

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting ("AGM") of **SERVOKON SYSTEMS LIMITED ("the Company")** will be held on Tuesday, the 30th Day of November, 2021 at 11:00 A.M. at the Registered Office of the Company situated at C-13, Radhu Palace Road, Laxmi Nagar, Delhi - 110092 to transact the following business:

AS ORDINARY BUSINESS

- (1) To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors' thereon.
- (2) To appoint a Director in place of Mrs. Fatima Begum (DIN:00451922), who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment.

AS SPECIAL BUSINESS

- (3) To approve the managerial remuneration of Mr. Kamruddin (DIN: 00451893), Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of Sections 197 & 198 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to Articles of Association of the Company, the consent of the Members be and is hereby accorded to approve the remuneration of Mr. Kamruddin (DIN: 00451893), Director of the Company w.e.f. April 01, 2021 for a period of three years at Rs. 2,00,000/- (Rupees two lacs) per month.

RESOLVED FURTHER THAT Mr. Kamruddin is also entitled to Contribution to Provident fund and other retirement benefits, Earned/Privilege Leave, Leave Travel Assistance and Medical Reimbursement as per the rules of the Company.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of office of Mr. Kamruddin as Director, the Company has incurred loss, no profits or its profits are inadequate, the Company will pay a minimum remuneration as aforementioned, even if such remuneration exceeds the limits of the net profit of the Company prescribed for that year.

RESOLVED FURTHER THAT for the purpose of calculating the above ceiling, the perquisites and allowances shall be valued as per the Income Tax Rules, wherever applicable and all payments of remuneration shall be made subject to deduction of tax at source.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorized to take all such acts, deeds, matter and things as it



may, in the absolute discretion, deem necessary, proper or desirable to give effects to the aforesaid resolution including filing of necessary forms, documents, etc. with the Registrar of the Companies."

- (4) To approve the managerial remuneration of Mrs. Fatima Begum (DIN: 00451922), Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of Sections 197 & 198 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to Articles of Association of the Company, the consent of the Members be and is hereby accorded to approve the remuneration of Mrs. Fatima Begum (DIN: 00451922), Director of the Company w.e.f. April 01, 2021 for a period of three years at Rs. 50,000/- (Rupees fifty thousand) per month.

RESOLVED FURTHER THAT Mrs. Fatima Begum is also entitled to Contribution to Provident fund and other retirement benefits, Earned/Privilege Leave, Leave Travel Assistance and Medical Reimbursement as per the rules of the Company.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of office of Mrs. Fatima Begum as Director, the Company has incurred loss, no profits or its profits are inadequate, the Company will pay a minimum remuneration as aforementioned, even if such remuneration exceeds the limits of the net profit of the Company prescribed for that year.

RESOLVED FURTHER THAT for the purpose of calculating the above ceiling, the perquisites and allowances shall be valued as per the Income Tax Rules, wherever applicable and all payments of remuneration shall be made subject to deduction of tax at source.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorized to take all such acts, deeds, matter and things as it may, in the absolute discretion, deem necessary, proper or desirable to give effects to the aforesaid resolution including filing of necessary forms, documents, etc. with the Registrar of the Companies."

- (5) To approve the managerial remuneration of Mr. Zakir Siddiqui Hussain (DIN: 00452052), Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of Sections 197 & 198 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to Articles of Association of the Company, the consent of the Members be and is hereby accorded to approve the remuneration of Mr. Zakir Siddiqui Hussain (DIN: 00452052), Director of the Company w.e.f. April 01, 2021 for a period of three years at Rs. 1,50,000/- (Rupees one lac fifty thousand) per month.



RESOLVED FURTHER THAT Mr. Zakir Siddiqui Hussain is also entitled to Contribution to Provident fund and other retirement benefits, Earned/Privilege Leave, Leave Travel Assistance and Medical Reimbursement as per the rules of the Company.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of office of Mr. Zakir Siddiqui Hussain as Director, the Company has incurred loss, no profits or its profits are inadequate, the Company will pay a minimum remuneration as aforementioned, even if such remuneration exceeds the limits of the net profit of the Company prescribed for that year.

RESOLVED FURTHER THAT for the purpose of calculating the above ceiling, the perquisites and allowances shall be valued as per the Income Tax Rules, wherever applicable and all payments of remuneration shall be made subject to deduction of tax at source.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorized to take all such acts, deeds, matter and things as it may, in the absolute discretion, deem necessary, proper or desirable to give effects to the aforesaid resolution including filing of necessary forms, documents, etc. with the Registrar of the Companies."

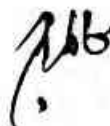
- (6) To approve the managerial remuneration of Mr. Asif Khan (DIN: 7755168), Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of Sections 197 & 198 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to Articles of Association of the Company, the consent of the Members be and is hereby accorded to approve the remuneration of Mr. Asif Khan (DIN: 7755168), Director of the Company w.e.f. April 01, 2021 for a period of three years at Rs. 1,00,000/- (Rupees one lac) per month.

RESOLVED FURTHER THAT Mr. Asif Khan is also entitled to Contribution to Provident fund and other retirement benefits, Earned/Privilege Leave, Leave Travel Assistance and Medical Reimbursement as per the rules of the Company.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of office of Mr. Asif Khan as Director, the Company has incurred loss, no profits or its profits are inadequate, the Company will pay a minimum remuneration as aforementioned, even if such remuneration exceeds the limits of the net profit of the Company prescribed for that year.

RESOLVED FURTHER THAT for the purpose of calculating the above ceiling, the perquisites and allowances shall be valued as per the Income Tax Rules, wherever applicable and all payments of remuneration shall be made subject to deduction of tax at source.



RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorized to take all such acts, deeds, matter and things as it may, in the absolute discretion, deem necessary, proper or desirable to give effects to the aforesaid resolution including filing of necessary forms, documents, etc. with the Registrar of the Companies."

By Order of the Board
For **SERVOKON SYSTEMS LIMITED**

KAMRUDDIN
Director
DIN: 00451893
Address: B-150, Priyadarshini Vihar,
Laxmi Nagar, Delhi - 110092

Date: October 26, 2021
Place: Delhi

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF SELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. AN INSTRUMENT APPOINTING PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.**

Pursuant to Section 105 of the Companies Act, 2013 read with Rule 19(2) of Companies (Management and Administration) Rules, 2014 a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent (10%) of the total paid up share capital of the Company carrying voting rights. A member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Members/Proxies should bring duly filled Attendance Slips sent herewith for attending the meeting.
3. For any information or clarification with regard to accounts, written requests should be made at least 7 days before the Annual General Meeting at the Registered Office of the Company, so as to enable the management to keep ready the information or clarifications, as the case may be.
4. Relevant documents referred to in the Notice and the Explanatory Statement and the other Statutory Records (Registers) shall be open for inspection at the Registered Office of the Company during normal business hours (10:00 am to 5:00 pm) on all working days except Saturday and Public holidays, up to the date of this Annual General Meeting of the Company.



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

Item No. 3

Mr. Kamruddin (DIN: 00451893) is associated with the Company since incorporation of the Company. He has vast experience in the business area of the Company and has been providing leadership in the various areas and has proved to be great source of strength to the company.

With the passage of time considering the enhanced responsibilities shouldered by him, the board decided to pay the remuneration to him as stated in resolution no. 3. Considering the fact, the remuneration exceed the limit as specified under the Section 197 read with the Schedule V and rules made thereunder, in case of inadequate profit, he shall be paid maximum remuneration for a period of three years commencing from April 01, 2021 as set out in Resolution no. 3.

The Board of Directors has recommended the remuneration payable to Mr. Kamruddin, Director for a period of three years commencing from April 01, 2021, although Company has inadequate profit during the currency of his tenure, as set out in the Resolution no. 3.

Your Board recommends the Special Resolution as set out in item no. 3 for your approval.

None of the Directors of the Company or their relatives except Mrs. Fatima Begum, Mr. Zakir Siddiqui Hussain and Mr. Asif Khan, Directors being relatives of Mr. Kamruddin, are concerned or interested in the resolution set out at item no. 3.

Item No. 4

Mrs. Fatima Begum (DIN: 00451922) is associated with the Company since incorporation of the Company. She has vast experience in the various fields, she has been providing leadership in the various areas and has proved to be great resource to the company in its growth.

With the passage of time, considering the enhanced responsibilities shouldered by her, the board decided to pay the remuneration to her as stated in resolution no. 4. Considering the fact, the remuneration exceed the limit as specified under the Section 197 read with the Schedule V and rules made thereunder, in case of inadequate profit, she shall be paid maximum remuneration for a period of three years commencing from April 01, 2021 as set out in Resolution no. 4.

The Board of Directors has recommended the remuneration payable to Mrs. Fatima Begum, Director for a period of three years commencing from April 01, 2021, although Company has inadequate profit during the currency of her tenure, as set out in the Resolution no. 4.

Your Board recommends the Special Resolution as set out in item no. 4 for your approval.

None of the Directors of the Company or their relatives except Mr. Kamruddin, Mr. Zakir Siddiqui Hussain and Mr. Asif Khan, Directors being relatives of Mrs. Fatima Begum, are concerned or interested in the resolution set out at item no. 4.





Item No. 5

Mr. Zakir Siddiqui Hussain (DIN: 00452052) is associated with the Company since year 2004. He has vast experience in the administration of the Company and has been providing leadership in the various areas.

With the passage of time considering the enhanced responsibilities shouldered by him, the board decided to pay the remuneration to him as stated in resolution no. 5. Considering the fact, the remuneration exceed the limit as specified under the Section 197 read with the Schedule V and rules made thereunder, in case of inadequate profit, he shall be paid maximum remuneration for a period of three years commencing from April 01, 2021 as set out in Resolution no. 5.

The Board of Directors has recommended the remuneration payable to Mr. Zakir Siddiqui Hussain, Director for a period of three years commencing from April 01, 2021, although Company has inadequate profit during the currency of his tenure, as set out in the Resolution no. 5.

Your Board recommends the Special Resolution as set out in item no. 5 for your approval.

None of the Directors of the Company or their relatives except Mrs. Fatima Begum, Mr. Kamruddin and Mr. Asif Khan, Directors being relatives of Mr. Zakir Siddiqui Hussain, are concerned or interested in the resolution set out at item no. 5.

Item No. 6

Mr. Asif Khan (DIN: 7755168), is associated with the Company since year 2018. He is supervising the production activities of the Company and has been providing leadership in online marketing.

Considering the enhanced responsibilities shouldered by him, the board decided to pay the remuneration to him as stated in resolution no. 6. Considering the fact, the remuneration exceed the limit as specified under the Section 197 read with the Schedule V and rules made thereunder, in case of inadequate profit, he shall be paid maximum remuneration for a period of three years commencing from April 01, 2021 as set out in Resolution no. 6.

The Board of Directors has recommended the remuneration payable to Mr. Asif Khan, Director for a period of three years commencing from April 01, 2021, although Company has inadequate profit during the currency of his tenure, as set out in the Resolution no. 6.

Your Board recommends the Special Resolution as set out in item no. 6 for your approval.

None of the Directors of the Company or their relatives except Mrs. Fatima Begum, Mr. Kamruddin and Mr. Zakir Hussain, Directors being relatives of Mr. Asif Khan, are concerned or interested in the resolution set out at item no. 6.

In pursuance of Part II, Section II B (iv) of Schedule V of the Companies Act 2013, a statement containing the following information is stated herein below:



I. General Information:

(a) Nature of industry	The Company is engage in the business of Manufacturing and Trading of Electrical equipment for general and special purpose. It was incorporated in May 1995.
(b) Date or expected date of commencement of commercial production.	Commercial operations commenced in year 1995.
(c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not applicable.
(d) Financial performance based on given indicators.	(for the year 2020-21) Gross Turnover : Rs. 53,32,50,301.79 Profit after Tax : Rs. 1,43,42,384.81 Rate of Dividend : Nil Earnings per Share : Rs. 79.37 FOB Value of Export: Nil
(f) Foreign investments or collaborators, if any.	No Foreign Investment in the Company & no any Collaboration.

II. Information about the Directors

Name	Mr. Kamruddin	Mrs. Fatima Begum
Background Details	<p>Mr. Kamruddin is associated with the Company since its incorporation i.e. from year 1995. He is also the promoter director of the Company.</p> <p>He is having a vast and varied experience in Manufacturing & Trading fields.</p> <p>As the Director of the Company, Mr. Kamruddin is devoting his time to the Company and has great contribution in achieving the Company at such a higher level of growth.</p> <p>During Mr. Kamruddin's tenure the Company has made commendable progress in all spheres of its business operations. The performance of the Company has been improving on year on year basis under the leadership of Mr. Kamruddin.</p>	<p>Mrs. Fatima Begum is associated with the Company since its incorporation i.e. from year 1995. She is also the promoter director of the Company.</p> <p>She has vast experience in the various field & she has been providing leadership in the various areas of and has proved to be great source of strength to the Company in its gestation period.</p> <p>Under her dynamic leadership, the Company has attained rapid growth.</p>
Past Remuneration	<p>Mr. Kamruddin is associated with the Company since its incorporation.</p> <p>For the financial year 2020-21, Mr. Kamruddin was paid a remuneration of Rs. 24,00,000/-.</p>	<p>Mrs. Fatima Begum is associated with the Company since its incorporation.</p> <p>For the financial year 2020-21, Mrs. Fatima Begum was paid a remuneration of Rs. 6,00,000/-.</p>

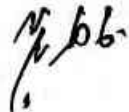


Recognition Awards	or	None	None
Job Profile and his suitability		<p>He is responsible for steering the operations of the Company, planning of new business, purchase, sale, manufacturing and other initiatives, etc.</p> <p>He has in vast knowledge of the Manufacturing and Trading fields in the modern era.</p>	<p>She is responsible for steering the operations of the Company, planning of new business initiatives.</p> <p>She has in vast knowledge of the Manufacturing and Trading fields in the modern era.</p> <p>She is looking after HR and management.</p>
Remuneration Proposed		As per the resolution proposed to be passed by the shareholders as listed at item no. 3 of the notice.	As per the resolution proposed to be passed by the shareholders as listed at item No. 4 of the notice.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person		<p>The Company is in the business of Manufacturing and Trading of Electrical equipment for general and special purpose and has a long gestation and are highly capital intensive in nature requiring large out-flows of funds.</p> <p>Therefore, the Company requires strong and exceptionally proven and experienced managerial personnel to monitor and successfully manage the interest of the Company. Considering Mr. Kamruddin's experience and the contributions to the Company's business and keeping in view the similar or higher levels of remuneration in India and worldwide at these levels, the remuneration proposed is moderate in comparison to the remuneration packages of similar senior level personnel in other similar Companies in the Industry.</p> <p>The Board consisting of majority of executive Directors, after elaborate discussion, have approved the proposed remuneration.</p>	<p>The Company is in the business of Manufacturing and Trading of Electrical equipment for general and special purpose and has a long gestation and are highly capital intensive in nature requiring large out-flows of funds.</p> <p>Therefore, the Company requires strong and exceptionally proven and experienced managerial personnel to monitor and successfully manage the interest of the Company. Considering Mrs. Fatima Begum's experience and the contributions to the Company's business and keeping in view the similar or higher levels of remuneration in India and worldwide at these levels, the remuneration proposed is moderate in comparison to the remuneration packages of similar senior level personnel in other similar Companies in the Industry.</p> <p>The Board consisting of majority of executive Directors, after elaborate discussion, have approved the proposed remuneration.</p>
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.		<p>Mr. Kamruddin has no other pecuniary relationship with the Company or with the managerial personnel except the remuneration being paid to him as Director of the Company.</p> <p>He is related to Mrs. Fatima Begum, Mr. Zakir Siddiqui Hussain and Mr. Asif Khan, Directors on the Board of the Company.</p>	<p>Mrs. Fatima Begum has no other pecuniary relationship with the Company or with the managerial personnel except the remuneration being paid to her as Director of the Company.</p> <p>She is related to Mr. Kamruddin, Mr. Zakir Siddiqui Hussain and Mr. Asif Khan, Directors on the Board of the Company.</p>

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Name	Mr. Zakir Siddiqui Hussain	Mr. Asif Khan
Background Details	<p>Mr. Zakir Siddiqui Hussain is associated with the Company since year 2004.</p> <p>He has vast experience in the various field, he has been providing leadership in the various areas of and has proved to be great source of strength to the Company.</p> <p>Under his dynamic leadership, the Company has conceptualized and is now achieving a new heights of growth.</p>	<p>Mr. Asif Khan is associated with the Company since year 2018.</p> <p>He is well versed in the manufacturing areas and has been providing leadership in the digital marketing and has proved to be great source of strength to the Company.</p> <p>Under his dynamic leadership, the Company is achieving new heights of growth.</p>
Past Remuneration	<p>Mr. Zakir Siddiqui Hussain was appointed as director on December 01, 2004.</p> <p>For the financial year 2020-21, Mr. Zakir Siddiqui Hussain was paid a remuneration of Rs. 1,50,000/- per month.</p>	<p>Mr. Zakir Siddiqui Hussain was appointed as director in 2018.</p> <p>For the financial year 2020-21, he was paid a remuneration of Rs. 1,00,000/- per month.</p>
Recognition Awards	None	None
Job Profile and his suitability	<p>He is responsible for steering the operations of the Company, planning of new business initiatives.</p> <p>He has in vast knowledge of the Manufacturing and Trading fields in the modern era.</p> <p>He is looking after the day to day administration and management.</p>	<p>He is responsible for steering the operations of the Company, planning of new business initiatives.</p> <p>He has in vast knowledge of the Manufacturing and Trading fields in the modern era.</p> <p>He is looking after the day to day production management.</p>
Remuneration Proposed	As per the resolution proposed to be passed by the shareholders as listed at item No. 5 of the notice.	As per the resolution proposed to be passed by the shareholders as listed at item No. 6 of the notice.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	<p>The Company is in the business of Manufacturing and Trading of Electrical equipment for general and special purpose and has a long gestation and are highly capital intensive in nature requiring large out-flows of funds.</p> <p>Therefore, the Company requires strong and exceptionally proven and experienced managerial personnel to monitor and successfully manage the interest of the Company. Considering Mr. Zakir Siddiqui Hussain's experience and the contributions to the Company's business and keeping in view the similar</p>	<p>The Company is in the business of Manufacturing and Trading of Electrical equipment for general and special purpose and has a long gestation and are highly capital intensive in nature requiring large out-flows of funds.</p> <p>Therefore, the Company requires strong and exceptionally proven and experienced managerial personnel to monitor and successfully manage the interest of the Company. Considering Mr. Asif's experience and the contributions to the Company's business and keeping in view the similar or</p>

	<p>or higher levels of remuneration in India and worldwide at these levels, the remuneration proposed is moderate in comparison to the remuneration packages of similar senior level personnel in other similar Companies in the Industry.</p> <p>The Board consisting of majority of executive Directors, after elaborate discussion, have approved the proposed remuneration.</p>	<p>higher levels of remuneration in India and worldwide at these levels, the remuneration proposed is moderate in comparison to the remuneration packages of similar senior level personnel in other similar Companies in the Industry.</p> <p>The Board consisting of majority of executive Directors, after elaborate discussion, have approved the proposed remuneration.</p>
<p>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.</p>	<p>Mr. Zakir Siddiqui Hussain has no other pecuniary relationship with the Company, or with the managerial personnel except the remuneration being paid to him as Director of the Company.</p> <p>He is related to Mrs. Fatima Begum, Mr. Kamruddin and Mr. Asif Khan, Directors on the Board of the Company.</p>	<p>Mr. Asif has no other pecuniary relationship with the Company or with the managerial personnel except the remuneration being paid to him as Director of the Company.</p> <p>He is related to Mrs. Fatima Begum, Mr. Kamruddin and Mr. Zakir Siddiqui Hussain, Directors on the Board of the Company.</p>

III. Other Information:

<p>Reasons of loss or inadequate profits</p>	<p>(a) Stiff competition in the core business of the Company.</p> <p>(b) During the year, your Company achieved a total turnover of Rs. 53,32,50,301.79 as against Rs. 53,17,47,972.72 in the previous year. Profit before tax is Rs. 1,96,86,184.81 as against the Rs. 84,39,866.95 in the previous year. There is a marginal increase in turnover and profit before tax.</p> <p>Considering the above facts, the Company in making profits but are inadequate to meet the managerial remuneration requirements. Despite the above, the Company, under the able leadership and took many steps including controlling the cost and increasing in the sales volume and maximize the turnover which has resulted into the Company a good profit making organization.</p>
<p>Steps taken or proposed to be taken for improvement</p>	<p>(a) Cost rationalization: The Company is actively and consciously taking steps towards moderation of expenses and is emphasizing low costs in all spheres of administrative activities. The company constantly monitors and implements cost cutting measures.</p> <p>(b) The Company proposes to build strategy for price increases where practical and adjust marketing focus to more profitable areas.</p> <p>(c) A major cost management programme was implemented on an ongoing basis to reduce operating costs, wherever feasible.</p> <p>(d) Increasing in the sales and maximize the turnover which has resulted into the Company increasing its profit margins steadily.</p>
<p>Expected increase in productivity and profits in measurable terms</p>	<p>Based on the steps proposed above, the following results are expected:</p> <p>(a) The Company should be able to increase its revenue and profits in the short and long term;</p>

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	(b) Reduction in operational costs. It is expected that in near future, the Company will have substantial increase in turnover and therefore will make healthy profits. However, it is very difficult to quantify the turnover and profits.
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**IV. The following disclosures shall be mentioned in the Board of directors' report under the heading "Corporate Governance", if any, attached to the annual report:
NOT APPLICABLE**

(i)	All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;	NOT APPLICABLE
(ii)	Details of fixed component and performance linked incentives along with the performance criteria	
(iii)	Service contracts, notice period, severance fees;	
(iv)	Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	

V. The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

**By Order of the Board
For SERVOKON SYSTEMS LIMITED**



**KAMRUDDIN
Director
DIN: 00451893
Address: B-150, Priyadarshini Vihar,
Laxmi Nagar, Delhi - 110092**

**Date: October 26, 2021
Place: Delhi**

**Form MGT 11
PROXY FORM**
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the
Companies
(Management and Administration) Rules, 2014]

CIN : U32301DL1995PLC068876
Name of the company: SERVOKON SYSTEMS LIMITED
Registered office : C-13, RADHU PALACE ROAD, LAXMI NAGAR, DELHI -
110092

Name of the Member(s):
Registered Address:
Email id:
Folio No.:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature..... or failing him
2. Name:
Address:
E-mail Id:
Signature..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Sixth Annual General Meeting of SERVOKON SYSTEMS LIMITED will be held on Tuesday, 30th Day of November, 2021 at 11:00 A.M. at the Registered Office of the Company situated at C-13, Radhu Palace Road, Laxmi Nagar, Delhi - 110092 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. no.	Resolutions	For	Against
ORDINARY BUSINESS:			
1.	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors' and the Auditors' thereon		
2.	To appoint a Director in place of Mrs. Fatima Begum (DIN: 00451922), who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment		
SPECIAL BUSINESS:			
3.	To approve the managerial remuneration of Mr. Kamruddin (DIN: 00451893), Director of the Company		
4.	To approve the managerial remuneration of Mrs. Fatima Begum (DIN: 00451922), Director of the Company		
5.	To approve the managerial remuneration of Mr. Zakir Siddiqui Hussain (DIN: 00452052), Director of the Company		
6.	To approve the managerial remuneration of Mr. Asif Khan (DIN: 7755168), Director of the Company		





Re. 1/-
Revenue
Stamp

Signature of shareholder Signature of Proxy holder(s)

Signed this..... Day of.....2021

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

A handwritten signature in black ink, appearing to be 'S. S. S.', written in a cursive style and underlined.A handwritten signature in black ink, appearing to be 'M. B.', written in a cursive style.

ATTENDANCE SLIP

**SERVOKON SYSTEMS LIMITED
Twenty Sixth Annual General Meeting**

Venue of the Meeting : C-13, RADHU PALACE ROAD, LAXMI NAGAR, DELHI
- 110092

Date and Time : Tuesday, the 30th day of November, 2021 at 11:00 AM

Regd. Folio No:

No. of shares held:

Name: _____

Address: _____

Name of Proxy: _____

(To be filled in, if the Proxy attends instead of the member)

I hereby record my presence at the Twenty Sixth Annual General Meeting of SERVOKON SYSTEMS LIMITED will be held on Tuesday, the 30th day of November, 2021 at 11:00 AM at the Registered Office of the Company situated at C-13, Radhu Palace Road, Laxmi Nagar, Delhi - 110092

SIGNATURE OF THE ATTENDING MEMBER/PROXY

Note: Please fill this attendance slip and hand it over at the entrance of the hall.



DIRECTOR'S REPORT

To

The Members of
SERVOKON SYSTEMS LIMITED

The Directors have pleasure in presenting the Twenty Sixth Annual Report of the Company together with the audited financial statements for the year ended on March 31, 2021.

1. FINANCIAL RESULTS

The financial results of your Company for the year ended March 31, 2021 are as follows:

(Amount in Rs.)

Particulars	F.Y. 2020-21	F.Y. 2019-20
Net Revenue from operations	53,32,50,301.79	53,17,47,972.72
Other Income	72,17,445.55	57,02,629.10
Total Revenue	54,04,67,747.34	53,74,50,601.82
Total Expenses	52,07,81,562.53	52,90,10,734.87
Profit/Loss Before Tax	1,96,86,184.81	84,39,866.95
Less: Tax (current tax)	50,54,977.00	25,00,540.00
Less: Prior Period Tax Paid	-	-
Less: Prior Period Adjustment	-	-
Less: Deferred tax	2,88,823.00	24,957.00
Profit/Loss after tax	1,43,42,384.81	59,14,369.95

The Net Sales for the Company in FY 2020-21 was Rs.53,32,50,301.79, an increase of Rs. 15,02,329.07 from the previous year. PBT for the year under review increased to Rs.1,96,86,184.81 from Rs.84,39,866.95 in the previous year. The Company registered a PAT of Rs.1,43,42,384.81 against of Rs.59,14,369.95 in the previous year.

2. STATEMENT OF AFFAIRS

The Company is engaged in the business of Manufacturing and Trading of Electrical equipment for general and special purpose. There has been no change in the business of the Company during the Financial Year ended on March 31, 2021.

And the year 2020-21 was a difficult year but the Company remained steadfast. COVID-19 and its two waves impacted livelihoods, health, and existence of many. It caused social and economic disruption and the lockdowns had a devastating effect across many sectors. This time the second wave has impacted the rural geographies as well affecting core customer base of the manufacturing and trade fields. As an organisation our priority has been safety and wellbeing of our employees, partners, customers and community at large. While the government is extremely active with support and stimulus measures, we continue to support our stakeholders and community with best of our abilities and resources.

Servokon Systems Limited

Corporate Office: Servokon House, C-13, Radhu Palace Road, Laxmi Nagar, Delhi-110092

Works: AN-6, UPSIDC, M.G. Road, Industrial Area, Phase-III, Dasna, Ghaziabad, UP-201003

Email: info@servokon.com | Website: www.servokon.com | Toll-Free No.: 1800 2001 786

*Signature**1/26*

3. DIVIDEND

Considering the financial performance and in order to conserve profits for future growth, the Directors do not recommend dividend to for the year ended March 31, 2021.

4. RESERVE

No amount is transferred to the General Reserve of the Company during the year.

5. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments, except for the continuing effect of Global Health Pandemic COVID-19.

After the closure of the financial year, the State Government, as precautionary measure from second wave of COVID 19 declared state-wide lockdown in the month of April, 2021 till June, 2021. The second wave of the COVID-19 in India was way more severe and adversely affected activities of the company.

In line with the government and COVID-19 protocol, all safety and hygiene measures were followed by the Management and the Management believes that it has fully considered all the possible impact of known events arising from Covid-19 pandemic in the preparation of the financial results. However, the impact assessment of Covid-19 is a continuing process, given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes on future economic conditions and the consequent impact on its business, if any.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. Composition of Board

The Board provide leadership, oversight and guidance to the Company's management as well as direction and supervision over the performance of the Company. The Board comprises of four Directors and all are Non-Executive Non Independent Directors.

S. No.	Name of Directors	DIN
1	Mr. Kamruddin	00451893
2	Mrs. Fatima Begum	00451922
3	Mr. Zakir Siddiqui Hussain	00452052
4	Mr. Asif Khan	07755168

ii. Retirement by Rotation

Mrs. Fatima Begum, will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer herself for reappointment.

iii. Declaration by Independent Directors



The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to your Company.

iv. Formal Annual Evaluation of Directors and Board's Performance

Formal annual evaluation under Section 134(3)(p) is not applicable to Company.

v. Board Meetings

During the year under review, 08 (Eight) Board Meetings were held on 05.06.2020, 15.06.2020, 25.07.2020, 28.07.2020, 26.08.2020, 28.09.2020, 15.12.2020 & 30.03.2021. The maximum gap between any two meetings was less than 120 days. The details of the attendance of the Directors are as follows:

Name of Directors	Meetings attended (Nos.)
Mr. Kamruddin	8
Mr. Fatima Begum	8
Mr. Zakir Siddiqui Hussain	8
Mr. Asif Khan	8

vi. A statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year

The Company has not appointed any independent director during the year.

7. COMMITTEES

i. Audit Committee

Section 177 of the Companies Act, 2013 read with the rule made thereunder relating to Audit Committee are not applicable to our Company.

ii. Nomination and Remuneration Committee

Section 178 of the Companies Act, 2013 read with the rule made thereunder relating to Nomination and Remuneration Committee are not applicable to our Company.

iii. Corporate Social Responsibility (CSR) Committee

Pursuant to Section 135 of the Companies Act, 2013, relating to the Corporate Social Responsibility Committee are not applicable to the Company.

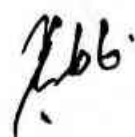
8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or investments pursuant to Section 186 of the Companies Act, 2013 are mentioned in relevant notes to the audited financial statements as on March 31, 2021.

9. RELATED PARTY TRANSACTIONS

All the related party transactions that were entered into during the period under review were on an arm's length basis and in ordinary course of business.

10. AUDITORS



The report of the auditors on the annual financial statements for the financial year 2020-21 contains no reservations or qualifications.

The Statutory Auditors of the Company, M/s. Neeraj Satish and Associates, Chartered Accountants (FRN: 016028N), Ghaziabad, Uttar Pradesh, were appointed in the Annual General Meeting of the Company held on September 30, 2019, as statutory auditors of the Company until the conclusion of the Annual General Meeting to be held in 2024. M/s Neeraj Satish and Associates has given their consent to be the statutory auditors of the Company for the financial years 2021-2022 on a remuneration to be approved by the Board.

11. SECRETARIAL AUDIT REPORT

Section 204 of the Companies Act, 2013 read with the rule made thereunder relating to Secretarial Audit and report thereunder are not applicable to our Company.

12. MAINTENANCE OF COST RECORDS AS PER SECTION 148

Maintenance of Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable on the Company.

13. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Section 177(9) of the Companies Act, 2013 read with the rule made thereunder relating to the establishment of vigil mechanism for directors and employees are not applicable to our Company.

The Company is not listed so it is not required to disclose salary details of top ten employees.

14. RISK MANAGEMENT POLICY

The Company has well defined process in place to ensure appropriate identification and treatment of risks. The identification of risk is done at the strategic, business and operation levels. The key strategic, business and operational risks, which are significant and has impact on the overall performance of the company are periodically presented and discussed at the board meetings.

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

Your Company has implemented secure workplace policy in accordance with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. During the financial year 2020 -21, no complaint has been received by the Company in this regard.

16. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES AND PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

The Company does not have any subsidiary, associate or joint venture company.

17. DEPOSITS



The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 and the Rules made thereunder. In term of rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Second Amendment Rules, 2015.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The requirement of disclosure of particulars with respect to conservation of energy as prescribed in Section 134(3)(m) of the Companies Act, 2013 read with the Rules made thereunder :

A. Conservation of Energy: Your Company has taken adequate measures to reduce energy consumption, wherever possible. Your Company is primarily involved in Manufacturing and Trading of Electrical equipment for general and special purpose. The manufacturing facility has significant consumption of power and energy and hence relevant energy conservation measures are taken.

B. Research and Development Expenditure on R & D for the year was nil (previous year nil).

C. Technology Absorption -The Company has not imported any technology for its work.

D. Foreign exchange earnings and outgo: NIL

19. REPORTING OF FRAUDS

During the period, there has been no instance of fraud reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 and Rules framed thereunder either to the Company or to the Central Government.

20. COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs with all amendments thereto.

21. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained, in terms of Section 134 of the Act, your Directors state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanations provided relating to material departures, if any;
- b) such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis; and
- e) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.



22. SHARE CAPITAL

The current paid up capital of the Company is Rs.63,17,000/- and there is no change in paid up capital during the year. The Company has received share application money of Rs. 30,00,000/- during the year which is pending allotment as on 31st March, 2021

23. WEB LINK OF ANNUAL RETURN

The annual return of the Company has been placed at Company's website as prescribed under section 134(3).

24. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

26. INTERNAL FINANCIAL CONTROL SYSTEMS

The Company has adequate internal financial control framework systems including therein Entity Level Controls, Process Level Controls, IT General and Application Controls and Anti-Fraud Controls which ensure the following:

- Adherence to the Company's Policies
- Safeguarding of the Company's assets
- Prevention and detection of frauds and errors
- Accuracy and completeness of accounting records
- Timely preparation of reliable financial statements.

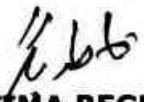
The Board confirms on the basis of testing of control systems that in its opinion, the Company has a system of internal control over financial reporting and it is appropriate for the size of the Company and the nature of its operations and that the systems are working effectively.

28. APPRECIATION

Your Directors thank customers, business associates, banks, financial institutions and Shareholders for their continued support and also place on record their appreciation for the dedication and commitment of the employees.

On behalf of the Board of the Directors
For **SERVOKON SYSTEMS LIMITED**


KAMRUDDIN
Director
DIN: 00451893
B-221, Priyadarshni Vihar
Delhi-110092


FATIMA BEGUM
Director
DIN: 00451922
B-221, Priyadarshni Vihar
Delhi-110092

Place: New Delhi
Date: October 26, 2021



Neeraj Satish & Associates

CHARTERED ACCOUNTANTS

Flat No. D-3, Plot No.62, Sec.-5, Rajinder Nagar, Sahibabad,
Ghaziabad (U.P.) - 201005

Telephone No. : +91 120-4313724, Mobile : 9891048194

E-mail : neeraj_satish@yahoo.co.in | neerajsatish2009@gmail.com

Independent Auditors' Report

TO THE MEMBERS OF SERVOKON SYSTEMS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **SERVOKON SYSTEMS LIMITED, C-13, RADHU PALACE ROAD, LAXMI NAGAR, DELHI - 110092**, which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss for the year ended, and a summary of significant accounting policies and other explanatory information:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013("Act"), as amended in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and loss account for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report.

We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial Statements for the financial year ending March, 31, 2021.

In our opinion there are no Major and Significant matters to be communicated as Key Audit matters in our report





Neeraj Satish & Associates

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E-mail : neeraj_satish@yahoo.co.in | neeraj.satish2007@gmail.com

AUDITORS' REPORT THEREON ("OTHER INFORMATION")

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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





Neeraj Satish & Associates

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AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2021;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

This report doesn't include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2015, issued by the department of company affairs, in terms of sub section 11 of section 143 of the companies Act, 2013 since in Our opinion and according to the information and explanation given to us, the said order is not applicable to the company.





Neeraj Satish & Associates

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As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on **31/03/2021** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2021** from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

DATE : 26th Oct., 2021

PLACE : GHAZIABAD

FOR NEERAJ SATISH & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN NO. : 016028N


NEERAJ GOYAL

(PARTNER)

M.NO. 078746

UDIN - 21078746AAAAEK6396



Neeraj Satish & Associates

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“Annexure 1” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2021:

1) FIXED ASSETS :

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies have been noticed.
 - c) The title deed of the immovable property as disclosed in fixed Assets to the financial Statements, are held in the name of the Company.
- 2) The management has conducted the physical verification of inventory at reasonable intervals. In our opinion the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
 - 3) The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
 - 4) In our opinion and according to the information and explanations given to us, the company has not provided any loan; guarantee, security or has not made any investments in respect of which the provisions of section 185 and 186 of the Companies Act, 2013 are applicable to the Company and hence not commented upon.
 - 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
 - 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
 - 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Income Tax, Sales tax, Value added Tax, Goods & Services Tax, Cess and any other statutory dues with the appropriate authorities. According to the





Neeraj Satish & Associates

CHARTERED ACCOUNTANTS

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become payable.

- b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, and Goods & Services Tax outstanding on account of any dispute are as follows :
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) The company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Since it is not a Public Limited Company therefore the provisions of section 197 read with Schedule V of the Companies Act related to remuneration payable to Managerial personnel is not applicable to it.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) The company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 15) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

DATE : 26th Oct., 2021

PLACE : GHAZIABAD

FOR NEERAJ SATISH & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN NO. 016028N


NEERAJ GOYAL

(PARTNER)

M.NO. 078746

UDIN - 21078746AAAAEK6396

BALANCE SHEET as at 31st March 2021

Particulars	Note No	Figures as at the end of current reporting period (i.e. 31.03.2021)	Figures as at the end of previous reporting period (i.e. 31.03.2020)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	9,317,000.00	6,317,000.00
(b) Reserves and Surplus	2	59,190,770.56	44,848,385.75
(c) Money received against share warrants			
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	152,464,722.68	101,159,500.67
(b) Deferred tax liabilities (Net)		2,722,091.00	2,433,268.00
(c) Other Long term liabilities		-	-
(d) Long term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings	4	59,180,528.80	62,405,187.05
(b) Trade payables	5	200,039,534.85	178,000,630.01
(c) Other current liabilities	6	31,146,968.02	27,322,844.29
(d) Short-term provisions		-	-
Total		<u>514,061,615.91</u>	<u>422,486,815.77</u>
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	95,910,725.65	54,123,506.44
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-Current Investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments		41,400.00	41,400.00
(b) Inventories		260,770,727.77	215,203,415.27
(c) Trade receivables	8	112,949,874.61	95,236,927.22
(d) Cash and cash equivalents	9	6,847,676.89	1,801,125.95
(e) Short-term loans and advances		-	-
(f) Other current assets	10	37,541,210.99	56,280,440.89
Total		<u>514,061,615.91</u>	<u>422,486,815.77</u>

As per our report of even date attached

For NEERAJ SATISH AND ASSOCIATES
CHARTERED ACCOUNTANTS

NEERAJ GOYAL
(Partner)
UDIN - 21078746AAAAEK6396
Place : Ghaziabad
Date : 26th Oct., 2021



FOR SERVOKON SYSTEMS LTD.

KAMRUDDIN
DIN: 451893

ZAKIR HUSSAIN
DIN: 452052

SERVOKON SYSTEMS LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS

	AMOUNT AS AT 31.03.2021 (Rs.)	AMOUNT AS AT 31.03.20 (Rs.)
SHARE CAPITAL		
		NOTE 1
Authorized		
10,00,000 Equity Shares of Rs. 10/- each.	1,00,00,000.00	1,00,00,000.00
Issued, Subscribed & Paid-up		
(631700 Equity Shares of Rs.10/- each fully paid up)	63,17,000.00 ✓ D	63,17,000.00
Share Application Money (Pending Allotment)	30,00,000.00 ✓ B	-
	93,17,000.00	63,17,000.00
RESERVE AND SURPLUS		
		NOTE 2
General Reserves		
Opening Balance	4,48,48,385.75 ✓ D	3,89,34,015.80
Profit/(Loss) a/s per Profit & Loss Account during the year	1,43,42,384.81 ✓ D	59,14,369.95
	5,91,90,770.56 ✓ D	4,48,48,385.75
LONG TERM BORROWINGS		
		NOTE 3
Munni Begum	-	4,00,000.00
Salim, Aram Park	-	5,00,000.00
Deutsche Bank Loan	5,44,65,837.94 ✓	5,33,71,496.65
Kotak Mahindra Bank	1,38,31,455.57 ✓ D	1,52,81,042.87
ICICI Bank Ltd. (Car Loan)	-	63,201.10
HDFC Bank Ltd.	96,98,516.00 ✓	98,38,036.00
ICICI Bank Ltd. (Car Loan)	-	2,08,728.00
IDFC First Bank	1,97,64,772.28 ✓	2,08,33,818.27
HDFC Bank Ltd. (Swift Loan)	35,480.01 ✓ D	2,37,552.86
HDFC Bank Ltd. (Eicher Loan)	63,461.83 ✓ D	4,25,624.92
Axis Bank Ltd. (Mercedes)	44,02,272.00 ✓ D	-
HDFC Bank Ltd. (Mercedes-II)	48,98,428.09 ✓ D	-
HDFC Bank Ltd. (Bullero)	8,86,264.65 ✓ D	-
HDFC Bank Ltd. (Eicher Loan)	17,04,301.31 ✓ D	-
ICICI Bank Ltd. (Baleno)	4,93,358.00 ✓ D	-
Kotak Mahindra Bank (Covid Loan)	34,00,000.00 ✓ D	-
Deutsche Bank (Covid Loan)	2,57,35,000.00 ✓	-
IDFC First Bank (Covid Loan-I)	41,77,000.00 ✓	-
IDFC First Bank (Covid Loan-II)	42,46,490.00 ✓	-
Yes Bank Ltd. (Covid Loan)	48,62,085.00 ✓	-
	15,24,64,722.68	10,11,59,500.67
SHORT TERM BORROWINGS		
		NOTE 4
Deutsche Bank (Overdraft A/c)	3,67,64,799.68 ✓	3,86,04,110.32
Bank of Baroda (Overdraft A/c)	1,66,277.42	2,22,498.71
Vijaya Bank, Ghaziabad (Overdraft A/c)	-	21,65,086.07
Yes Bank Ltd.	2,22,49,451.70 ✓	2,14,13,491.95
	5,91,80,528.80	6,24,05,187.05
TRADE PAYABLE		
		NOTE 5
Sundry Creditors (List - C)	20,00,39,534.85	17,80,00,630.01
	20,00,39,534.85	17,80,00,630.01



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NOTES OF FIXED ASSETS AS ON 31.03.2021

Sl. No.	DESCRIPTION OF FIXED ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		AS AT 01.04.2020	ADDITIONS	SALE	AS AT 31.03.2021	FOR THE YEAR INDED EARNING YEAR	UPTO 31.3.2020	UPTO 31.03.2021	W.D.V. AS ON 31.3.2020	W.D.V. AS ON 31.3.2021
1	Land (Norda)	38,20,932.00	-	-	38,20,932.00	-	14,58,223.00	15,62,920.00	36,20,932.00	36,20,932.00
2	Building (Norda)	34,75,093.00	-	-	34,75,093.00	1,04,897.00	-	-	19,12,173.00	20,16,870.00
3	Property, Katarou	85,62,410.00	-	-	85,62,410.00	-	-	-	85,62,410.00	85,62,410.00
4	Building, Katarou	11,42,745.00	-	-	11,52,745.00	50,816.00	-	1,60,218.00	9,92,529.00	10,43,342.00
5	Land (Yamuna Express)	-	1,77,35,500.00	-	1,77,35,500.00	-	-	-	1,77,35,500.00	1,77,35,500.00
6	Cycle	16,783.00	27,605.26	-	44,388.26	-	-	-	24,270.26	837.00
7	EPABX	11,530.00	-	-	11,560.00	236.00	-	-	613.00	649.00
8	Fax Machine	28,246.00	-	-	28,246.00	-	-	-	1,412.00	1,412.00
9	Fire Extinguishers	1,36,954.00	-	-	1,36,954.00	-	-	-	8,848.00	6,846.00
10	Coffee Machine	44,110.00	-	-	44,110.00	-	-	-	5,556.00	6,851.00
11	Tapping Machine	26,000.00	-	-	26,000.00	1,325.00	-	-	1,300.00	1,357.00
12	Water Cooler	12,030.00	-	-	12,030.00	57.00	-	-	662.00	802.00
13	Mobile Phone	5,95,869.64	4,53,548.31	-	10,49,357.95	1,51,634.00	-	-	4,60,703.95	1,88,788.64
14	Fridge	26,654.00	63,538.32	-	90,233.32	6,268.00	-	-	1,303.00	1,303.00
15	Air Conditioners	7,71,813.50	10,000.00	-	7,87,813.50	1,10,984.00	-	-	6,36,785.00	2,49,832.50
16	Printer	1,49,398.00	7,203.39	-	1,56,592.39	12,074.00	-	-	1,39,833.00	21,610.00
17	Furniture & Fixtures	65,191.00	-	-	65,191.00	4,503.00	-	-	13,918.00	18,421.00
18	Motor Car	1,22,64,082.42	1,14,84,876.00	15,47,707.00	2,21,81,250.42	27,39,698.00	1,05,26,110.00	1,18,50,337.00	17,37,972.42	1,04,83,357.00
19	Tempo	39,80,843.69	-	-	39,80,843.69	2,28,432.00	-	-	34,96,276.00	4,45,367.69
20	Motor Cycle	13,48,208.24	1,69,444.00	-	15,17,652.24	1,53,902.00	-	-	9,18,814.00	6,18,838.24
21	Scotter	1,42,744.00	-	-	1,42,744.00	921.00	-	-	1,35,487.00	6,198.00
22	Computer System	13,53,430.59	66,406.82	-	14,22,857.51	1,60,241.00	-	-	12,45,656.00	1,77,201.51
23	Vehicle (Chota Hathi)	8,37,500.00	-	-	8,37,500.00	7,876.00	-	-	7,23,624.00	2,88,035.59
24	Television	58,572.50	89,843.75	-	1,48,416.25	12,504.00	-	-	58,560.00	15,236.50
25	Testing Machine	17,325.00	-	-	17,325.00	450.00	-	-	16,438.00	866.00
26	Network Booster	11,000.00	-	-	11,000.00	396.00	-	-	10,450.00	916.00
27	CCTV Camera	18,286.60	-	-	18,286.60	3,705.00	-	-	13,874.00	4,422.60
28	Kent RO	15,863.05	-	-	15,863.05	1,460.00	-	-	6,910.00	7,073.05
29	Water Dispenser	6,271.19	-	-	6,271.19	1,460.00	-	-	3,516.00	2,755.19
30	Office Equipment	27,118.64	-	-	27,118.64	653.00	-	-	4,653.00	22,465.64
Total		3,89,55,646.52	3,01,38,104.51	15,47,707.00	6,75,46,044.03	37,61,803.00	1,95,42,344.00	2,18,91,786.00	4,86,54,289.03	1,94,13,302.62

Shazibad

Sl. No.	DESCRIPTION OF FIXED ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		AS AT 01.04.2020	ADDITIONS	SALE	AS AT 31.03.2021	FOR THE YEAR INDED EARNING YEAR	UPTO 31.3.2020	UPTO 31.03.2021	W.D.V. AS ON 31.3.2020	W.D.V. AS ON 31.3.2021
1	Land	41,82,000.00	-	-	41,82,000.00	-	-	-	41,82,000.00	41,82,000.00
2	Land (New)	86,05,000.00	-	-	86,05,000.00	-	-	-	86,05,000.00	86,05,000.00
3	Building	2,15,05,862.00	-	-	2,15,05,862.00	7,82,921.00	-	-	1,52,96,284.00	1,50,82,185.00
4	Land (New)	29,48,425.00	1,50,22,486.77	-	1,50,22,486.77	2,23,702.00	-	-	29,46,425.00	29,46,425.00
5	Office Equipment	3,12,438.00	-	-	3,12,438.00	2,85,632.00	-	-	2,23,702.00	28,506.00
6	Air Conditioner	1,38,784.00	-	-	1,38,784.00	21,047.00	-	-	2,87,908.00	49,465.00
7	Air Conditioner (Branch)	33,811.00	-	-	33,811.00	1,268.00	-	-	31,012.00	4,065.00
8	Office Fan	64,410.00	-	-	64,410.00	1,075.00	-	-	3,221.00	4,234.00
9	Weighting Scale	24,990.00	-	-	24,990.00	6.00	-	-	1,250.00	1,266.00
10	Plant & Machinery	27,15,818.00	-	-	27,15,818.00	1,26,346.00	-	-	6,79,703.00	8,68,049.00
11	Motor Car	18,22,028.00	-	-	18,22,028.00	7,86,841.00	-	-	8,42,722.00	10,23,188.00
12	Generator	5,00,000.00	-	-	5,00,000.00	1,74,744.00	-	-	2,66,314.00	3,26,266.00
13	Laptop	58,083.92	-	-	58,083.92	8,980.00	-	-	3,438.92	5,418.92
14	Weighting Machine	2,87,000.00	-	-	2,87,000.00	41,150.00	-	-	1,85,929.00	2,27,075.00
15	Furniture & Fixture	14,400.00	-	-	14,400.00	2,655.00	-	-	9,688.00	6,759.00
16	Mobile	20,038.00	-	-	20,038.00	3,071.00	-	-	15,348.00	10,193.00
17	Little	12,500.00	-	-	12,500.00	1,954.00	-	-	8,671.00	8,629.00
18	Oven	1,40,000.00	-	-	1,40,000.00	20,873.00	-	-	45,593.00	1,15,280.00
19	Sharing Machine	3,04,000.00	-	-	3,04,000.00	49,799.00	-	-	2,24,696.00	2,74,756.00
20	Motor Car	20,84,956.93	29,94,856.93	-	20,84,956.93	44,672.00	-	-	20,00,284.93	2,74,756.00
Total		4,38,87,506.92	1,71,17,343.78	-	6,08,04,950.63	15,71,080.00	89,77,383.00	1,06,48,463.00	5,02,56,467.62	3,47,10,203.92
Grand Total		8,26,43,233.44	4,72,55,448.21	15,47,707.00	12,83,50,974.65	53,32,963.00	2,85,19,727.00	3,24,48,249.00	9,59,10,725.65	5,41,23,408.41
Previous Year		7,89,81,634.60	40,61,998.54	-	8,26,43,233.44	36,51,019.00	2,48,98,112.00	2,85,18,737.00	5,41,23,903.44	8,37,12,822.60

For SERVOKON SYSTEMS LTD.

DIRECTOR



SERVOKON SYSTEMS LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS

	AMOUNT AS AT 31.03.2021 (Rs.)	AMOUNT AS AT 31.03.20 (Rs.)
<u>OTHER CURRENT LIABILITIES</u>		<u>NOTE 6</u>
<u>Delhi</u>		
Audit Fees Payable	250,000.00	175,000.00
Electricity Expenses Payable	35,490.00	41,460.00
ESI Payable	2,986.00	4,426.00
PF Payable	172,121.00	184,426.00
Salary & Wages Payable	546,667.00	472,605.00
TDS Payable	269,467.00	345,040.48
Telephone Expenses Payable	10,211.90	3,250.00
PLA IGST Payable	185,866.00	73,300.00
GST reverse payable	49,179.68	-
Provision For Tax	5,054,977.00	2,500,540.00
Gratuaty Payable	6,495,342.00	5,831,173.00
Kamruddin	118,331.00	449,415.90
Zeenat Fatima	-	196,905.00
Fatima Begum	39,000.00	-
Zakir Hussain	292,346.09	-
Advance From Customers (List -B)	50,722.00	565,860.12
<u>Ghaziabad</u>		
Advance to Employees	-	38,000.00
ESI Payable	30,222.00	41,711.00
Electricity Expenses Payable	310,611.00	198,797.00
GST Cash Ledger Payable	-	250,000.00
PF Payable	277,057.00	327,731.00
Salary & Wages Payable	1,527,517.00	1,851,041.00
TDS Payable	203,891.00	211,180.55
TCS Payable	154,077.32	-
Asif Khan	88,000.00	-
CGST PLA Payable	200,000.00	-
SGST PLA Payable	200,000.00	-
Anil Kushwaha	37,000.00	-
Advance From Customers (List -B)	14,545,886.03	13,560,982.24
	<u>31,146,968.02</u>	<u>27,322,844.29</u>
<u>TRADE RECEIVABLES</u>		<u>NOTE 8</u>
-exceeding six months(List - A)	40,997,813.54	53,622,575.75
-other (List - A)	71,952,061.07	41,614,351.47
	<u>112,949,874.61</u>	<u>95,236,927.22</u>
<u>CASH AND CASH EQUIVALENTS</u>		<u>NOTE 9</u>
-Balance with Banks		
HDFC Bank	70,007.68	504,455.89
ICICI Bank	127,248.72	66,477.58
Kotak Mahindra Bank	87,001.03	1,677.39
Yes Bank Ltd. (A/c No: 046663400000043)	128,709.17	201.10
Yes Bank Ltd.	162,587.00	127,330.54
Deutsche Bank	5,166.34	-
Citi Bank	50,407.00	-
Bank of Baroda	3,617,659.43	-
Cash In Hand	2,598,890.52	900,983.45
	<u>6,847,676.89</u>	<u>1,601,125.95</u>



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SERVOKON SYSTEMS LTD.
NOTES FORMING PART OF FINANCIAL STATEMENTS

	AMOUNT AS AT 31.03.2021 (Rs.)	AMOUNT AS AT 31.03.20 (Rs.)
OTHER CURRENT ASSETS		NOTE 10
<i>-Unsecured and Considered Good</i>		
Advance for DSIDC Land	580,852.00	580,852.00
Bank Gurantee (Coal India)	655,107.00	655,107.00
Advance Income Tax	2,000,000.00	1,300,000.00
Earnest Money Deposit	469,822.20	444,822.20
FDR with Vijaya Bank	10,049,413.00	9,383,789.00
FDR With Kotak Mahindra Bank	1,357,108.07	-
Income Tax Refund (A.Y,2015-16)	29,880.00	29,880.00
Security Deposit	100,336.00	100,336.00
Security with Sales tax	25,000.00	25,000.00
Security With High Court	90,000.00	90,000.00
TDS Receivable	426,906.00	611,829.00
Fatima Begum	-	3,752,524.86
Anil Kumar Aggarwal	4,200,000.00	-
M.Ikram & Co.	150,000.00	150,000.00
Zeenat Fatima	46,500.00	-
Zakir Hussain	-	2,467,337.30
Prepaid Insurance	34,366.00	-
Advance to Parties (List - D)	56,147.00	2,787,185.78
GHAZIABAD		
CGST PLA Receivable	307,247.00	1,078,611.00
SGST PLA Receivable	307,248.00	1,078,610.00
Advance Tax	500,000.00	300,000.00
Atul Saxena	5,500,000.00	-
Mohd Yunus (ghz)	-	40,000.00
Saurabh Gupta	-	50,000.00
Vaibhav	-	130,000.00
Earnest Money Deposit (Ghz)	967,290.00	200,290.00
FDR with Vijaya Bank (Ghz)	3,564,578.00	3,606,311.00
FDR With Yes Bank Ltd.	-	424,800.00
FDR with Desutch Bank	40,000.00	-
Nexzen Infra Con Pvt. Ltd	-	14,698,424.00
Security with Excise Exemption (Ghz)	-	250,000.00
Security Deposit (Elecrama)	75,000.00	75,000.00
TDS/TCS Receivable (Ghz)	320,325.11	129,394.00
Prepaid Expenses	452,792.00	-
Prapaid Insurance	398,694.00	-
Paramjeet Mehra	-	34,751.00
Varun Bansal	-	107,846.00
Asif Khan	-	2,225,475.83
Sanjay Jaiswal	51,000.00	-
Advance to Party (ghz)(List-D)	4,779,533.61	9,428,370.04
Kanpur		
CGST PLA Receivable	3,018.00	21,932.44
SGST PLA Receivable	3,018.00	21,932.44
IGST PLA Receivable	30.00	30.00
	37,541,210.99	56,280,440.89
MISC. EXPENDITURE		NOTE 9
Deferred Advertisement Expenses	-	10,474,683.97
Less Amortised	-	10,474,683.97
	-	-

FOR SERVOKON SYSTEMS LTD.



DIRECTOR

DIRECTOR

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st March, 2021

Particulars	Note No	Figures as at the end of current reporting period (i.e. 31.03.2021)	Figures as at the end of previous reporting period (i.e. 31.03.2020)
I. Revenue from operations	11	533,250,301.79	531,747,972.72
II. Other Income	12	7,217,445.55	5,702,529.10
III. Total Revenue (I + II)		540,467,747.34	537,450,501.82
IV. Expenses:			
Cost of Materials Consumed	13	435,722,004.06	426,668,262.22
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefit expense	14	29,837,970.00	43,562,327.24
Financial costs	15	17,983,063.22	14,824,809.62
Depreciation and amortization expense	7	5,332,963.00	3,651,015.00
Other expenses	16	31,905,562.25	40,304,320.79
IV. Total Expenses		520,781,562.53	529,010,734.87
V. Profit before exceptional and extraordinary items and tax (III-IV)		19,686,184.81	8,439,866.95
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		19,686,184.81	8,439,866.95
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		19,686,184.81	8,439,866.95
X. Tax expense:			
(1) Current tax		5,054,977.00	2,500,540.00
(2) Deferred tax		288,823.00	24,957.00
XI. Profit(Loss) from the period from continuing operations (IX-X)		14,342,384.81	5,914,369.95
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		14,342,384.81	5,914,369.95
XVI. Earning per equity share:			
(1) Basic		79.37	32.73
(2) Diluted		79.37	32.73

As per our report of even date attached
For NEERAJ SATISH AND ASSOCIATES
CHARTERED ACCOUNTANTS

NEERAJ GOYAL
(Partner)
UDIN - 21078746AAAAEK6396
Place : Ghaziabad
Date : 26th Oct. 2021

FOR SERVOKON SYSTEMS LTD.


DIRECTOR


DIRECTOR

SERVOKON SYSTEMS LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS

	AMOUNT AS AT 31.03.2021 (Rs.)	AMOUNT AS AT 31.03.2020 (Rs.)
<u>REVENUE FROM OPERATIONS</u>		
Sales	531,293,375.37	530,078,262.35
Service Charges Received	1,956,926.42	1,669,710.37
TOTAL	<u>533,250,301.79</u>	<u>531,747,972.72</u>
<u>OTHER INCOME</u>		
Interest Received	784,185.00	692,037.00
Dividend		42.10
Rent Receipts	4,728,000.00	4,966,750.00
Rent (UPS)	228,000.00	-
Freight Charges Received	763,092.55	-
Installation Receipts	-	-
Duty Draw Back	64,082.00	-
Other Income	470,352.00	43,800.00
Profit on sale of Car	179,734.00	-
TOTAL	<u>7,217,445.55</u>	<u>5,702,629.10</u>
<u>COST OF MATERIAL CONSUMED</u>		
Opening Stock	215,203,415.27	156,709,934.87
Add : Purchases	467,618,741.39	470,286,543.46
	682,822,156.66	626,996,478.33
Less Closing Stock	260,770,727.77	215,203,415.27
TOTAL (A)	<u>422,051,428.89</u>	<u>411,793,063.06</u>
<u>MANUFACTURING EXPENSES</u>		
Electricity Expenses	1,860,540.00	2,734,449.00
Freight & Cartage	284,131.39	329,240.95
Custom Duty	2,384,061.90	1,463,638.25
Consumable Store	17,346.00	25,228.00
Generator Expenses	344,785.00	-
Packing Material	3,309,595.88	3,788,283.96
Wages	5,470,115.00	6,534,359.00
TOTAL (B)	<u>13,670,575.17</u>	<u>14,875,199.16</u>
Grand Total (A+B)	<u>435,722,004.06</u>	<u>426,668,262.22</u>

FOR SERVOKON SYSTEMS LTD.



DIRECTOR

DIRECTOR

SERVOKON SYSTEMS LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS

	AMOUNT AS AT 31.03.2021 (Rs.)	AMOUNT AS AT 31.03.2020 (Rs.)
EMPLOYEE BENEFITS		
		NOTE 14
Salaries & Wages	23,615,485.00	37,874,327.00
Director Remuneration	5,945,161.00	5,325,000.00
Staff Welfare	277,324.00	363,000.24
TOTAL	29,837,970.00	43,562,327.24
FINANCING CHARGES		
		NOTE 15
Bank Charges	198,597.05	416,643.40
Bank Interest	6,504,416.42	5,008,692.31
Interest On Loan	2,589,880.11	339,397.00
Interest on Business Loan	1,289,220.78	1,724,167.07
Interest on Car Loan	667,282.01	177,802.95
Interest on Deutsche Loan	5,118,193.84	4,710,986.62
Interest on IDFC Loan	1,614,298.01	2,365,312.27
Interest on TDS	1,175.00	29,137.00
ESI Interest	-	2,021.00
GST Interest	-	50,650.00
TOTAL	17,983,063.22	14,824,809.62
OTHER EXPENSES		
		NOTE 16
Audit Fee	75,000.00	75,000.00
Rent	-	120,000.00
Misc Expenses (As Per Schedule A)	31,830,562.25	40,109,320.79
TOTAL	31,905,562.25	40,304,320.79
MISC EXPENSES		
		Schedule A
Additional Demand of VAT	62,639.00	-
Air Freight Expenses	324,088.13	-
GST Demand	401,440.00	-
Advertisement Expenses	12,113,321.71	20,163,109.53
Business Promotion	259,717.20	48,083.34
Books & Periodicals	-	12,000.00
Bad Debts	1,351,683.00	-
Conveyance Expenses	40,956.00	57,806.00
Computer Repair & Maintenance	42,896.94	8,000.00
Commission	655,500.00	-
Compensation Charges	287,859.00	250,000.00
Car Expenses	170,140.00	111,843.00
Donation	50,000.00	-
Digital Signature Expenses	3,000.00	-
Designing Charges	9,600.00	-
Documentation Charges	-	20,500.00
Factory Expenses	315,212.00	-
Electricity Expenses	223,202.12	458,922.12
Exhibition Expenses	-	821,508.00
Freight & Cartage	3,613,335.93	5,458,294.00



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SERVOKON SYSTEMS LTD.

NOTES FORMING PART OF FINANCIAL STATEMENTS

	AMOUNT AS AT 31.03.2021 (Rs.)	AMOUNT AS AT 31.03.2020 (Rs.)
Filing Fees	65,070.00	5,500.00
Insurance Expenses	302,846.00	222,448.67
Insurance Expenses (Keyman)	622,500.00	-
Income Tax Paid	4,773.00	348,550.00
GST Late Fees	-	6,055.00
Legal & Professional Charges	920,004.00	639,236.00
Lease Rent	540,557.00	-
Misc. Expenses	20,969.36	29,742.64
Motor Cycle/Scooter Exp	151,272.00	244,549.00
Membership & Subscription	53,600.00	22,200.00
Office Expenses	719,919.25	136,682.63
PF Demand	-	53,649.00
Printing & Stationery	93,481.00	277,776.00
Postage & Telegram Expenses	343,349.55	376,619.25
Repair & Maintenance	572,136.97	898,158.49
Rebate & Discount	1,837,577.62	514,583.14
Service Charges Paid	1,432,338.13	237,803.11
Shipment Expenses	147,575.00	-
Software Expenses	222,000.00	139,448.00
Sales Tax Demand	-	833,050.00
Security Expenses	22,733.00	130,022.00
Tempo Expenses	422,357.00	1,826,593.00
Telephone Expenses	415,918.63	155,279.40
House Tax	-	58,284.00
Tender Fees	33,839.00	38,221.00
Testing Fees	308,480.19	386,513.70
Travelling Expenses	1,222,632.04	3,872,880.86
Vehicle Maintenance	1,317,387.12	876,222.91
UPSIDC Charges	-	178,182.00
Online Sales Charges	-	97,922.00
Inspection charges	112,655.36	56,233.00
NSIC Expenses	-	36,850.00
	31,830,562.25	40,109,320.79

FOR SERVOKON SYSTEMS LTD.



 DIRECTOR


 DIRECTOR

SERVOKON SYSTEMS LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2021**

Cash flows from operating activities		
Net income		14342384.81
Adjustments for:		
Depreciation and amortization	5332963.00	
Taxes Paid	5343800.00	
Provision for losses on accounts receivable	1351683.00	
Gain on sale of Car	-179734.00	
		11848712.00
Decrease in trade receivables	1026282.51	
Increase in inventories	-45567312.50	
Increase in trade payables	26074343.38	
		-18466686.61
<i>Cash generated from operations</i>		7724410.20
Cash flows from investing activities		
Purchase of property, plant, and equipment	-47255448.41	
Proceeds from sale of equipment	315000.00	
<i>Net cash used in investing activities</i>		-46940448.41
Cash flows from financing activities		
Proceeds from Share Application money	3000000.00	
Proceeds from issuance of long-term debt	48080563.76	
Dividends paid	0.00	
<i>Net cash used in financing activities</i>		51080563.76
Net increase in cash and cash equivalents		5246550.94
Cash and cash equivalents at beginning of period		1601125.95
Cash and cash equivalents at end of period		6847676.89

For Neeraj Satish & Associates

Chartered Accountants

(Neeraj Goyal)
Partner

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A handwritten signature in blue ink, appearing to be "Neeraj Goyal".

SERVOKON SYSTEM LIMITED, DELHI**ACCOUNTING POLICIES & NOTES ON THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2021****1. SIGNIFICANT ACCOUNTING POLICIES****ACCOUNTING CONVENTION**

The accounts of the company have been prepared under the Historical Cost Convention and in accordance with applicable Accounting Standards except where otherwise stated. For recognition of income and expenditure Mercantile System of Accounting is followed.

FIXED ASSETS

Fixed Assets are stated at historical cost less depreciation. Cost comprises the purchase price and any attributable cost of bringing the assets to working condition for its intended use.

DEPRECIATION

Depreciation on fixed assets has been provided on WDV method on prorata basis over the useful life prescribed in schedule II to the Companies Act, 2013 after considering salvage value of five percent of original cost. The Company has considered useful life of assets same as prescribed under the Companies Act, 2013.

REVENUE RECONGNISATION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company & the revenue can be reliably measured. The following specific recongnisation criteria must also be met before revenue is recognized. Revenue from sale of goods is recognized when all the significant risk and reward of ownership of goods have been passed to the buyer, usually on delivery of goods. Export sales are recognized on the basis of bill of lading/ Airway bill.

AMORTISATION OF MISC. EXPENDITURE

Deferred advertisement expenses are amortized over a period of three years.



PROVISION, CONTINGENT LIABILITY & CONTINGENT ASSETS

1. Provision are recognized only when the company has present or legal or constructive obligation as a result of past events for which it is probable that an outflow of economic benefits will be required to settle the transaction & a reliable estimate can be made for the amount of obligation.
2. Contingent Liabilities is Nil
3. Contingent Assets are not recognized in the financial statements.

OTHER ACCOUNTING POLICIES

Other accounting policies are consistent with generally accepted accounting principles and accounting standards.

2. VALUATION OF INVENTORIES

Inventories are valued on the basis of First in First Out (FIFO) method and stated at : -

Raw Material	-	at Cost
Finished Goods	-	at Net Realizable Value
Trading Goods	-	at Cost or Market Price which is lower

NOTES ON ACCOUNTS

1. Balance to the parties' accounts (including personal accounts) as on 31.3.2021 and the squared up accounts during the year are subject to reconciliation and confirmation.
2. Previous year figures have been rearranged, regrouped wherever necessary for comparison purpose.
3. Contingent liability not provided for - NIL
4. Number of employees entitled to remuneration which in aggregate was not less than 2400000/- p.a. employed throughout the year or Rs. 200000/- per month employed for part of the year: Nil
5. Information pursuant to Schedule VI of the Companies Act 1956.



a) Capacity and Production

N.A.

c). Value of Imports calculated on C.I.F. bases Rs. Nil

d). Expenditure in foreign currency on account of import of raw material and foreign traveling Rs. Nil

e). Income in foreign currency – Nil.

6. In the opinion of the management and to the best of their knowledge and belief, the value on realization of loans, advances and other current assets in the ordinary course of business will not be less than the amount at which they are stating in the Balance Sheet and provision for all known liabilities has been made.

7. Payment to Statutory Auditors:	<u>Current Year</u>	<u>Previous Year</u>
	(Rs.)	
Audit Fee	75000.00	75000.00

8. Provision for Gratuity has been made. Provision for the year ending 31.03.2021 made by Rs. 8,28,592.00.

9. Provision for deferred tax has been made. Provision for the year ending 31.03.2021 is Rs. 294362.00.

10. Balance Sheet Abstract and General Business Profile

D) REGISTRATION DETAILS

Registration no.	1	1	7	5	4	3
------------------	---	---	---	---	---	---

State Code	5	5
------------	---	---

Balance Sheet Date	3	1	-	0	3	-	2	0	2	1
--------------------	---	---	---	---	---	---	---	---	---	---

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue

N	I	L					
---	---	---	--	--	--	--	--

Rights Issue

N	I	L					
---	---	---	--	--	--	--	--

Bonus Issue

N	I	L					
---	---	---	--	--	--	--	--

Private Placement

					N	I	L
--	--	--	--	--	---	---	---



III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS
(AMOUNT IN RS. THOUSANDS)

Total Assets

	5	1	4	0	6	2
--	---	---	---	---	---	---

Total Liabilities

	5	1	4	0	6	2
--	---	---	---	---	---	---

SOURCES OF FUNDS

Paid-Up Capital

			9	3	1	7
--	--	--	---	---	---	---

Reserves & Surplus

		5	9	1	9	1
--	--	---	---	---	---	---

Secured Loans

	2	1	1	6	4	5
--	---	---	---	---	---	---

Unsecured Loans

				N	1	L
--	--	--	--	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets

		9	5	9	1	1
--	--	---	---	---	---	---

Investments

					4	2
--	--	--	--	--	---	---

Net Current Assets

	1	8	4	2	0	0
--	---	---	---	---	---	---

Misc. Expenditure

				N	1	L
--	--	--	--	---	---	---

Accumulated Losses

				N	1	L
--	--	--	--	---	---	---

IV. PERFORMANCE OF COMPANY

Turnover

	5	4	0	4	6	8
--	---	---	---	---	---	---

Total Expenditure

	5	2	0	7	8	2
--	---	---	---	---	---	---

Profit/Loss Before Tax

		1	9	6	8	6
--	--	---	---	---	---	---

Profit/Loss After Tax

		1	4	3	4	2
--	--	---	---	---	---	---

Earning per share in Rs.

		7	9	.	3	7
--	--	---	---	---	---	---

Dividend rate %

				N	1	L
--	--	--	--	---	---	---




Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

PRODUCT DESCRIPTION

M	F	G	&	T	R	A	D	I	N	G	O	F	E	L	E	C	T	I	C	L
G	O	O	D	S																

For NEERAJ SATISH & ASSOCIATES
CHARTERED ACCOUNTANTS


(NEERAJ GOYAL)
PARTNER
UDIN - 21078746AAAAEK6396
PLACE : GHAZIABAD
DATED : 26th Oct., 2021


DIRECTOR


DIRECTOR.