

INSTRUCTIONS

1. A Member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form (no other form or photocopy is permitted for the purpose) in all respects and send it to the Scrutinizer in the attached self-addressed postage pre-paid envelope. However, envelope containing Postal Ballot Form, if deposited in person with the Scrutinizer or sent at the expense of the Member will also be accepted.
2. The self-addressed envelope bears the name and postal address of the Scrutinizer appointed by the Board of Directors of the Company.
3. The form should be completed and signed by the Member (as per the specimen signature registered with the Company). In case of joint holding, this form should be completed and signed by the first named Member and in his/her absence, by the next named Member. There will be only one Postal Ballot Form for every folio / client ID irrespective of the number of Joint Member(s). Unsigned postal Ballot Forms and/or Postal Ballot Forms which are not duly filled in will be rejected summarily.
4. Duly completed Postal Ballot Forms addressed to the Scrutinizer should reach the Scrutinizer: C/o M/s. Link Intime India Pvt Ltd, at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai- 400 078 (the Registrars and Share Transfer Agents of the Company) before the closing of working hours (6.00 p.m.) on December 19, 2012. Postal Ballot Form received after this date will be strictly treated as if reply from such Member has not been received.
5. In case of Shares held by Companies, Trusts, Societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/Authority. Where the form has been signed by the President of India or the Governor of a State, a certified copy of the nomination should accompany the ballot form. A member may sign the form through an attorney specially appointed for this purpose, in which case, an attested true copy of the Power of Attorney should also be attached to the ballot form.
6. The voting shall be reckoned in proportion to a Member's share of the paid up equity share capital of the Company as on November 9, 2012.
7. Members are requested not to send any paper (other than the resolution/authority as mentioned under SI.No.5 above) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
8. The Postal Ballot shall not be exercised by Proxy.
9. The Scrutinizer's decision on the validity of the Postal Ballot will be final.
10. The item of business covered by this Postal Ballot will not be transacted at any General Meeting even though Members who have not exercised their franchise through Postal Ballot might be present in person or through proxy at the meeting.
11. Any query in relation to the resolutions proposed to be passed by Postal Ballot may be addressed to N. Srivatsa, Company Secretary, TD POWER SYSTEMS LIMITED, # 27, 28 & 29 KIADB Industrial Area, Dabaspet, Nelamangala Taluk, Bangalore Karnataka - 562 111. Tel No. 080 22017800, Fax No. 080 22017850 Email: svivatsa.n@tdps.co.in
12. **The result of the voting on the resolutions will be declared at the Registered Office of the Company on or before December 22, 2012. The results will thereafter be also informed to the Stock Exchanges, hosted on the Company's website www.tdps.co.in and published in newspapers.**
13. Your attention is also drawn to the Notes to the Notice of Postal ballot herein above.

INSTRUCTIONS (Contd.....)

14. The Company is pleased to offer e-voting facility as an alternate, for all its Members (including Corporates / FIs / FIIs etc.), to enable them to cast their vote electronically instead of dispatching Postal Ballot. **The procedure for the same is as under:**

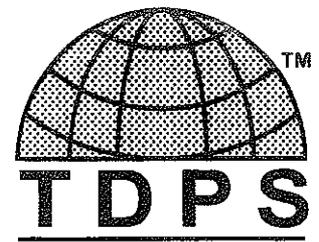
- i. Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.
- ii. Now click on "Shareholders".
- iii. Now, select the "Electronic Voting Sequence Number (EVSN) along with TD POWER SYSTEMS LIMITED" from the drop down menu and click on SUBMIT.
- iv. Now, fill up the following details in the appropriate boxes:

	For members holding shares in Demat Form	For members holding shares in Physical Form
User-ID	For NSDL – 8 Character DP ID + 8 Digits Client ID For CDSL – 16 digits beneficiary ID	Registered Folio Number with the Company
Password :-		
For shareholders whose email addresses are registered with the Company	Your unique password has been mentioned in the email vide which the Postal Ballot Notice has been emailed to you.	Your password has been mentioned in the email vide which the Postal Ballot Notice has been emailed to you.
For shareholders whose email addresses are not registered with the Company	Your Unique password has been printed on the Postal Ballot Form.	Kindly submit a written application to the Registrars, mentioning therein your email-id at which the Password and the Default Number (referred to below) can be emailed to you. You may then use the Password that would be so emailed to you.
PAN or Default Number	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.	Enter the Default Number that would be emailed to you by the Registrars on your email id as provided by you as aforesaid.

After entering these details appropriately, click on "SUBMIT".

- v. The members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now be required to mandatorily change their password in the new password field and may enter their demographic details i.e. Mobile number and email-id. Kindly remember that this password can be used by the demat shareholders for voting for resolution of any other Company in which they are eligible to vote, provided that Company opts for e-voting. However, for shareholders holding shares in physical form, the password and default number can only be used for e-voting on the resolution contained in this Postal Ballot Notice.
- vi. On the voting page, you will see Resolution Description and option for voting YES/NO against Resolution Description. The option YES implies that you assent to the Resolution and NO implies that you dissent to the Resolution.
- vii. Click on the Resolution File Link if you wish to view the entire resolution file.

- viii. Enter the number of shares (which represents number of votes) under YES/NO, but not exceeding your total holding.
- ix. After selecting the resolution you have decided to vote on, click on SUBMIT. A confirmation box will be displayed. If you wish to confirm your vote, click on OK, else to change your vote, click on CANCEL and accordingly modify your vote.
- x. In case of Members' receiving Postal Ballot Form by Post:
 - a) Initial password is provided as below/at the bottom of the Postal Ballot Form.
EVSN (ELECTRONIC VOTING SEQUENCE NUMBER) USER ID AND PASSWORD
 - b) Please follow all steps from Sl. No. (i) to Sl. No. (ix) above, to cast vote
- xi. Once you have confirmed your vote on the resolution, you will not be allowed to modify your vote.
- xii. Non-individual members, like Corporates, FIs, Mutual Funds, Banks, Trusts etc., who opt for e-voting, are also required to submit Board Resolution/Power of Attorney authorizing any person to exercise the Voting Power on their behalf. Scanned copies of such documents are required to be sent to CDSL through email at helpdesk.evoting@cdslindia.com. The file containing the said documents should be named as "Member's name_ EVSN", e.g., in case of shareholder company XYZ Ltd., the file containing the authorization documents should be named as "XYZ Ltd EVSN". The documents can be sent before/immediately after casting the vote.
- xiii. Kindly note that the members can opt only one mode for voting i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case member(s) cast their vote both via Physical Ballot and e-voting, then voting validly done through Physical Ballot shall prevail and voting done by e-voting shall be treated as invalid.
- xiv. If you are a shareholder holding shares in demat form and had logged on to www.evotingindia.com and cast your vote for an earlier EVSN of any company, then you may use your existing log-in id and password.
- xv. If you wish to provide feedback on the e-voting system click on Suggestions. In case you have any queries or issues regarding e-voting, please contact on the helpdesk.evoting@cdslindia.com, or on rnt.helpdesk@linkintime.co.in.
- xvi. Members who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Ballot Form. Members have option to vote either through e-voting or through Postal Ballot Form. Members who have received Postal Ballot Notice by e-mail and who wish to vote through Postal Ballot Form can download Postal Ballot Form from the link www.tdps.co.in (Investor Relations>Postal ballot) or seek duplicate Postal Ballot Form from sarita.mote@linkintime.co.in, fill in the details and send the same to the Scrutinizer.



TD Power Systems Limited

B) Details of E-Voting :

1	Total Votes casted				38
2	Number of invalid votes casted				NIL
3	Number of valid votes casted				38
4	Folios Voted				5
5	Details of E- Voting casted :				
		Resolution 1 (Special Resolution)	Resolution 2 (Special Resolution)	% of total paid capital	
	Votes cast in favour of the resolution	36	36	94.74%	
	Votes cast against the resolution	2	2	5.26%	

C) Total Summary of Votes casted through both the modes is as follows:

	Resolution 1 (Special Resolution)	Resolution 2 (Special Resolution)	% of total paid capital
Votes cast in favour of the resolution	25585681	25585681	99.999%
Votes cast against the resolution	293	293	0.001%
Result	Approved by requisite majority		

By Order of the Board of Directors
For TD POWER SYSTEMS LIMITED

N. Srivatsa
N. Srivatsa

Company Secretary

Bangalore
December 22, 2012

REGD. OFFICE / WORKS, UNIT - I : # 27, 28 & 29, KIADB INDL. AREA, DABASPET, NELAMANGALA TALUK, BANGALORE - 562 111, INDIA.
TEL.: + (91) (80) 22995700 / 66337700, FAX : + (91) (80) 77-34439 / 22995718, WEBSITE : www.tdps.co.in

UNIT - II : SY. NO. 59/2, YEDEHALLI VILLAGE, DABASPET, NELAMANGALA TALUK,
BANGALORE - 562 111, INDIA. TEL.: + (91) (80) 22635500.

CITY OFFICE : "RMJ MANDOTH TOWERS", NO. 37, 7TH CROSS, VASANTHAGAR, BANGALORE - 560 052, INDIA.
TEL. : +(91) (80) 22017800, FAX : +(91) (80) 22017850 / 851

JAPAN OFFICE ADDRESS : TOHWA BUILDING, 4TH FLOOR, 3-3, KITASHINAGAWA, 3-CHOME, SHINAGAWA-KU, TOKYO - 1400001, JAPAN.
TEL NO. : 0081-3-5783-5380, FAX NO. : 0081-3-5783-5381



TD POWER SYSTEMS LIMITED

Registered Office: #27, 28, 29, KIADB Industrial Area, Nelamangala Taluk, Dabaspeta, Bangalore, Karnataka 562111

Notice pursuant to Section 192A of the Companies Act, 1956

Notice is hereby given pursuant to Section 192A(2) of the Companies Act, 1956 ("Notice"), read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, that the resolutions appended below are proposed to be passed as Special Resolutions by way of Postal Ballot.

Members' consent is requested for the proposals contained in the Resolutions appended below. The Explanatory Statement pertaining to the said Resolutions setting out the material facts and the reasons thereof is annexed hereto along with a Postal Ballot Form.

1. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof and subject to approval of the Central Government, approval of the members be and is hereby accorded to the payment of remuneration as set out below, to Mr. Tadao Kuwashima who was appointed as a Whole-time Director of the Company designated as Director –Technical (hereinafter referred to as whole time Director) for a period of 2 years with effect from September 1, 2012.

A- Remuneration and benefits:

- i. Monthly salary at Rs.8,47,000 per month with an annual increase of 10% effective September 1 of every year.
- ii. Annual ex gratia payment not exceeding 2 months' salary and provident fund contribution thereon at the discretion of the Board of Directors.
- iii. Other benefits
 - Provident Fund Contribution at 12% of the monthly Salary
 - Gratuity at half month's salary for every completed year of Service.
 - Reimbursement of telephone expenses and running expenses of the car used for official purposes.
- iv. Leave facilities
 - Privilege Leave at the rate of one month for every completed year of service as per leave rules of the Company.
 - Casual & Sick leave as per leave rules of the Company
 - Unutilized leave not encashable.

B- Other Terms:

- i. The Whole-time Director will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board of Directors ('Board') from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and his functions will be under the overall authority of the Managing Director.
- ii. The Whole-time Director shall adhere to the Company's Code of Business Conduct and Ethics for Directors and Management personnel.
- iii. The office of Whole-time Director may be terminated by the Company or the concerned Whole-time Director may resign by giving the other 3 (three) months' prior notice in writing.
- iv. The employment of Whole-time Director may be terminated by the Company without notice if the Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required to render services; or in the event of any serious repeated or continuing breach or non-observance by the Whole-time Director of any of the stipulations contained in the terms of employment with the Company; or in the event the Board expresses its loss of confidence in the Whole-time Director.
- v. If for any reason, the office of the Whole-time Director being a position of employment with the company is terminated, the whole time Director shall immediately tender his resignation from the office as Director of the Company and from such other offices held by him in the Company, in any subsidiary and associate company and other entities without claim for compensation for loss of office until otherwise determined by the company.
- vi. Thereafter, the whole time director shall not represent the Company, its subsidiary (ies) or associate company in any form or in any manner without the consent of the Company.

RESOLVED FURTHER THAT, the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

2. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the members be and is hereby accorded to payment of remuneration as set out below, subject to approval of the Central Government to Mr. Hitoshi Matsuo as a Whole-time Director of the Company, designated as Director –International (hereinafter referred to as wholetime Director) for a period of 2 years with effect from October 1 2012:

A) Location, Remuneration and benefits:

- i. Headquarters will be Tokyo, Japan and in charge of the Japan Branch operations;
- ii. The term of office shall be for a period of two (2) years from October 1 2012 to September, 30, 2014.
- iii. a) Monthly Salary of Rs. 11, 02,342 per month with an annual increase of 10% from October 1 every year.
b) Commission @ 3% of the Profits of the company (Profit before tax).
- iv. Other Benefits:
 - Provident Fund Contribution at 12% of the monthly Salary
 - Gratuity at half month's salary for each completed year of service.
 - Reimbursement of telephone expenses and running expenses of the car used for official purposes.
 - Leave facilities:
 - Privilege Leave at the rate of one month for every completed year of service as per leaverules of the Company.
 - Casual & Sick leave as per leave rules of the Company.
 - Unutilized leave not encashable.
- v. Compensation
In the event of determination of the contract by the company before the contract period, on any ground other than the grounds mentioned in Para B (iv) infra, the company shall pay Mr. Hitoshi Matsuo a compensation for the unexpired period of the contract at equal to and same terms had the contract been continued.

B) Other Terms:

- (i) The Whole-time Director will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board of Directors ('Board') from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and his functions will be under the overall authority of the Managing Director.
- (ii) The Whole-time Director shall adhere to the Company's Code of Business Conduct and Ethics for Directors and Management personnel.
- (iii) The office of the Whole-time Director may be terminated by the Company or the concerned Whole-time Director may resign by giving the other 3 (three) months' prior notice in writing.
- (iv) The employment of Whole-time Director may be terminated by the Company without notice if the Whole-time Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required to render services; or in the event of any serious repeated or continuing breach or non-observance by the Whole-time Director of any of the stipulations contained in the terms of employment with the Company; or in the event the Board expresses its loss of confidence in the Whole-time Director.
- (v) If for any reason the office of the Whole-time Director being a position of employment with the company is terminated, the Whole time Director shall immediately tender his resignation from the office as Director of the Company and from such other offices held by him in the Company, in any subsidiary and associate company and other entities without claim for compensation for loss of office.
- (vi) Thereafter, the whole time director shall not represent the Company, its subsidiary(ies) or associate company in any form or in any manner without the consent of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**By Order of the Board of Directors
For TD POWER SYSTEMS LIMITED**

**Bangalore
November 7, 2012**

**N. Srivatsa
Company Secretary**

NOTES

1. An explanatory statement as required under Section 173 of the Companies Act, 1956 in respect of the business specified in the Notice is annexed hereto.
2. In terms of Section 192A of the Companies Act, 1956 (the Act) read with the Postal Ballot Rules, 2011 the items of business set out in the Notice are sought to be passed by Postal Ballot.
3. The Board of Directors have appointed Mr. Sudhir Hulyalkar, Practicing Company Secretary from Bangalore, as the Scrutinizer for conducting the Postal Ballot voting process in accordance with law and in a fair and transparent manner.
4. The shareholders are requested to carefully read the instructions printed in the attached Postal Ballot Form.
5. **The Postal Ballot Form, duly completed and signed should be returned in the enclosed self-addressed postage prepaid envelope directly to the Scrutinizer so as to reach the Scrutinizer before the close of working hours (6.00 pm) on or before December 19,2012. Any Postal Ballot Form received after December 19,2012 shall be treated as if the reply from the shareholders has not been received.**
6. The shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted. Shareholders who do not receive the Postal Ballot Form may apply to the Company and obtain a duplicate thereof.
7. In compliance with provisions of Section 192A of the Act, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, and the Circular dated July 13, 2012 issued by the Securities Exchange Board Of India (SEBI), the Company also offers e-voting facility as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional. **Please see point No 14 under Instructions to the Postal Ballot Form for e voting procedure.**
8. **The results of the Postal Ballot will be announced by the Chairman of the Company or by the Managing Director or any other Director on or before December 22,2012 at the Registered Office of the Company at #27, 28 and 29, KIADB Industrial Area, Dabaspeth, Nelamangala Taluk, Bangalore- 562 111 and will also be informed to the Stock Exchanges, hosted on the Company's website www.tdps.co.in and published in newspapers.**
9. The Special Resolutions mentioned shall be declared as passed if, the number of votes cast in favour are not less than three times the number of votes cast against the said Resolutions.
10. All relevant documents referred in the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days between 11.00 hrs. to 13.00 hrs. up to the date of declaration of the results of Postal Ballot.

EXPLANATORY STATEMENT (under Section 173(2) of the Companies Act, 1956)

Item No. 1:

Mr. Tadao Kuwashima held office as Whole time Director of the Company, designated as Director-Technical up to August 31, 2012. In view of new technology initiatives and developments being undertaken by the company under various technology agreements it is in the interest of the company to continue to avail the services of Mr. Tadao Kuwashima and accordingly the Board of Directors of the Company (the 'Board'), at the meeting held on July 12, 2012 approved reappointment of Mr. Tadao Kuwashima subject to the approval of the Members, as Whole-time Director, designated as Director- Technical, for a further period of 2 (Two) years from September 1, 2012, on the remuneration determined by the Remuneration Committee of the Board and approved by the Board subject to the approval of the Members and the Central Government. The shareholders have approved the said appointment by an ordinary resolution through a postal ballot process in August 2012.

The remuneration payable to Mr. Tadao Kuwashima as Whole-time Director is as detailed in the resolution forming part of the accompanying Notice and may be treated as notice under Section 302 of the Companies Act 1956.

It is proposed to seek Members' approval by a special resolution for the remuneration payable to Mr. Tadao Kuwashima as Whole-time Director, designated as Director-Technical, in terms of the applicable provisions of the Companies Act, 1956. A Statement of information as required in terms of Para C(iv) of Section II of Part II of Schedule XIII of the Companies Act 1956 is provided below.

Mr. Tadao Kuwashima is interested in the resolution as set out at Item No.1 of the Notice which pertains to his re-appointments and remuneration payable to him. Save and except Mr. Tadao Kuwashima, none of the other Directors of the Company is, in any way, concerned or interested in the resolution.

The Board commends the resolution as set out at Item No-1 of the accompanying Notice for your approval.

Information as required in terms of Para C(iv) of Section II of Part II of Schedule XIII of the Companies Act 1956:

I. General information

The Company was incorporated on April 16, 1999 as a Private Limited Company with registered office is located at # 27, 28 & 29, KIADB Industrial Area, Dabaspeth, Nelamangala Taluk, Bangalore, 562 111, Karnataka, India. Pursuant to a Special resolution of the Shareholders passed at the Extra ordinary general meeting held on January 17, 2011, the Company was converted to a Public Company and the name of our Company was subsequently changed to TD Power Systems Limited. The fresh Certificate of Incorporation consequent upon change of name was granted to our Company on February 4, 2011 by the Registrar of Companies (ROC), Karnataka.



The authorised Share capital of the Company is Rs.350, 000,000 divided into 35, 000,000- Equity Shares of Rs. 10 each and the paid-up capital is Rs.332375880 divided into 33237588 Equity Shares of Rs. 10 each.

The Company commenced manufacturing operations in the year 2001. The Company is one of the leading manufacturers of AC Generators with output capacity in the range of 1 MW to 52 MW for prime movers such as steam turbines, gas turbines, hydro turbines, wind turbines, diesel and gas engines and focuses on manufacturing custom-designed generators for customers who are based across the world. In addition to manufacturing AC Generators, the Company also executes Turbine Generator (“TG”) island projects for steam turbine power plants with output capacity up to 52 MW using a Japanese turbine combined with generator manufactured by it.

Currently the Company has 4 technology/license and Product Development Cooperation and Manufacturing arrangements with international electrical equipment manufacturers and has also licensed its technology to transnational electrical equipment giant.

The following is the summary of financial highlights for the last three financial years:

Particulars	(Rs Lakhs)		
	March 31 2012 Rs	March 31 2011 Rs	March 31 2010 Rs
Sales(Net)	62521.20	48788.02	43358.87
Total Income	64089.41	49482.33	43879.98
Profit Before Tax	7382.59	6267.71	5218.18
Profit After Tax	4981.81	4164.03	3302.30
Paid up Share Capital	3323.76	2437.04	634.36
Reserves & Surplus	39994.71	15314.36	11775.13
Net worth	43318.47	17751.40	12409.49
Dividends	664.75	487.41	317.18
Dividends (%)	20%	20%	50%

The Company's turnover and profits have grown significantly during the last 3 years with consistent dividend record. During the year ended March 31, 2012 the overseas sales by the company amounted to Rs. 20160.21 lacs as compared to Rs. 12018.52 lacs in the year ended March 31 2011.

As on September 30, 2012, 33.43% of Share capital of the company is held by foreign shareholders including Foreign Directors, Foreign Corporate, Foreign Nationals and FII as Compared to 32.73% as on March 31, 2012.

II. Information about the appointee

Mr. Kuwashima completed his Engineering education from Tokyo University. He was working in Toyo Denki Seizo K.K. Japan (T D K) for over 35 years and joined the Company in February 2002 and was appointed Director of the Company in August 2006.

He has over 45 years of work experience in power equipment, manufacturing and quality industry. His technical skills are indispensable to the Company to manufacture and sell Generators in the Indian Market. He brought in high quality practices and standards adopted by TDK which enabled the Company to improve the quality of its Generators significantly. His designing capabilities helped the Company in meeting varying specifications and requirements of customers. He currently leads the design and quality functions and it is imperative that his services are critical to the Company's operations.

During the last 3 financial years Mr. Tadao Kuwashima's total remuneration was Rs.74.74 lacs (2009-10),Rs 100.32 lacs (2010-11) and Rs.104.52lacs (2011-12).

The remuneration committee of the Board considered various aspects as above while approving the remuneration as stated in the Resolution forming part of the accompanying Notice,as appropriate to retain a person of Mr. Tadao Kuwashima's qualification, competence and experience. The said remuneration package represents current market practice and trends prevalent in the country.

Mr. Tadao Kuwashima is one of the Shareholders of the Company and holds 0.69% of the Equity of the Company.



III. Other Information

Reasons for inadequacy of profits:

Though the remuneration of Mr. Tadao Kuwashima will be less than 5% of net profits, the overall managerial remuneration is likely to exceed 10% of net profits and thus inadequacy of profits.

The technology absorption and design capabilities will be consolidated with the experience and expertise of Mr. Tadao Kuwashima enabling the company to enhance its product offerings based latest technology which in turn is expected to help the Company in improving its Turnover, productivity and long terms prospects. This is expected to contribute to growth in profits on a long term basis.

Item No 2:

Mr. Hitoshi Matsuo held office as the Managing Director of the Company up to September 30, 2012. In view of the imperative need to develop the overseas markets including Japan to participate in the emerging opportunities in Japan, South East Asia and other parts of the world for which the company's operations at Japan is also required to be strengthened, the Company required to continue to avail the services of Mr. Hitoshi Matsuo who has spearheaded the growth of the Japan branch since its inception in 1999. Accordingly, the Board of Directors of the Company (the 'Board') at the meeting held on July 12, 2012 have, subject to the approval of Members and that of the Central Government, appointed Mr. Hitoshi Matsuo as a Whole-time Director, designated as Director- International, to be located at Tokyo, Japan, for a further period of 2 (Two) years from October 1, 2012 to September 30, 2014 on the remuneration determined by the Remuneration Committee of the Board and approved by the Board. The shareholders have approved the said appointment by an ordinary resolution through a postal ballot process in August 2012.

The remuneration payable to Mr. Hitoshi Matsuo as Whole-time Director is as detailed in the resolution forming part of the accompanying Notice and may be treated as notice under Section 302 of the Companies Act 1956.

It is proposed to seek Members' approval by a special resolution for the remuneration payable to Mr. Hitoshi Matsuo as Whole-time Director, designated as Director-International, in terms of the applicable provisions of the Companies Act, 1956 ("the Act"). A Statement of information as required in terms of Para C(iv) of Section II of Part II of Schedule XIII of the Companies Act 1956 is provided below.

Mr. Hitoshi Matsuo is interested in the resolution as set out at Item No. 2 of the accompanying Notice which pertains to his appointments and remuneration payable to him. Save and except Mr. Hitoshi Matsuo, none of the other Directors of the Company is, in any way, concerned or interested in the resolutions.

The Board commends the resolutions as set out at Item No. 2 of the Notice for your approval.

Information as required in terms of Para C(iv) of Section II of Part II of Schedule XIII of the Companies Act, 1956:

I. General Information:

The Company was incorporated on April 16 1999 as a Private Limited Company with registered office is located at # 27, 28 & 29, KIADB Industrial Area, Dabaspeta, Nelamangala Taluk, Bangalore, 562 111, Karnataka, India. Pursuant to a Special resolution of the Shareholders passed at the Extra ordinary general meeting held on January 17 2011, the Company was converted to a Public Company and the name of our Company was subsequently changed to TD Power Systems The fresh certificate of incorporation consequent upon change of name was granted to our Company on February 4, 2011 by the Registrar of Companies, Karnataka.

The authorised Share capital of the Company is Rs.350, 000,000 divided into 35, 000,000- Equity Shares of Rs. 10 each and the paid-up capital is Rs. 332375880 divided into 33237588 Equity Shares of Rs. 10 each.

The Company commenced manufacturing operations in the year 2001. The Company is one of the leading manufacturers of AC Generators with output capacity in the range of 1 MW to 52 MW for prime movers such as steam turbines, gas turbines, hydro turbines, wind turbines, diesel and gas engines and focuses on manufacturing custom-designed generators for customers who are based across the world. In addition to manufacturing AC Generators, the Company also executes Turbine Generator ("TG") island projects for steam turbine power plants with output capacity up to 52 MW using a Japanese turbine combined with generator manufactured by it.

Currently the Company has 4 technology/license and Product Development Cooperation and Manufacturing arrangements with international electrical equipment manufacturers and has also licensed its technology to transnational electrical equipment giant.



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(Rs Lakhs)

Particulars	March 31 2012 Rs	March 31 2011 Rs	March 31 2010 Rs
Sales(Net)	62521.20	48788.02	43358.87
Total Income	64089.41	49482.33	43879.98
Profit Before Tax	7382.59	6267.71	5218.18
Profit After Tax	4981.81	4164.03	3302.30
Paid up Share Capital	3323.76	2437.04	634.36
Reserves & Surplus	39994.71	15314.36	11775.13
Net worth	43318.47	17751.40	12409.49
Dividends	664.75	487.41	317.18
Dividends (%)	20%	20%	50%

The Company's turnover and profits have grown significantly during the last 3 years with consistent dividend record. During the year ended March 31 2012 the overseas sales by the company amounted to Rs 20160.21 lacs as compared to Rs. 12018.52 lacs in the year ended March 31, 2011.

As on September 30, 2012, 33.43% of Share capital of the company is held by foreign shareholders including Foreign Directors, Foreign Corporate, Foreign Nationals and FII as Compared to 32.73% as on March 31, 2012.

II. Information about the appointee

Mr. Matsuo, a Japanese national holds a Masters in Engineering (Electrical Engineering) from Kanazawa University, Japan. He was working as General Manager of the marketing division of Toyo Denki Seizo KK, Japan (TDK), handling Indian Markets in TDK for more than 20 years. His knowledge and familiarity with the Indian markets as well marketing and technical skills were indispensable to the Company to manufacture and sell Generators in the Indian Markets. He has over 44 years of work experience in high voltage vacuum contactor design, power plant engineering and power plant sales. Until September 30, 2012 he was the Managing Director of the company. Under his leadership, the Company has continuously registered profits, paid dividends, and expanded markets. He is currently the whole time director of the Company designated as Director –International and is in charge of the Japan business operations of our Company.

During the last 3 financial years, Mr. Hitoshi Matsuo's total remuneration was Rs. 329.21 Lacs (2011-12), Rs. 356.23 Lacs (2010-11) and Rs. 289.20 Lacs (2009-10),

The remuneration committee of the Board considered various aspects as above while approving the remuneration as stated in the Resolution forming part of the accompanying Notice as appropriate to retain a person of Mr. Hitoshi Matsuo's qualification, competence and experience. The said remuneration package represents current market practice and trends prevalent in the country.

Mr. Hitoshi Matsuo is one of the promoters of the Company and holds 12.74 % of the Equity of the Company.

III. Other information

Reasons for inadequacy of profits:

As the remuneration is in excess of 5% of the net profits, the net profit is inadequate.

It is expected that the presence of Mr Matsuo at Japan in managing the Japan business operations will enable the Company to improve its presence in Japan and South Asia enabling acquisition of new customers and increased market presence contributing to growth in turnover and profits in the long term.

**By Order of the Board of Directors
For TD POWER SYSTEMS LIMITED**

**Bangalore
November 7 2012**

**N. Srivatsa
Company Secretary**



Serial No.:

POSTAL BALLOT FORM

(Please read the instructions carefully before completing the form)

1	Name and Registered Address of the Sole/First named Shareholder (in block letters)			
2	Name(s) of the Joint holder(s) If any (in block letters)			
3	Registered Folio Number (Applicable to Members holding Shares in physical form)			
4	DP ID Number/Client ID Number (Applicable to Members having shares in Demat form)			
5	Number of Shares held			
6	I/We hereby exercise my/our vote in respect of the Resolutions set out in the Notice dated November 7, 2012 relating to the business stated therein, to be passed by means of Postal Ballot, by sending my / our assent or dissent to the said Resolutions by placing a tick (√) mark at the appropriate box below:			
	Subject-Resolution	Number of Shares	I/We Assent to the Resolution	I/We Dissent to the Resolution
	Special Resolution-Item 1 Approve Remuneration payable to Mr.Tadao Kuwashima –Whole time Director of the Company designated as Director Technical.			
	Special Resolution-Item 2 Approve remuneration payable to Mr. Hitoshi Matsuo - Whole-time Director of the Company designated as Director-International			

Place:

Date:

Signature of the Member

Electronic Voting particulars

Electronic Voting sequence number	User ID	Password/pin
121116001		