

TD Power Systems Limited

The Listing Department
The National Stock Exchange of India Limited
Exchange Plaza,
Bandra- Kurla Complex
Bandra (East)
Mumbai 400

August 8, 2012

Fax No: 022-26598237/38

Sirs,

Sub: Clause 43(a) of the Listing Agreement –Utilization of IPO proceeds

In terms of clause 43(a) of the listing agreement, a statement indicating the variations between projected utilization of funds and the actual utilization of funds as of June 30 2012 is as follows:-

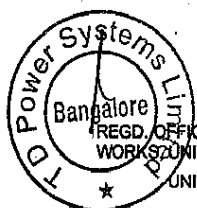
(Rs. in lakh)

Objects	IPO proceeds (RS)	Projected utilization fiscal 2012 (Rs)	Actual Utilization Fiscal 2012 (Rs)	Variation (Rs)
	(a)	(b)	(c)	(d)(b-c)
Finance the expansion of our manufacturing plant in Dabaspeth	10,273.60	5,995.40	6,169.40	(174.00)
Construction of a project office in Bangalore city	2,890.90	1,560.00	Nil	1,560.00
Repayment of debt	3,280.70	3,280.70	2,741.57	539.13
Funding working capital requirements of our Company	4,000.00	4,000.00	Nil	4,000.00
General corporate purposes	2,254.80	2,254.80	1,390.82	863.98
Total	22,700.00	17,090.90	10,301.79	6,789.11

The above variation is based on projected utilization as of March 31 2012 since the schedule of deployment stated in the Prospectus dated August 29 2011, is on the basis of a Fiscal and not quarter on quarter basis and accordingly variations if any as of June 30 2012 cannot be arrived at.

The reasons for the variations are as detailed below:

1. Finance the expansion of our manufacturing plant in Dabaspeth-The variation is less than 3% of projected utilization and hence not significant.



REGD. OFFICE / WORKS UNIT - I : # 27, 28 & 29, KIADB INDL. AREA, DABASPETH, 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, DABASPETH, NELAMANGALA TALUK, BANGALORE - 562 111, INDIA. TEL.: + (91) (80) 22635500.

CITY OFFICE : "RMJ MANDOTH TOWERS", NO. 37, 7TH CROSS, VASANTH NAGAR, 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

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2. Construction of a project office in Bangalore city –Out of the IPO funds of Rs. 289.90 million earmarked for this purpose, no utilization has been possible due to non- availability of a parcel of land appropriate for the proposed building in the identified location.
3. Repayment of Debt-The debt repayment initially was estimated at Rs. 328.07 million against which a sum of Rs. 274.16 million was repaid out of the Net proceeds of issue. The difference of Rs. 53.19 million represents amount repaid by the company from internal accruals until the net proceeds were available to the Company.
4. Funding working capital requirements of our Company-The object is to fund core working capital needs of the expansion project undertaken as per object 1 above. The implementation schedule of the expansion project has been revised leading to a hold on utilization of funds for working capital requirements.
5. General corporate purposes- Out of the net proceeds of issue, a sum of Rs. 225 .48 million is earmarked to fund general corporate purposes including Issue related expenses estimated at Rs. 139.34 million. After accounting for the issue related expenses of Rs. 139.08 million as on March 31, 2012, an unutilized balance of Rs. 86.40 million remains under the identified object of General corporate services, which the company may utilize for any appropriate corporate purposes including strategic initiatives.

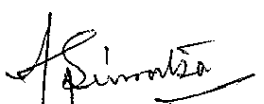
The above statement of variation with reasons for the same in brief have been incorporated in the Unaudited results for the quarter and year ended June 30 2012 filed with exchange and the advertisement in respect of the said financial results.

In terms of the approval of the shareholders at the Annual General Meeting held on July 12, 2012, the IPO proceeds relating to the objects of issue - construction of a project office in Bangalore city, Repayment of debt, Funding working capital requirements and General corporate purposes may be utilized for objects other than as stated above, including setting up of a new manufacturing facility for manufacture of advanced AC generators. Accordingly, the company shall deploy the funds to be utilized against the aforesaid objects in setting up a manufacturing facility for the production of advanced generators near the current facility.

Please take the same on record.

Thanking You

Yours truly,
For TD POWER SYSTEMS LIMITED


N. Srivatsa
Company Secretary

