval of the Shareholders in General Meeting and hence necessary Special Resolution has been proposed for your approval.

Mr. Rai satisfies all the conditions set out in Section 196 of the Companies Act, 2013 ("Act") and Part-I of Schedule V to the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

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

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

1.	Gross Remuneration	Gross Annual remuneration of Rs. 42,00,000/-, with such increments as may be decided by the Board of Directors (hereinafter referred to as "the Board" which term shall also be deemed to include the Nomination and Remuneration Committee and/ or any other sub-committee thereof constituted by the Board) from time to time during her be 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.

This statement containing following information is given as per Section II of Part II of Schedule V of the Companies Act, 2013:

I. GENERAL INFORMATION:		
1.	Nature of Industry:	Servotech Power Systems Limited was incorporated on 24 th September, 2004. Initially, our Company was manufacturing Inverters, UPS and Servo Stabilizers under the brand name "SERVOTECH". We started production of LED products in the year 2011. We are selling LED products under the brand "SAARA". We

		manufacture energy efficient luminaries for residential, industrial, and commercial applications. Our products include LED light bulbs, LED downlights, LED flood light, LED panel lights, LED tube lights, LED bay lights, outdoor lights (street lights, floodlights).																		
2.	Date or expected date of commencement of commercial production	The Company commenced its business activities in the year 2004.																		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable																		
4.	The financial performance based on indicators like revenue, PBT, PAT etc are given below:	<table border="1"> <thead> <tr> <th>Particulars</th> <th>31st March, 2022</th> <th>31st March, 2021</th> </tr> </thead> <tbody> <tr> <td>Total Revenue</td> <td>13,426.42</td> <td>8,790.44</td> </tr> <tr> <td>Total Expenses</td> <td>12,915.07</td> <td>8,652.06</td> </tr> <tr> <td>Profit/(Loss) before Tax</td> <td>506.30</td> <td>115.03</td> </tr> <tr> <td>Tax Expense</td> <td>139.93</td> <td>23.21</td> </tr> <tr> <td>Profit After Tax</td> <td>366.37</td> <td>91.83</td> </tr> </tbody> </table>	Particulars	31 st March, 2022	31 st March, 2021	Total Revenue	13,426.42	8,790.44	Total Expenses	12,915.07	8,652.06	Profit/(Loss) before Tax	506.30	115.03	Tax Expense	139.93	23.21	Profit After Tax	366.37	91.83
Particulars	31 st March, 2022	31 st March, 2021																		
Total Revenue	13,426.42	8,790.44																		
Total Expenses	12,915.07	8,652.06																		
Profit/(Loss) before Tax	506.30	115.03																		
Tax Expense	139.93	23.21																		
Profit After Tax	366.37	91.83																		
5.	Foreign Investments or collaboration	The Company does not have any foreign investments or foreign collaboration.																		
II. Information about Mr. Rai:																				
1.	Background details:	Mr. Rai is renowned HR Strategist, Business Coach with more than 26 years of rich and varied experience.																		
2.	Past Remuneration:	Being Independent Director, No remuneration was payable to him by Company.																		
3.	Recognition or awards:	<ul style="list-style-type: none"> i. Guinness World Record (GWR) for making 1356 number of people Walk on Fire on a 100 sq. feet bed. ii. Awarded as one of the "100 Most Influential Global HR Leaders" by World HRD Congress, Mumbai, 2018 iii. Awarded "Training Leader of the Year" by World Training and Development Congress, Mumbai, 2018 iv. Awarded "Best Performance Coach" by World Coaching Congress, Mumbai, 2018 v. Awarded Golden Globe Tigers award for "Outstanding Contribution to HR" (HR leadership Excellence Award) at Kuala Lumpur, Malaysia, 2018 vi. Awarded "HR Consultant of the Year" award by Asia's HR Vendors Award, Singapore, 2018 vii. Awarded as "HR Professional of the Year" by Asia's HR Tech Leadership Awards, Singapore, 2018 viii. Awarded the "Best Business Coach" by Star of the Industry Awards, New Delhi, 2018 ix. Awarded the "Training leader of the Year" by Star of the Industry Awards, New Delhi 2018 x. Awarded the "Most Talented Training & Development Leaders of North India", New Delhi 2018 xi. Awarded Golden Globe Tigers Awards for being the 																		

		<p>“Best Entrepreneur Coach” at Kuala Lumpur, Malaysia, 2019 Awarded the “Best Business Coach” at India Business Conclave, Lucknow, 2019</p> <p>xii. Admitted as a “Fellow Member” of Institute of Directors (IOD), New Delhi</p> <p>xiii. He is on Advisory Board of India 5000 (a research group, initiated and organized by Benchmark Trust)</p> <p>xiv. Awarded Honorary Doctorate (Ph.D) by Global Triumph Virtual University, 2019</p> <p>xv. Awarded “Best Entrepreneur Coach” at Indian Legend Awards, 2019</p> <p>xvi. Awarded “Best Entrepreneur Coach of the Year” at Leadership Summit organized by Global Triumph Foundation, New Delhi 2019</p> <p>xvii. Awarded “Iconic Leader” in the Business Coach Category at the Game Changers Business Awards, 8th Edition, New Delhi, January 2020</p> <p>xviii. Awarded “Business Coaching Leadership Award” at the 2 and Asian- African Leadership Forum, at New Delhi, January 2020</p> <p>xix. Awarded “Best in Class – Executive Coach” at TLSA 2.0, Mumbai, February 2020.</p> <p>xx. Featured in Passion Vista Magazine- June 2020</p> <p>xxi. Awarded “Best Skills Coaching” by India Mentors and Business Coaching, 2021</p>
4.	Job profile and suitability:	Mr. Rai will contribute towards the development and growth of the Company and being specialist in HR will oversee the functioning of the HR department of the Company. Under his leadership, volume of business and profitability of the company will be having upward change.
5.	Remuneration proposed:	The proposed annual remuneration is Rs. 42,00,000/- and other terms and conditions as specified in the resolution set out at item no. 3 of this Notice.
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:	The remuneration proposed to be paid to Mr. Rai is well within industry standards and commensurate with remuneration of personnel appointed at WTD levels of similar sized companies taking into consideration the responsibilities shouldered by him.
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:	There is no pecuniary relationship with the Company.
III. Other information		
1.	Reasons for inadequacy of profits	The Company has managed to register of profit of Rs.366.37 Lakhs during the F.Y. 2021-22. However, renewable industry is under pressure due to impact of COVID-19 and is still on its recovery mode. The cost of raw materials, labour costs and costs are also increasing day to day.
2.	Steps taken/proposed to be taken for improvement	The Company is taking effective steps to bring down overheads and indirect expenses. The Company is hopeful that these measures will yield good returns in future.
3.	Expected increase in	The Company is trying to improve profitability of the

	productivity and profits in measurable terms:	Company and will continue in its endeavor to improve performance. Management expects a reasonable growth in business, gross revenue and net profit in the coming years.
IV. Disclosures:		
		<ol style="list-style-type: none"> 1. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act. Details of Ms. Bhatia pursuant to the provisions of the Listing Regulations and SS-2 issued by the ICSI are provided in the "Annexure" to the Notice. 2. This may treated as a written statement setting out the terms of appointment and remuneration of Mr. Rai, as a Whole Time Director under Section 190 of the Companies Act, 2013. 3. The appointment and remuneration of Mr. Rai has been approved by the Board of Directors. The Board of Directors of your Company recommends the approval of the appointment of Mr. Rai, on new terms with effect from 15th December, 2022 for a period of Three years. 4. Mr. Rai satisfies all the conditions set out in Part I of Schedule V as also under Section 196 of the Companies Act, 2013 for being eligible to be appointed as a Whole-time Director of the Company. 5. The Company has received declaration from Mr. Rai confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and he has not been debarred or disqualified from being appointed or continuing as Director of any Companies by the Securities Exchange Board of India, Ministry of Corporate Affairs, or any such statutory authority.

The Board considers that the association of Mr. Rai would be of immense benefit to the Company and accordingly, the Board commends the Special Resolution set out in Item No. 3 of the accompanying Notice for approval of the Members.

Except Mr. Rai and his relatives, none of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice.

ITEM NO. 4 & 5

As per the provisions of Section 180 (1) (c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the permission of the Shareholders in General Meeting by passing a Special Resolution, borrow monies in excess of the aggregate of the paid-up share capital, free reserves and securities premium of the Company.

Taking into consideration the growth in the business operations, foreseeable future plans and the existing credit facilities availed by the Company, it would be in the interest of the Company to enhance the borrowing limits for the Board and authorise the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves and securities premium but that shall not to exceed Rs. 200 Crores (Rupees Two Hundred Crores Only).

The borrowings of the Company are, in general, required to be secured by suitable mortgage or charge on all or any of the movable and/or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s).

The mortgage and/or charge by the Company of its movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company in favour of the lenders/agent(s)/trustees. Further, the Company in certain events of default by the Company, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180 (1) (a) of the Companies Act, 2013. Hence it shall be necessary to obtain approval for the same from the Shareholders.

The Board recommends the Resolution set forth in Item No. 4 and 5 for approval of the shareholders of the Company by way of Special Resolution.

None of the Directors, Key Managerial Personnel (KMP) or their relatives are in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 4 and 5 of the Notice, except to the extent of their shareholding in the Company, if any.

ITEM NO. 6 & 7

Servotech Power Systems Limited ("the Company") acknowledges that its growth may be attributed to the direction and contributions of the employees and would therefore like to provide them the option to participate and share in the wealth created similar to other stakeholders i.e. clients, investors, governments, and society.

Equity based remuneration includes alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company. The Board of Directors of your Company understands the need to enhance the employee engagement, to reward the employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company.

In order to reward and retain the key employees and to create a sense of ownership and participation amongst them, the members of the Company has in their meeting held on Friday, 4th March, 2022 approved the SERVO- Employees Stock Option Scheme 2022 ("ESOP 2022").

Further, the Board of Directors, at its meeting held on Wednesday, 7th December, 2022, based on the recommendation of Nomination and Remuneration Committee ("NRC") and subject to approval of members, approved the proposal for amendment in ESOP 2022 and thought it expedient to amend/update the ESOP-2022 and make certain other changes as explained hereinafter in this explanatory statement.

a) Key Variations in the ESOP, 2022:

The details of the key variations proposed to the ESOP Scheme are provided below:

Sl. No.	Clause	Existing Provision	New Provision
1.	6.2	This ESOP, 2022 shall be applicable to the Company, its Subsidiary and options may be granted to all the Employees of the Company and its Subsidiary as determined by the Committee at its sole discretion.	This ESOP, 2022 shall be applicable to the Company, its Subsidiary(s) and options may be granted to all the Employees of the Company and its Subsidiary(s) as determined by the Committee at its sole discretion.

2.	7.1 (i)	The Committee may, on such dates as it shall determine, grant to such eligible employee as it may in its absolute discretion select options of the Company on the terms and conditions and for the consideration as it may decide.	The Nomination and Remuneration Committee may, on such dates as it shall determine, grant to such eligible employee as it may in its absolute discretion select options of the Company on the terms and conditions and for the consideration as it may decide.
3.	11	The Shares arising out of Exercise of Vested Options shall be subject to lock-in period of 3 years from the date of allotment of such Shares under ESOP 2022.	The Shares arising out of Exercise of Vested Options shall be subject to lock-in period of 2 years from the date of allotment of such Shares under ESOP 2022.

b) Rationale for the variation of ESOP 2022

- i. The amendments, including those mentioned herein, are proposed to be undertaken in order to extend the benefits of the "SERVO-Employees Stock Option Scheme 2022" ("ESOP 2022") to the existing and future employees of the Company and its Subsidiaries.
- ii. The proposed amendments also contain certain editorial changes, and consistency changes.
- iii. The said amendments/changes in ESOP 2022 are not prejudicial to the interests of the employees/directors of (i) the Company; or (ii) subsidiaries of the Company (iii) group companies (including associate companies, joint venture companies and holding company, if any).

c) Details of the employees who are beneficiaries of such variation:

The beneficiaries of the proposed variation are all existing options grantees and such other option grantees to whom options may be granted in the future under ESOP 2022.

Disclosures as per Regulation 6 read with Part C of Schedule I of SEBI (Share Based Employees Benefits & Sweat Equity) Regulations, 2021:

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB Regulations"), the Company seeks your approval as regards implementation of the Plan and grant of options thereunder to the eligible employees of the Company, its subsidiary companies, as decided from time to time as per provisions of the Plan read with provisions of SBEB Regulations. The main features of the ESOP 2022 are as under:

A. Brief description of the scheme "ESOP 2022"

The proposed Scheme seeks to reward eligible employees by way of granting options, which when exercisable results in equivalent equity shares of the Company, with a view to reward their association and loyalty which has resulted in corporate growth and value creation over a long period of time. The Scheme shall also be instrumental in making such eligible employees as co-owners with appropriate vesting period, which would motivate them for ensuring higher corporate growth and creation of value for all stakeholders.

The Company shall issue options to the eligible employees, which may be accepted by them within the grant period. Upon acceptance of the offer, the eligible employees shall be required to satisfy the vesting conditions specified in the ESOP 2022 and make payment of the exercise price and applicable taxes within the exercise period.

The Nomination and Remuneration Committee, shall act as the Compensation Committee ("Committee") for the superintendence and undertaking the general administration of the Scheme. All questions of interpretation of the Scheme shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme.

B. Total number of Options/Shares to be granted

The maximum number of options to be granted shall not exceed 1,00,000 (One Lakh) employee stock options.

As per the SBEB Regulations, 2021 in case of any corporate action(s) such as sub division, consolidation of shares, rights issues, bonus issues, reorganization of capital structure of the Company and others, the Committee shall adjust the number of shares available for offer and purchase price payable by the eligible employees in such a manner that the total value of shares available for offer remain the same after any such corporate action(s).

Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 1,00,000 (One Lakh), shall be deemed to be increased to the extent of such additional options issued.

C. Identification of classes of employees entitled to participate in the ESOP 2022

The following classes of employees ("Employees"), subject to their selection as per eligibility criteria, as may be decided by the Committee, shall be entitled to participate in the Scheme:

- i. an employee as designated by the Company, exclusively working in India or out of India; or
- ii. a Director of the Company, whether a whole time Director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an Independent Director; or
- iii. an employee as defined in sub-Clause (a) and (b) above of a group company including subsidiary or its associate company, in India or outside India or of a holding company of the Company, but does not include:
 - a) an employee who is a Promoter or a person belonging to the Promoter Group; or
 - b) a director who either himself or through his Relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

D. Requirements of Vesting and period of Vesting

Options granted under ESOP 2022 shall vest after 12 months from the date of Grant. Options shall vest essentially based on continuation of employment/service as per requirement of SBEB Regulations.

E. Maximum period within which the options shall be vested

All the options granted on any date shall vest after 12 months from the date of Grant as stated above. The Options granted shall be in tranches which will vest as per the time period stated in the ESOP 2022 as approved by the Committee.

F. The detailed particulars of benefits which will accrue to the employees from the implementation of the Plans

The maximum quantum of benefits underlying the stock options granted to an Eligible Employee can be construed to be an amount equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of stock options, on the basis of difference between the stock option Exercise Price and the Market Price of the equity shares on the exercise date.

G. Exercise Price or pricing formula

The exercise price of grant shall be determined by the Committee at its sole discretion which shall not be less than the face value of the shares as on date of grant of such option. The same shall be intimated to the Option Grantee in the grant letter at the time of grant.

H. Exercise period and the process of exercise

Once the offer is made, the eligible Employee who intend to participate in the Scheme shall be required to accept such offer within the offer period or the extended offer period, as the case may be. The offer shall lapse and shall be cancelled in case an eligible Employee fails to submit the acceptance of the offer before the closure of the offer period or extended offer period.

The eligible Employee shall submit the acceptance of the offer along such other documents as may be required under the Scheme to the Company in such form as may be prescribed. After submission of acceptance of offer, the eligible Employees are required to satisfy vesting conditions as stated in the Scheme/grant letter and upon satisfaction of the vesting conditions, within the exercise period, make payment of the exercise price along with applicable taxes for obtaining the Shares under offer.

The commencement and closure dates of offer period, extended offer period and payment window, respectively, as decided by the Committee, shall be specified in the offer letter to be issued to the eligible employees.

I. Appraisal process for determining the eligibility of employees under the Scheme

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company/subsidiary Company, performance during the previous year(s), contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.

J. Maximum number of options to be issued per employee and in aggregate

No employee shall be granted, in any financial year any options that will exceed 1% of the expanded capital of the company. However, the grant of options to identified Employees, shall not, at any time exceed the total option pool size approved by the Members for ESOP 2022.

K. Maximum quantum of benefits to be provided per employee under the ESOP 2022

The Scheme does not contemplate any benefit other than allowing eligible employee to receive equity Shares of the Company upon exercise of options. In this context, the maximum benefit shall be the maximum number of Shares that can be offered as stated above.

L. Whether the Scheme is to be implemented and administered directly by the Company or through a trust

This Scheme shall be administered by the Committee working under the powers delegated by the Board, in accordance with the SEBI Regulations.

M. Whether the Scheme involves new issue of shares by the Company or secondary acquisition by trust or both

The ESOP 2022 contemplates issue of fresh shares by the Company.

N. Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.

This is currently not contemplated under the ESOP 2022.

O. Maximum percentage of secondary acquisition

This is not relevant under the present ESOP 2022.

P. Accounting and Disclosure Policies

The Company will follow accounting policies and related disclosure requirements set out in applicable laws (including those set out in Regulation 15 of the SEBI Regulations or in any other accounting standard(s) or guidance note(s) that may be issued by the Institute of Chartered Accountants of India from time to time) in relation to accounting for matters relating to the stock options.

Q. Method of option valuation

The Company has adopted 'fair value method' for valuation of options as prescribed under guidance note or under any accounting standard, as applicable, notified by appropriate authorities from time to time.

R. Declaration

In case, the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

S. Mandatory lock-in period under the Scheme

The Shares allotted/transferred pursuant to the Exercise of the Vested Options shall be subject to any lock-in period of 2 years from the date of allotment of such Shares under ESOP 2022.

Consent of the members is being sought by way of Special Resolution pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SBEB Regulations.

In addition to abovementioned, as ESOP 2022 provides for issue of shares to be offered to persons other than existing Members of the Company, consent of the Members is being sought pursuant to Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI Regulations").

As per the SEBI Regulations, a separate resolution is required to be passed if the benefits of the Employee Stock Option Scheme are extended to the employees of Subsidiary Companies of the Company and/or such other persons as may from time to time be allowed to enjoy the benefits of ESOP 2022 in the same manner and subject to terms and conditions as mentioned herein.

The draft copy of ESOP 2022 is available for inspection by the Members at the registered office of the Company on all working days (except Saturdays, Sundays and public holidays) between 11.00 A.M. to 1.00 P.M. upto the date of closing of e-voting i.e., Thursday, 12th January, 2023.

Accordingly the resolutions set as Item No.6 and Item No.7 are being placed for the approval of Members. The Board of Directors recommend the passing of the proposed resolutions stated at Item No. 6 and Item No. 7 as Special Resolution.

None of the Promoters, Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested financially or otherwise in the Special Resolutions set out at Item No. 6 and 7, except to the extent they may be lawfully granted options under the ESOP 2022.

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



PRIYAPANDEY
COMPANY SECRETARY
ICSI MEM. NO.: A35815



Date: 7th December, 2022
Place: New Delhi

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 THOROUGH THIS POSTAL BALLOT (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

Sl. No.	Particulars	Details								
1.	Name of Director	Mr. Rajesh Mohan Rai								
2.	Director's Identification Number (DIN)	09050751								
3.	Qualifications	HR Analysis, Bachelor's in Commerce								
4.	Date of Birth & Age	16 th December, 1967 55 years								
5.	Date of First Appointment on Board	12 th February, 2021								
6.	Nature of expertise in specific functional area	More than 26 years of experience in Sales, Marketing, Business Operations and Development.								
7.	List of Directorships of other Boards	<table border="1"><thead><tr><th>Name of Company</th><th>Position held</th></tr></thead><tbody><tr><td>Enviro Infra Engineers Limited</td><td>Director</td></tr></tbody></table>	Name of Company	Position held	Enviro Infra Engineers Limited	Director				
Name of Company	Position held									
Enviro Infra Engineers Limited	Director									
8.	Chairmanship/Membership of Committees of other Boards	<table border="1"><thead><tr><th>Name of Committee</th><th>Position held</th></tr></thead><tbody><tr><td>Nomination and Remuneration Committee</td><td>Member</td></tr><tr><td>Stakeholder's Relationship Committee</td><td>Chairman</td></tr><tr><td>Corporate Social Responsibility Committee</td><td>Chairman</td></tr></tbody></table>	Name of Committee	Position held	Nomination and Remuneration Committee	Member	Stakeholder's Relationship Committee	Chairman	Corporate Social Responsibility Committee	Chairman
Name of Committee	Position held									
Nomination and Remuneration Committee	Member									
Stakeholder's Relationship Committee	Chairman									
Corporate Social Responsibility Committee	Chairman									
9.	Number of Shares held in the Company	NIL								
10.	Relationship between Directors inter-se	NIL								
11.	Last Salary Drawn (in Rs.)	Rs. 40,000 as sitting Fee.								

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

Priya Pandey
PRIYA PANDEY
COMPANY SECRETARY
ICSI MEM. NO.: A35815



Date: 7th December, 2022
Place: New Delhi

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