

## NOTICE

Notice is hereby given that the **Sixteenth Annual General Meeting** of the Members of the Company will be held at **10.30 AM on Wednesday, September 23, 2015 at Hotel Le Meridien, No. 28, Sankey Road (Opp Bangalore Golf Course), Bangalore 560 052** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt
  - a. The audited financial statement of the Company for the financial year ended March 31, 2015, and the Reports of the Board of Directors and Auditors thereon; and
  - b. The audited consolidated financial statement of the Company for the financial year ended March 31, 2015.
2. To declare Dividend on Equity Shares.
3. To appoint Director in place of Mr. Mohib N. Khericha (DIN: 00010365) who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT,** the retiring auditors, M/s. B. K. Ramadhyani & Co. LLP., Chartered Accountants, Bangalore (Firm Registration No. 002878S/S200021) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors of the Company."

5. To appoint Branch Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT,** Mr. Mitsuo Sekino, Certified Public Accountant, Tokyo, Japan the retiring auditor, be and is hereby appointed as Auditor of the Company's branch office at Tokyo Japan, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors of the Company."

### SPECIAL BUSINESS

6. To approve remuneration of the Cost Auditors for the financial year ending March 31, 2016 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT,** pursuant to Section 148 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification or re-enactment(s) thereof, for the time being in force) the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

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

7. To appoint Mr. K. G. Prabhakar (DIN: 07187463) as a Whole-time Director (designated as Director and Chief Financial Officer) and in this regard to consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT,** subject to the provisions of Sections 2(94), 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with Schedule V to the Act and the rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded for appointment of Mr. K. G. Prabhakar (DIN: 07187463) as Whole-time Director of the Company (consequent to his appointment as Director liable to retire by rotation) designated as Director and Chief Financial Officer commencing from May 20, 2015 to June 27, 2018 on the terms and conditions including remuneration set out in the Statement annexed to the Notice convening this Meeting with authority to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination & Remuneration Committee of the Board) to vary the terms and conditions of appointment including remuneration payable to Mr. K. G. Prabhakar as it may deem fit provided that such remuneration shall not exceed the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof.

**RESOLVED FURTHER THAT,** in the event of Mr. K. G. Prabhakar ceasing to be Whole-time Director at any time, during the aforesaid period of service, he shall continue as Chief Financial Officer of the Company.

**RESOLVED FURTHER THAT,** the Board of Directors and the Company Secretary be and are hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

8. To revise the Remuneration payable to Mr. Nikhil Kumar (DIN: 00062243), Managing Director for the financial year ended March 31, 2015 and the unexpired period of his term up to January 16, 2016 and in this regard to consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT,** pursuant to provisions of Sections 197 & 198 read with Section I of Part-II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members of the Company be and is hereby accorded for revision in remuneration payable to Mr. Nikhil Kumar, Managing Director of the Company up to a sum not exceeding 10% of the profits of the Company as computed in terms of Section 198 of the Companies Act, 2013, with effect from April 1, 2014 to March 31, 2015 and for the residual duration of appointment upto January 16, 2016, which remuneration shall comprise of fixed and variable components, including contribution to Provident Fund and reimbursement of Medical expenses & Leave Travel Assistance, with authority to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Nomination & Remuneration Committee of the Board) to (1) decide and vary fixed and variable remuneration from time to time and (2) vary the terms and conditions of appointment including remuneration payable to Mr. Nikhil Kumar as it may deem fit, with liberty to draw the said remuneration either wholly from the Company and or from the wholly owned subsidiary DF Power Systems Private Limited or partly from either of the Companies subject to the condition that Mr. Nikhil Kumar shall draw only the highest of the remuneration from the Company or its subsidiary.

**RESOLVED FURTHER THAT,** save as aforesaid, all other terms and conditions of appointment of Mr. Nikhil Kumar as approved by the shareholders at the Annual General Meeting held on June 25, 2011, shall remain unchanged.

**RESOLVED FURTHER THAT,** the Board of Directors and the Company Secretary, be and are hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

9. To re-appoint Managing Director and approve remuneration payable and in this regard to consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT,** in accordance with the provisions of Sections 196 & 197 read with Section I of Part-II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Nikhil Kumar (DIN: 00062243) be and is hereby re-appointed as Managing Director of the Company for a period of 5 years with effect from January 17, 2016 on the terms & conditions including remuneration as set out in the statement annexed to the Notice convening this Meeting with authority to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Nomination & Remuneration Committee of the Board) to (1) decide and vary fixed and variable remuneration from time to time and (2) vary the terms and conditions of appointment including remuneration payable to Mr. Nikhil Kumar as it may deem fit, provided that such remuneration shall not exceed the 11% of net profits as computed under Section 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof.

**RESOLVED FURTHER THAT,** the Board of Directors and Company Secretary, be and are hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

Bangalore  
August 6, 2015

By Order of the Board  
for TD Power Systems Limited

**Regd. Off:** No. 27, 28 & 29, KIADB Industrial Area, Dabaspet  
Nelamangala Taluk, Bengaluru Rural District, Bengaluru - 562 111

**N. Srivatsa**  
Company Secretary

**CIN:** L31103KA1999PLC025071

**E-mail Id:** tdps@tdps.co.in, **Website:** www.tdps.co.in,  
**Tel. No.:** + 91 80 22995700, **Fax:** + 91 80 7734439

## NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the special business set out in this Notice and the relevant details pursuant to Clause 49 of the Listing Agreements executed with the Stock Exchanges are annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a member of the Company.

Proxies submitted on behalf of companies, institutional investors, societies, etc., must be supported by appropriate resolution/ authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

*Proxies in order to be effective must be deposited at the registered office of the Company, duly completed and signed not less than 48 (forty eight) hours before the Annual General Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate Resolution/authority as applicable.*

3. All documents as mentioned in the Resolutions and/or Explanatory Statement are available for inspection by the Members at the Registered Office of the Company from 10.00 AM to 12.00 Noon on any working day and will also be made available at the venue of the Sixteenth Annual General Meeting.

4. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 17, 2015 to Wednesday, September 23, 2015 (both days inclusive).

5. **Electronic Voting**

| I                                   | <p>In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).</p> |  |  |                                     |         |              |         |         |         |
|-------------------------------------|--|--|--|-------------------------------------|---------|--------------|---------|---------|---------|
| II                                  | <p>The remote e-voting period commences on September 20, 2015 (9:00 AM IST) and ends on September 22, 2015 (5:00 PM IST). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 16, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.</p>  |  |  |                                     |         |              |         |         |         |
| III                                 | <p>The process and manner for remote e-voting are as under:</p>  |  |  |                                     |         |              |         |         |         |
|                                     | A.   | <p>In case a Member receives an e-mail from NSDL [for members whose e-mail Id's are registered with the Company/Depository Participants(s)]</p>  |  |                                     |         |              |         |         |         |
|                                     | i.   | <p>Open e-mail and open PDF file viz. "TDPS e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your User ID and Password for e-voting. Please note that the password is an initial password.</p>   |  |                                     |         |              |         |         |         |
|                                     | ii.  | <p>Launch internet browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></p>  |  |                                     |         |              |         |         |         |
|                                     | iii.   | <p>Click on Shareholder-Login.</p>   |  |                                     |         |              |         |         |         |
|                                     | iv.  | <p>Put User ID and Password as initial password noted in step (i) above. Click Login.</p>  |  |                                     |         |              |         |         |         |
|                                     | v.   | <p>Password change menu appears, Change the password with new password of your choice with minimum 8 digits / characters or combination thereof. Note your new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.</p>  |  |                                     |         |              |         |         |         |
|                                     | vi.  | <p>Home page of e-voting opens. Click on e-voting Active Voting Cycles.</p>  |  |                                     |         |              |         |         |         |
|                                     | vii.   | <p>Select Electronic Voting Event Number (EVEN) of TD Power Systems Limited.</p>   |  |                                     |         |              |         |         |         |
|                                     | viii.  | <p>Now you are ready for "e-voting" as "Cast Vote" page opens.</p>   |  |                                     |         |              |         |         |         |
|                                     | ix.  | <p>Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.</p>  |  |                                     |         |              |         |         |         |
|                                     | x.   | <p>Upon confirmation, the message "Vote cast successfully" will be displayed.</p>  |  |                                     |         |              |         |         |         |
|                                     | xi.  | <p>Once you have voted on the Resolution(s), you will not be allowed to modify your vote.</p>  |  |                                     |         |              |         |         |         |
|                                     | xii.   | <p>Institutional Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send scanned (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: <a href="mailto:sudhir.compsec@gmail.com">sudhir.compsec@gmail.com</a> with a copy marked to <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a></p> |  |                                     |         |              |         |         |         |
|                                     | B.   | <p>In case a Member receives physical copy of the Notice of AGM [for members whose e-mail Id's are not registered with the Company/Depository Participants(s) or requested physical copy]</p>  |  |                                     |         |              |         |         |         |
|                                     | i.   | <p>Initial password is provided at the bottom of the Attendance Slip for the AGM</p> <table border="1" data-bbox="375 1579 1279 1683"> <thead> <tr> <th>EVEN (Remote e-voting Event Number)</th> <th>USER ID</th> <th>PASSWORD/PIN</th> </tr> </thead> <tbody> <tr> <td>xxxxxxx</td> <td>xxxxxxx</td> <td>xxxxxxx</td> </tr> </tbody> </table>   |  | EVEN (Remote e-voting Event Number) | USER ID | PASSWORD/PIN | xxxxxxx | xxxxxxx | xxxxxxx |
| EVEN (Remote e-voting Event Number) | USER ID  | PASSWORD/PIN   |  |                                     |         |              |         |         |         |
| xxxxxxx                             | xxxxxxx  | xxxxxxx  |  |                                     |         |              |         |         |         |
|                                     | ii.  | <p>Please follow all steps from Sl. No. (ii) to Sl. No.(xii) above, to cast vote.</p>  |  |                                     |         |              |         |         |         |
| IV                                  | <p>In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> or call on toll free no.: 1800-222-990.</p>   |  |  |                                     |         |              |         |         |         |
| V                                   | <p>If you are already registered with NSDL for e-voting then you can use your existing User ID and Password/PIN for casting your vote.</p>   |  |  |                                     |         |              |         |         |         |
| VI                                  | <p>You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).</p>  |  |  |                                     |         |              |         |         |         |
| VII                                 | <p>The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on September 16, 2015 ("Cut-off date") and a person who is not a member as on cut-off date and receives this notice shall treat the same for information purposes only.</p>   |  |  |                                     |         |              |         |         |         |

|      |   |
|------|---|
| VIII | <p><i>Any person, who acquires shares of the Company and became member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 16, 2015, may obtain the Login ID and Password by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or Issuer/Registrar and Share Transfer (RTA).</i></p> <p><i>However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and Password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> or contact NSDL at the following toll free no.: 1800-222-990.</i></p> |
| IX   | <p><i>A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.</i></p>  |
| X    | <p><i>A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.</i></p>  |

6. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
7. Mr. Sudhir V. Hulyalkar, Company Secretary in Practice, Bangalore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
8. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” or “Polling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
9. After the conclusion of voting at the AGM, the Scrutinizers will submit a report after taking into account votes cast at the AGM and through remote e-voting in accordance with provisions of Rule 20 of Companies (Management and Administration) Rules, 2014, as amended.
10. The consolidated results in respect of voting along with the Scrutinizer’s Report will be sent to the Stock Exchanges and will also be hosted on website of the Company and NSDL.
11. The dividend on equity shares as recommended by the Directors, if declared at the meeting, will be paid within the statutory period of 30 days to those members whose name appear on the Register of Members of the Company as at the close of business on September 16, 2015 and in respect of shares held in dematerialized form, as per the list of beneficiary owners provided by the National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business on September 16, 2015.
12. The Reserve Bank of India (RBI) has instructed banks to move to the National Electronic Clearing Service (NECS)/NEFT/RTGS platform. In this regard, please note that if the Members have not provided to the Company or their Depository Participants (DP), the new bank account number, if any, allotted to them, after implementation of Core Banking System (CBS), credit of dividend through NECS/NEFT/RTGS to their old bank account number, may be rejected or returned by the banking system. In the above circumstances, the Members are requested to furnish the new bank account number, if any, allotted to them by their bank after it has implemented the CBS together with name of the Bank, Branch, 9 digit MICR Bank/Branch code, account type by quoting their Folio Number, DP ID and Client ID and a photocopy of the cheque pertaining to their new bank account, so that the dividend can be credited to the said bank account. Members who have not opted or updated their accounts are now requested to opt for this to avoid losses and delays. Members holding shares in physical form for availing the NECS/NEFT/RTGS facility should furnish a request in this regard to the Company/Company’s RTA, Link Intime India Private Limited (RTA) in the NECS/NEFT/RTGS form available with the Company/Company’s RTA.
13. The Company is obliged to print such bank details on the dividend payment Instruments as furnished by the DP and the Company cannot entertain any request for deletion/change of bank details already printed on the dividend payment Instruments based on the information received from the concerned DPs, without confirmation from them. In this regard, Members are advised to contact their DPs and furnish them the particulars of any change desired, if not already provided.
14. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the Financial Year 2012, 2013 and 2014 as on the date of the last AGM held on August 12, 2014 on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under Investors’ section on the website of the Company [www.tdps.co.in](http://www.tdps.co.in) under Unclaimed/Unpaid Dividend - for Financial Year. Members who have not encashed their dividend are advised to write to the Company immediately claiming dividends declared by the Company.
15. Members must quote their Folio Number/DP ID & Client ID and contact details such as e-mail address, contact no. etc., in all correspondences with the Company/RTA.
16. Securities and Exchange Board of India (“SEBI”) has made it mandatory to quote Permanent Account Number (PAN) for transfer/transmission of shares in physical form and hence, the transferee(s)/legal heir(s) is required to furnish a copy of his/her PAN to the Company/RTA.
17. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company’s Registrar and Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.

18. Members holding shares in physical form are requested to notify immediately any change of their respective addresses and bank account details. Please note that request for change of address, if found incomplete in any respect shall be rejected. In case of shares held in electronic mode, the request for change of address should be made to the respective DPs with whom the Members are holding the demat account.
19. Pursuant to Section 101 of Companies Act, 2013 read with the relevant Rules, the Company is allowed to serve documents like notices, annual reports, etc., in electronic form to its Members. Accordingly, the said documents of the Company for the financial year ended March 31, 2015 are sent in electronic form to those Members who have registered their e-mail addresses with their DPs and made available to the Company by the Depositories. However, in case a Member wishes to receive a physical copy of the said documents, such Member is requested to send an e-mail duly quoting his DP ID and Client ID or the Folio Number as the case may be to [investor.relations@tdps.co.in](mailto:investor.relations@tdps.co.in) / [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). Accordingly the Company shall update its database by incorporating/updating the designated e-mail addresses in its records. Please note that the said documents will also be uploaded on the website of the Company at [www.tdps.co.in](http://www.tdps.co.in) and made available for inspection at the Registered Office of the Company during business hours of the Company.
20. Members holding shares in demat form are requested to notify any change in their addresses, e-mail ids and/or bank account mandates to their respective DPs only and not to the Company/RTA for effecting such changes. The Company uses addresses, e-mail id's and bank account mandates furnished by the Depositories for updating its records of the Shareholders holding shares in electronic/demat form.
21. Guidelines for attending the Sixteenth AGM of the Company:
  - a. Members/proxies are requested to affix their signature at the space provided for in the attendance slip and handover the same at the entrance of the venue of the Sixteenth AGM.
  - b. Corporate Members intending to send their authorized representatives to attend are requested to send a certified copy of Board Resolution authorizing such representative to attend and vote on its behalf at the Sixteenth AGM.
  - c. Members are requested to bring the copy / notes of the Annual Report to the Sixteenth AGM.
  - d. The identity/signature of the Members holding shares in demat form are liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the Depository Participant (DP) ID, account number (Client ID) and the relevant identity card for easier identification and recording of attendance at the Sixteenth AGM.
22. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at [investor.relations@tdps.co.in](mailto:investor.relations@tdps.co.in), at least seven days before the date of the Sixteenth AGM.
23. Members/Proxies are welcome at the AGM of the Company. However the Members/Proxies may please note that no gifts/ gift coupons will be distributed at the AGM.
24. Details of Director seeking appointment/re-appointment at the AGM Scheduled to be held on September 23, 2015 pursuant to Clause 49 of Listing Agreement is stated under Corporate Governance Report (Page 46) of the Annual Report 2015.

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('ACT')

#### Item No. 6

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s. Rao, Murthy & Associates, Cost Auditors, Bangalore to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 at a remuneration of Rs. 150,000 subject to taxes as applicable and reimbursement of out of pocket expenses.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors is to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2016.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested (financially or otherwise) in the Resolution as set out at Item No. 6 of the Notice.

The Board commends the Ordinary Resolution as set out at Item No. 6 of the Notice for approval by the members.

#### Item No. 7

The Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, at their meeting held on May 20, 2015 appointed Mr. K. G. Prabhakar, Chief Financial Officer (CFO) as Director (in the casual vacancy caused by the resignation of Mr. Hitoshi Matsuo) with effect from May 20, 2015. Consequent to his appointment as a Director, Mr. K. G. Prabhakar has been placed

in the position of a Whole-time Director as per the provisions of Companies Act, 2013. The Board of Directors, therefore, at the meeting held on August 6, 2015 approved the appointment of Mr. K. G. Prabhakar as Whole-time Director, subject to the approval of shareholders on terms and conditions as under:

1. Tenure - Effective May 20, 2015 to June 27, 2018 subject to being liable for retirement by rotation in terms of the Companies Act, 2013.
2. He shall continue to hold office as CFO in the event he ceases to be a Director of the Company during the tenure.
3. Remuneration of Rs. 4,800,000 per annum on CTC basis which includes basic salary, allowances and Company's contribution to Provident fund (PF). In addition, he will be paid such bonus/ex-gratia as may be approved for top/senior management of the Company and approved by the Nomination and Remuneration Committee and is eligible for encashment of leave and Gratuity as per Company's policy. The above remuneration is subject to revisions and increments (as applicable to top/senior management of the Company) at the discretion of the Board. However, remuneration at any time during the tenure shall not exceed the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof.
4. During the term of office, the Whole-time Director shall perform duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions of the Board from time to time in all respects and conform and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Whole-time Director will be under the overall authority of the Managing Director.

Profile of Mr. K. G. Prabhakar pursuant to Clause 49 of the Listing Agreement:

Mr. K. G. Prabhakar, aged 59 years, is a Chartered Accountant by qualification with over 35 years' experience. He is employed with the Company since 2001 with responsibilities of finance, accounts, taxation, HR and administration functions over the years and is the Chief Financial Officer of the Company. The services of Mr. K. G. Prabhakar, was extended up to June 27, 2018 consequent to his superannuation as of June 28, 2014, on terms of appointment (Letter dated October 19, 2001) and other terms including remuneration as per the current structure subject to such revisions approved by the management from time to time in terms of the Company's Policy. His current remuneration on cost to Company (CTC) basis is Rs. 4,800,000 per annum which includes basic salary, allowances and contribution to PF. In addition, he is also eligible for Gratuity and encashment of unutilized leave as per Company's policy.

As on July 31, 2015 Mr. K. G. Prabhakar holds 4,500 equity shares of the Company being 0.01% of paid up capital. Post appointment in May 2015, he has attended one board meeting of the Company held in August 2015.

He is also a Non-executive Director of the Company's wholly owned subsidiary DF Power Systems Private Limited.

Except Mr. K. G. Prabhakar, none of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested (financially or otherwise) in the resolution set out at Item No. 7 of the Notice.

The Board of Directors commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval of Members.

### Item No. 8

In terms of the existing contract dated May 30, 2011 with Mr. Nikhil Kumar, Managing Director, the remuneration payable to him is restricted to 5% of profits (as computed under the Companies Act, 1956/2013).

However, over the last 3 financial years, due to tough economic and business conditions, the profits of the Company have been affected and consequently the fixed remuneration portion of the Managing Director has steadily reduced from Rs. 281.83 lakhs in the financial year 2013 to Rs. 245.90 lakhs in the financial year 2014 though he was appointed at a fixed monthly salary of Rs. 1,000,000 with an annual increase of 10% and variable salary of 7% of net profits from January 17, 2011 and the same was limited to 5% of net profits as per the Companies Act, 1956. Further, higher depreciation charge (a non-cash charge) due to the changes in the depreciation rates brought about by the Companies Act, 2013 has also impacted Profits to be considered for purposes of managerial remuneration resulting in the remuneration of the Managing Director sliding to Rs. 138.92 lakhs (excluding variable remuneration) for the financial year 2014 - 2015. Thus, remuneration to the Managing Director has not been revised over the last 3 years.

Further over the last 3 years, the responsibilities handled by Mr. Nikhil Kumar as Managing Director has significantly increased consequent to retirement of Mr. Hitoshi Matuso and Mr. Tadao Kuwashima - Whole-time directors who handled quality, technology up gradation and Japan and South East and South Asian markets.

In view of the above, to ensure that Mr. Nikhil Kumar's remuneration is commensurate with responsibility and to align the same with industry levels, as recommended by the Nomination & Remuneration Committee, the Board of Directors have at the meeting held on May 20, 2015, approved revision of the remuneration payable for the financial year ended March 31, 2015 to Mr. Nikhil Kumar, Managing Director as stated in the resolution set out at Item No. 8 subject to approval of the Shareholders and further subject to the total remuneration not exceeding 10% of profits instead of 5%. The Board has not increased the fixed or variable remuneration as approved by the shareholders at the Annual General Meeting held on June 25, 2011. However, in order to ensure that the Managing Director's remuneration is commensurate with responsibility and to align the same with industry levels, the Board has thought it fit to revise the cap of 5% of net profits stipulated under the Companies Act, 1956 to the cap of 10% of net profits now permitted under the Companies Act, 2013. For the financial year ended March 31, 2015, a fixed remuneration Rs. 138.92 lakhs (comprising of salary plus Company's

contribution to Provident fund @ 12%) has been paid to the Managing Director on the basis of 5% of profits and based on the said revision a sum of Rs. 89.27 lakhs additionally will be payable as variable remuneration to the Managing Director for which a provision has been made in the books of accounts taking the total remuneration to Rs. 228.18 lakhs (being 10% of profits).

Further, for the residual tenure upto January 16, 2016, it is proposed to pay a fixed remuneration comprising of a salary of Rs. 1,210,000, Company's contribution to provident fund @ 12%, leave travel allowance and medical allowance, each equal to one months' basic salary and a variable remuneration as may be approved by the Board subject however, to the overall remuneration to all the Whole-time directors being limited to 11% of profits.

Save as aforesaid, all other terms and conditions of appointment of Mr. Nikhil Kumar as approved by the shareholders at the Annual General Meeting held on June 25, 2011, shall remain unchanged.

Except Mr. Nikhil Kumar, none of the Directors or Key Managerial Personnel, or their relatives are in any way concerned or interested (financially or otherwise) in the resolution set out at Item No. 8 of the Notice.

The Board of Directors commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval of Members.

**Profile of Mr. Nikhil Kumar pursuant to Clause 49 of the Listing Agreement is as per explanatory statement to Item No. 9 below.**

### Item No. 9

Consequent to the conversion as a Public Limited Company w.e.f January 17, 2011, the term of office of Mr. Nikhil Kumar as Joint Managing Director was restricted to 5 years from the date of conversion as Public Limited Company i.e. January 17, 2011 to January 16, 2016 and an agreement was entered into on May 30, 2011 containing the terms and conditions of the said appointment. Approval of the Members for this appointment, remuneration and other terms of appointment has been obtained at the Annual General Meeting held on June 25, 2011. Mr. Nikhil Kumar was re-designated as Managing Director w.e.f October 01, 2012 as approved by the shareholders by postal ballot on July 12, 2012.

At the meeting held on May 20, 2015, subject to approval of the members, the Board of Directors approved the re-appointment of Mr. Nikhil Kumar as Managing Director of the Company, as recommended by the Nomination & Remuneration Committee of the Board on the following terms:

1. Tenure - Mr. Nikhil Kumar shall hold office as Managing Director of the Company for a period of 5 years (Five) from January 17, 2016.
2.
  - a. Fixed remuneration by way of Salary of Rs. 1,210,000 per month from January 17, 2016 to March 31, 2016, Company's contribution to provident fund @ 12%, leave travel allowance and medical allowance, each equal to one months' basic salary and a variable remuneration as may be approved by the Board subject however, to the overall remuneration to all the Whole-time directors being limited to 11% of profits for the Financial year ending March 2015; and
  - b. Fixed remuneration by way of Salary of Rs. 1,331,000/- from April 1, 2016 with an increase of 10% to be given from First (1st) April of each year for rest of the tenure.
3. Variable remuneration as commission (based on Profits\* as computed in terms of the Companies Act, 2013) as follows effective April 1, 2016:

| Profits*         | % of Profits |
|------------------|--------------|
| up to Rs. 25 Crs | 3.25%        |
| up to Rs. 45 Crs | 2.50%        |
| above Rs. 45 Crs | 2.25%        |

4. Other benefits
  - a. Provident Fund Contribution at 12% of the Salary.
  - b. Gratuity at half a month's salary for each completed year of service.
5. Reimbursements
  - a. Reimbursement of actual expenses incurred on travel and stay outside Bangalore on Company's work.
  - b. Reimbursement of medical expenses of a sum not exceeding one month's salary in each year.
  - c. Reimbursement of telephone expenses and running expenses of the car used for official purposes.
6. Leave facilities
  - a. Privilege Leave at the rate of one month for every completed year of service.
  - b. Casual & Sick leave as per the rules of the Company.
  - c. Leave travel assistance of a sum of not exceeding one month's salary in each year.
7. Compensation

In the event of determination of the contract by the Company before the contract period, the Company shall pay Mr. Nikhil Kumar a compensation for the unexpired period of the contract at equal to and same terms had the contract been continued.

- 8. Mr. Nikhil Kumar's Headquarters will continue to be in Bangalore.
- 9. Mr. Nikhil Kumar, as Managing Director of the Company shall, subject to the superintendence, control and directions of the Board of Directors, shall continue to carry out such duties and functions and exercise all such powers for the purpose of management and administration of the Company as may be assigned to and vested in him by the Board of Directors of the Company.

**Profile of Mr. Nikhil Kumar pursuant to Clause 49 of the Listing Agreement:**

Mr. Nikhil Kumar aged 47 years is an Engineering graduate from Karnataka Regional Engineering College, Suratkal and has studied General Management in Harvard Business School in 1997. He has over 20 years work experience in the manufacture of electrical rotating machines. He has worked in Kirloskar Electric Company Limited from 1990 to 2000 as General Manager in charge of their Bangalore factory. He was first appointed as Director of the Company in April 1999 and as Joint Managing Director in October 2001. He is responsible for overall management of the Company's operations, strategic planning, technology alliances and sales and marketing since inception of the Company in 1999. He holds 4,638,664 equity shares of the Company amounting to 13.96% of paid up capital of the Company. Details of last drawn salary are as per explanatory statement to Item No. 8 above. He has attended all the meetings of the Board and Committees of which he is a member during the year.

He is also the Managing Director of the Company's wholly owned subsidiary DF Power Systems Private Limited and is a director of the overseas subsidiaries - TD Power Systems (USA) Inc. and TD Power Systems Japan Limited. He is also a Director in Nilarya Trading & Developers Private Limited.

Except Mr. Nikhil Kumar, none of the Directors or Key Managerial Personnel, or their relatives are in any way concerned or interested (financially or otherwise) in the resolution set out at Item No. 9 of the Notice.

The Board of Directors commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval of Members.

Bangalore  
August 06, 2015

By Order of the Board  
for TD Power Systems Limited

**Regd. Off:** No. 27, 28 & 29, KIADB Industrial Area, Dabaspet  
Nelamangala Taluk, Bengaluru Rural District, Bengaluru - 562 111

**N. Srivatsa**  
Company Secretary

**CIN:** L31103KA1999PLC025071

**E-mail Id:** tdps@tdps.co.in, **Website:** www.tdps.co.in,  
**Tel. No.:** + 91 80 22995700, **Fax:** + 91 80 7734439

**ROUTE MAP TO THE AGM VENUE**

