

TD Power Systems Limited

(CIN -L31103KA1999PLC025071)

REGISTERED OFFICE & FACTORY:
27, 28 and 29, KIADB Industrial Area
Dabaspet, Nelamangala Taluk
Bengaluru Rural District
Bengaluru – 562 111 India

BM/R-6/26/09/2018

**CERTIFIED COPY OF THE RESOLUTION PASSED BY
BOARD OF DIRECTORS OF THE COMPANY AT THEIR
MEETING HELD ON SEPTEMBER 26, 2018 AT
BANGALORE.**

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BUYBACK OF EQUITY SHARES OF THE COMPANY

RESOLVED THAT pursuant to the provisions of Article 200 of the Articles of Association of the Company and the provisions of Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the "Companies Act"), the Companies (Share Capital and Debentures) Rules, 2014 as amended and to the extent applicable, and in compliance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, as amended (the "Buyback Regulations"), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations") as amended, and including any amendments, statutory modifications or re-enactments thereof for the time being in force, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the Securities and Exchange Board of India ("SEBI"), Reserve Bank of India ("RBI"), the relevant Stock Exchanges (as defined below) and/or other authorities, institutions or bodies (the "Appropriate Authorities"), while granting such approvals, permissions and sanctions, the Board of Directors of the Company (hereinafter referred to as the "Board", which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution) hereby approves the buyback by the Company of its fully paid-up Equity Shares having face value of Rs.10 (Rupees Ten only) each ("Equity Shares") for an aggregate amount not exceeding Rs.30 Crores (Rupees Thirty Crores only), ("Maximum Buyback Size"), being 6.16% and 6.37 % of the total paid-up share capital and free reserves of the Company based on the audited standalone and consolidated financial statements of the Company , respectively, as at March 31, 2018 (being the date of last audited financial statements of the Company), for a price not exceeding Rs.256 (Rupees Two Hundred and Fifty Six only) per Equity Share ("Maximum Buyback Price") from the shareholders of the Company, payable in cash via the "open market" route through the stock exchanges under the Buyback Regulations and the Companies Act and at the Maximum Buyback Price and for the Maximum Buyback Size the maximum number of Equity Shares bought back would be 11,71,875 (Eleven lakhs seventy one thousand Eight hundred & seventy five Only)Equity Shares ("Maximum Buyback Shares") which is 3.53% of the total number of paid-up Equity Shares of the Company (the process hereinafter referred to as the "Buyback"). If the Equity Shares are bought back at a price below the



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Maximum Buyback Price, the actual number of Equity Shares bought back could exceed the indicative Maximum Buyback Shares (assuming full deployment of Maximum Buyback Size) but will always be subject to the Maximum Buyback Size. Further, the number of Equity Shares to be bought back will not exceed 10% of the total paid up equity capital & free reserves of the Company. The Maximum Buy-back Size does not include any other expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India, stock exchanges fees, advisors fees, public announcement, publication expenses, transaction cost viz., brokerage, applicable taxes such as securities transaction tax, stamp duty, etc., and any other incidental and related expenses ("Transaction Costs").

RESOLVED FURTHER THAT, the Company shall implement the Buyback through the methodology of "open market purchases through Stock Exchanges", as provided in the Buyback Regulations. The Buyback will be implemented in the manner and following the procedure prescribed in the Companies Act, 2013 and the Buyback Regulations and as may be determined by the Board of Directors and on such terms and conditions, as may be permitted by law from time to time. The Equity Shares are listed on the BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") and the buyback of Equity Shares will be made through the Stock Exchanges with nationwide trading terminals having electronic trading facility.

RESOLVED FURTHER THAT, the Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Listing Regulations.

RESOLVED FURTHER THAT, the Buyback shall be out of the Company's free reserves, securities premium account and the amount required by the Company for the Buyback is intended to be met out of the accumulated internal accruals and on such terms and conditions as the Board may decide from time to time at its absolute discretion.

RESOLVED FURTHER THAT, the Buyback of the Equity Shares will be completed within a period of six months from the date of opening of Buyback or such shorter period, as may be permitted under the Companies Act or the Buyback Regulations or by the appropriate authorities under applicable laws. The Board in its absolute discretion may decide to close the Buyback of equity shares at such earlier date as may be determined by the Board, even if the maximum limit of buyback has or has not been reached, provided the Minimum Buyback Size of Rs.15 Crores (Rupees Fifteen Crores) has been utilized in the Buyback, by giving an appropriate notice for such earlier date and as may be permitted under the applicable laws.

RESOLVED FURTHER THAT, in accordance with Section 69 of Companies Act 2013 and other applicable laws, a sum equal to the nominal value of equity shares purchased, which will be determined at the closure of the Buyback to be transferred to Capital Redemption Reserve Account.

RESOLVED FURTHER THAT, nothing contained hereinabove shall confer any right on the part of any shareholder to offer and/or any obligation on the part of the Company or the Board to buyback any equity shares, and/or impair any power of the Company or the Board to terminate any process in relation to such Buyback, if so permissible by law.



RESOLVED FURTHER THAT, Equirus Capital Private Limited be and is hereby appointed as the merchant banker (the "Merchant Banker") for the purposes of the Buy-back in accordance with the terms of the Buy-back Regulations, on such terms and conditions as may be mutually agreed between the Merchant Banker and the Company.

RESOLVED FURTHER THAT, Equirus Securities Private limited, Mumbai (the "Broker") be and is hereby appointed as the registered broker to the Company to facilitate the process of Buy-back of Equity Shares from the open market through the Stock Exchanges on such terms and conditions as may be mutually agreed between the Broker and the Company, and the Company do hereby open a broking account with the Broker for the purposes of the Buy-back.

RESOLVED FURTHER THAT, the Company shall obtain such approvals as may be required from time to time including from Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the Rules/Regulations framed thereunder if required for Buyback of equity shares from non-resident shareholders and/or shareholders of foreign nationality, if any.

RESOLVED FURTHER THAT, as required under the provisions to Section 68 of the Companies Act, 2013 and the Buyback Regulations read with relevant Schedules thereto, the Declaration of Solvency along with annexures thereof prepared in the prescribed form and placed before the Board, be and is hereby approved and Mr. Mohib Khericha, Chairman, Mr. Nikhil Kumar, Managing Director, and Mr. K G Prabhakar Director be and are hereby jointly & severally authorized to sign the same.

RESOLVED FURTHER THAT, as required including under clause (x) of Schedule-I and under Regulation 5 of the Buy-Back Regulations, the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

- a) that immediately following the date of this Board meeting, there will be no grounds on which the Company could be found unable to pay its debts;
- b) that as regards its prospects for the year immediately following the date of this Board Meeting that, having regard to the Board's intentions with respect to the management of the Company's business during the year following the date of this Board meeting and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during the year following the date of this Board meeting, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board meeting; and,
- c) that in forming their opinion for the above purposes, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act (including prospective and contingent liabilities).

RESOLVED FURTHER THAT, the Board do accept responsibility for the information contained in Public Announcement in connection with the Buy back and the draft of the same as placed before the Board duly initialed by Company Secretary be and is hereby approved and Mr. Mohib Khericha, Chairman, Mr. Nikhil Kumar, Managing Director and Mr. K G Prabhakar, Director, be and are hereby jointly & severally authorized to finalize, sign and issue the final public announcement on behalf of the Board.



RESOLVED FURTHER THAT, the Board is of the view that,

1. having regard to the cash flows that the Company has been able to consistently generate, the future projected cash flows of the Company and the anticipated funds required for capital expenditure and working capital to meet the expected future growth of the Company, the Buyback will help the Company achieve the following objectives:

- (a) Optimize returns to shareholders;
- (b) Enhance overall shareholders value; and
- (c) Optimize the capital structure

resulting in reduction in outstanding shares, improvement in earnings per share and enhanced return on invested capital

2. The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.

RESOLVED FURTHER THAT, the following confirmation is also hereby made by the Board that:

1. the Company shall not purchase equity shares under the Buyback from the Promoters or persons in control and KMPs of the Company.
2. the Company shall not buyback its equity shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback.
3. till date no default has been made by the Company in the repayment of deposits accepted either before or after the commencement of the Companies Act, 2013, interest payment thereof, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable to thereon to any financial institution or banking company.
4. that the debt equity ratio of the Company after the buyback will be well within the limit of 2:1 as prescribed under the Companies Act, 2013.
5. that the equity shares bought back will be compulsorily cancelled and will not be held for re-issuance.
6. that the Company shall not withdraw the offer to Buy back after public announcement of the offer to Buy back is made;
7. the Company shall utilize at least 50% of the amount earmarked as the Maximum Buyback Size for the Buyback i.e. Rs.15 Crores(Rupees Fifteen Crores only) . Based on the Minimum Buy-back Size and the Maximum Buy-back Price, the Company shall purchase a minimum of 5,85,938 (Five Lakhs Eighty five Thousand Nine hundred Thirty Eight) Equity Shares ("Minimum Buy-back Shares") in the Buyback.
8. that the Company has been in compliance with Sections 92, 123, 127 and 129 of the Companies Act
9. the Company will not issue fresh shares or other specified securities in whatever form during the Buyback period whether by way of bonus issue or in the discharge of subsisting obligations, such as conversion of convertible instruments, convertible loans, stock options or otherwise;
10. the Company shall not raise further capital for a period of one year from the closure of Buyback offer;



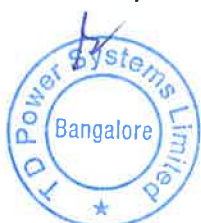
11. the Equity Shares that may be bought back in a financial year shall not exceed 25% of the paid—up equity capital outstanding in such financial year;
12. the Company will pay the Buyback consideration only by way of cash;
13. the Company will not Buyback Equity Shares which are partly paid-up, Equity Shares with calls-in-arrears, locked—in Equity Shares or non-transferable Equity Shares, in the Buyback , until they become fully paid-up, or until the pendency of the lock-in, or until the Equity Shares become transferable, as applicable;
14. that no information material likely to have a bearing on the decision of investors has been suppressed, withheld and / or incorporated in the manner that would amount to misstatement misrepresentation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and / or amounts to a misstatement / misrepresentation, the Board and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.

RESOLVED FURTHER THAT, Mr. N Srivatsa Company Secretary, be and is hereby appointed as the Compliance Officer for the Buyback and that Mr. N Srivatsa, Company Secretary, be and is hereby authorized to file a certified copy of the above resolution with the stock exchanges, Securities Exchange Board Of India (SEBI) and such other authorities as may be necessary, inter—alia, including to make applications to requisite authorities, extinguishment of equity shares, and to comply with the all regulatory compliances as may be required prior, during and post Buyback offer.

RESOLVED FURTHER THAT, Mr. Mohib Khericha, Chairman, Mr. Nikhil Kumar, Managing Director, Mr. K G Prabhakar, Director, Mr N Srivatsa ,Company Secretary & Mrs MN Varalakshmi CFO, be and are hereby severally authorized to do all such acts, deeds, matters and things including to execute such documents as may be necessary with regard to the implementation of the Buyback, during the buyback and including the following:

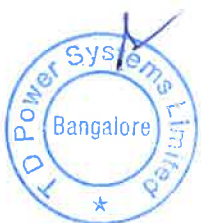
1. the appointment of Brokers, Registrars, Advertisement Agency, Investor Service Centers and other Advisors, Consultants or Representatives;
2. to finalize the appointment of Escrow Agent as per the Buy-back Regulations to meet the Escrow requirements.
3. the initiating of all necessary actions for preparation and issue of Public Announcement.
4. finalizing and signing of public announcement and any corrigendum/ amendment thereto.
5. the settling of all such questions or difficulties whatsoever which may arise in connection with the Buyback so as to take all such steps and decisions ay may be necessary in this regard.
6. to delegate all or any of the authorizations conferred as above to any officer/authorized representative of the Company;
7. to do or cause to be done all such acts, deeds, matters and things which may be required to give effect to this resolution.

RESOLVED FURTHER THAT, the Company shall intimate the Stock Exchanges as well as shall upload the information regarding the Equity Shares bought-back on its website on a daily basis as prescribed by the Buyback Regulations.



RESOLVED FURTHER THAT, that Mr. Mohib Khericha, Chairman, Mr. Nikhil Kumar Managing Director, Mr. K G Prabhakar Director, Mr. N Srivatsa, Company Secretary & Mrs MN Varalakshmi CFO be and are hereby severally authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, expedient, usual or proper, in the best interest of the Company and its shareholders in connection with the Buy-back, including but not limited to:

- a) dating, making alterations, additions, deletions, variations , amendments or corrections in all documents, resolutions, advertisements , confirmations, intimations and declarations, and certificate for extinguishment and physical destruction of shares certificates and other documents required in connection with the Buy-back and such alterations, additions, omissions, variations, amendments or corrections shall be deemed to have been approved by the Board of Directors;
- b) depositing and/or instructing the deposit of the requisite amount into escrow and finalizing the composition/combination of such deposit into escrow in accordance with the provisions of Regulation 20 and other applicable provisions of the Buy-back Regulations (i.e. cash deposit or bank guarantee including the amounts of the cash deposit and the bank guarantee) and the escrow agreement entered into with the Escrow Agent;
- c) preparing, finalizing, altering, modifying, signing, issuing, reissuing and filing with the Appropriate Authorities the public announcement and all other documents, resolutions, advertisements, confirmations, intimations and declarations, and the certificate for extinguishment and physical destruction of shares certificates and causing the declaration of solvency ("Declaration of Solvency") and supporting affidavit to be executed in accordance with applicable law;
- d) taking all actions for extinguishment of dematerialized shares and physical destruction of the share certificates in respect of the Equity Shares bought back by the Company, as required under applicable law;
- e) providing such confirmations and opinions as may be required for the Buy-back;
- f) signing, executing and delivering such documents as may be necessary or desirable in connection with or incidental to the Buyback, execution of documents under common seal of the Company as may be required ;
- g) settling and resolving any queries raised by SEBI, Stock Exchange, Registrar of Companies and any other authorities whatsoever in connection to any matter incidental to and ancillary of the Buy-back;
- h) creating and maintaining requisite statutory registers and records as required under the Companies Act and to furnish appropriate returns to the Appropriate Authorities;
- i) closing the Buy back and completing all the required formalities as specified under the Companies Act, Buy back Regulations and the Listing Regulations and other applicable laws;
- j) to do all such acts and deeds, matters and things that may be required in connection with the Buy-back or for matters incidental thereto, filling all such documents, declarations, undertakings with Appropriate Authorities and completing such other formalities as may be required for the Buy- back;
- k) delegating all or any of the authorities conferred above to any other Director(s) or Executive(s)/Officer(s) of the Company as may be necessary to give effect to the aforesaid resolutions .



RESOLVED FURTHER THAT, the Company shall maintain a register of securities bought back wherein details of Equity Shares bought back, consideration paid for the Equity Shares bought back, date of cancellation of Equity Shares and date of extinguishing and physically destroying the Equity Shares and such other particulars as may be prescribed in relation to the Buy-back shall be entered, and that the Company Secretary of the Company be and is hereby authorized to authenticate the entries made in the said register.

RESOLVED FURTHER THAT, the common seal of the Company, if required, shall be affixed in the presence of any one of Mr. Mohib Khericha, Chairman, Mr. Nikhil Kumar, Managing Director, Mr. K G Prabhakar Director & Mr. N Srivatsa, Company Secretary of the Company, who shall countersign the same in token thereof on such documents as are required for the purpose of the Buy-back.

RESOLVED FURTHER THAT, certified true copy of the resolution be forwarded to whomsoever concerned under the signature of any of its Directors or Company Secretary.

**Certified True Copy
For TD Power Systems Limited**



**N Srivatsa
Company Secretary
Membership No.: F4699**

