

REPORT ON CORPORATE GOVERNANCE

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

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

II. BOARD OF DIRECTORS

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

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

a) Composition and Category of Board of Directors

The Company has a balanced board with optimum combination of Executive and Non-Executive Directors, including independent professionals, which plays a

crucial role in Board processes and provides independent judgment on issues of strategy and performance. As on 31st March, 2020, board comprises of 6 (Six) Directors out of which 3 (Three) Directors are Executive Directors and remaining 3 (Three) are Independent Directors. Out of the total 6 (six) Directors 1 (one) is women director.

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

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an independent Director in more than 7 Listed Companies. Further, none of the Directors on the Company's Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders' Relationship committee) across all the companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on 31st March, 2020. The composition of the Board is in conformity with the applicable provisions of the SEBI Listing Regulations and Companies Act, 2013.

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

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

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

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

b) Board Procedures

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

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

c) Number of Board Meetings

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

Minimum 4 (four) Board Meetings are held in every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs of the Company. All material information is circulated to

the Directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule-II of Regulation 17 (7) of the Listing Regulations to enable them for making value addition as well as exercising their judgment to take informed decisions.

During the period under review, the following 6 (six) meetings of the Board of Directors were held on:29.05.2019, 20.07.2019, 21.08.2019, 14.11.2019, 25.11.2019 and 02.01.2020 respectively.

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

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

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

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

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

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

Notes:

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

e) Meeting of Independent Directors

In compliance with the provisions of section 149 read with Schedule IV of the Act and Regulation 25 of the Listing Regulations, the Independent Directors meet without the presence of Non-Independent Directors. This meeting is informal and enables Independent Directors to interact and discuss matters including review of the performance of the Non-Independent Directors and the Board as a whole, review of the performance of the Chairman of the Company, taking into account views of Executive/Non-Executive Directors and assessing the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Independent Directors met on 2nd January, 2020 during the financial year 2019-20

f) Familiarization Programme

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

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

III. GOVERNANCE BY THE COMMITTEES OF BOARD OF DIRECTORS

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

1. AUDIT COMMITTEE

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

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

a) Terms of reference of the Audit Committee:

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

1. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
3. To review with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report

4. To review with the management, the quarterly financial statements before submission to the Board for approval;
5. Valuation of undertakings or assets of the Company, wherever it is necessary;
6. To approve related party transactions of the Company;
7. To scrutinize the inter-corporate loans and investments;
8. To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
9. To review the functioning of the Whistle Blower Mechanism;
10. To approve the appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.

b) Composition, Meeting And Attendance

During the financial year under review, the committee met 4 times, on 29.05.2019, 21.08.2019, 14.11.2019, and 02.01.2020 respectively. The composition and attendance of the Members at the meetings are as follows:

Name of Directors	Designation	Category of Director	No. of meetings held	No. of meetings attended
Mr. Yogesh Mahajan	Chairperson	Independent Director	4	4
Mr. Raman Bhatia	Member	Managing Director	4	4
Mr. Sahil Khurana	Member	Independent Director	4	4

Requisite quorum was present in all the meetings.

Ms. Priya Pandey, Company Secretary acts as Secretary to the Committee. The Chairman of the Audit Committee was present at the last AGM held on 29th September, 2019 to answer the shareholders' queries.

2. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

- i. Identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal, formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- ii. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- iii. To lay out remuneration principles for Directors, Key Managerial Personnel and Senior Management Personnel linked to their effort, performance and achievement relating to the Company's goals trends and practices that prevail in peer companies across the industry;
- iv. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and
- v. To ensure the Board Diversity by constituting the structure of Board of Directors.

a. Composition, Meeting and Attendance

The committee met 4 times during the period under review on 29.05.2019, 20.07.2019, 21.08.2019, and 25.11.2019 respectively.

Subsequent upon appointment of Mr. Nimesh Malhotra as Additional & Whole-time Director on the Board of the Company, the Committee was reconstituted by induction of Mr. Nimesh Malhotra as the member of the Committee which was duly approved by the Board of Directors at its meeting held on 20th July, 2019.

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

Name of Directors	Designation	Category of Director	No. of meetings held	No. of meetings attended
Mr. Sahil Khurana	Chairperson	Independent Director	4	4
Mr. Raman Bhatia	Member	Managing Director	4	4
Mr. Yogesh Mahajan	Member	Independent Director	4	4
Mr. Nimesh Malhotra	Member	Whole-time Director	3	3

Requisite quorum was present in all the meetings.

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

b. Performance Evaluation Criteria for Independent Directors

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

c. Remuneration Policy

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

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

- i. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- ii. Motivate KMP and Senior Management to achieve excellence in their performance;
- iii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- iv. Ensuring that the remuneration of Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

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

d. DETAILS OF THE REMUNERATION

Executive Directors

The remuneration paid to the Executive Directors is recommended by the Nomination & Remuneration Committee in accordance with Nomination & Remuneration Policy adopted by the Company and approved by the Board of Directors subject to the approval by the shareholders, if required. During the period under review, Ms. Sarika Bhatia, the Whole-time Director and Mr. Nimesh Malhotra, the Whole-time Director of the Company have been appointed and the terms & conditions of his appointment and/or remuneration, has been approved by the shareholders in the Annual General Meeting, which was held on 29th September, 2019.

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

Non-Executive Independent Directors

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

During the financial year 2019-20, the Company paid sitting fees to its Non-Executive Independent Directors for attending meetings of the Board of Directors of the Company. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. The details of the remuneration paid to the Non-Executive Directors is provided in the Extract of the Annual Return which forms integral part of the Directors Report which is attached with this Annual Report.

3) STAKEHOLDER’S RELATIONSHIP COMMITTEE

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

The composition and terms of reference of Stakeholders Relationship Committee are in compliance with the provisions of Section 178 of the Act, Listing Regulations and other applicable laws. The Stakeholders’ Relationship Committee (SRC) oversees, inter-alia, redressal of

shareholders' and investors' grievances, non-receipt of Annual Report, transfer/transmission of shares, issue of duplicate shares, exchange of new design share certificates, recording dematerialisation/rematerialization of shares and related matters.

a. Terms of reference of the Committee

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

b. Composition, Meeting and Attendance

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

Name of Directors	Designation	Category of Director	No. of meetings held	No. of meetings attended
Mr. Pankaj Dawar	Chairperson	Independent Director	4	4
Mr. Raman Bhatia	Member	Managing Director	4	4
Mr. Sarika Bhatia	Member	Whole-time Director	4	4
Mr. Nimesh Malhotra	Member	Whole-time Director	3	3

Requisite quorum was present in all the meetings.

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

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

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

4) COMMITTEE OF BOARD OF DIRECTORS

In line with the provisions of section 179 of the Act, the Board of Directors in its meeting held on 21st August, 2019, had constituted a Committee of Directors to support the Board for taking various decisions with respect to day-today affairs of the Company, to focus on certain specific areas and make informed decisions in line with the authority delegated by Board of Directors of the Company. The

Committee is authorized to transact all the businesses which the Board of Directors is empowered to transact except for the transactions that are mandated to be dealt in at the Board Meeting pursuant to the provisions of the Act.

a. Terms of reference of the Committee

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

b. Composition, Meeting and Attendance

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

Name of Directors	Designation	Category of Director	No. of meetings held	No. of meetings attended
Mr. Sarika Bhatia	Chairperson	Whole-time Director	3	3
Mr. Yogesh Mahajan	Member	Independent Director	3	3
Mr. Sahil Khurana	Member	Independent Director	3	2
Mr. Raman Bhatia	Member	Managing Director	3	3
Mr. Nimesh Malhotra	Member	Whole-time Director	3	1

5) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

a. Terms of reference of the Committee

- i. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in compliance with

the Act and rules framed thereunder;

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

b. Composition, Meeting and Attendance

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

Name of Directors	Designation	Category of Director	No. of meetings held	No. of meetings attended
Mr. Yogesh Mahajan	Chairperson	Independent Director	2	2
Mr. Pankaj Dawar	Member	Independent Director	2	2
Mr. Sahil Khurana	Member	Independent Director	2	2

IV. GENERAL BODY MEETINGS:

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

Financial Year	Location(s)	Meeting Date	Time
2018-19	Hotel Crown Plaza, Twin District Center, Sector-10, Rohini, New Delhi-110085	29 th September, 2019	09:30 A.M.
2017-18	Hotel Crown Plaza, Twin District Center, Sector-10, Rohini, New Delhi-110085	29 th September, 2018	09:00 A.M.
2016-17	806, 8 th floor, Crown heights, Hotel Crown Plaza, Sector 10, Rohini, New Delhi-110085	10 th July, 2017	12.00 P.M.

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

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

3. DETAILS OF THE SPECIAL RESOLUTIONS PASSED DURING THE FINANCIAL YEAR 2019-20 THROUGH POSTAL BALLOT

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

V. MEANS OF COMMUNICATION

Timely disclosure of the information on corporate financial performance and the corporate developments is a sign of

good governance practice which the Company follows:

Financial Results	The Company is an SME Company therefore; publication of results is not required. However, the results are sent to stock exchanges as well as posted on the Company's website: www.servotech.in
Website and News Releases	In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors Relations on the Company's website www.servotech.in gives information on various announcements made by the Company, stock quotes, Annual Report, Half-yearly/ and Annual financial results along with the applicable policies of the Company.
Stock Exchange(s)	Your Company makes timely disclosures of necessary information the National Stock Exchange of India Limited ("NSE") Emerge Portal in terms of the Listing Regulations and other rules and regulations issued by the Securities and Exchange Board of India ("SEBI").
SCORES (SEBI Complaints Redressal System)	SEBI processes investors' complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his/her grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.
Exclusive e-mail ID for investors	The Company has designated the email id investor.relations@servotechindia.com exclusively for investor servicing and the same is prominently displayed on the Company's website.

VI. CODE OF CONDUCT

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

SERVOTECH POWER SYSTEMS LIIMITED

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, 2020.

VII. ROLE OF THE COMPANY SECRETARY IN GOVERNANCE PROCESS

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

VIII. DISCLOSURES

a) Related Party Transactions

During the financial year 2019-20, no transactions of material nature have been entered into by the Company that may have a potential conflict with the interests of the Company. The details of related party transactions are disclosed in Notes to Financial statements and in AOC-2 which forms integral part of this Annual report. The policy on dealing with Related Party Transactions is placed on the Company's website at weblink: <https://servotech.in/investors/corporate-governance/policies/>.

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

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

c) Whistle Blower Policy/Vigil Mechanism

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

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

d) Disclosure of Accounting Treatment

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

e) Reconciliation of share capital audit

Mr. Debabrata Deb Nath, qualified Practicing Company Secretary, for the financial year 2019-20, had carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

IX. DISCRETIONARY REQUIREMENTS

A. The Board

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

B. Shareholders' Rights

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

C. Modified Opinion in audit report

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

D. Separate posts of Chairman and CEO

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

E. Reporting of Internal Auditors

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

X. GENERAL SHAREHOLDER INFORMATION:

	Annual General Meeting	
1.	Day and Date	Saturday, 19 th December, 2020
	Time	11:00 A.M.
	Venue	Meeting shall be conducted over Video Conferencing.
2.	Financial Year	2019-20
3.	Date of Book Closure	Saturday, 12 th December, 2020 to Saturday, 19 th December, 2020
4.	Dividend payment date	Not applicable. The Company has not declared dividend till date. The provisions of Sections 124 and 125 on unclaimed dividend and Investor Education and Protection Fund (IEPF) under the Act are not applicable.
5.	Name and address of Stock Exchanges at which Company's securities are listed;	National Stock Exchange of India Limited ("NSE") Exchange Plaza", Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400051
6.	Stock Symbol	NSE Symbol: SERVOTECH ISIN: INE782X01017
7.	Listing Fees to Stock Exchanges	The Company has paid the annual listing fees for the financial year 2020-21 to the above Stock Exchanges.
	Custodial Fees to Depositories	The Company has paid custodial fees for the financial year 2020-21 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

XI. SHARE TRANSFER SYSTEM

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

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

1. Certificate confirming due compliance of share transfer formalities by the Company pursuant to Regulation 40(9) of the SEBI Listing Regulations for half year ended 30th September, 2019 and 31st March, 2020 respectively with the Stock Exchanges and
2. Certificate regarding reconciliation of the share capital audit of the Company on quarterly basis. All share transfer and other communication regarding share certificates, change of address, dividend etc. should be addressed to R & T Agents of the Company.

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

Sl. No.	No. of equity Shares held	No. of Shareholders	% of total Shareholders	No. of total Shares held	Shareholding in % age
1	1-5000	22	7.11	52820	0.028
2	5001-10000	2	0.64	15880	0.008
3	10001-20000	6	1.94	106120	0.058
4	20001-30000	2	0.64	55000	0.030
5	30001-40000	139	44.98	5532830	3.021
6	40001-50000	14	4.53	634000	0.346
7	50001-100000	46	14.88	3575210	1.952
8	100001 & above	78	25.24	173132430	94.554
	TOTAL	309	100	18310429	100

XIII. DEMATERIALIZATION OF SHARES AND LIQUIDITY

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

The Company has established connectivity with both the depositories viz. NSDL and CDSL through the Registrar & Share Transfer Agent- Bigshare Services Private Limited. This has facilitated the shareholders to hold and trade their shares in 'electronic form'. As on 31st March, 2020, 18126279 equity shares of the Company, forming 99% of the shareholding stand dematerialized.

SERVOTECH POWER SYSTEMS LIIMITED

XIV. CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2020

Sl. No.	Category	Shares	%
1	Clearing Member	12000	0.07
2	Indian Body Corporates	348645	1.90
3	Director and their Relatives	3599900	19.66
4	Market Maker	172000	0.94
5	Non-Resident Indian	48000	0.26
6	Promoters	9256350	50.55
7	Public	4873534	26.62
	TOTAL	18310429	100

XV. GREEN INITIATIVE IN CORPORATE GOVERNANCE

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

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

XVI. MARKET PRICE DATA

Monthly high and low of the Equity Shares of the Company at NSE during the year ended 31st March, 2020 are as follows:

Months during the financial year ended 31 st March, 2020	NSE	
	High (Rs./share)	Low (Rs./share)
April, 2019	22.10	17.00
May, 2019	17.25	13.00
June, 2019	14.00	12.00
July, 2019	16.50	12.00
August, 2019	14.75	10.60
September, 2019	13.55	12.00
October, 2019	12.25	09.50
November, 2019	10.50	09.50
December, 2019	09.00	07.00
January, 2020	09.00	06.50
February, 2020	15.20	09.10
March, 2020	15.90	09.45

XVII. PLANT LOCATIONS

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

XVIII. ADDRESS FOR CORRESPONDENCE

REGISTERED OFFICE: 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: mukesh@bigshareonline.com
Website: www.servotech.in	Website: www.bigshareonline.com

COMPLIANCE OFFICER

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