

EPC CONDUCTORS TRANSMISSION TOWERS CABLES TRANSFORMERS

2010-11 was an eventful year for us. We not only delivered strong set of numbers; but also completed our ambitious expansion programme, which has enabled us to command presence across power transmission & distribution value chain.

Forward looking statements

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

What would you find inside this annual report?

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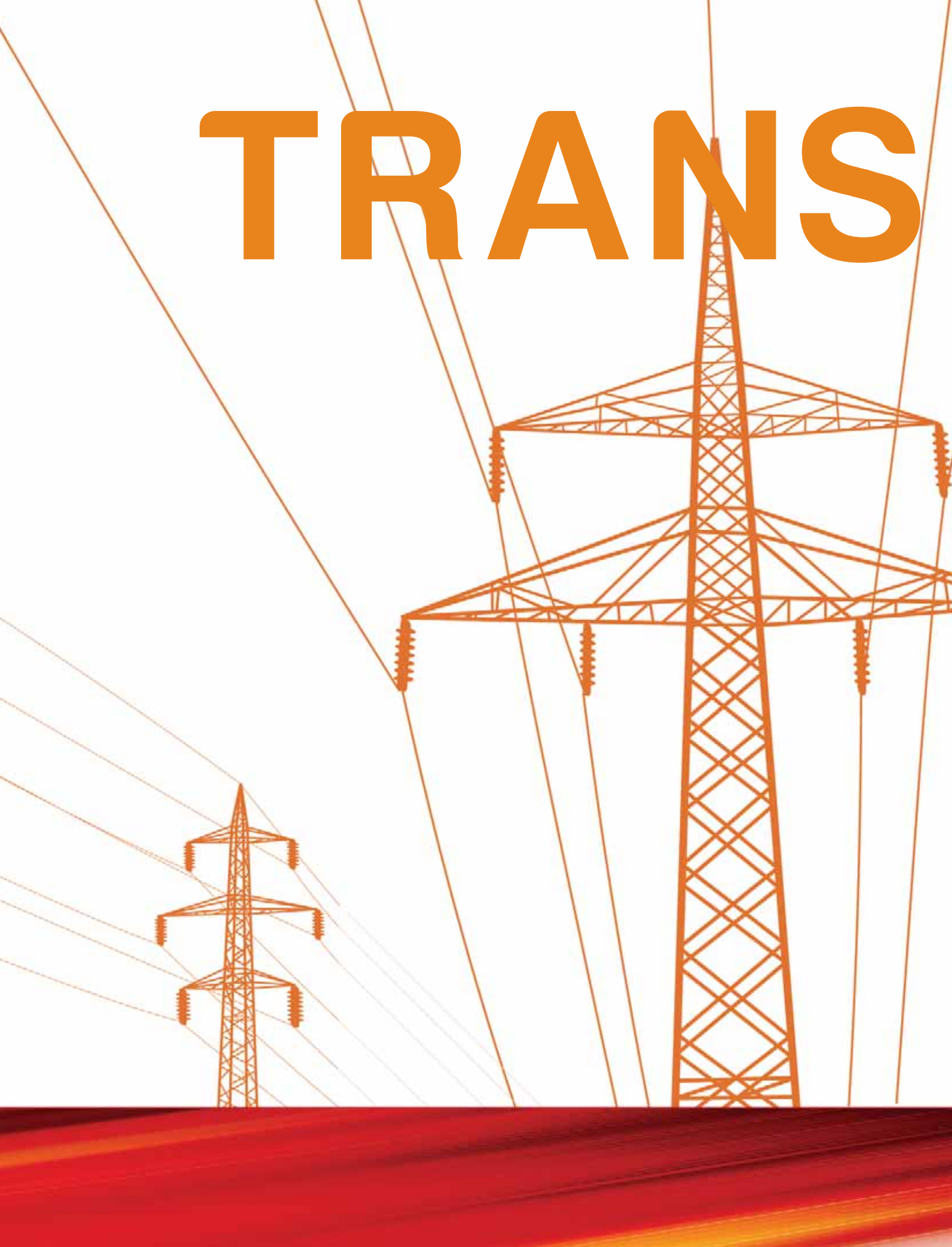
CORPORATE INFORMATION – 122

**“The whole is
greater than the
sum of its parts.”**

- Aristotle



TRANS






MISSION DISTRIBUTION

Adversity is the best teacher. One can either learn the ways to ignore it or simply accept it and overcome it. 2005-06 was a tough year for us at Diamond Power. The adverse economic scenario coupled with lower demand from the power sector translated into a tough financial condition. We underwent restructuring and were infused with funds by a strategic partner. We sprung back to our feet then but not without realising an important lesson – to grow, one has to lead the change and not just follow it.

Being a conductor and Low Tension (LT) cable manufacturer then, we embarked on a journey to strengthen the very foundations of the company. Be it in terms of building a team or in redefining the processes to ensure greater efficiency. For a company having a history of proud innovations, triumphing over challenges came relatively easy. However, the idea was not to focus on the immediate gains but to steadily build an organisation that ensures sustained value creation for its stakeholders.

The opportunity was evident. The Indian elephant had started running; next only to China in terms of rate of growth, it emerged as the tenth largest economy in the world. To sustain a growth rate of 8 per cent p.a. in the future, investments in Power sector were intensified. For us at Diamond Power, it was important to improve our scale, value proposition and product profile to capitalise on the rising opportunities. In 2008-09, we embarked on an expansion programme (projected outlay of Rs. 2.74 bn) that would also lay a path towards sustainable growth.

What followed was a journey that witnessed our emergence among the largest integrated power T&D companies in India. Having completed our expansion programme in 2011, today we have established a credible position in each of our businesses – conductors, cables (HT, LT & EHV), transformers (power & distribution), transmission towers and EPC services. However, for us it is a new beginning. With the major focus in the 12th Five Year Plan towards transmission and distribution segment, we are expected to consolidate our position among leaders in the coming years. The path is steep. The challenges are frequent. The resolve is steady. It's time to switch on the future.



About us

Origin

Established in 1970 by Mr. S.N. Bhatnagar, a technocrat and a first generation entrepreneur; presently the Chairman of the Company

Our reputation

- India's only and fifth in the world to manufacture EHV cables
- Among the few integrated companies in the Power transmission and distribution, having presence across the value chain.
- Among the five largest cable manufacturers in India
- Among the three largest conductor manufacturers in India
- Among the fast-growing transformers manufacturers in India

Geographical presence

Corporate office

Vadodara, Gujarat

Manufacturing facilities

Vadodara District, Gujarat



Brands

- Dicabs

People

~2500 employees as on 31st March, 2011

Certification

ISO 9001:2008

Marketing network

100 plus Distributors across 16 Indian cities

Listings

Our shares are listed on the Bombay Stock Exchange (Stock code – 522163) and the National Stock Exchange (Stock code – DIAPOWER)



Among the few integrated companies in the power transmission and distribution, having presence across the value chain.





Product portfolio

01 T&D equipment

- Power Conductors upto 765 KV
- Transformers (Power and Distribution) upto 220 KV
- Cables (Low Tension, High Tension and Extra High Voltage) upto 550 KV
- Transmission towers

02 EPC services

Plan, design and commission power turnkey transmission and distribution projects

03 Special projects

Customisation and execution of:

- Overhead transmission line projects
- Substation projects
- Rural & urban distribution projects

Our journey till now...

1971

Established as a Conductor Manufacturing unit

1995

Set up LV Cables Manufacturing unit

1999

Set up an Aluminum Rod Mill

2006

Set up the EPC Business

2007

Acquired Western Transformers

Capacities

PRODUCTS	EXISTING CAPACITIES PER ANNUM
Rods	
Aluminum and alloy rods	32,000 MT
Conductors	
Alloy and ASCR conductors	50,500 MT
Power cables	
LV XLPE Power & Control cables	34, 300 KMS
Medium Voltage cables upto 66 KV	5,600 KMS
Specialty cables	3,500 KMS
High tension cables up to 132 KV	2,800 KMS
EHV cables 220-550KV	2,000 KMS
Power transformers	
40-315 MVA upto 220 KV	7500 MVA
5-40 MVA upto 220 KV	2500MVA
Distribution transformers	
Up to 5 MVA	2500 MVA
Transmission towers	48,000 MT



2007

Acquired substantial stake in Apex Electricals Ltd.

2008

Set up HT Cables manufacturing unit upto 132 KV

2010

Capacity Expansion of LT & HT Cables units

2011

Set up EHV Cables manufacturing upto 550 KV

2011

Set up Transmission Tower manufacturing unit

What did we achieve in 2010-11?

Registered robust performance*

- Net revenues up 75.0 per cent from Rs. 7.24 bn in 2009-10 to Rs. 12.68 bn in 2010-11
- EBIDTA up 59.3 per cent from Rs. 998 mn in 2009-10 to Rs. 1.59 bn in 2010-11
- Net profit up 93.0 per cent from Rs. 505.70 mn in 2009-10 to Rs. 976.15 mn in 2010-11
- Earning per share up 45.6 per cent from Rs. 18.02 in 2009-10 to Rs. 26.24 in 2010-11
- Net profit margin up 73 basis points from 7.0 per cent in 2009-10 to 7.7 per cent in 2010-11

*On Standalone basis



Commenced operations

- Transmission Tower Plant goes into production.
- EHV Cables Plant goes under Trial production.
- Power transformers division commenced operations



Forged Partnership

- Entered into a Joint Venture with Utkal Galvanizers Limited to get orders for 220KV - 765 KV Transmission Lines.



Continued to expand product profile

- Manufacture 765 KV Conductors
- Type Tests successful for EHV Cables up to 220 KV



Won clients & executed orders

- Added 30+ large customers
- Received large orders from Power Grid and becomes one of the big Conductor vendors
- Executed Order for 400 KV Transmission Line

Raised funds

- Replaced high cost long term debts from AXIS Bank and others (interest rate of 13.25 per cent) with Rs. 1.5 bn debt from ICICI Bank (having an interest rate of 10.45 per cent)
- Repaid entire Debt of Clearwater Capital Partners Ltd.
- Successfully completed a QIP; Kotak PE joined aboard as an investor
- Raised long Term NCD @ 12.25 per cent against existing market rates of 13 per cent+
- Rating agency graded the company's debt rating as 'A'.



Achieved accelerated growth in subsidiary

- Diamond Power Transformer Ltd., the company's wholly owned subsidiary, grows 86 per cent in terms of net profits

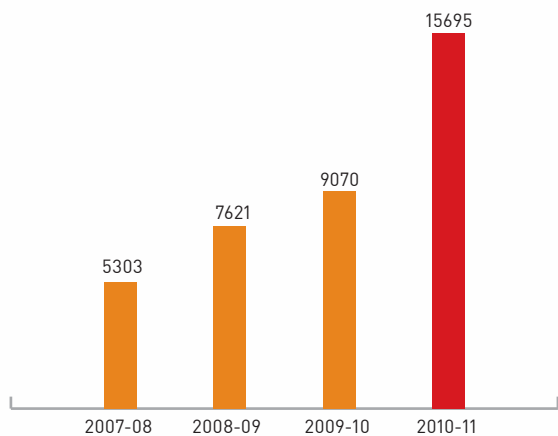
385 additional employees added

Expanded retail network to cover 100+ distributors

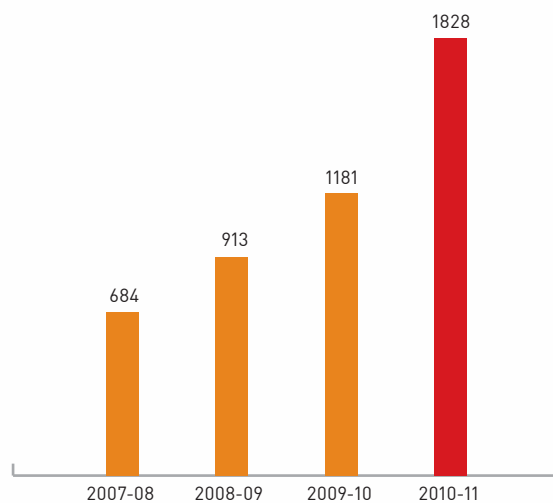
Rated amongst the Top 10 Power Equipment Manufacturers by DUN & BRADSTREET.

Financial trends

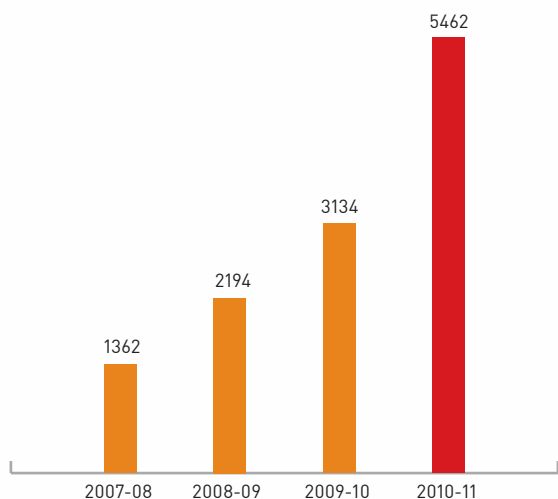
TOTAL INCOME (RS. MN)



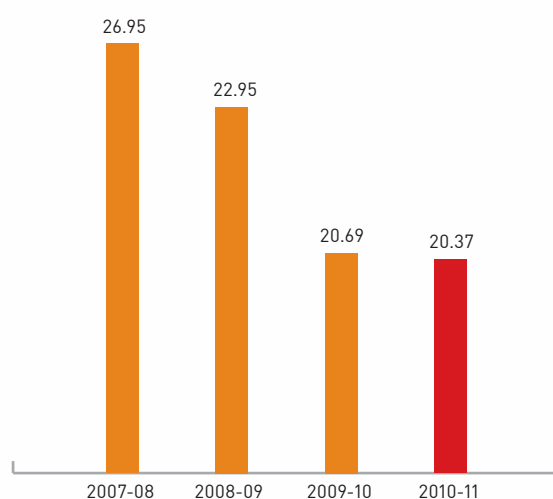
EBIDTA (RS. MN)



NET WORTH (RS. MN)



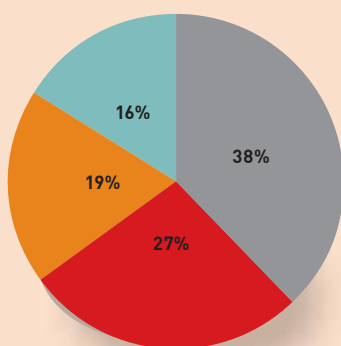
RETURN ON CAPITAL EMPLOYED (%)



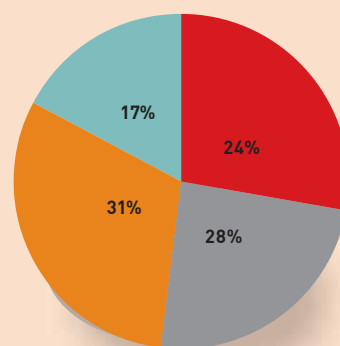
*On Consolidated basis

SEGMENTAL BREAKUP OF NET REVENUES

2009-10



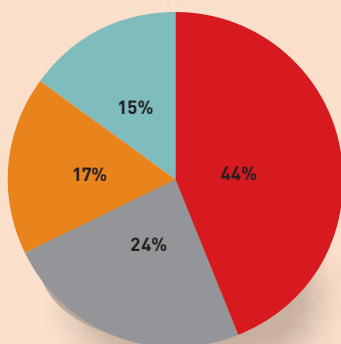
2010-11



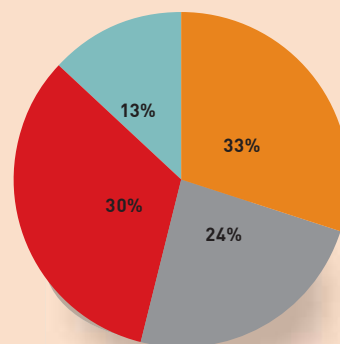
■ Conductors ■ Cables (LT, HT & EHV) ■ Transformers ■ EPC Projects

SEGMENTAL BREAKUP OF EBIDTA

2009-10



2010-11



Chairman's letter



Mr. S.N. Bhatnagar, *Chairman*

EVER SINCE I HAVE EMBARKED ON A CAREER PATH, I HAVE ALWAYS BELIEVED IN THREE WORDS – 'DARE TO DREAM'. ONE CAN ONLY ACHIEVE IF ONE DARES AND DREAMS. TODAY, AS OUR COMPANY HAS BREACHED THE RS. 15 BN MARK IN TERMS OF CONSOLIDATED REVENUES, IT BRINGS ME GREAT PRIDE AND JOY TO ADDRESS MY FAMILY – MY STAKEHOLDERS.

We have taken some time to post such a milestone numbers. It was largely due to the path we took to come this far. When one wants to emerge as a leader, he has to devise his own way and not simply follow an existing path. Having established our credentials as among the largest conductors manufacturers in India, we continue to define, refine and redefine our product mix, processes and solutions capability by proactive innovation and research. We focused on expanding to related products, so as to generate improved business from our existing customers. We evolved from a product manufacturer to a solutions provider to partner our clients in their endeavor to offer value added products. On the way, we continued to imbibe technological know-how, built strong relationships and establish the 'Diamond' quality assurance.

We took time, but the growth was steady, robust and sure. The challenges were consistent companions and so was our undying spirit to emerge among the top companies in Power transmission and distribution sector. As it seems, our spirit to excel has thus far conquered all challenges.

In 2010-11 we surpassed yet another milestone. We completed our expansion programme, enabling us emerge one of a kind company in India, having presence across the key inputs, which would enable us address 80 per cent of the cost of EPC contracts through in-house manufacturing. We initiated the programme in 2008, amidst the global economic turmoil. The challenges were aplenty – project cost escalation risk, cost of funds, managing existing operations, etc. However, we dared and excelled. Our timely initiatives enabled us to get ready to unlock the great potential offered by the Indian Power sector.

Over the next five years (2010-15E), investments worth Rs. 3.4 trillion are expected to translate into Indian T&D as compared to Rs. 1.64 trillion made during 2005-10. This presents significant opportunity for players in transmission line EPC segment. Considering our exhaustive product mix, comprising of power conductors, HT, LT and EHV Cables, Transformer and EPC; we are well equipped to translate this opportunity into robust and sustained growth going forward.

A credible business model also emanates from a credible corporate. Over the years, we have made consistent efforts to strengthen the corporate governance. We have an Independent Board, comprising of highly experienced and respected professionals who have played a key advisory role in our growth.

At Diamond Power, we have also consistently focused on our duties as a corporate citizen. We believe that each corporate, having access to public funds should also play a key role in empowering the society and further inclusive growth. We have proudly associated ourselves with the educational and health initiatives across Gujarat. Going forward, we would escalate our corporate social responsibility initiatives to ensure elevation and betterment of the under-privileged citizens of the country.

2011-12 thus far has outlined a challenging scenario in terms of slow-down in industrial production, global debt crisis and increasing inflation. However, for an economy that is presently 4th largest in terms of Purchasing Power Parity, Power sector is expected to remain robust and promising. Having created a strong foundation, we are at an inflection point. With eyes on the vision to empower through progress, we have set sail for the destination next. It's time to unleash the power. I leave you with this note of optimism.

S. N. Bhatnagar,
Chairman

From the Managing Directors' desk

IT GIVES US GREAT PLEASURE TO REPORT YET ANOTHER SUCCESSFUL YEAR OF ACHIEVING GROWTH AND STRENGTHENING OUR FOUNDATIONS. THE YEAR 2010-11 WAS A YEAR OF EXECUTION. OUR SOLE FOCUS WAS ON COMPLETION OF THE LAST LEG OF OUR AMBITIOUS EXPANSION PROGRAMME. WE ARE HAPPY TO REPORT THAT WE HAVE MANAGED TO SUCCESSFULLY COMPLETE OUR EXPANSION PLAN, DESPITE CHALLENGES. IN THE PROCESS, WE HAVE BUILT A NOVEL COMPANY, HAVING THE IN-HOUSE CAPABILITY TO DELIVER A SYNERGISTIC PRODUCT AND SERVICE MIX, IN THE INDIAN POWER TRANSMISSION AND DISTRIBUTION SECTOR. IT REFLECTS THE SINGLE-MINDED FOCUS, DETERMINATION AND HARD WORK PUT IN BY EACH AND EVERY MEMBER OF OUR ORGANISATION. SUCH DEDICATION STEMS FROM THE PRIDE THAT EACH OF US LITERALLY BREATH EVERYDAY – TO ENABLE A BRIGHTER TOMORROW, FOR ALL OUR STAKEHOLDERS.



Mr. Amit Bhatnagar, Managing Director

Dr. Sumit Bhatnagar, Joint Managing Director

Allow us to provide you with a quick inventory of what will enable us at Diamond Power to further consolidate our leading position in the power sector going forward:

1. **Diverse yet synergistic product mix:** We have evolved from a conductor manufacturer to an EPC player, having in-house control over products that comprise 80 per cent of average turnkey project cost. On one hand it would enable us offer economical solutions and on the other hand, it will also lead to assured supply linkages.
2. **Solutions expertise:** We are among the leading players in each business of presence. Be it in terms of capacities or innovation, we have always lead the change. Our integrated business model has enabled us to emerge as a one-stop solution to our customers and the requisite flexibility in production has enabled us partner the inventory management for our clients.
3. **Value-added products:** One can only stand out from the crowd if he provides better value proposition. At Diamond power, we believe our ability to understand the opportunity and devise an appropriate solution to address the same, has been our major strength. Our R&D expertise is well established in terms of value-added products like Ariel bunch cables, AAAC conductors, etc. In 2010-11 we became the first company in India and only the fifth in the world to set up a capacity to produce Extra High Voltage cables. We believe the segment has huge potential in India as well as in exports markets. We would continue to refine our product offerings going forward with focus on value-added segment.
4. **Inorganic growth:** 2010-11 was also a significant year in terms of proving our managerial capability. After three years of acquiring a stake in Apex Electricals, we successfully achieved its turnaround. It had been a real test of our managerial capabilities, but we are happy to have successfully overcome it. It also reflects our team's ability and confidence to achieve a turnaround amidst adverse economic and market conditions.
5. **Diverse human resource base:** We have strengthened the workforce by recruiting the best talents from a pool of experienced professionals. This cultural as well as professional diversity enriches our engagement with our global customer base.

The result of the initiatives undertaken over the years also reflected in the quality of numbers for 2010-11. We achieved about 75 per cent growth in revenues to Rs.1,5690 mn and registered a net profit of Rs. 1103.8 mn, up 78 per cent as compared to 2009-10.

We take this opportunity to acknowledge the invaluable contribution of all our customers, suppliers, bankers for their support, and our employees for their continuous support and commitment. These are integral to our vision and the story of our growth.

We would also like to thank our Board of Directors for their continuing guidance in shaping our vision.

We are confident that our strategic initiatives will ensure robust shareholder value, and go a long way in creating a model company, which will enable a brighter tomorrow, each day.

Amit Bhatnagar
Managing Director

Dr. Sumit Bhatnagar
Joint Managing Director

A ₹ 3,400,0

Switch on to the new India. A young, aspiring, vibrant and growing India. 10th largest economy in the world in terms of nominal GDP and 4th largest in terms of PPP, India is being seen as a preferred destination for international companies. On account of the cost advantage over the west, the country is increasingly emerging as a preferred destination for the manufacturing sector. The machines are running more than ever.

India is young, having a clear demographic advantage over each and every country in the world. The great Indian middle class has emerged a preferred consumer to the global product and service giants. Be it Television sets, air conditioners, Mobile phones, refrigerators, washing machines; the Indian consumer is buying more, both in rural as well as the urban areas. The consumerism is visible more than ever.

India has also emerged the cream of the boardrooms, with most of the fortune 500 companies setting up their operations here. India is working hard. More than 8 hours. The office cooling systems are working overtime and so are the tablets, the notebooks and the desktops.

00,000,000 OPPORTUNITY!

India demands Power.

India and Power, both five-letter words, are inter-dependent. The Power demand in India is estimated to grow at 7.8 per cent between 2010 and 2015 on back of GDP growth of 8 per cent to 8.5 per cent. In line with the power requirement, India is expected to add 95 GW of power capacity by 2015 as compared to 33 GW additions during 2005-10.

As sequential transmission lines addition is required in line with the generation capacity additions, significant transmission lines and substations addition are expected over the next five years. In addition, lower investments in T&D infrastructure over the years, has necessitated strengthening of the existing networks.

Thus to strengthen the existing system and evacuation of power from new power plants, target of 95,283 circuit kms (ckm) of transmission lines is planned for the 11th Plan and 155,000 ckm to 180,000 ckm during the 12th plan. Growth in transmission systems will include not just the physical growth in the transmission network but also the introduction of higher transmission voltages for bulk power transmission, with the aim of limiting transmission losses.

Over the next five years (2010-15E), investments worth Rs. 3.4 trillion are expected to be made in T&D alone. As a fast growing player in the Indian EPC segment, this resembles a huge opportunity for us. In the past three years, we have built up capacities, forayed into value-added products, created integrated business model, executed reputed projects and in the process created a reputed company. In the wake of the growing demand from a robust economy, it's time to accelerate the pace.



Adding value.
Expanding margins.

INDIAN TRANSMISSION AND DISTRIBUTION EQUIPMENT SECTOR IS HIGHLY COMPETITIVE AND THEREFORE DEMANDS CONSISTENT INNOVATION. WE AT DIAMOND POWER EVOLVED INTO A PREFERRED PARTNER TO OUR CLIENTS PURELY ON OUR KNOWLEDGE OF THE SECTOR AND OUR ABILITY TO PROVIDE HIGHER DEGREE OF IMPROVISATION AND CUSTOMISATION TO THE PRODUCTS, IN SYNC WITH THE EVOLVING DEMAND.

As a company found and managed by technocrats, innovation came naturally to us. We have successfully carved our niche by offering value-added products across our business verticals. We were the first company to develop and manufacture alloy conductors and also proto-test high strength and high conductivity conductors in India. We were also the first company to set-up an alloy rod plant in Asia, for backward integration of our conductor operations.

In cables division, we were the first Indian company to offer Arial Bunch Cables (ABC). These specialty cables used in overhead power distribution are made from a combination of Alloy, Aluminum and Polyethylene Insulated Conductors. These cables offer higher insulation and require lower maintenance. Most importantly, these eliminate the chances of power theft to a large extent, thereby enabling Power Distribution companies to retain their profitability.

We are also the first Indian company and the fifth in the world to offer Extra High Voltage cables from 220 KV to 550 KV. During 2010-11 we successfully completed the project, having a total capacity of 2000 kms. EHV cables (>132 KV class) are used to transmit huge quantity of power underground, in absence of any scope for overhead transmission lines. These are primarily used in transmission of high voltage power from grid to receiving substations, evacuation from hydel power plants & in some large sub-stations. It also presents an import-substitution opportunity for the company, on account of negligible domestic production.

Our ability to offer value-added products has not only enabled us to carve a niche, but also translated into higher margins.





Multiplying growth.
Exploiting synergies.

IN 2005-06, WE WERE A CONDUCTOR-DOMINATED COMPANY, HAVING LIMITED PRESENCE IN THE LOW-TENSION CABLES. POST OUR RESTRUCTURING, WE FOCUSED ON THE BIGGER PICTURE – THAT OF EMERGING AS A SOLUTION PROVIDER TO POWER TRANSMISSION AND DISTRIBUTION SEGMENTS. THE POTENTIAL OF ENGINEERING, PROCUREMENT AND CONSTRUCTION SERVICES EMANATED FROM THE GROWING THRUST ON ELECTRIFICATION BY THE GOVERNMENT.

Having wide exposure with State Electricity boards, we envisioned our future as an EPC company. However, the strategy was to emerge as a profitable EPC player. We already offered a comprehensive product mix in Conductors division, from 11 KV to 765 KV HVDC lines. We invested in expanding our cables product profile to include High Voltage and EHV cables, enabling us command presence across the 1.1 KV to 550 KV segment.

In 2006, we acquired Western Transformers and also a strategic stake in Apex Electricals Limited. These acquisitions enabled us access to superior technology absorption and has provided us with capability to broaden our product range in power and distribution transformers, from 11 KV to 315 MVA. In 2010-11, we achieved a total turnaround of the transformer division, thereby establishing our ability to manage inorganic growth.

Even though the towers accounted for a mere 10 per cent of the average cost of EPC contract, having an in-house manufacturing facility for the same was a pre-requisite to be considered as an EPC contractor for turn key project execution. As a result, we set up a tower manufacturing plant in September 2010 with an installed capacity of 48000 MT per annum. The plant uses state of art technology, qualifying us to bid for PGCIL transmission line orders.

On account of these initiatives, we earned qualification to bid for 220 KV segment EPC projects. However, in wake of our foray to EHV cables, it was important for us to further evolve to 440 KV segment. In October 2010, we forged an agreement with Skoda India and Schaltech Automation for execution of projects up to 440 KV segment. This will enable company to expand its project execution capabilities and qualify for PGCIL orders in EHV segment. Similarly, we entered into association with Utkal Galvanizers, an approved vendor and an EPC contractor of Power Grid for various EHV transmission products. This association will further empower us to foray into 440 KV segment.

We have evolved from a single product company to an integrated solutions provider in the past three years. Today, with our in-house manufacturing capabilities, we command competitive edge in terms of cost , quality and and procurement of key inputs that are critical for successful project management.





Negating risks.
Enhancing sustainability.

TO CLIMB TO THE TOP TAKES LESSER EFFORT THAN STAYING AT THE TOP. WE ARE COUNTED AMONG LEADERS IN EACH SEGMENT OF PRESENCE. HOWEVER, WE BELIEVE THAT OUR ABILITY TO UNDERSTAND, DECIPHER AND ELIMINATE RISKS – BOTH INTERNAL AND EXTERNAL, HAS PLAYED A KEY ROLE IN OUR EMERGENCE TO THE TOP.

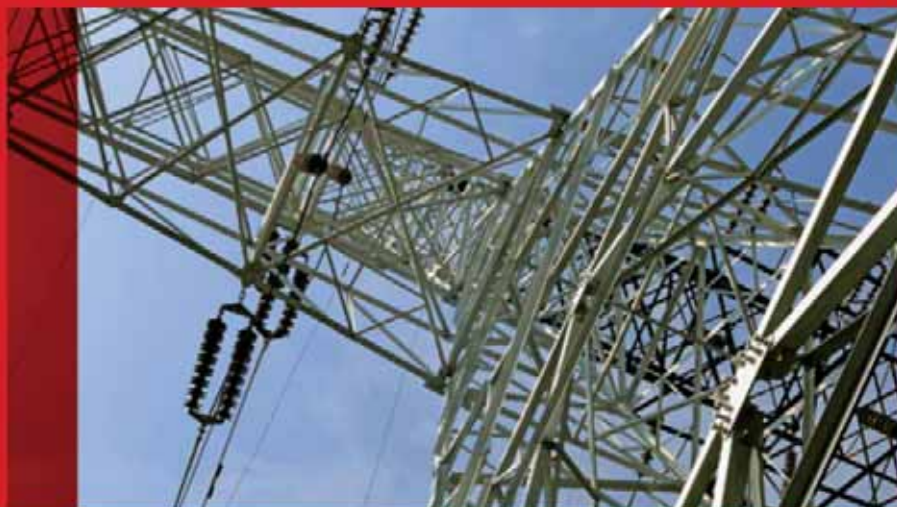
From being a fully integrated single product company, we diversified our presence to related value added products. While this resulted in expansion of revenues and margins, it also enabled us to derisk our earnings portfolio. Today, conductor division accounts for 33 per cent of the total revenues as compared to 70 per cent in 2007-08.

Being a preferred conductor supplier, our clientele largely comprised of public sector companies – mainly State Electricity Boards. This dependence led to longer receivables cycle and lower margins. As a growth strategy, we diversified our client profile to cater to private sector players. Today, 47 per cent of the revenues originate from the private sector as compared to 40 per cent in 2006-07. Moreover, the receivables cycles have shrunk and the margins have improved.

The cost of funds have been northward bound in the recent years, owing to galloping inflation fueled by a high-growth economy. Being present in capital-intensive businesses, access to affordable funds is critical. In 2010-11, we raised fund raising through QIP and NCD routes well within time. We also replaced high cost debts with low cost, thereby protecting our liquidity for the future growth plans.

Our quest to build a credible company received a huge boost in 2010-11, with the induction of Kotak PE as a strategic investor into the company. Moreover, we proactively initiated a revamp of our board to induct highly respected professionals.

At the same time, we have started to focus on retail sales, by promoting 'Dicabs' brand and expanding our dealer network to 16 Indian cities. We believe that going forward, with the existing product mix, we would aim at increased exports revenues, thereby de-risking the geographical concentration risk.





Equality through inclusion.

WE BELIEVE THAT A CORPORATE IS SIMPLY AN EXTENSION OF THE SOCIETY AND THEREFORE HAS TO LEAD THE SOCIETY'S PROGRESS AND WELFARE. WE AT DIAMOND POWER HAVE BEEN DEDICATED TO MAINTAIN A BALANCE BETWEEN OUR CORPORATE ASPIRATIONS AND SOCIAL AND ENVIRONMENTAL MOTIVES.

We actively pursue the philosophy of promoting inclusion – be it in terms of empowerment to our employees or in terms of sponsoring talented sportsperson to realising their dreams. Our ability to redefine accepted principals in corporate world has also translated into novel efforts to promote social integration and health consciousness across Vadodara.

Since 2009, we have been organising the Vadodara Marathon, which provides a unique platform for citizens to spread awareness about various social issues.

We have been actively associated with educational and health institutes to ensure a better quality of life for the underprivileged children and women. We not only provide funds but ensure active participation in the welfare activities and programmes.

Being an environment-conscious company, we regularly organise green initiatives across Vadodara, with school children; spreading awareness about ecosystem preservation and energy conservation.

We undertake various social causes such as cleanliness drives, traffic sensitivity drives and slum development activities as a part of our macro-agenda of empowering citizens through inclusion.



Board of Directors' profiles

**MR. S. N. BHATNAGAR***Chairman*

Mr. S. N. Bhatnagar, aged 72 years, is the Executive Chairman of our Board of Directors since January 2010. Prior to that, he was the Chairman and Managing Director of our Company since 1993. He is a Mechanical Engineer from Birla Institute of Technology and Science, Pilani. Mr. Bhatnagar joined Kamani Electric Company and handled the cable division for about seven years. Subsequently, he founded Diamond Cables as a partnership firm. Mr. Bhatnagar has an experience of over 52 years in electrical engineering business. In the past he has been associated, as a member, with organisations like Electro-technical Division Council 37, which is Bureau of Indian Standards committee for product specifications. Mr. Bhatnagar also received the 'Udyog Jyoti' and 'Udyog Patra' awards in 2007-08 from the Government of India.

**MR. AMIT BHATNAGAR***Managing Director*

Mr. Amit Bhatnagar, aged 41 years, is the Managing Director of our Company since January 2010. Prior to that, he was the Joint Managing Director of our Company since 1993. He holds a bachelors degree in industrial engineering (gold medalist) from Saurashtra University and MBA in Finance & MDP with a gold medal from the Asian Institute of Management, Manila. He has over 17 years of experience in marketing of electrical products. He also has a varied experience in the power equipment industry, which includes business-to-business selling via the dealer and industrial marketing route. He looks after the commercial operations of our Company, which includes sales, marketing, finance and accounts and procurement and public relations. He is also the president of Electrical Goods Manufacturers Association of Gujarat. Mr. Bhatnagar was also awarded the 'Udyog Ratan' award for 2007-08 by the Government of India. Mr. Bhatnagar is one of the founders of 'Vadodara Marathon' and executive committee member of the BalGokulam, a children shelter established by the Government.



DR. SUMIT BHATNAGAR

Joint Managing Director

Dr. Sumit Bhatnagar, Joint Managing Director, aged 38 years, holds an Hon. Doctorate in Business Management, MBA in international finance from Swinburne University, Melbourne, Australia with chancellor's medal and scholarship for obtaining highest grades in his course and BE in Electronics from Pune University. He is a certified ERP Professional for Microsoft, Oracle & SAP. He has been associated with our Company for over 16 years. Mr. Sumit Bhatnagar has 12+ years of experience in Business Process Analysis, re-engineering, System Study like ERP, ISO 9002, developing in house internal audit system and putting in place the MIS for decision making and control. Dr. Bhatnagar headed the ERP- SAP R/3 and Microsoft Navision implementation at Diamond Power. He has also been associated in the development of software solutions for electrical industry. Dr. Bhatnagar is also a Trustee on the Board of Bal Bhavan Society of Vadodara and the Vice President of Savli Taluka Industries Association.



MR. ASWINI SAHOO

Non-Executive Nominee Director

Mr. Aswini Sahoo, aged 37 years is a Nominee Director of Clearwater Capital Partners India Private Ltd. on the Board of Directors of the Company since 2008. He holds an honors degree in mechanical engineering from Regional Engineering College, Rourkela and post-graduate diploma in management from the Indian Institute of Management, Bangalore. Mr. Sahoo is a Senior Vice President of Clearwater Capital Partners based in Mumbai. He has an overall experience of 11 years in Finance and Investments. Mr. Aswini Sahoo also serves on the Board of Directors of Clearwater Capital Partners India Private Ltd. and Flexituff International Ltd. Prior to joining Clearwater Capital Partners India Private Ltd. in 2006, Mr. Aswini Sahoo has held various positions of responsibility with Vedanta Resources and ICICI Bank Ltd.



MR. N. N. BHATNAGAR

Non-Executive Independent Director

Mr. N. N. Bhatnagar, aged 64, is a Non-Executive Independent Director of our Company since October 2008. He holds a bachelor's degree in science and a master's in science (botany), from Jivaji University, Gwalior and post-graduate diploma in international trade and marketing from Punjab University. Mr. Bhatnagar was a senior manager at India Trade Promotion Organisation, Ministry of Commerce, GoI, with extensive experience in international marketing, trade regulations, organisation of trade fair participation, seminars, meetings with foreign missions in India and Indian missions abroad and business-to-business meetings. He has 36 years of experience with India Trade Promotion Organisation, Ministry of Commerce and is an expert in country profiling, market analysis, international trade requirement analysis for different countries with India, product development and adaptation in domestic and international market, collection and dissemination of trade information related to international marketing, inter country protocol management.

Board of Directors' profiles (Contd.)



MR. TNC RAJAGOPALAN

Non-Executive Independent Director

Mr. T. N. C. Rajagopalan, aged 61 years is a non-executive independent Director of the Company since 18th October, 2007. He holds a bachelors degree of science & arts from Pune University. Mr. Rajagopalan has an experience of 29 years as import-export consultant. He has wide knowledge on issues related to EXIM policy and procedures, antidumping duty, trade payments, custom valuation, custom laws and procedures. Mr. Rajagopalan is a member of Confederation of Indian Industries (CII), Baroda & Ahmedabad Management Associations and EXIM Club (founder member and ex-president). Mr. Rajagopalan writes a weekly column on Exim Matters in Business Standard. He has authored two books titled 'Exim Policy-Mastering in 7 days' (Centax Publications, 2003) and 'Foreign Trade Policy-Made Easy' (Centax Publications, 2004). He is also an advisor and consultant to several corporates.



DR. VASANTHA BHARUCHA

Non-Executive Independent Director

Dr. Vasantha Bharucha, aged 66 is a non-executive independent Director of the Company. Dr. Bharucha is a reputed economist with doctoral and post-doctoral qualifications and is an international consultant with UN organisations. She was Economic Adviser in the Ministry of Commerce and Industry during policy liberalisation. She was also Resident Director of the trade promotion office in the US for many years covering trade promotion in North America; she was Executive Director of the National Centre for Trade Information. She is presently associated with the Centre for Public Policy and was also an independent Director in the State Bank of India. She has published a number of reports and strategy papers on economic subjects.

**DR. KIRIT VYAS***Non-Executive Independent Director*

Dr. Kirit Vyas, aged 65 is a non-executive independent Director of the Company. Dr. Kirit Vyas is Doctor of Philosophy and Master of Science in Chemical Engineering from Illinois Institute of Technology, Chicago, Illinois, U.S.A. and had excellent scholastic records throughout. Prior to coming to India, Dr. Vyas was a Project Manager in an international engineering construction company Davy McKee Corporation, Cleveland, Ohio. He also held various managerial positions in McDowell Wellman Company in Cleveland, Ohio and Institute of Gas Technology in Chicago, Illinois, U.S.A. His responsibilities involved managing projects, corporate planning & development and commercialisation of various processes. He has authored many publications in the field of Chemical and Metallurgical Engineering. Dr. Vyas established many business units such as a Chemical Factory to produce a general purpose antibiotics called Norfloxacin, Computer related businesses etc.

**MR. RANVIR SINGH SHEKHAWAT***Non-executive Independent Director*

Mr. Ranvir Singh Shekhawat is a well-known figure in Power cable as well as communication cable industry. He is a technocrat having more than 40 years of rich experience in cable manufacturing and has worked at top positions in leading cable units. He has to his credit, setting up and operation of six large-scale cable manufacturing plants including two for corporate giant, M.P. Birla Group. Mr. Shekhawat was appointed as an Additional Director of the company on 23rd October, 2010.

Core team profile

MR. J.C MARATHE

Executive Director – EPC division*
 63 years

He holds a bachelors degree in electrical engineering from M. S. University, Vadodara and a post graduate diploma in business management from Indira Gandhi National Open University, New Delhi. He has undergone training in finance from Indian Institute of Management Ahmadabad and training in Knowledge Management from Indian Institute of Management Lucknow. He has over 37 years experience in various segments of power utility like transmission, distribution and generation. He also has experience in customer relationship management, business development and technical research.

He is responsible for the EPC Division of our Company, which was created in September 2006 and Mr. Marathe was appointed as first Executive Director in April, 2007. Mr. Marathe is Chairman of the Distribution Code Review Committee appointed by Gujarat Electricity Regulatory Commission and a member of Expert Committee appointed by Government of Gujarat and also member of Distribution Best practice Committee appointed by Government of India. Before joining our Company, Mr. Marathe was working with Madhya Gujarat Vij Corporation Limited (one of the unbundled companies of the erstwhile Gujarat Electricity Board) as Joint Managing Director.

*Not a member of the Board

MR. PANKAJ PANDYA

Vice President -
Commercial & Engineering Services
 52 years

He holds a Bachelor degree in Production Engineering from Lukhdhirji Engineering College, Morbi, Gujarat and a Post Graduate in Business Administration from Indira Gandhi National Open University. He has over 29 years of experience in various segments such as Production Planning and Execution, Operation & Maintenance, Quality Control, Process Enhancement, Commercial functions etc.

He is responsible for assignments pertaining to Stores, Excise, Mechanical Maintenance and Electrical Maintenance. Before joining the Company, Mr. Pandya was working with Torrent Cables Ltd., Nadiad, Gujarat as an Asst. General Manager (Support Services).

MR. RASHESH CHHAYA*Vice President –Supply Chain*

61 years

He is Diploma in Electrical and Mechanical Engineering from M. S. University, Vadodara. He has over 40 years of experience in field of Material Management.

He is responsible for Material Management in our Company. Mr. Chhaya is retired as an Asst. Vice President from ABB Ltd. Vadodara. before joining the Company.

MR. BHAGWAN MAKHIJANI*Vice President and Chief Financial Officer (Transformer Business)*

55 years

He holds a management degree from Gujarat University and has over 31 years of experience in the field of financial & management functions. He is responsible for Company's financial operations, funding strategy and implementation along with managing Company's investor relations function. He has worked with esteemed organisations such as Arvind Mills Ltd., Coromandal Fertilisers Ltd., Jyoti Ltd. and Bhilwara Group. His last assignment before joining the Company was as the Chief Financial Officer in Pratham Properties.

MR. MEHUL GOHEL*Asst. Vice President –**HR & Administration*

40 years

He holds a Bachelor degree in Commerce from North Gujarat University and Post Graduate in Labour Welfare from Gujarat University. He is holding certification on Six Sigma Green Belt by GE Corporate. He has over 17 years of experience in various segments such as Recruitment & Selection, Career Planning, Training & Development and Personnel & Industrial Relations etc.

He is responsible for assignments pertaining Human Resources and Administration. Before joining the Company, Mr. Gohel was working with Tema India Ltd. as a Sr. Manager-HR & Admn.

MR. G. H. SINGH*Vice President (Quality Control)*

54 years

He holds a bachelors in Science from Nagpur University and over 28 years experience in cables manufacturing industry. He is responsible for quality assurance of incoming material and outgoing material and inspection of quality at each stage of process. Mr. Singh has worked with Central Cables Limited. Before joining the Company, Mr. Singh was the General Manager, Manufacturing at KEI Industries Limited.

Core team profile (Contd.)

MS. NIVEDITA PANDYA

*Technical Advisor & Sr. Vice President
(Management Services & Production)*

37 years

She is an engineering graduate and holds a B.E (Mechanical) degree from Sadar Patel University and has an experience of 11 years in cables and conductor industry. She has been in-charge of execution of HT cables project, which has recently been successfully implemented.

She is responsible for ISO 9002 quality control, quality assurance and other management related functions for the Company. Before joining our Company, Ms. Pandya worked as Production Officer with EZY Slide Fasteners Limited.

MR. MANOJ SHAH

Vice President - Marketing (Exports)

52 years

He is Diploma Electrical Engineering from Board of Technical Education, Gujarat and Executive Master in Business Administration-Marketing from S. P. Jain Centre of Management, Dubai (UAE). He has over 28 years of experience in Marketing field.

He is responsible for assignments pertaining to Marketing Management. Before joining our Company, Mr. Shah was working with Anixter Middle East – Muscat - Oman as an Area Sales Manager (Wire & Cable).

MR. DEEPAK JOSHI

*Vice President &
Chief Financial Officer*

49 years

He is a Company Secretary (FCS) by profession and has over 25 years experience in this field. He is responsible for finance, accounts and secretarial and excise work of the Company.

Mr. Joshi has held senior positions with various companies. Before joining our Company, Mr. Joshi was executive director of Multimedia Frontiers Limited, a TVS Group Company.

MR. R. K. DUTTA

Head – Dealer network

42 years

Mr. Dutta holds an MBA in marketing from Patna University and has over 15 years of experience in marketing of aluminum rods, conductors and cables.

He is responsible for dealing with regular clients having business dealings above a certain level.

MR. VIJAY KUMAR JAIN*Vice President - HT Cable**46 years*

He holds a BE mechanical degree from University of Mysore and has an experience of 22 years in the filed of cables.

He is responsible for managing overall activities of HT cable division in our Company. Before joining our Company, Mr. Jain worked as plant head in Genus Electrotech Limited.

MR. NISHANT JAVLEKAR*Company Secretary**24 years*

He hold bachelors degree in Commerce and Law from the M. S. University, Baroda and qualified Company Secretary, he is also a visiting faculty of various institutions for the legal subjects.

Mr. Javlekar is responsible for secretarial works of all group Companies and also assisting in Costing. Before joining our Company he worked under a Practicing Company Secretary as an Assistant Company Secretary.

MR. D.M. PATEL*VP- Manufacturing*

He is a Mechanical Engineer from Sardar Patel University, Vallabh Vidyanagar and was awarded Gold Medal for Design. He has over 38 years experience in the industry. Before Joining the Company he worked in various reputed companieslike Elecon, ABB, Crompton Greaves, EMCO transformers.

MR. VIJAY SHANKAR N. S*VP- LT Cable*

He is a Bachelor of Science from Mysore and is known for innovative ideas of low cost and high productivity, multiskilled operation and conversion of machines. He has over 38 years of experience in the industry with esteemed groups like RPG, Bangur, APAR and others.

MR. U. K. SASIDHARAN*AVP-Transmission Business Group*

He is a Mechanical Engineer from Calicut University. He has over 28 years of experience in Production, QA & Projects. He has handled erection & commissioned 220 kv substation in GACL, Dahej, microwave towers for various stations on Western Railways. Prior to joining the company, he was associated with M/s Archon Engicon.

MR. RAJESH J. SHAH*Business Head – Manufacturing
(Power Transformers)*

He is an electrical engineer from Gujarat University with over 23 years experience in Production, Testing, Design and quality assurance in various Transformer manufacturing units, incl. Voltamp, Shilchar Tech., Ashok Transformers, etc.

MANAGEMENT DISCUSSION AND ANALYSIS

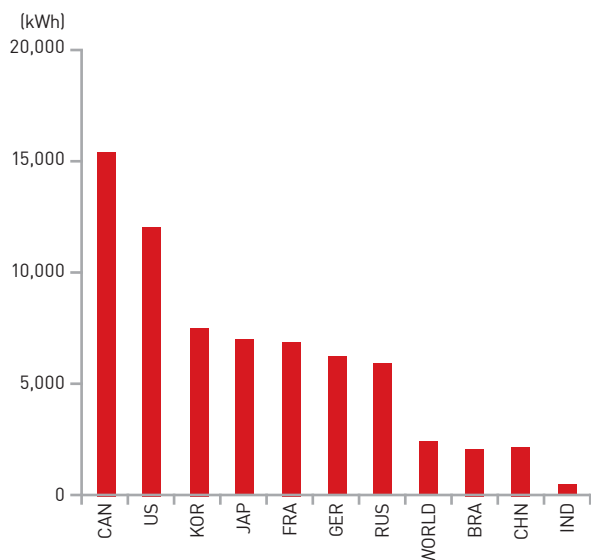


ECONOMY OVERVIEW

The global economy continued to stage recovery during 2010-11, led by BRICs nations. The growth in developed economies such as US and European countries remained elusive and slow on account of higher unemployment, phasing out of stimulus packages and rising oil prices. However, the developing economies had to face their own challenges in terms of rising inflation, increased interest rates and impact of oil price volatility.

Weathering the turbulent global slowdown, the Indian economy managed commendable expansion of 8.00 per cent in 2009-10 and 6.80 per cent in 2008-09. During the financial year ended March 31, 2011, the growth has been reported as over 8.60 percent. It is now widely believed that India could well be on course to be the third largest economy in the world, overtaking Japan. Besides, it is expected that, after 2020, India's growth would be faster than that of even China.

India vs World - Per capita electricity consumption (kWh)
Consumption is less than 1/3rd of China, ~ 1/4th of World average



INDUSTRY OVERVIEW

India is both a major energy producer and consumer. According to the CIA Factbook, India ranked as the world's fifth largest energy producing nation in 2007 behind the United States, China, Russia and Japan with total production of 761.7 billion kWh. It is also the world's fifth largest energy consumer.

The Indian per capita consumption of power remains very low as compared to the developing and developed countries. During the period 2002-03 and 2007-08, the per capita consumption has increased by 24 per cent to 704 kWh (source: CEA Monthly). The lower per capita consumption coupled with the second largest population in world, presents an attractive opportunity for the Indian power sector and its constituents.

It has been established, that the rate of growth in power generation capacities is directly proportional to the rate of growth in the economy. According to the 17th Electric Power Survey, India's peak demand is expected to grow at a CAGR of 7.6 per cent over a period of 10 years (FY07 to FY17) and would require a generating capacity of ~300,000 MW by 2017 to cater to it.

The power sector has witnessed a significant demand-supply gap due to the sustained growth of power demand (4.8% CAGR in FY00-10), historical shortfalls in generation capacity addition (53% and 49% in the IX and X Plans, respectively) and high transmission and distribution (T&D) losses. Consequently, the peak load deficit in India has been in the 11-17% range in FY 09-10. This has constrained the economic growth of the country.

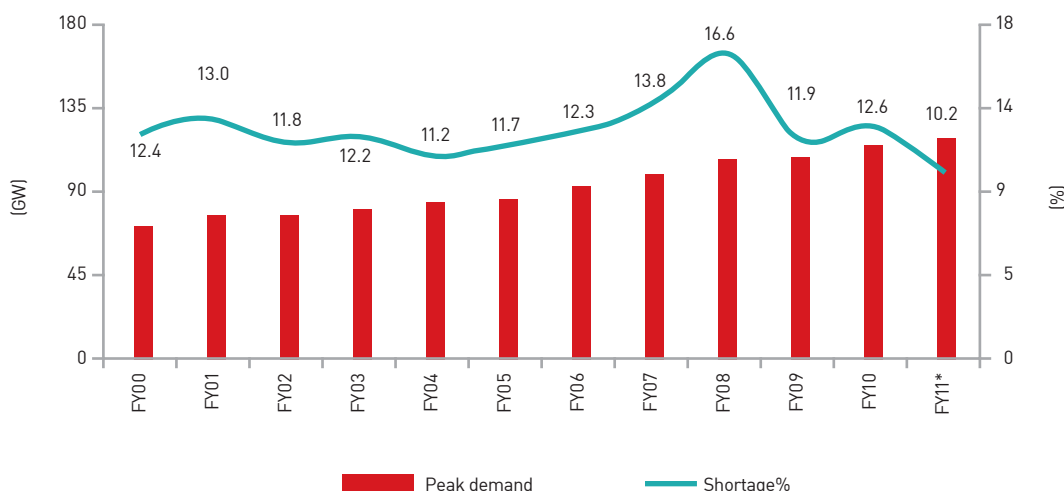
According to the Planning Commission, India is expected to add additional 62,000 MW and 100,000 MW of power during the 11th and 12th Plan respectively, to meet its demand. Initially, 11th Plan proposed to add power capacity of 78,700 MW, which was subsequently revised as 62,374 MW. In 2010-11 only 12,160 MW of capacity could be added against the targeted 20,359 MW. Out of the 12 planned ultra-mega power projects only four have

MANAGEMENT DISCUSSION AND ANALYSIS

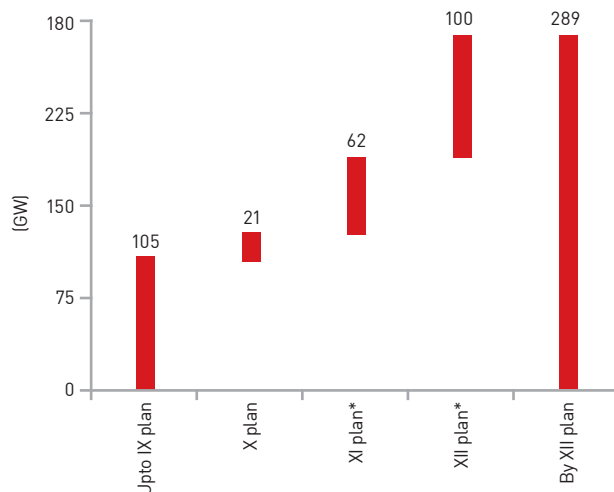
been awarded. With ~100 GW proposed to be added in 12th Plan, India is proposing to add ~1.8 times the power capacities till 10th Plan, only in the 11th and 12th Plan.

The aggressive power generation capacity targets will entail massive investment estimated at Rs. 410,900 crore (\$91.3 billion) in the XI Plan and Rs. 495,083 crore (\$110 billion) in the XII plan as per CEA. Additionally, this will require an equally large investment in T&D infrastructure.

Sustained growth of power demand in 2000-10; resulting in high peak load deficits

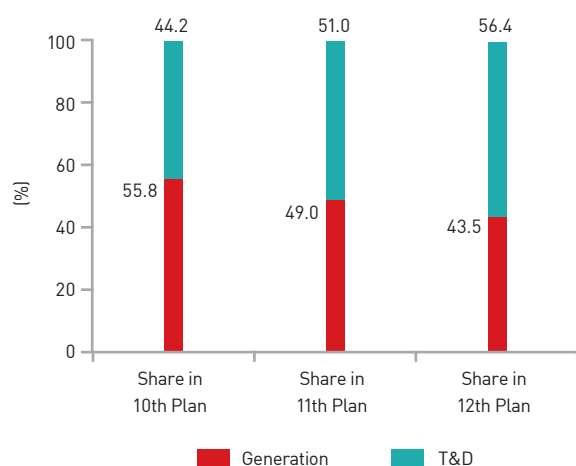


Generation capacity of ~ 162 GW likely to be added over 2008-17



For every Re. 1 spent on power generation, India spends Re. 0.50 on T&D, as compared to the world where this ratio is 1:1. This translates into significant opportunity in the transmission & distribution sector. To strengthen the existing system and evacuation of power from new power plants expected during the 11th and the 12th Plan, significant transmission lines and substation additions is planned. Target of 95,283 circuit kms (ckm) of transmission lines is expected to be set-up in 11th Plan and 155,000 to 180,000 ckm during the 12th Plan.

Pie for T&D spend to increase in XI & XII Plan



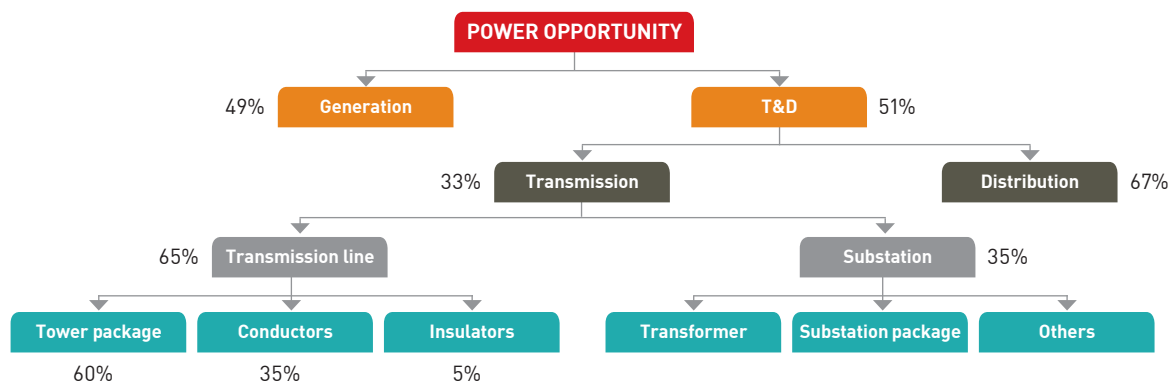
Transmission and distribution sector

A T&D system comprises of various equipment like transmission lines, substations, switching stations, transformers and distribution lines. The transmission segment plays a key role in transmitting power to various distribution entities across the country. A T&D system is organised in a grid, which interconnects various generating stations and load centers. This ensures uninterrupted power supply to a load center, even if there is a failure at the local generating station or a maintenance shutdown.



For every Re. 1 spent on power generation, India spends Re. 0.50 on T&D, as compared to the world where this ratio is 1:1.

Transmission sector accounts for one-third of T&D sector investment in XI Plan



MANAGEMENT DISCUSSION AND ANALYSIS

Transmission lines (ckm)	Existing by 10th Plan	Target additions for the 11th Plan	Existing capacity as of September 2010	Total by March 2012	Target additions in 12th Plan
765 kV	2,184	5,428	3,829	7,612	25,000 to 30,000
HVDC 500kV	5,872	1,606	NA	7,478	30,000
HVDC 800/600 kV	0	3,600	NA	3,600	5,000
400 kV	75,722	49,278	100,910	125,000	50,000
220 kV	114,629	35,371	130,788	150,000	40,000
Total	198,407	95,283	NA	293,690	1,50,000 to 1,55,000

Substation MVA/MW	Existing by 10th Plan	Additions 11th Plan	Total by March 2012	Estimated addition in 12th Plan
HVDC terminal capacity	8,200	6,000	14,200	16,000 to 22,000
765 kV	0	53,000	53,000	110,000
400 kV	92,942	52,058	145,000	80,000
230/220 kV	156,497	73,503	230,000	95,000
Total	257,639	184,561	442,200	3,01,000 to 3,07,000

Source: CEA

IN INDIA, THE T&D SYSTEM IS A THREE-TIER STRUCTURE COMPRISING DISTRIBUTION NETWORKS, STATE GRIDS AND REGIONAL GRIDS. DISTRIBUTION NETWORKS AND STATE GRIDS ARE PRIMARILY OWNED AND OPERATED BY THE RESPECTIVE SEBS. MOST INTER-STATE TRANSMISSION LINKS ARE OWNED AND OPERATED BY PGCIL, WITH SOME JOINTLY OWNED BY THE SEBS CONCERNED. PGCIL ALSO OWNS AND OPERATES A NUMBER OF INTER-REGIONAL TRANSMISSION LINES TO FACILITATE THE TRANSFER OF POWER FROM A SURPLUS REGION TO ONE WITH DEFICIT.

THE TRANSMISSION SYSTEM IN INDIA OPERATES AT SEVERAL VOLTAGE LEVELS:

- EXTRA HIGH VOLTAGE (EHV): 765 KV, 400 KV AND 220 KV
 - HIGH VOLTAGE: 132 KV AND 66 KV
 - MEDIUM VOLTAGE: 33 KV, 11 KV, 6.6 KV AND 3.3 KV
 - LOW VOLTAGE: 1.1 KV, 220 VOLTS AND BELOW
- THE TOTAL LENGTH OF TRANSMISSION LINES IN THE COUNTRY HAS INCREASED TO 7.28 MILLION CKM IN 2007-08 VS 3.6 MILLION CKM IN 1998-99.

Growth in transmission systems will include not just the physical growth in the transmission network but also the introduction of higher transmission voltages for bulk power transmission, with the aim of limiting transmission losses. The up-gradation and replacement of existing transmission lines to higher voltage is expected to translate into higher demand for transmission towers.

Interconnected grids

To facilitate transfer of power from surplus regions to deficit regions and evacuation of power from central sector generation projects and Ultra Mega Power projects (UMPPs), both 11th and 12th Plan are focused on strengthening and developing the national and inter-regional transmission corridors.

The Power Grid Corporation of India Limited (PGCIL) has invested Rs. 254.4 billion till 2009-10 and has planned capital outlay of Rs. 295.6 billion for FY11 and FY12. During 2010-11, the Central Electricity Regulatory Commission (CERC) approved PGCIL to proceed with the execution of 9 high capacity power transmission corridors (HCPTCs) that will help transport electricity to the main load centers from 48 new IPP plants located in coal belt, coastal areas or hydroelectricity-rich areas in the Northeast region. The government has approved Rs. 580 billion for the same. Thus, inter-regional transmission capacity is expected to increase from 13,450 MW to 38,050 MW by 2012 and to 75,150 MW by 2017.

Accelerated Power Development Reform Programme

India has reeled under average aggregate commercial and technical (AT&C) losses of around 33 per cent. This is due to obsolete distribution infrastructure and inadequate monitoring systems in place. In light of this, the GoI introduced the Restructured Accelerated Power Development and Reforms Programme (RAPDRP). Under this, the government will undertake projects to establish and upgrade IT applications and bring about processes to increase efficiency for energy accounting/auditing and consumer services. This is to be followed by renovation and modernisation of existing distribution networks.

Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)

The GoI, through its flagship rural electrification program,

the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), aims to electrify 0.1 million villages and provide free electricity connections to about 18 million below poverty line households by March 2012.

The electrification of 73 per cent and the intensive electrification of 46 per cent of the villages covered under the RGGVY have been undertaken. This presents lucrative prospects for developing grass root distribution infrastructure.

COMPANY OVERVIEW

About the Company

Established in 1970 by Mr. SN Bhatnagar, a first generation technocrat, Diamond Power infrastructure today has emerged from a conductor company to a full circle integrated EPC company, having presence in cables, conductors, transformers and transmission towers. Headquartered in Vadodara, the company has manufacturing presence across 9 units, all located in Vadodara. With more than 100 distributors across 16 Indian states, DPIL sells its products under 'Dicabs' brand and is also one of the fast growing EPC companies in the country.

Corporate highlights 2010-11

- Completed its ambitious expansion programme to foray into EHV cables and transmission towers
- The company commenced power transformer operations
- The company entered into strategic JVs with Utkal Galvanizers, Skoda India and Schaltech Automation to increase our footprints in 220 KV and above EPC Projects

Financial highlights 2010-11

- Net revenues up 73 per cent from Rs. 9.07 bn in 2009-10 to Rs. 15.69 bn in 2010-11
- EBIDTA up 47 per cent from Rs. 1.18 bn in 2009-10 to Rs. 1.83 bn in 2010-11
- Net profit up 78 per cent from Rs. 620.04 mn in 2009-10 to Rs. 1.10 bn in 2010-11
- Earning per share up 34 per cent from Rs. 22.09 in 2009-10 to Rs. 29.67 in 2010-11

Major developments during the year

2010-11 was an eventful year for the company. The company

crossed Rs. 15 bn mark in terms of consolidated sales. The year was challenging both on account of increasing volatility in terms of input costs as well as increased cost of finance in wake of galloping inflation. One of the major challenges that the company confronted was to successfully continue the existing operations in wake of expansion programme in the same location. The company successfully overcame the challenges to post a sterling performance. The company focused on higher value EPC projects and even forged joint ventures with three highly respected companies in the industry, which will enable it to bid for higher KV EPC contracts.

In terms of segmental revenues, Cables division accounted for 31 per cent of the total revenues, followed by EPC division with 28 per cent of the share. Owing to the sustained demand for HT and LT cables, the cables division nearly tripled its net revenues to Rs. 4,723 mn in 2010-11 from Rs. 1,600 mn in 2009-10. The growth was largely driven by increased demand for HT cables, which also translated into higher margins. The division posted EBIDTA margin of 9.73 per cent and 13.59 per cent for the LT cables and HT cables respectively. The HT cables were among the two-product segment to register an improvement in EBIDTA margin during 2010-11, as compared to 2009-10.

The year also witnessed a turnaround in the company's transformers segment, with a 86 per cent growth in the net revenues, to Rs. 2,532 mn in 2010-11 against Rs. 1,359 mn in 2009-10. The division posted an EBIDTA margin of 8.94 per cent during 2010-11 as compared to 13.15 per cent, on account of higher input cost. The Company bid aggressively in this segment to gain a strong foothold.

The company's conductor division accounted for 24 per cent of its net revenues in 2010-11. The division registered an increase of 58 per cent in terms of its net sales, from Rs. 4,557 mn in 2010-11 from Rs. 3,399 mn. The divisional EBIDTA margin improved by 16 basis points to 11.62 per cent for the year under review.

EPC division accounted for 28 per cent of the company's net revenues. The division registered a growth of 29 per cent in terms of its net sales, to Rs. 4,232 mn in 2010-11 as compared to Rs. 3,291 mn in 2008-09. The division's EBIDTA margin for 2010-11 stood at 12.58 per cent in 2010-11 as against 14.74 per cent in 2009-10.

SWOT ANALYSIS

Strengths

- A fast growing integrated EPC player, having product mix covering 80 per cent of the average project cost
- Two decades of proven expertise and focus
- Access to educated and credible intellectual capital
- Proven expertise in product innovation, quality and customisation
- Evolved from a single product company to an EPC company; presently scaling up the value chain to cater to 440 KV segment
- A well-defined and scalable organisation structure lead by an experienced and qualified management team
- Preferred supplier to a world-renowned clientele
- Established reputation as a Value added products company
- Scalable businesses having state of the art technology and machinery
- Diversified product mix resulting in derisked revenue growth.
- Robust order book

Weakness

- Operates in capital-intensive segments
- Key raw materials are prone to volatility

Opportunities

- Capacity addition planned for the 11th and 12th plan would lead to significant addition of transmission lines.
- Up gradation of existing T&D network
- Policies like RGGVY and APDRP to encourage investment in T&D.

Threats

- Competition from local players foraying into EPC, may result in cost undercutting

HUMAN RESOURCES

The Company employed more than 2500 people as on 31.03.2011. The Company believes in the highest standards of people management and personal growth. It instills in each of the members of the Diamond family a feeling of ownership, responsibility and performance to the par of excellence in each of the operations pertaining to production and servicing. The Company aspires to set the highest standards of internationally benchmarked human resource practices, which would be exemplary for other manufacturers. The industrial relations were cordial and the management thoroughly acknowledges the support from the employees at all levels.

INTERNAL CONTROL SYSTEM

The Company has an adequate system of internal controls to safeguard and protect from loss, unauthorised use or disposition of its assets. All transactions are properly authorised, recorded and reported to the management. The Company is following all the Accounting Standards for properly maintaining the books of accounts and reporting of financial statements. The Company has an Internal Audit department and has also appointed external Internal Auditors to review various areas of the operations of the Company. The audit reports are reviewed by the management and the Audit Committee of the Board periodically.

OUTLOOK

The year 2010-11 witnessed the evolution of the company to an integrated EPC player. The company's expansion programme has been completed. With the capacities online, the focus in 2011-12 would be to ensure efficient running of operations, across the segments. Our value-added products, coupled with larger capacities and improved realisations will enable us transcend the next level of sustained growth. On the industry front, the company expects robust demand for all its products on account of better economic sentiment and government's ongoing thrust on the power sector. We will steadily consolidate our presence in EPC space to cater to higher KV contracts; thereby improving further on the company's order book which also reflects our optimism.

DIRECTORS' REPORT



To the Members,

Your Directors are pleased to present the Nineteenth Annual Report together with the audited accounts of the Company for the year ended March 31, 2011.

Financial Results

		(Rs. in lakh)
	2009-10	2010-11
Income	76,789.34	1,30,818.46
Expenditure	66,808.66	1,14,877.44
Gross Profit / (Loss) before Interest, Depreciation & Tax	9,980.69	15,941.33
Interest	2,362.26	2,487.77
Depreciation	649.29	1,500.59
Profit / (Loss) after Depreciation & Interest before Tax	6,969.14	11,952.97
Share Capital	3,006.27	3,720.63
Reserves & Surplus	26,615.60	47,906.80
EPS	18.02	26.24

Important performance parameters

		(Rs. in lakh)
	2009-10	2010-11
Gross Profit Margin (%)	13.97	12.06
Asset Turnover (times)	1.26	1.32
Interest Coverage (times)	4.23	6.41
Earning per Shares (diluted) (Rs.)	18.02	26.24

Dividend

In view of substantial growth and good financial performance during the year, the Board has recommended dividend of Rs. 3 per share (i.e. 30%), out of the profit of the financial year ended on 31st March, 2011 on 3,72,06,371 equity shares of Rs. 10.00 each fully paid up aggregating to Rs. 37,20,63,710.

MARKET & FUTURE OUTLOOK

The Indian Power Industry

The critical role played by the power industry in the economic progress of a country has to be emphasized. A self sufficient power industry is vital for a nation to achieve economic stability. Electricity is one of the most vital infrastructure inputs for economic development of a country. There is a strong demand for electricity in India and it is steadily growing with the country's economic growth and rising consumerism. The Indian electricity market today offers one of the highest growth potential for private players. Government reforms, e.g. distribution network Reforms Program, would be the key factor

driving the power sector. Reforms such as The Electricity Act and National Electricity Policy will give impetus to the Indian power sector.

According to research report of Indian Power Sector Analysis, there is a huge demand for power in some Indian states due to rapid urbanization and industrialization. Besides, opportunities for private players are increasing with high energy shortage and government support in the form of incentives to set up power plants. Number of merchant power plants will increase in the years to come with state governments inviting private players to invest in the power sector e.g. Gujarat, Maharashtra, Andhra Pradesh, etc.

The Indian power sector is experiencing a large demand-supply gap. At present, the energy shortage in India is ~10% but there are States where the energy shortage is as high as 25%. To combat this, over 80,000 MW of new generation capacity is planned in the next five years. A corresponding investment is required in Transmission and Distribution networks.

DIRECTORS' REPORT

The Indian Ministry of Power has set a goal, "Mission 2012: Power for all" and released a comprehensive sector development blueprint. The main objectives, in addition to providing 100% access to power, are to provide sufficient power to achieve targeted GDP growth rate of 8%, provide reliable and good quality power and to enhance commercial viability.

A huge capital investment of about US\$ 200 billion is required to meet Mission 2012 targets. This has welcomed numerous opportunities to the Indian Organisations to convert them in corporate giants. Additional massive capital investment is further required over the subsequent years with the country's power requirement expected to touch 800,000 MW by 2031-32.

Infrastructure Additions – Transmission:

The transmission of electricity is defined as bulk transfer of power over a long distance at high voltage. In India, bulk transmission infrastructure has increased from 3708 ckm in 1950 to more than 300,000 ckm up till now. The country has been divided into five regions for transmission of electricity. The planning of transmission system in the country had traditionally been linked to generation projects as part of an evacuation system. Ability of the power system to safely withstand a contingency without generation rescheduling or load-shedding was the main criteria for planning the transmission system.

Transmission planning has moved away from the earlier generation evacuation system planning to integrate system planning. While the predominant technology for electricity transmission and distribution has been Alternating Current (AC) technology, High Voltage Direct Current (HVDC) technology has also been used for interconnection of all regional grids across the country and for bulk transmission of power over long distances.

The country's transmission perspective program for 10th and 11th plan focuses on the creation of a National Grid in a phased manner by adding over 60,000 ckm of Transmission Network by 2012. Such an integrated grid shall evacuate additional 1, 00,000 MW by the year 2012 and carry 60% of the power generated in the country. The existing inter-regional power transfer capacity is 9,000 MW, which is to be further enhanced to 30,000 MW by 2012 through creation of "Transmission Super Highways".

The investment plan for achieving the target results spread in phased manner consisting three phases wherein 1st phase deals with interconnection between regional and thereby to achieve inter regional transfer, 2nd phase deals with inter regional connectivity through hybrid system consisting high capacity AC (765kV and HVDC) lines and third phase deals with strengthening of National grid through 765kV AC line.

Distribution Sector:

The T & D losses can be reduced substantially with further investment on T & D networks, which are presently in the range of 18% to 62% in various states and the aggregate technical and commercial (AT&C) losses are in the range of 50%. Reduction of these losses by undertaking distribution system improvement works requires heavy capital investments.

High technical losses in the system are primarily due to inadequate investments over the years for system improvement works, which has resulted in unplanned extensions of the distribution lines, overloading of the system elements like transformers and conductors, and lack of adequate reactive power support. By undertaking suitable system improvement schemes based on computer studies, it should be possible to bring down the technical losses in the distribution system to the level of 9%.

The commercial losses are mainly due to low metering efficiency, theft and pilferages. Improving metering efficiency, proper energy accounting & auditing and improved billing & collection efficiency may eliminate this. Fixing of accountability of the personnel / feeder managers may help considerably in reduction of AT&C Loss.

The Distribution Reform was identified as the key area to bring about the efficiency and improve financial health of the power sector. Ministry of Power took various initiatives in the recent past for bringing improvement in the distribution sector.

For giving boost to the reform program, the Ministry of Power formulated a six level intervention strategy for distribution reforms at National, State, SEB, Distribution Circle, Feeder and consumers levels to ensure accountability, deliverability and performance at all level.

Accelerated Power Development Reform Program (APDRP)

Keeping in mind the main objective to minimize distribution loss, the Government introduced the program for solving the problem of power sector with the vision of supplying reliable, affordable and quality power for all users by 2012. More emphasis is on up-gradation of sub-transmission and distribution through 100% metering, reducing T&D losses, energy audits, power factor correction measures etc. A qualitative improvement in power supply at the consumer end was expected so as to raise the level of satisfaction besides improving revenue realization for the utilities.

Cable Industry in India

Cables manufactured in India includes PVC/FRLS cables, XLPE cables, submarine cables, aerial bunched conductor cable, telecommunication cable such as jelly filled cables, optical fiber cables, Housing wiring etc. The cable industry may be mainly divided into four segments viz; house wiring (up to 440V), LT (1.1 to 3.3kV), HT (11 to 66kV), EHV (132kV and above).

There is a definite upward technological movement along with the growth rate in cables and wire industry in India.

Abnormal fluctuation in the major raw material costs namely aluminum, copper, XLPE, PVC compounds accounting to around 60% of the production cost, is highest cause of concern. In addition to that competition from abroad based manufacturers is posing real threat to the Indian cable manufacturers.

However, increase in government spending on the infrastructure and restructuring of SEBs, driving demand for various products and one of them is cables. Cables are needed for almost every new construction. Demand from power sector for laying new lines and upgrading the existing power distribution network across the country is clearly driving up the demand for cables.

Conductor Industry in India

Aluminum Conductors are used in transmission and distribution systems to carry the general electrical energy from generating station to the end users. The network is known as transmission and distribution systems. The Transmission system delivers bulk power from power station to the load



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DIRECTORS' REPORT



The Transmission system delivers bulk power from power station to the load centers and large industrial consumers beyond the economical service range of the regular primary distribution lines, where as distribution system delivers power from power sector or sub stations to various consumers.

centers and large industrial consumers beyond the economical service range of the regular primary distribution lines, where as distribution system delivers power from power sector or sub stations to various consumers. This transmission and distribution can employ either overhead systems or underground systems. Aluminum conductors are used for overhead systems.

TYPES OF ALUMINUM CONDUCTORS

- All Aluminum Conductors (AAC)
- All Aluminum Alloy Conductors (AAAC)
- Aluminum Conductors Steel reinforced (ACSR)
- Ariel Bunch Conductors (ABC)

In terms of length, transmission conductors account for around 19% and the balance 81% is accounted for by distribution conductors. By weight, transmission and distribution conductors each have a share of 50%. For transmission, ACSR accounts for 92% and the balance 8% AAAC. For distribution, AAAC conductors account for 55%, ACSR 32% ABC 7% and AAC 6% [Source: AC Nielson Report].

Typically around 40% of the transmission projects cost accounts for conductors, 20% for Towers and balance 40% for others. Therefore, out of the planned investment of Rs. 125,000 crores during the 11th five year plan, potential demand for conductors is estimated at whopping Rs. 50,000 crores in the next five years. According to the survey done by AC Nielson during 2005-06, the total demand for aluminum conductor is expected to reach 1.2 mn mt in 2010 from 730,000 mtpa, at a CAGR of 18%.

Subsidiary's Performance

M/s. Diamond Power Transformers Ltd. is only wholly owned subsidiary of your company, which has performed well and achieved 100% growth in turnover. The Company is one of the core suppliers of transformers to the clients like BHEL, Noida Power, Electricity Boards etc. The Company expects to achieve higher growth with addition of varied size and rating of transformers.

Current Activities

The company has established its position firmly in the top few

companies in the field of electric industry with multi-products under one roof. It gives me a sense of pride in informing you that your company has commenced first of its kind of Extra High Voltage cable Plant to Manufacture 550 KV Cables.

In respect of Apex Electricals Limited, a company where your company is working as Strategic Investor, I would like to inform that there were certain further information, explanations required by the Board for Industrial and Financial Reconstructions (BIFR) which were provided by the company and the Operating Agency namely IDBI has submitted its final report to the BIFR and the scheme is now in progress for circulation for approval of the scheme.

Expansion plans

The Company is working on further expansion of its existing conductor division to expand its capacity from 50500 MT to 250000 MT and Medium Voltage facility both amounting to an aggregate of Rs. 1390 crore. These facilities will be coming at the existing location and will be completed by the year 2014.

Subsidiary

The Accounts of Diamond Power Infrastructure Ltd.'s subsidiary namely M/s. Diamond Power Transformers Ltd, together with the reports of the directors and the auditors, as required under section 212 of the Companies Act, 1956 are attached.

MANAGEMENT DISCUSSION AND REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

As per the requirement of Clause 49 of the Listing Agreements entered into with the Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd., a detailed report on Corporate Governance is set out as Annexure A to this report. The Statutory Auditors of the Company have examined the Company's Compliance in this regard and have certified the same. As required under the SEBI Guidelines, such certificate is reproduced as Annexure-B to this Report. A separate Management Discussion and analysis report on the company's performance forming part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Under Section 217(2AA) of the Companies Act, 1956, the directors confirm that:

- In the preparation of Annual Accounts, the Company has followed the applicable Accounting Standards issued by the Institute of Chartered Accounts of India along with proper explanation relating to material departures;
- Such accounting policies have been selected and consistently applied and judgments and estimates made thus are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 31st March, 2011 and of the Profit for the year ended on that date;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The annual Accounts have been prepared on a going concern basis.

DIRECTORS

In accordance with the Companies Act, 1956 and the Articles of Association of the Company Shri N N Bhatnagar retires by rotation at the ensuing annual general meeting.

Shri Ranvir Singh Shekhawat was appointed as an Additional Directors of the Company with effect from October 23, 2010 in terms of Section 260 of the Companies Act, 1956, read with Article 128 of the Article of Association of the Company holds his office up to this Annual General Meeting and the Company has received a notice from a member under the provisions of Section 257 of the Companies Act, 1956, proposing his candidature for his appointment as Director of the Company. All the necessary resolutions for appointment, re-appointment of the directors have been included in the notice calling the forthcoming Annual General Meeting.

AUDITORS

M/s. Vijay N. Tewar & Company, Chartered Accountants and Statutory Auditors of the Company, retire at the forthcoming annual general meeting and are eligible for re-appointment. A certificate has been obtained from them to effect that, the appointment, if made, will be in accordance with the limits specified in sub-section (1B) of section 224 of the Companies Act, 1956.

DIRECTORS' REPORT

FIXED DEPOSITS

The company has not accepted any deposits from public during the year under review to which provisions of section 58A of the Companies (Acceptance of Deposits) Rules, 1975 as amended is applicable.

CONSERVATIONS OF ENERGY, TECHNOLOGY ABSORPTIONS AND FOREIGN EXCHANGE

The particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, is given in Annexure C .

PERSONNEL

Any member interested in obtaining a copy of the Statement of Particulars of employees referred to in section 217(2A) of the Companies Act, may write to the Company Secretary at the Registered Office of the Company.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operations received from the Banks, Financial Institutions, various government authorities, customers, vendors and shareholders during the year. Your Directors also wish to place on records the deep sense of appreciation for the committed services of the executives, staff and workers.

CORPORATE GOVERNANCE REPORT

Annexure A

Philosophy on Corporate Governance at Diamond Power Infrastructure Limited

The Philosophy on Corporate Governance at Diamond Power Infrastructure Limited is:

- a) To ensure highest levels of integrity and quality.
- b) To ensure observance of highest standards and levels of transparency, accuracy, accountability and reliability in the organisation.
- c) To ensure protection of wealth and other resources of the Company for maximising the benefits to the stakeholders of the Company.

DPIL believes that a sound Corporate Governance policy drives healthy business growth and is an important instrument of enhancing investor confidence. DPIL has been committed to highest standards of Corporate Governance practices since its inception. Good Corporate Governance provides an appropriate framework for the Board and the management to enhance shareholders wealth. The Company complies with the Corporate Governance code enshrined in Clause 49 of listing agreement.

Your Company has also familiarized itself with to requirements of the Corporate Governance Guidelines 2009 issued by the Ministry of Corporate Affairs.

BOARD OF DIRECTORS

Composition

The Board of Directors comprises 9 directors, out of which 6 directors are non-executive directors. The three executive directors include – the Chairman, Managing Director and the Joint Managing Director. Two third of the directors are the Independent Directors, i.e., independent of the management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment. The directors bring to the Board a wide range of experience and skills in different fields. There is one nominee director on the board of directors. The composition of the board is in conformity with the listing agreement. None of the Board of Directors is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the listing agreement with the Stock Exchange) across all the companies in which they are Directors. Necessary disclosure regarding committee position has been made by the Directors.

Attendance of the Directors at the Board Meeting, last AGM and details of membership in other Board/Committee are as under:

Name	Category / Position	No. of Board Meetings		AGM 28.09.10	No. of other Directorship		No. of other Board Committees	
		Held	Attended		Member	Chairman	Member	Chairman
Shri S.N. Bhatnagar	Ex / Chairman	7	6	Yes	5	1	-	-
Shri Amit Bhatnagar	Ex / Managing Director	7	6	Yes	8	-	-	-
Shri Sumit Bhatnagar	Ex / Joint Managing Director	7	6	Yes	7	-	1	-
Shri N.N. Bhatnagar	NE / Director	7	7	No	-	-	3	1
Shri Ranvir Singh Shekhawat	NE/ Director	7	1	No	2	-	-	-
Shri Kirit Vyas	NE/ Director	7	4	No	-	-	3	-
Smt Vasantha Bharucha	NE/ Director	7	4	No	2	-	3	2
Shri TNC Rajagopalan	NE / Director	7	4	No	-	-	1	1
Shri Aswini Sahoo	NE / Nominee Director	7	4	No	2	-	-	-

Ex = Executive Director, NE = Non-Executive Director, C = Chairman, MD = Managing Director, JMD = Joint Managing Director.

Seven Board Meetings were held during the year under review on 30.04.2010, 01.06.2010, 22.07.2010, 09.08.2010, 31.08.2010, 29.10.2010 and 14.02.2011. The gap between two meetings did not exceed four months.

The information as required under Annexure-I to clause 49 is being made available to the Board.

DIRECTORS' REPORT

AUDIT COMMITTEE:

The Audit Committee of the Company functions under the Terms of Reference as stipulated by Clause 49 of the Listing Agreement and the Companies Act, apart from overseeing the process of checks and balances in the working of the Company.

The composition of the Audit Committee with change during year and the details of meetings attended by the Members are given below:

Sr. No.	Names of Members	Position	Status	No. of Meetings	
				Held	Attended
1	Shri T.N.C. Rajagopalan	Independent Director	Chairman	4	3
2	Shri N. N. Bhatnagar	Independent Director	Member	4	4
3	Shri Kirit Vyas	Independent Director	Member	4	2

Four Audit Committee Meetings were held during the year under review on 30.04.2010, 09.08.2010, 29.10.2010 and 14.02.2011.

The following are the terms of reference for the Audit Committee:

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommend the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other service.
3. Discuss with auditors once every year the nature and scope of audit.
4. Review the Quarterly and annual financial statements before submission to the Board, primarily focusing on the following points and also ensure compliance of internal control systems:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualification in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards
5. Compliance with stock exchange and legal requirement concerning financial statements.
6. Review with management, external and internal auditors, the adequacy of internal control systems, significant findings and follow up thereon.
7. Review the company's financial and risk management policies.
8. Look into the reason for substantial defaults, if any, in payment to the depositors, debenture holders and creditors, if any.
9. The Audit Committee may
 - Investigate any activity within its terms of reference.
 - Seek information from any employee.
 - Obtain outside legal or other professional advice.
 - Secure attendance of outsiders with relevant expertise, if it considers necessary.

REMUNERATION COMMITTEE

The Remuneration Committee comprises of the following Directors.

Sr. No.	Name of the Director	Position	Category
1	Shri N N Bhatnagar	Chairman	Independent Director
2	Smt Vasantha Bharucha	Member	Independent Director
3	Shri Kirit Vyas	Member	Independent Director

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution and retain talent in the organization and record merit.

The Details of remuneration and sitting fees for Board and other committee meetings paid to the Directors for the year ended March 31, 2011:

Name	Category / Position	Salary (Rs.)	Sitting Fees (Rs.)	Other Allowances (Rs.)
Shri S. N. Bhatnagar	Ex. Chairman	99,48,490	NIL	41,35,300
Shri Amit Bhatnagar	Ex. MD	7,430,605	NIL	4,170,370
Shri Sumit Bhatnagar	Ex. JMD	7,433,905	NIL	4,167,070
Shri T. N. C. Rajagopalan	NE	NIL	20,000	NIL
Shri N. N. Bhatnagar	NE	NIL	35,000	NIL
Shri Aswini Sahoo	NE Nominee	NIL	NIL	NIL
Shri Kirit Vyas	NE	NIL	20,000	NIL
Smt. Vasantha Bharucha	NE	NIL	20,000	NIL
Shri Ranvir Singh Shekhawat	NE	NIL	5,000	NIL

INVESTOR'S GRIEVANCES COMMITTEE

The references mandated by your Board in line with the statutory and regulatory requirements are:

- I. Redressing of shareholders and investors complaints;
- II. To ensure expeditious share transfers;
- III. To review status of legal cases involving the investors where the Company has been made a party.

DIRECTORS' REPORT

The composition, names of the members, chairperson, and particulars of the meetings and attendance of the members during the year are as follows:

Sr. No.	Names of Members	Position	Category	Meetings (09-10)	
				Held	Attended
1	Smt Vasantha Bharucha	Chairman	Independent Director	4	2
2	Shri Kirit Vyas	Member	Independent Director	4	2
3	Shri N. N. Bhatnagar	Member	Independent Director	4	4
4	Shri Sumit Bhatnagar	Member	Executive Director	4	1

Four Investor Grievance Committee Meetings were held during the year under review on 30.04.2010, 09.08.2010, 29.10.2010 and 14.02.2011.

Name, designation & address of Compliance Officer:

Shri Nishant Javlekar

Company Secretary & Compliance Officer

Diamond Power Infrastructure Limited

"ESSEN House", 5 / 12, BIDC, Gorwa, Vadodara - 390016.

Phone : 91-265-2284328, 2283969

Fax : 91-265-2280528

E-mail : nishant.javlekar@dicabs.com; mayur.maniar@dicabs.com

Details of investors' complaints received during April 1, 2010 to March 31, 2011 are as follows:

Sr. No.	Nature of Complaint	Recd.	Disposed	Pending	Remarks
1	Non-receipt of dividend warrant	45	45	0	--
2	Excess/ Short payment of Dividend Warrant	0	0	0	--
3	Non-receipt of Annual Reports	4	4	0	--
4	Legal Notice	6	6	0	--
5	Non-reciept of refund order	1	1	0	--
6	Correction of name on securities	16	16	0	--
7	Non Reciept of Security-Complaint relating to transfer of Shares	217	217	0	--
8	Clarification regarding shares	18	18	0	--

The Complaints / correspondence are usually dealt with within 15 days of receipt and are completely resolved except in case where litigation is involved.

GENERAL BODY MEETINGS:

Particulars about the last Three Annual General Meetings of the Company are:

The composition, names of the members, chairperson, and particulars of the meetings and attendance of the members during the year are as follows:

AGM Particulars & Date	Venue	Time
16th Annual General Meeting (2007-08) held on 29/09/2008	Registered Office	10.00 a.m.
17th Annual General Meeting (2008-09) held on 08/08/2009	Registered Office	10.30 a.m.
18th Annual General Meeting (2009-10) held on 28/09/2010	Registered Office	10.00 a.m.

MATERIAL DISCLOSURES:

No transaction of material nature has been entered into by the Company with Directors or Management and their relatives, etc. that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions in which directors are interested is placed before the Board of Directors regularly.

As required under clause V of Clause 49 of the listing agreement with the stock exchanges, the Managing Directors has certified to the Board the financial statements for the year ended March 31, 2011. They have further declared that all the board members and senior personnel have affirmed compliance with the code of conduct for the year ended March 31, 2011.

There has been no instance of Non-compliance or non-adherence by the Company on any matter related to SEBI, BSE & NSE. Hence, the question of penalties or strictness being imposed by SEBI or the Stock Exchanges does not arise.

MEANS OF COMMUNICATION:

Your company uses several modes of communication with its external stakeholders such as announcements, press releases in newspapers and other reports to the members. Your Company's Quarterly Results are published in one English Daily newspaper and one Vernacular Daily newspaper and also forwarded to BSE& NSE.

GENERAL SHAREHOLDER INFORMATION:

I.	DIAMOND POWER INFRASTRUCTURE LIMITED	ADDRESS OF CORPORATE / HEADQUARTERS: "ESSEN HOUSE", 5/12 BIDC, GORWA, VADODARA – 390016.
II.	CONTACT PERSON:	SHRI NISHANT JAVLEKAR, COMPANY SECRETARY & COMPLIANCE OFFICER
III.	ANNUAL GENERAL MEETING:	20TH SEPTEMBER, 2011
IV.	DATE OF BOOK CLOSURE	13th September, 2011 to 19th September, 2011 (both days inclusive)
V.	LISTED ON:	THE BOMBAY STOCK EXCHANGE LIMITED, MUMBAI SCRIP CODE: 522163 THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED, MUMBAI SCRIP ID: DIAPOWER The Listing Fees to National Stock Exchange of India Ltd and Bombay Stock Exchange Ltd. has already been paid for the year 2011- 2012
VI.	DEMAT STATUS:	The Company's shares were admitted for compulsory trading in electronic form. NSDL has allotted following ISIN for different Securities of the Company and they are detailed below: For Equity Shares - INE989C01012
VII.	WEBSITE:	www.dicabs.com

DIRECTORS' REPORT

The Shareholders are requested to follow exact ISIN for the purpose of dealing in the respective securities. Presently the Equity Shares of the Company are held in electronic and physical mode. The status of Equity Shares of the Company as of March 31, 2011 is as follows:

	Number of Shares	% of total Equity Share
Physical	39,47,939	10.61%
Electronic	3,32,58,432	89.39%
Total	3,72,06,371	100.00

SHAREHOLDING PATTERN

Distribution of Shareholding and Shareholding Pattern

Category	No. of Holders	Total Shares	% To Equity
Promoters Bodies Corporate	4	10844266	29.15
Resident Individuals	16899	6817182	18.32
Promoters	9	4112547	11.05
Foreign Corporate Bodies	2	4087218	10.99
Foreign Institutional Investors	13	4048831	10.88
Mutual Funds	7	2458354	6.61
Trust	1	2208050	5.93
Bodies Corporates	532	1427181	3.84
Non-Resident Indians	596	845072	2.27
Huf	416	206893	0.56
Clearing Members	83	145512	0.39
Indian Financial Institution	1	4599	0.01
Banks	1	666	Negligible
Total	18564	37206371	100.00%

Distribution Schedule - Consolidated as on 31/03/2011

S. No.	Category	Cases	% of Cases	Total shares	Amount	% Amount
1	Upto 1 - 5000	15857	85.10	2388723	23887230	6.42
2	5001 - 10000	1533	8.23	1113283	11132830	2.99
3	10001 - 20000	656	3.52	952853	9528530	2.56
4	20001 - 30000	212	1.14	547288	5472880	1.47
5	30001 - 40000	77	0.41	279918	2799180	0.75
6	40001 - 50000	62	0.33	291793	2917930	0.78
7	50001 - 100000	109	0.58	801117	8011170	2.15
8	100001 & ABOVE	126	0.69	30831396	308313960	82.88
Total		18632	100.00	37206371	372063710	100.00

STOCK MARKET DATA

The Market price data (Monthly High / Low) of the company's Equity shares traded on the National Stock Exchange (NSE) (after September 2010) and Bombay Stock Exchange (BSE) during the period from 01/04/2010 to 31/03/2011 is given below:

Month & Year	Share Price Rs.	
	High	Low
April 2010	206.35	122.00
May 2010	205.70	165.30
June 2010	210.00	165.65
July 2010	217.50	195.10
August 2010	257.95	202.00
September 2010	260.70	222.60
October 2010	264.20	231.25
November 2010	253.35	175.50
December 2010	217.80	168.10
January 2011	226.45	169.10
February 2011	185.05	126.00
March 2011	159.20	134.70

I. REGISTRAR AND SHARE

Transfer Agents Karvy Computershare Pvt. Ltd
Plot No. 17 To 24,
Vittalrao Nagar
Madhapur Hyderabad - 500 081
Tel No: 040-23420818 to 28, Ext : 188
Fax No: 040-23421971

II. SHARE TRANSFER SYSTEM:

Transfer of shares is done through depositories by the Share transfer Agents without the involvement of the Company. The transfer of Shares in the physical form is done every 15 days from the date of receipt of the completed share transfer forms.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

1. The company is not maintaining a separate office for the Chairman.
2. The Companies Amendment Act, 2000 has introduced the concept of postal ballot in respect of certain items. The Company will comply with these requirements as and when necessary.
3. The announcement of Quarterly results carries information on important developments for the benefit of shareholders.

For and On Behalf
of the Board of Directors

(S. N. Bhatnagar)
Chairman

Date: 4th August, 2011
Place: Vadodara

ANNEXURE B

TO DIRECTORS' REPORT

AUDITORS CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

The Members

DIAMOND POWER INFRASTRUCTURE LIMITED

We have examined the compliance of conditions of Corporate Governance by Diamond Power Infrastructure Limited, Vadodara for the year ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and management;

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We state that no Investors' grievances are pending for a period exceeding a period of one month against Company as per records maintained by the Company.

We further state the compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Vijay N. Tewar & Co.**
(Chartered Accountants)

(Vijay N. Tewar)
Proprietor

Membership No.40676

Place : Vadodara
Date : 4th August, 2011

ANNEXURE C

CONSERVATIONS OF ENERGY

FORM A

Sr. No.	Particulars	2009-10	2010-11
1.	Power & Fuel Consumption		
	Electricity		
	Total Amount (Rs. crore)	2.05	2.76
	Own Generation		
	Total Amount (Rs. crore)	4.35	2.61
2.	Coal (Specify Quality & Where used)	N.A.	N.A.
3.	Others/Internal Generation	N.A.	N.A.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

FORM B

Form For Disclosure Of particulars with respect to Absorption , Research and Development.

- Specific areas in which R & D Carried out Related Products like H.T. cables
- Benefits derived as a result of above R & D Company Planning for Expansion.
- Commencement of Commercial Production in Extra High Voltage Cables
- Future plane of action To float a subsidiary to take care of H.T. cable Business.
- Expenditure on R & D NA

- Efforts in brief made towards Technology absorption, adoption and innovation

The company has planned out the expenditure on the technology adoption with the approved budgets by the new investor and funds are allocated to the R & D activities for the technology absorption and impact of which will be seen in the year to come.

Benefits Derived as a result of above efforts e.g. Product Improvement, Cost Reduction, production development, import substitution etc.. Due to usage of the granted funds for the purpose noted in point no.1 the benefits are expected to be derived in the following years.

INFLOW AND OUTFLOW OF FOREIGN EXCHANGE

FORM C

		(Rs. in Million)	
Sr. No.	Particulars	2009-10	2010-11
1.	Inflow	330	16.38
2.	Outflow	330	368.32

DIAMOND POWER TRANSFORMERS LTD.

DIRECTORS' REPORT

To The Members

Your Directors hereby present the Annual Report and the Audited Accounts of your Company for year ended 31st March, 2011.

FINANCIAL RESULTS

The Financial results of the Company are summarized below:

		(Rs. in Lakh)
	2009-10	2010-11
Gross total Income	13913.57	26136.71
Gross total Expenditure	12083.96	23800.45
Profit / (Loss) Before, Depreciation & Taxation	1829.62	2336.26
Depreciation / Amortization	30.31	101.12
PROFIT / (LOSS) BEFORE TAX	1742.95	2052.24
Provision for Taxation / Deferred Tax	599.91	775.00
PROFIT AFTER TAX / (LOSS)	1143.04	1277.25
APPROPRIATIONS		
a) General Reserve	1719.02	2996.27
b) Dividend	Nil	Nil
Profit carried from last year	575.98	1719.02
Balance carried to Balance Sheet	1719.02	2996.26
Earning Per Shares	22.85	12.77

PERFORMANCE

For the first Financial Year 2010-11, the Company has earned total income of Rs. 26136.71 Lacs (against last year's Rs. 13913.57 Lacs) against which, the Company has incurred total expenditure of Rs. 23800.45 Lacs (against last year's Rs. 12083.96 Lacs) makes the Profit of Rs. 2336.26 Lacs (against last year's Rs. 1829.62 Lacs).

Company's earning per share decreased from Rs. 22.85 (for last year) to Rs. 12.77 (for current year) due to increase in Paid up Capital of the Company.

DIVIDEND

Your Company required more funds/reserves to further its objects, & to incur day to day expenditure of the Company. Your Directors therefore do not recommend any dividend for the year ended 31st March, 2011

DIRECTORS

The Details of Directors as on the date of this report on the Board of the Company is as per ANNEXURE A forming part of this report.

CLARIFICATION ON REMARK IN AUDITOR'S REPORT

As no observation/remarks contained in Auditor's Report, the Company does not require to make any clarification.

FIXED DEPOSITS

The Company has not accepted any deposit from public during the year under review to which provisions of section 58A of the Companies (Acceptance of Deposit) Rules, 1956.

INFORMATION REGARDING CONSERVATION OF ENERGY, ETC AND PARTICULARS OF EMPLOYEES

The Company (Disclosure of Particulars under Report of Directors) Rules 1988, regarding the conservation of energy, technology absorption is Rs. 63.26 Lacs during the year.

Foreign Exchange: The Company neither earn nor spent any foreign exchange during the year.

DIRECTOR'S RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

The Directors hereby confirm:

- I. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures :
- II. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the Company at the end of the financial year and of the Profit of the Company for that year;
- III. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- IV. That the directors had prepared the annual accounts on a going concern basis.

AUDITORS

M/s R. A. Amin & Company, Chartered Accountants Vadodara, Statutory Auditors of the Company, retires at the ensuing Annual General Meeting and has confirmed their eligibility and willingness to accept office, if reappointed.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude, the patronage of its esteemed customers, suppliers, dealers and valued shareholders. The strength it derives from its employees at all the levels, the support from its Bankers and Financial Institutions and the loyalty of the large family of the Company's customers, suppliers and the Shareholder. The Directors wish to place on record their deep sense of appreciation for the overwhelming co-operation and assistance received from Bankers and all members of the company.

For and On Behalf
of the Board of Directors

Date: 3rd August, 2011
Place: Vadodara

(S. N. Bhatnagar)
Chairman

ANNEXURE A

LIST OF DIRECTORS

Sr. No.	Name of the Director	Date of Appointment
1	Shri S N Bhatnagar	28.12.2007
2	Shri Amit Bhatnagar	28.12.2007
3	Shri Sumit Bhatnagar	28.12.2007
4	Shri Jayramrao Chandravan Marathe	03.03.2011

FINANCIAL SECTION

Auditors' Report



To

The Members of

DIAMOND POWER INFRASTRUCTURE LTD.

Vadodara, Gujarat

We have audited the attached Balance Sheet of Diamond Power Infrastructure Ltd (herein after referred to as the "Company") at 31st March, 2011 and also the annexed profit and loss Account and the cash flow statement for the financial year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principal used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227 (4A) of Companies Act, 1956 and on the basis of such check of the books and records of the Company produced before us and as considered appropriate by us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph above, we report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
2. In our opinion, the Company has kept proper books of account as required by law so far as it appears from our examination of the books and proper returns adequate for the purpose of our audit.

3. The Balance Sheet and Profit and loss Account dealt with by this Report are in agreement with the aforesaid books of accounts.
4. In our opinion, the Balance sheet, Profit and Loss Accounts and Cash Flow Statement of the company dealt with by this report, generally comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
5. On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and notes thereon, give the information required by the Companies Act, 1956, in the manner so required the give a true and fair view in conformity with the accounting principles generally accepted in India:
 - I) In the case of balance sheet of the State of affairs of the Company as at 31st March 2011
 - and
 - II) In the case of Profit & Loss Account, of the Profit for the year ended on that date.
 - III) In the case of Cash Flow Statement, of the Cash Flow as on that date.

For **VIJAY N. TEWAR & CO.**

(Chartered Accountants)

(Vijay N. Tewar)

Proprietor

Place: Vadodara

Date: 4th August, 2011

Membership No. 40676

Annexure to Auditors' Report



1. (a) The Company has maintained proper records showing all particulars including quantitative details and situation of Fixed Assets.
- (b) As explained to us, the physical verification of its fixed assets located at the plant have been conducted by the management at reasonable intervals. In our opinion, the frequency of the verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed between the book records and the physical inventory in respect of the assets.
- (c) During the period under audit, the Company has not sold/disposed off substantial part of its Fixed Assets accept reclassification of Assets grouping in Land, Building, Plant & Machinery and capital work in Progress.
2. (a) The Inventory of Finished Goods, Stores & Spare parts and Raw Materials have been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The discrepancy noticed on verification between the physical stocks and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
3. (a) The company has granted an unsecured Loans of Rs 199.25 million to companies, firms or other parties to be listed in the register maintained under section 301 of the Companies Act, 1956.
- (b) In the absence of loan agreement, we are unable to comment on this para, however as informed to us by the company such payment have been made by the company in the ordinary course of business. The Terms & Conditions of Loans are , in our opinion, prima facie not prejudicial to the interest of the Company
- (c) As stated above in the Para (b) the loans have been granted to the companies under the same management, but the repayments have been made as and when required.
- (d) No formal terms and conditions for payment of the principal amount and interest, so we are not in position to give our opinion that installment payments are regular or not.
- (e) As stated in the point no.(d) above, we are unable to comment whether repayment of principal and interest was regular or not.

The Company have not taken any Loans, secured or un secured, from Companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act,1956
4. In our opinion and according to the information and explanations given to us by the management, there is adequate internal control system commensurate with the size of the company and nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for sales of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. (a) In respect of contracts or arrangements to be entered in the Register to be maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us, though the company has entered in contracts or arrangements that need to be entered in the register referred to in the section 301, the company has neither maintained nor entered in the register to be maintained under section 301 of the Act.
- (b) In our opinion and according to the explanations given to us by the management, the transactions made in pursuance of contracts or arrangements to be entered in register u/s 301 of the Companies Act, 1956 and exceeding the value of Rs 5 lacks in case of each of such transaction is in excess of Rs 5 Lacs in respect of any party during the year have been made at price which are reasonable having regard to prevailing market price at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and rules framed there under.
7. In our opinion in respect of adequacy of Internal Audit System, the company needs to be strengthened its internal Audit System to make it commensurate with its size and nature of business.

Annexure to Auditors' Report (Contd.)



8. We have broadly reviewed the books of account maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, for the company's products to which the said rules are made applicable and are of the opinion on the basis of explanations given by the management that, prima facie, the prescribed accounts and records for the period under consideration are under preparation and verification by the cost auditor approved by the Central Government. Accordingly, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.
9. (a) According to the records of the Company, Provident Fund, Employee State Insurance, Investors Education & Protection Fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities save few instances, though the delays deposits have not been serious.
- (b) According to the information and explanations given to us there are no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Investors Education & Protection Fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other material statutory dues outstanding as on the last date of the financial year concerned, for a period more than six months from the day they became payable.
10. The Company has no accumulated losses as at March 31st, 2011 and it has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions or bank or debenture holders as at the Balance Sheet date.
12. According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
13. In our opinion, the Company is not a chit fund/ nidhi mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Audit Report) order 2003 are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of Guarantees given by the Company for Loans taken by Subsidiary companies from banks or financial institutions are not prima facie prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, on an over all basis the Term Loans have been applied for the purpose for which they have been obtained.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that funds raised on short term basis have not been used for long term investments.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the period covered by our audit report.
19. According to the information and explanations given to us and records examined by us, during the period covered by our audit report, the Company had issued Secured Redeemable Non Convertible Debentures amounting Rs 68 corers and security or charge has been created in respect of the Debentures issued.
20. The company has not raised any money by way off public issue, but it has raised funds by way of Qualified Institutional Placement i.e.QIP.
21. According to the information and explanations given to us, no fraud on or by the company and no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **VIJAY N. TEWAR & CO.**

(Chartered Accountants)

(Vijay N. Tewar)

Place: Vadodara

Proprietor

Date: 4th August, 2011

Membership No. 40676

Standalone Balance Sheet

as of 31.03.2011



	(Rs.)	
	2009-10	2010-11
DESCRIPTION		
Source of Funds		
Share Holder's Funds		
Share Capital	300,627,600	372,063,710
Reserves & Surplus	2,661,560,452	4,790,679,961
Total Share Holder's Funds	2,962,188,052	5,162,851,205
LOAN FUNDS		
Secured Loans	3,116,652,534	4,132,552,108
Unsecured Loans	-	300,000,000
Total Loan Funds	3,116,652,534	4,432,552,108
Deffered Tax Liability		
Total Source of Funds	6,078,840,586	9,595,295,780
APPLICATION OF FUNDS		
Fixed Assets		
GrossBlock	1,319,577,082	3,001,533,133
Less : Depreciation	363,530,176	513,332,334
Net Block	956,046,906	2,488,200,799
Add : Capital Work In Progress	960,835,143	1,445,572,099
Total Fixed Assets	1,916,882,049	3,933,772,898
Investments	50,690,427	170,780,427
Current Assets, Loans & Advances		
Inventories	1,885,342,241	2,559,480,705
Sundry Debtors	1,397,654,388	1,902,792,375
Cash & Bank Balances	236,309,789	396,040,032
EPC Final Bill Pending Approval	592,570,553	852,620,482
Loans & Advances	1,183,054,176	939,617,470
Other Current Assets	158,324,311	237,763,111
Total Current Assets	5,453,255,456	6,888,314,175
Less : Current Liabilities & Provisions		
Current Liabilities	1,167,244,604	1,229,317,869
Provisions	257,259,255	329,292,001
Total Current Liabilities	1,424,503,859	1,558,609,870
Net Current Assets	4,028,751,597	5,329,704,305
Miscellaneous Expenditure (To the Extent Not Written Off or Adjusted)	82,516,512	161,038,150
Total Application of Funds	6,078,840,586	9,595,295,780

Signature to Schedule 1 to 17 forming part of the accounts. As per our even date

For **VIJAY. N. TEWAR & CO.**

(Chartered Accountants)

For & on behalf of the Board of Directors

Vijay N. Tewar

Proprietor

Nishant Javlekar

Company Secretary

S.N. Bhatnagar

Chairman

Amit Bhatnagar

Managing Director

Sumit Bhatnagar

Joint Managing Director

Membership No. 040676

Date : 4th August, 2011

Place : Vadodara

Income Statement

for the March 2011



			(Rs.)
	Schedule	2009-10	2010-11
INCOME			
Gross sales		7,354,176,067	12,850,739,059
Less: Excise Duty		111,360,092	174,448,299
Net Sales		7,242,815,976	12,676,290,760
Increase in Stocks	10	421,616,321	391,374,419
Other Income	11	14,502,108	14,181,504
Total Income		7,678,934,404	13,081,846,683
EXPENDITURE			
Raw Material Consumed	13	6,351,962,345	10,980,737,478
Employees' Emoluments	14	116,120,159	139,583,953
Power and Fuel		36,633,184	71,890,721
Manufacturing Expenses	15	65,434,564	105,016,073
Administrative Expenses	16	54,794,684	89,333,097
Selling and Distribution Expenses	17	55,920,599	101,152,536
Expenditure-Total		6,680,865,535	11,487,713,856
Profit before Interest and Dep.		998,068,869	1,594,132,827
Less: Finance Charges		236,225,969	248,776,945
Less: Depreciation		64,928,999	150,059,044
Interest and Dep.-Total		301,154,968	398,835,989
Profit(Loss) before Tax		696,913,901	1,195,296,838
Income tax		191,181,863	219,146,484
FRINGE BENEFIT TAX			
Total Tax Provisions		191,181,863	219,146,484
Profit after Tax		505,732,038	976,150,354
Add: Prior Period Adjustments			
Add: Extra Ordinary Items		(27,118)	(5,210)
Total Adjustments		(27,118)	(5,210)
Net Profit		505,759,156	976,145,144
Less:			
Proposed Dividend		55,809,557	111,619,113
Tax on Proposed Dividend		9,269,270	18,538,820
Proposed Dividend(Including Tax)		65,078,827	130,157,933
Net Profit		440,680,329	845,987,211

Signature to Schedule 1 to 17 forming part of the accounts. As per our report of even date

For **VIJAY. N. TEWAR & CO.**

(Chartered Accountants)

For & on behalf of the Board of Directors

Vijay N. Tewar

Proprietor

Nishant Javlekar

Company Secretary

S.N. Bhatnagar

Chairman

Amit Bhatnagar

Managing Director

Sumit Bhatnagar

Joint Managing Director

Membership No. 040676

Date : 4th August, 2011

Place : Vadodara

Cash Flow Statement

for the year ended 31.03.2011



(Rs. in lakh)

	AS AT 31.03.2010 12 Months		AS AT 31.03.2011 12 Months	
CASH FLOW FROM OPERATING ACTIVITIES.				
Net profit as per Profit & Loss Account		4,406.80		8,459.87
Adjustment for:				
Depreciation	649.29		1,500.59	
Deffered Expenses	-		-	
Income Tax	1,404.48		151.89	
Interest expenses	2,362.26		2,487.77	
Loss on sale of Assets	-		-	
Extra Ordinary items	139.88		(785.22)	
Interest Received	(144.69)		(113.68)	
Interest \ Other income Received		4,411.23		3,241.36
Operating profit before working capital changes		8,818.04		11,701.23
Change in inventories	(4,784.35)		(6,741.38)	
Change in receivables	(5,654.64)		(5,051.38)	
Changes in Loans and Advances	(5,620.22)		2,434.37	
Change in other current Assets	(2,996.46)		(3,394.89)	
Change in current liabilities	6,810.10		538.38	
Net change in working capital	(12,245.58)	(12,245.58)	(12,214.91)	(12,214.91)
CASH GENERATED FROM OPERATIONS		(3,427.55)		(513.68)
Cash Flow from Investment Activities				
Direct Taxes Paid	(30.64)		(283.67)	
Cash flow before Extra Ordinary / prior period items				
Interest Received	144.69		330.68	
Prior Period items (Restructuring)				
Net cash flow from operating activity				
Increase in Fixed Assets	(5,811.07)		(21,669.50)	
Decrease in Fixed Assets	-			
Increase of investment	-		(1,200.90)	
Loss on Sale of Assets				
Net cash flow from investing activities	(5,697.02)	(5,697.02)	(22,823.39)	(22,823.39)

Cash Flow Statement

for the year ended 31.03.2011 (Contd.)



(Rs. in lakh)

	AS AT 31.03.2010 12 Months		AS AT 31.03.2011 12 Months	
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	200.00		714.36	
Proceeds from Debt Re-structuring	-			
Proceeds from Premium	3,654.33		12,897.99	
Increase in Secured loans	8,064.75		10,159.00	
Increase in unsecured loan			3,000.00	
Decrease in Subsidy	-			
Interest paid	(2,362.26)		(2,487.77)	
Increase in long term & other borrowing (net)				
Dividend	404.53		650.79	
Net cash flow from financing activities	9,961.35	9,961.35	24,934.37	24,934.37
Net increase in cash & cash equivalents		836.78		1,597.30
Add: Cash & cash equivalents opening	1,526.32		2,363.10	
Cash & cash equivalents closing	2,363.10	(836.78)	3,960.40	(1,597.30)

For & on behalf of the Board of Directors

Nishant Javlekar
Company Secretary

S.N. Bhatnagar
Chairman

Amit Bhatnagar
Managing Director

Sumit Bhatnagar
Joint Managing Director

Date : 4th August, 2011

Place : Vadodara

Auditor's Certificate

We have examined the above cash flow statement of Diamond Power Infrastructure Ltd (The Company) for the year ended March 31st 2011. The statement has been prepared by the company in accordance with the requirements of listing agreements with the stock Exchanges and is based on and in agreements with the corresponding profit and loss account and balance sheet of the Company covered by our report of even date.

For **VIJAY. N. TEWAR & CO.**

(Chartered Accountants)

Vijay N. Tewar

Proprietor

Membership No. 040676

Date : 4th August, 2011

Place : Vadodara

Schedule of Balance Sheet



	(Rs.)	
	2009-10	2010-11
SCHEDULE - 1 : PAID UP SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
50000000 Shares (30000000 Shares) Of Rs. 10 Each	500,000,000	500,000,000
ISSUED & SUBSCRIBED SHARE CAPITAL		
37886121 (28742510) Equity Shares Of Rs. 10 Each	287,425,100	378,861,210.00
PAID - UP SHARE CAPITAL		
37206371 (28062760) Eq. Shares of Rs.10 Each Fully Paid - Up	280,627,600	372,063,710.00
- In Respect of the Above, * 46,40,800 Eq. Sh. Were Allotted on Preferential Basis During 1999-2000 * 7,50,000 Eq.Sh. Were Allotted on Preferential Basis During 2005-2006 * 1250000 Eq. Shares Were Allotted on Conversion of Fully Convertible Debentures on Preferential Basis During The Year 2006 - 2007 & Balance 12,50,000 Eq. Shares During The Year 2007-2008 * on Conversion of Equity Warrant During The Year 2007-2008, 1,50,000 Eq. Shares Were Allotted To Brescon Corporate Advisors Limited, 5,50,000 Eq. Shares To Promoters & 1,00,000 Eq. Shares To Clearwater Capital Partners (Cyprus) Limited. Issue of Bonus Shares are in Nos 7015690 During the Year Company Issued Fresh Shares to QIP Holder and also did prefetinal Allotment totally added 71,43,611 Shares Warrants alloted to group company are converted into eq. shares which added other 26,66,667 Shares (The Company Had Forfeited 679750 Equity Shares on 29.4.2000 out of Issued Capital of 18250000 Eq. Sh.)		
Share Warrant Money 2000000 SHARE WARRANTS OF RS. 10 EACH	20,000,000	
Total	300,627,600	372,063,710
SCHEDULE - 2 : RESERVES & SURPLUS		
(A) CAPITAL RESERVE		
Reserve on Debt Restructuring	172,380,955	172,380,955
Reserve on Forfieted Shares	3,612,750	3,612,750
Total	175,993,705	175,993,705
(A-1) SECURITIES PREMIUM		
Shares Premium	867,681,020	2,522,912,767
Premium on Warrants	365,432,782	
Securities Permium -- Total	1,233,113,802	2,522,912,767
(A-2) STATE GOVT SUBSIDY		
State Government Subsidy		
State Government Subsidy	2,500,000	2,500,000
State Government Subsidy -- Total	2,500,000	2,500,000

Schedule of Balance Sheet (Contd.)



		(Rs.)
	31/03/2010	31/03/2011
(B) GENERAL RESERVE		
Opening Balance	15,00,000	47,127,456
Add : Transfer from Profit & Loss Account	45,627,456	84,598,721
Total (A)	47,127,456	131,726,177
Profit & Loss Account	87,79,29,516	1,202,825,489
Profit during the year	440,680,329	845,987,211
Total	1,318,609,845	2,048,812,700
Less : Transfer to General Reserve	45,677,456	84,598,721
Capitalisation of Profit & Loss	7,01,56,900	6,666,670
Total	115,784,356	91,265,388
(B)	1,202,825,489	1,957,547,312
Total (A+B)	1,249,952,945	2,089,273,489
Reserve & Surplus Total	2,661,560,452	4,790,679,961

SCHEDULE - 3 : SECURED LOANS

SECURED LOANS

(A) TERM LOANS

Axis Bank Term Loan	596,596,928	-
Bank Of India	261,000,000	-
ICICI Bank Ltd	0	1,500,000,000
Term Loans -- Total	857,596,928	1,500,000,000

(B) WORKING CAPITAL DEMAND LOAN & SHORT TERM LOANS

(B-1) CASH CREDIT		
Bank OCC Account	1155695333	1,547,711,159
Bank LC Account		45
Cash Credit Account -- Total	1155695333	1,547,711,205
(B-2) WORKING CAPITAL DEMAND LOAN		
Working Capital Demand Loan All	400,000,000	400,000,000
Working Capital Demand Loan -- Total	400,000,000	400,000,000
Other Loans	3,360,273	4,840,903
Clear Water Capital Partners Loan	700000000	-
Other Loans -- Total	703360273	4,840,903
Working Capital Loans -- Total	2,259,055,606	1,952,552,108
Non Convertible Debentures	0	680,000,000
Total	0	680,000,000
Secured Loans -- Total	3,116,652,534	4,132,552,108

SCHEDULE - 4 : UNSECURED LOANS

From Relatives & Associates	0	-
From Bank of Baroda	0	300,000,000
Sales Tax Defferment Loan		
Fully Convertible Debentures		
Unsecured Loan -- Total	0	300,000,000

Schedule of Balance Sheet (Contd.)



	(Rs.)	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
		Op.Bal. 01.04.2010	Addition	Dedu.	31.03.2011	01.04.2010	For the year	Dedu.	31.03.2011	01.04.2010
SCHEDULE - 5 : FIXED ASSETS										
Land & Site Development		10,704,716	26,775,273	-	37,479,989	-			-	10,704,716
Building		215,218,513	204,988,287	(4,100)	420,202,700	31,002,348.01	10,784,658	-	41,787,006	184,209,665
Plant & Machinery		997,414,860	1,421,334,606		2,418,749,466	292,975,984	129,484,625	-	422,460,609	704,444,876
Electrical Installation		51,733,185	24,857,208		76,590,393	12,797,646	4,808,809	-	17,606,455	38,935,538
Furniture & Fixture / Equipments		27,012,805	432,971		27,445,776	18,540,589	3,127,415	-	21,668,004	8,463,516
Vehicles		17,371,315	4,290,194	(721,088)	20,940,421	8,089,221	1,853,537	256,886	9,685,872	9,288,594
Other Assets		124,388		-	124,388	124,388			124,388	-
Total		1,319,579,782	1,682,678,539	(725,188)	3,001,533,133	363,530,176	150,059,044	256,886	513,332,334	956,046,906
Capital Work In Progress		960,832,445	3,404,431,476	(2,919,691,822)	1,445,572,099	-	-		-	960,835,143
Grand Total		2,280,412,228	5,087,110,015	(2,920,417,010)	4,447,105,232	363,530,176	150,059,044		513,332,334	1,916,882,051
					3,001,533,133.31		150,059,044.00			3,933,772,897

Schedule of Balance Sheet (Contd.)



	(Rs.)	
	31/03/2010	31/03/2011
SCHEDULE - 6 : INVESTMENTS		
LONG TERM INVESTMENTS		
(B) INVESTMENTS IN UNQUOTED SHARES		
Unquoted shares at Cost	50,644,426	100,644,426
Investments in Unquoted Shares -- Total	50,644,426	100,644,426
(C) OTHER INVESTMENTS		
Other Investments	46,001	46,001
Accrued Interest in Other Investments		
Investment In Shares(Apex Electricals)		65,090,000
Baroda Pioneer Equity Fund		5,000,000
Other Investments -- Total	46,001	70,136,001
Investments -- Total	50,690,427.00	170,780,427
SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES		
(A) CURRENT ASSETS		
(A-1) INVENTORIES AT COST(AS CERTIFIED BY MANAGEMENT)		
Raw Materials	149,125,411	338,026,173
Work in Progress	1,352,066,365	1,822,153,704
Finished Goods	255,480,852	180,681,228
Packaging Material	741,338	16,740,635
Consumable Stores	10,740,040	16,770,387
Fuel & Gases	12,448,044	1,922,052
Goods in Transit	104,740,191	183,186,517
Inventories at Cost --- Total	1,885,342,240	2,559,480,705
(A-2) SUNDRY DEBTORS (UNSECURED CONSIDERED GOOD)		
Dealer Network	21,276,919	27,511,454
Export	12,562,867	1,002,152
Utility -- SEB's	1,010,983,973	1,169,760,893
Engineering Procurement Construction	78,276,120	121,555,276
Distributors	274,554,509	582,962,601
Sundry Debtors -- Total	1,397,654,387	1,902,792,375
(A-3) CASH & BANK BALANCE		
Cash in Hand	717,810	278,289
Bank Balance	4,873,227	104,676,208
Margin Money	228,438,825	291,060,534
Fixed Deposit	25,000	25,000
Accrued Interest in Other Investments	2,254,926	-
Cash & Bank Balance -- Total	236,309,788	396,040,032
(A-4) EPC PROJECTS PENDING FINAL BILLING APPROVAL		
EPC Projects Pending Billing Approval	592,570,553	852,620,482
EPC Projects Pending Final Billing Approval -- Total	592,570,553	852,620,482
Current Assets -- Total	4,111,876,969	5,710,933,594

Schedule of Balance Sheet (Contd.)



	(Rs.)	
	31/03/2010	31/03/2011
SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES (Contd.)		
(B) LOANS & ADVANCES (UNSECURED CONSIDERED GOOD)		
(B-1) LOANS		
Cash or Kind		
Staff	724,067	561,702
Apex Power Equipments Pvt. Ltd.	104,485,271	111,869,304
Diamond Power Transformer Ltd	61,181,208	87,376,704
Loans -- Total	166,390,546	199,807,710
(B-2) GOVERNMENT ADVANCES		
PLA	613,966	13,966
Cenvat	73,936,053	151,061,581
Service Tax	34,328,925	66,106,716
Tax Deducted at Source	2,541,243	2,541,242
Income Tax	6,393,699	702,332
Electricity Duty Refund	230,416	230,416
Sales Tax Advance		37,163,124
Government Advances -- Total	155,207,426	220,656,254
(B-3) CORPORATE ADVANCES		
Diamond E.H.V. Conductors	4,000	4,000
Apex Equipments Pvt. Ltd	857,967	1,388,384
Corporate Advances -- Total	861,967	1,392,384
(B-4) BUSINESS ADVANCES		
Advance to Vendor for Expenses	2,855,257	3,188,635
Advance to Vendors for Goods(Includes Capital Goods)	857,688,477	514,521,982
Advance to Branches		
Business Advances -- Total	860,543,734	517,710,618
(B-5) OTHER ADVANCES		
Retention Money		
Other Advances	50,502	50,501
Other Advances -- Total	50,502	50,501
Loans & Advances -- Total	1,183,054,176	939,617,469
(C-1) SUNDRY DEPOSITS		
Government Deposits	99,500	129,956
Security Deposit	128,498,485	131,580,577
Earnest Money Deposit	14,452,484	22,821,915
Lease Rent	6,618,400	73,859,180
Other Deposits	8,655,442.00	9,371,483
Sundry Deposits -- Total	158,324,311	237,763,111
Current Assets, Loans & Advances --- Total	5,453,255,456	6,888,314,175

Schedule of Balance Sheet (Contd.)



	(Rs.)	
	31/03/2010	31/03/2011
SCHEDULE - 8 : CURRENT LIABILITIES & PROVISIONS		
(A) CURRENT LIABILITIES		
(A-1) SUNDRY CREDITORS		
Creditors for Goods	240,542,109	400,367,859
Creditors for Expenses	108,836,912	119,584,413
Creditors for Goods Under LC	58,02,33,904	503,543,476
Sundry Creditors -- Total	929,612,925	1,023,495,749
(A-2) CREDITORS FOR OTHERS		
Duties & Taxes Payable	54,260,765	25,548,891
Statutory Liability Payable	24,320,474	30,979,082
Employee Dues Payable	3,076,316	5,354,945
Investor Education & Protection Fund		
Creditors for Others -- Total	81,657,555	61,882,919
(A-3) OTHER LIABILITIES PAYABLE		
Other Liabilities Payable	155,974,124	143,939,199
Other Liabilities Payable -- Total	155,974,124	143,939,199
Current Liabilities -- Total	1,167,244,604	1,229,317,868
(B) PROVISIONS		
Provision for Taxation	185,807,138	195,304,838
Provision for Dividends	55,809,557	111,616,089
Provision for Tax on Dividend	12,847,379	18,538,820
Provision for Expenses	2,795,181	3,832,254
Provision for Others		
Provisions -- Total	257,259,255	329,292,001
Current Liabilities & Provisions -- Total	1,424,503,859	1,558,609,869
SCHEDULE - 9 : MISCELLANEOUS EXPENDITURE		
(A) MISCELLANEOUS EXPENDITURE		
(A-1) PRELIMINARY EXPENSES		
Preliminary Expenses	10,068,659	50,610,831
Preliminary Expenses -- Total	10,068,659	50,610,831
(A-2) PRE-OPERATIVE EXPENSES		
Pre-operative Expenses	0	54,000,000
Pre-operative Others	0	2,034,564
Pre-operative Expenses -- Total	0	56,034,567
(A-3) PRE-PROJECT EXPENSES		
Preproject Expenses ABC Cable		
Preproject Expenses HSHC conductor		
Preproject Expenses FRLS Cable		
Pre Project Expenses All	72,447,853	54,392,751
Pre-Projecxt Expenses -- Total	72,447,853	54,392,751
(A-4) DEFFERED REVENUE EXPENDITURE		
Share Issue Expenses		
Deferred Revenue Expenditure -- Total		
Miscellaneous Expenditure -- Total	82,516,512	161,038,150
(B) PROFIT & LOSS DEBIT BALANCE		
Profit & Loss Account - Balance Brought Forward		
Loss During the Year		
Profit During the Year -- Misc Expenditure		
Profit & Loss Debit Balance -- Total		
Miscelleanuus Expenditure -- Total	82,516,512	161,038,150

Schedule of Balance Sheet (Contd.)



	(Rs.)	
	31/03/2010	31/03/2011
SCHEDULE - 10 : INCREASE / DECREASE IN STOCK		
(A) OPENING STOCK		
Work in Progress	485,558,282	1,352,066,365
Finished Goods	700,372,615	255,489,103
Opening Stock -- Total	1,185,930,896	1,607,555,468
(B) CLOSING STOCK		
Work in Progress	1,352,066,365	1,822,153,704
Finished Goods	255,489,103	180,681,228
Closing Stock -- Total	1,607,555,468	2,002,834,932
WIP Increase / Decrease Division wise	[8,251]	[3,905,045]
Increase / decrease in Stock	421,616,321	391,374,419
SCHEDULE - 11 : OTHER INCOME		
Dividend Received	15	750
Interest Received	14,468,676	11,367,724
Notice Pay Recovered	33,367	136,261
Claim Received		54,663
Other Income	50	2,622,106
Other Income -- Total	14,502,108	14,181,504
SCHEDULE - 12 : NET RAW MATERIAL CONSUMED		
Opening Stock	128,586,989	149,125,140
Add: Purchases	6,372,500,496	11,169,638,511
Less: Closing Stock	149,125,140	338,026,173
Net Rawmaterial Consumed -- Total	6,351,962,345	10,980,737,477
SCHEDULE - 13 : EMPLOYEES EMOULMENTS		
Bonus	1,655,817	1,457,672
Director's Remuneration (Net)	24,794,574	22,473,696
House Rent Allowance	2,853,316	4,317,923
Leave wages / Salary	6,937,934	4,686,465
Medical Allowances	1,819,137	3,224,789
Providend Fund Expenses (P.F. & F.P.F)	3,203,543	3,458,638
Salary & Wages	27,842,013	28,438,927
Staff & Labour Welfare	2,144,492	3,584,528
Labour Contract Charges	42,565,070	64,679,133
Stipend	482,401	649,407
Telephone Allowance	1,821,862	2,612,774
Employees Emoulments -- Total	116,120,159	139,583,952
SCHEDULE - 14 : MANUFACTURING EXPENSES		
Cartage & Transport	4,421,426	6,721,135
Calibration Expenses	69,054	279,268
Consumable Stores	7,048,724	10,977,140
Repair & Maintenance (Plant & Machinery)	1,182,930	1,634,529
Factory Expenses	1,647,809	2,734,516
Insurance Expenses	2,959,855	2,406,806
Packing Material	46,244,178	80,003,680
Detention & Demmorage Charges		62,006
Srvvey Charges -- Infrastructure	1,685,200	182,592
Air time charges	14,400	14,400
Custom & Clearing Charges	160,987	
Manufacturing Expenses -- Total	65,434,564	105,016,073

Schedule of Balance Sheet (Contd.)



	(Rs.)	
	31/03/2010	31/03/2011
SCHEDULE - 15 : ADMINISTRATIVE EXPENSES		
Income Tax Assessment Dues		
Audit Fees	1,042,497	2,254,750
Consultancy Charges	1,235,584	1,131,693
Conveyance Expenses	424,773	625,517
Donation	1,100,367	2,339,501
Electricity Expenses	813,961	762,272
Exchange Fluctuation	78,459	
Legal & Professional charges	15,137,185	16,000,714
Post, Tele. & Courier Charges	619,686	659,910
Rent, Rates & Taxes	6,099,946	6,935,609
Application Fees	1,200	3,355
Repairs & Maintenance Others	1,785,884	2,751,695
Printing & Stationary Expenses	791,974	923,440
Sundry Expenses	564,146	968,005
Travelling Expenses	3,744,043	3,856,431
Vehicles Expenses	3,022,314	5,709,502
Amortisation Expenses	13,988,485	37,719,580
Office Expenses	406,987	721,876
Software Expenses	566,758	681,593
Sub-Total	51,424,249	84,045,443
Service Tax Expenses	1,244,480	2,620,040
Penalty	106	1,586,816
Loss on Sales of Fixed Assets		114,202
Sundry Balances Written of	78	-3,702
Hospitality Expense	405,518	970,298
Travelling Exp(Non FBT)	176,101	
Fixed Allowance	1,323,593	
Attendance Allowance	220,559	
Sub - Total 2	3,370,435	5,287,654
Administrative Expenses -- Total	54,794,684	89,333,097
SCHEDULE - 16 : SELLING & DISTRIBUTION EXPENSES		
Advertising Expenses	5,87,915	17,350,669
Sales Promotion Expenses	3,20,238	1,951,200
Commission on Sales	16,846,980	37,191,614
Marketing Expenses	35,284,470	44,659,054
Sales Tax	-	-
Selling & Distribution Expenses -- Total	55,920,600	101,152,536

Schedule Annexed to and Forming Part of the Accounts for Standalone



SCHEDULE - 17 : SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES

A . STATEMENT OF SIGNIFICANT ACCOUNTING POLICY

1. **Method of Accounting:** The Financial Statements are prepared as a going-concern under historical cost convention on an accrual basis except those with significant uncertainty and comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006, as amended, other pronouncements of the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956, (the 'Act') to the extent applicable. Accounting Policies not stated explicitly otherwise are consistent with generally accepted accounting principles (GAAP).
2. **Revenue Recognition:** Sales includes inter-divisional transfers, sale of scrap, Sales of Outsource Products, Sales related to Engineering Procurement and Contract Services, Excise duty Paid, Value Added tax and Invoices for price escalation as per Contracts with the relevant customers on accrual basis.
3. **Fixed Assets:** Fixed Assets are stated at cost less accumulated depreciation up to the year. Expenditure incurred on improvement or replacement, which in the opinion of the management is likely to substantially increase the life of the assets and future benefits from it, is capitalized. Capital expenditure includes advances for assets under erection/ installation are being grouped under capital work in progress.
4. **Depreciation:** Depreciation is charged on Straight Line basis at rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on addition / deletion or discarded Fixed Assets during the year is charged on pro - rata basis.
5. **Expenditure during construction period:** All pre-operative project expenditure (net of income accrued), including interest on borrowings incurred up to the date of installation is capitalized and added pro-rata to the cost of fixed assets. Foundation costs are allocated as certified by management.
6. **Investment:** Long-term investments are valued at cost.
7. **Inventories:** Inventories of finished goods are valued at lower of costs or net realizable value inclusive of excise duty. Work in process (including finished stock pending QC inspection) is valued at cost representing material, labour and apportioned overheads as certified by the management. Other inventories are valued at cost. Materials related to Projects under implementation are valued at standard cost.
8. **Provident Fund and Retirement Benefits:** Contribution to Provident Fund is accounted on actual liability basis. Provision for Gratuity and Leave Encashment is made based on actuarial valuation.
9. **Excise Duty:** Excise Duty payable on finished goods held as stock in the works is included in the expenditure and in such stocks as per the provisions of Section 145 of the Income tax Act, 1961.
10. **Miscellaneous Expenditure:** Expenditure on Fire Resistant Low Smoke Project (FRLS) & High Sensitivity & High Conductivity Conductors (HSHC) have been amortized over a period of five years. One- fifth portion of the expenses deferred on Aerial Bunch Cable Project (ABC Project) have been charged to the revenue for the financial period.
11. **Foreign Currency Transactions:** The Company has no Branch offices outside India. The Foreign currency transactions are recorded on initial recognition in the reporting currency by applying the exchange rate prevailing at the date of transaction .Any Income or Expense on account of exchange rate difference is recognized in the Income and Expenditure Account.
12. **Borrowing Costs:** Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.
13. **Income Tax:** Provision for Current Income Tax is made after considering Company's claims under the Income Tax Act, 1961 .This Liability is calculated at the applicable tax rate or Minimum Alternate Rate under Section 115JB of the Income Tax Act 1961 as the case may be.

Schedule Annexed to and Forming Part of the Accounts for Standalone (Contd.)



- 14. Deferred Tax :** Deferred Tax is Calculated at the tax rates and Laws that have been enacted or substantially enacted as of Balance Sheet date and is recognized on timing differences that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence are recognized and carried forward only to the extent that they can be released.
- 15. Impairment of Assets:** The Company has examined carrying cost of its identified Cash Generating Units (CGU) by comparing present value of estimated future cash flows from such CGUs, in terms of Accounting Standard-28 on impairment of Assets, and in absence of any indication of being potential impairment of Assets, no provision for impairment is required as assets of none of CGUs are impaired during the financial year under consideration.

PART B NOTES TO ACCOUNTS

1. Contingent Liabilities

- Letter of Credit opened Rs. 1145.25 Million (Previous Year Rs 803.96 Million); materials under all letters of credit have been received and accounted for as Creditors.
- Outstanding Bank Guarantees as of March 31, 2011 is Rs.948.73 Million (Previous Year Rs.683.18 Million).
- Income tax demands being in appeal not provided for Rs. NIL (previous year Rs Nil).
- There are no outstanding Claims against the Company.
- Corporate guarantees issued to wholly owned subsidiary – Diamond Power Transformers Ltd. In favour of SICOM Limited and Indian Overseas Bank, total Rs. 600 Million.

2. Share Capital :

During the current Financial Year, the share capital of the company underwent through various changes .During the year the company has undergone increase in share capital by way of Issue of fresh equity shares under QIP and Preferential Allotment. The company allotted totally 55,93,727 shares under QIP and 8,83,217 under Preferential allotment at Rs.203.80per share; so in totality

company has raised its Share Capital by 64,76, 944shares and 6,66,667 Shares were added by bonus Shares of Diamond Tele Cabs Pvt Ltd who were allotted 20,00,000 Warrants in 2009-10 .

3. Reserves and Surplus :

- Capital Reserve includes the amount of Rs. 2.5 Millions (Previous Year Rs. 2.5 Million) from State Govt. Subsidy., Rs 172.38 Millions (Previous year Rs 172.38 Millions) from Debt Restructuring, & Rs 3.61 Millions (Previous Year 3.61 Millions) from Forfeited Shares
- During the year company's share premium has increased by Rs 1289.80 Million (Previous year Rs 365.43Million). The increase in Premium is due to allotment of 64,76,944 shares with premium of Rs 193.80 per share and 20,00,000 share warrant issued to group companies with premium of Rs 200 per share .

4. Secured Loans:

- The company has availed a Term Loan of Rs. 1500 Million during the year 2010-11 from the ICICI Bank Ltd. @10.45% p.a.(Earlier Loan of Rs 1300 Million was @ 13.5% rate of interest per annum). The earlier loan was initially given by Axis Bank and others for on-going Expansion of Project. The said loan is taken over by ICICI Bank at lower rate of Interest.
- The company availed a corporate loan of Rs 400 mn from Tata Capital Limited which was sanctioned with interest rate of 12.25% p.a.

The said loans are secured by way of First Parri-passu charge on fixed assets of the company, both present and future and second Pari Passu Charge on all Current Assets of the company, both Present and Future.
- The Company during FY 2010-11 allotted Secured Redeemable Non-Convertible Debentures (Debentures) in form of Redeemable, Separately Transferable Redeemable Principal Parts (STRPPs) amounting to Rs 680 mn carrying an annual rate of interest of 12.25%

The said debentures are secured by First Parri-passu charge on fixed assets of the company and/ or its subsidiaries/group entities, having minimum asset cover of 1.25 times to be maintained during the tenor of the NCDs.

Schedule Annexed

to and Forming Part of the Accounts for Standalone (Contd.)



4 The company has been sanctioned the fund based and non-fund based working capital facilities of Rs. 1000 Millions from the Axis Bank Ltd. ; Rs. 1420 Million from the Bank of India ; Rs. 1240 Million from the ICICI Bank Ltd.,; Rs. 1340Million from the Bank of Baroda , Rs 990 Million from Allahabad Bank & Rs 400 Millions from Dena Bank and Rs 320 Millions from Indian Overseas Bank against the security of first pari passu charge on the entire current assets of the company by way of Hypothecation agreement and the second pari passu charge on the entire fixed assets of the company.

5. Balance confirmation letters were sent out to various debtors and creditors. The confirmation of most of the Debtors and creditors is received.
6. The method of valuation of inventories adopted by the company is in accordance with the requirements of Accounting Standard 2 (Valuation of Inventories and as revised from time to time) issued by the Institute of Chartered Accountants of India.
7. In the opinion of the Management all the current assets, loans and advances and deposits are realizable at value stated in the ordinary course of the business which are at least equal to the amount at which they are stated in the books unless otherwise explicit.

8. Segmental Reporting :

The company is primarily engaged in the manufacture of conductors, cables and selling out- sourced products and EPC Contracts. As the company's manufacturing facilities are inter woven/ inter- mix due to the nature of its business with the EPC business, it is not possible to directly and specifically attribute or allocate on a reasonable basis, the expenses, assets & liabilities in different Segments. The segmental Sales product wise are as follows:

	(Rs in Million)			
	2010-11	2009-10	2008-09	2007-08
Gross Segment Revenue				
Conductor	4,615.04	3,431.98	3,539.72	3,775.05
Cables (LT & HT)	5,125.28	2,031.53	817.59	666.18
Power Infrastructure –Turnkey Project [EPC]	4,231.67	3,291.48	1,800.00	649.45
Total Gross Sales	13,971.98	8,754.99	6,157.31	5,090.68
Less: Inter Segment Sales	1,121.25	1,400.82	-	-
Gross Sales	12,850.73	7,354.17	6,157.31	5,090.68
Less: Excise Duty	174.44	111.36	149.57	231.90
Net Sales	12,676.29	7,242.81	6,007.74	4,858.78

9. Share Holding in Various Companies :

The Company holds the following shares

1. 50% in Apex Electricals Ltd
2. 100% in its Subsidiary Diamond Power Transformer Ltd.

10. Related Party Disclosures :

A. Particulars of Associates of the Company:

Name of the Related Party	Nature of Relationship
1 Diamond Infosystems Ltd.	Associate Company of DPIL
2 Diamond Projects Ltd.	Associate Company of DPIL

B. Subsidiary Company:

Name of the Subsidiary
Diamond Power Transformers Ltd

C. Key Management Personnel and their Relatives

Key Management Personnel and their Relatives	Nature of Relationship
1 Mr. S.N.Bhatnagar	Chairman
2 Mr.Amit Bhatnagar	Managing Director
3 Mr. Sumit Bhatnagar	Jt. Managing Director

D. Relatives of Key Management Personnel:

1 Smt Madhurilata Bhatnagar
2 Smt Mona Bhatnagar
3 Smt Richa Bhatnagar

E. Enterprise under Significant influence of Key Management Personnel: None

Schedule Annexed to and Forming Part of the Accounts for Standalone (Contd.)



F. Summary of the Transaction with related Parties and it's Associate Companies:

Particulars	(Rs in Lakh)				
	Associate	Key Management Personnel	Relative of key Management Personnel	Ent. Under significant Influence of key Mgt. Personnel & their relatives	Total
Purchase/ (sales) of Goods	2830	Nil	Nil	Nil	2830
Receipts/ Rendering of services	35	Nil	Nil	Nil	35
Rent (Paid)/ Recd.	12	Nil	Nil	Nil	12
Advances Recd/(Given)	45	Nil	Nil	Nil	45
Directors Remuneration	Nil	224.8	Nil	Nil	224.80
Outstanding Receivable as on 31.03.2011	Nil	Nil	Nil	Nil	Nil

Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company and approved by the Board of Directors of the Company, which has been relied upon by the Auditors. Enterprise under the same management include Wholly Owned Subsidiary Diamond Power Transformers Ltd.

11. Earnings Per Share (EPS) :

Earnings Per Share (EPS)	(Rs Million)	
	March 31, 2010	March 31, 2011
I Profit Computation for both Basic and Diluted Earnings Per Share of Rs.10 each		
Net Profit as per Profit & Loss Account available for Equity Shareholders	505.76	976.14
II Weighted average number of equity shares for Earnings per share computation		
(A) For Basic Earnings per Share	28,062,760	37,206,371
(B) For Diluted Earnings per Share No. of shares for Basic EPS as per II A	28,062,760	37,206,371
Add: Weighted Average outstanding Option / Shares deemed to be issued for no consideration	-	-
No. of shares for Diluted Earnings per share	28,062,760	37,206,371
III Earnings per Share (Weighted Average)		
Basic	Rs 18.02	Rs 26.24
Diluted	Rs. 18.02	Rs. 26.24

12. Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated

After filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2011 has been made in the financial statements based on information received and available with the Company. Detail of the Small Scale Industries (SSI) units which have supplied the materials to the company and to whom the company owes a sum exceeding RS 1.00 Lacs and which is outstanding for more than 30 days is Nil

Note: The above Information regarding Small Scale Industrial undertaking has been determined to the extent such parties has been identified on the basis of information available with the company. The same has been relied upon by the Auditors.

13. Sales include an amount of Rs 1121.25 Million (Net of Duty) of inter- unit Transfer (Previous year Rs 1400.83 Million).
14. Aggregate directors' remuneration is Rs 22.48 Million (previous year Rs 26.68 Million. The remuneration of directors is as per the approval accorded by remuneration Committee, shareholders and Central Government as per the provisions of section 311 read with Schedule XIII of the Companies Act, 1956.
15. Aggregate Auditor's remuneration is fixed at Rs 1.04 Million (previous year Rs 1.04 Million. Which includes Rs 1.02 Million as Audit Fees (Previous year Rs 1.02 Millions).
16. As per Accounting Policy (10) on excise duty, the excise duty payable on finished goods in stocks at works amounting to Rs 18.61 Million (previous year Rs 26.61 Million) has been included in the expenditure and in such stocks. However, the same has no impact on the profit for the year.
17. There are no amounts due and outstanding to be credited to investor Education and Protection Fund.

Schedule Annexed to and Forming Part of the Accounts for Standalone (Contd.)



18. Details of Licensed, Installed Capacities and Production:

Goods Manufactured	Licensed Capacity	Installed Capacity Current Year	Production Current Year 12 Months	Production Previous Year 12 Months
All Aluminum Alloy Conductors & ACSR Conductor (Excluding Conductors used In Cables)	NA	50500 MTPA.	36,700	35,300
LT Electric Power Cables & Control Cables	NA	34,300 Kms	14400	8490 Kms
HT Cables	NA	5600 Kms	2553	420 Kms
EHV Cables	NA	2000 Kms	Nil	NA
Transmission Towers		48000 MT	Nil	NA

Consumption of Assorted Wire / Wire rods is not provided, as they are totally consumed in-house for manufacture of conductors.

Installed capacity and capacity utilization are as certified by the management and not verified by the auditors being a technical matter.

The quantity in Kms. cannot comparable as the weight per Kms of each conductor varies on the cross section area and current carrying capacity. Hence, the production has been shown in Kms. The Quantity are usually taken as per relevant IS standards.

19. Details of Raw Materials Consumed (including captive consumption)

Description of Item	U.O.M	Quantity For the year 2010-11	Quantity For the year 2009-10
Aluminium	M.Ts.	49,600	41,300
Copper	M.Ts.	1955	1500

20. Value of Imported and indigenous Raw Material Consumed and Percentage thereof:

Raw Materials	(Rs in Millions)			
	Current year (2010-11)	Previous year (2009-10)	Current year % (2010-11)	Previous year % (2009-10)
Imported	142.8	1300	1.4	1.8
Indigenous	10837.94	69,700	98.6	98.20

21. Particulars of Sales and Stocks:

Item	U.O.M	Opening Stock	Sales	Closing Stock
Conductors	Kms.	4229	32,300	3345
Power & Control Cables	Kms.	1043	16,600	678.4

22. Expenditure in Foreign Currency

Particular	(Rs Million)	
	2009-10	2010-11
Import on CIF Basis	1,35.00	142.8
Travelling Expenses	0.30	0.60
Others	330.00	224.92

23. Income in Foreign currency

Income in Foreign currency	(Rs Million)	
	FOB Value of Export 2009-10	FOB Value of Export 2010-11
Exports	Rs 380 Millions	14.80
Foreign exchange fluctuation	Rs Nil	1.58

Previous year figures are regrouped /reclassified where ever necessary to make them comparable with the current year.

Signature to Schedule 1 to 17 forming part of the accounts. As per our even date

For **VIJAY. N. TEWAR & CO.**

(Chartered Accountants)

For & on behalf of the Board of Directors

Vijay N. Tewar

Proprietor

Nishant Javlekar

Company Secretary

S.N. Bhatnagar

Chairman

Amit Bhatnagar

Managing Director

Sumit Bhatnagar

Joint Managing Director

Membership No. 040676

Date : 4th August, 2011

Place : Vadodara

Additional information pursuant to Part IV of the Companies Act, 1956. Balance Sheet Abstract & Companies General Business Profile



		(Rs in Thousand)	
Sr. No.	PARTICULARS	As at 31.03.2010	As at 31.03.2011
1	Registration Details		
	Registration No.	18198	18198
	State Code No.	4	4
	Balance Sheet Date	3/31/2010	3/31/2011
2	Capital raised during the year		
	Public issue (issue through the prospectus)	Nil	Nil
	Right issue	Nil	Nil
	Bonus issue	70157	Nil
	Private Placement	yes	yes
3	Position of mobilisation and development of funds		
	Total liabilities	6,078,840.59	9,595,295.78
	Total Assets	6,078,840.59	9,595,295.78
	Sources of Funds		
	Paid up capital	300628	372064
	Reserve & surplus	2661560	4790680
	Secured loans	3116653	4132552
	Unsecured loans	0	300000
	Applications of funds		
	Net fixed assets	1916882	3933773
	Investments	50690	170780
	Net current assets	4028752	5329704
	Miscellaneous expenditure	82517	161038
	Accumulated Losses		
4	Performance of company		
	Turnover	7242816	13081847
	Total expenditure	6982021	11886550
	Profit before extra ordinary items & taxation	696914	1195297
	Profit / (Loss) before tax	505732	1195297
	Profit / (Loss) after tax	505759	976150
	Earning per share (Rs)	18.02	22.74
	Dividend rate %	15%	30%
5	Generic name of principal products, services of the company		
	Item code (ITC Code)	AYFY,AYY,YWY,YY	AYFY,AYY,YWY,YY
	Product Description	FRLS,XLPS Cables	FRLS,XLPS Cables
	Item code (ITC Code)	AAA,AAAC, ACSR	AAA,AAAC, ACSR
	Product Description	Conductor	Conductor
	Item Code	Ec Alloy	Ec Alloy
	Product Description	Wire Rods	Wire Rods
		HT Cables	HT Cables
		Transformer	Transformer
		Transmission Tower	Transmission Tower

For **VIJAY. N. TEWAR & CO.**

(Chartered Accountants)

Vijay N. Tewar

Proprietor

Membership No. 040676

Date : 4th August, 2011

Place : Vadodara

For & on behalf of the Board of Directors

Nishant Javlekar

Company Secretary

S.N. Bhatnagar

Chairman

Amit Bhatnagar

Managing Director

Sumit Bhatnagar

Joint Managing Director

Statement Pursuant to Section 212 of the companies Act, 1956 Relating to Subsidiary Company



1	Name of the Subsidiary Company	Diamond Power Transformers Ltd.
2	The financial year (Period) of the subsidiary company ended on	March 31, 2011
3	Extent of interest of Diamond Power infrastructure Limitd in the capital of the subsidiary at the end of the financial year of the subsidiary	99,60,000 equity shares of Rs. 10/- each sully paid up in total of 100,00,000 equity shares.
4	The net aggregate amount of profit/ Loss of the subsidiary so far as it concerns the members of Diamond Power Infrastructure Limited	
	(a) Not dealt with in the company's accounts for the year ended March 31, 2011 amounted to	
	i) For the subsidiary's financial year ended in (2) above.	Rs. 12,72,13,711
	ii) For the previous financial years of the subsidiary since it become the holding company's subsidiary.	Rs. 111,919,853.24
	(b) Dealt with in company's accounts for the year ended March 31, 2010 amounted to	
	i) For the subsidiary's financial year ended as in (2) above.	Not Applicable
	ii) For the previous financial years of the subsidiary since it become the holding company's subsidiary.	Not Applicable

For & on behalf of the Board of Directors

Nishant Javlekar
Company Secretary

S.N. Bhatnagar
Chairman

Amit Bhatnagar
Managing Director

Sumit Bhatnagar
Joint Managing Director

Date : 4th August, 2011

Place : Vadodara

Auditors' report



We have audited the attached Balance Sheet of DIAMOND POWER TRANSFORMERS LIMITED (formerly known as Diamond Power Transformers, a partnership firm registered under the Partnership Act, 1932) as on 31st March, 2011 and also the profit and loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; an audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Company's (Auditor's Report) order, 2003 as amended by Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and according to the information and explanations given to us and on the basis of such checks as we considered appropriate, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Act.

FURTHER TO OUR COMMENTS IN THE ANNEXURE REFERRED TO ABOVE, WE REPORT THAT:

1. We have obtained all information and explanations which, to the best of knowledge and belief, were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts, as required by law, have been kept by the company so far as appears from our examination of these books.

3. The Balance Sheet and Profit and loss account dealt with by this report are in agreement with the books of accounts.
 4. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Sub-section (3c) of Section 211 of the Companies Act, 1956.
 5. On the basis of the written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
 6. Attention is invited to the following: NIL
- Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India.
- (a) In the case of Balance Sheet of the state of affairs of the company as at 31st March 2011 and,
 - (b) In the case of the Profit and Loss account of the profit for the year ended on that date.
 - (c) In the case of the Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

For **R. A. AMIN & CO.**
(Chartered Accountants)

FRN:100334W

(Hiren R Amin)

Proprietor

Place: Vadodara

Date: 3rd August, 2011

Membership No. 111009

Annexure to Auditors' Report



[Referred to in paragraph 3 of our report of even date] Re: **DIAMOND POWER TRANSFORMERS LIMITED** ('the Company')

01 FIXED ASSETS

- (a) The company has maintained proper records showing full particulars including quantitative details and situations of fixed assets of the company.
- (b) As explained to us, the Company has a programme for physical verification of fixed assets in accordance with which the fixed assets have been physically verified during the year by the Management. In our opinion, the frequency of physical verification is reasonable. Having regard to the size of the operations of the Company and on the basis of explanations received, in our opinion, the net discrepancies found on physical verification were not material.
- (c) The Company has not disposed off any fixed assets during the year.
- (d) The disclosure requirements as required by AS-10 are made in the necessary area.

02 INVENTORIES

- (a) As informed to us the stock of finished goods, stores and spare parts and raw material of the Company have been physically verified by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- (d) The disclosure requirements as required by AS-2 are made in the necessary area.

03 LOANS

The company has obtained loans from Share holders. In our opinion the rate of interest & the terms and conditions on which such loans are obtained are not prima facie prejudicial to the interest of the Company.

The Company has not made any loans and advances to its staff in the nature of loans during the year under review.

04 INTERNAL CONTROL SYSTEM

In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. There is no continuing failure to correct major weaknesses in the internal control system of the company.

05 CONTRACTS (OR) ARRANGEMENTS

- (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

06 PUBLIC DEPOSITS

The Company has not accepted any deposits from the public and hence compliance with the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Act and the Rules framed there under are not applicable.

07 INTERNAL AUDIT SYSTEM

The Company has an internal audit system. However, there is scope for increasing the coverage so as to be commensurate with the size and nature of its business. The Company has not appointed any internal auditor during the year.

08 COST AUDIT RECORDS

Based on the information and explanations furnished to us, the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, is not applicable.

Annexure to Auditors' Report (Contd.)



09 STATUTORY DUES

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to the Company were in arrears, as at March 31, 2011 for a period of more than six months from the date they became payable.

10 ACCUMULATED LOSSES

The company does not have accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

11 DUES TO FINANCIAL INSTITUTIONS / BANKS

In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holder.

12 LOANS BY PLEDGE OF SHARES

Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13 CHIT FUND COMPANY

In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

14 TRADING IN SHARES

In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

15 GUARANTEES

In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or

financial institutions. Therefore, the provisions of clause (xv) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

16 TERM LOANS - APPLICATION

In our opinion and according to the information and explanations given to us, the term loan raised have been applied for the purpose for which they were raised other than funds temporarily invested pending utilization of the funds for the intended use.

17 BORROWED FUNDS - USAGE

In our opinion and according to the information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, we report that generally no funds raised on short term basis have been used for long term investment by the Company.

18 PREFERENTIAL ALLOTMENT OF SHARES

According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

19 DEBENTURES

In our opinion and according to the information and explanations given to us, during the period covered by our audit report, the Company has not issued debentures.

20 PUBLIC ISSUE

In our opinion and according to the information and explanations given to us, the company has not raised any money from public issues.

21 FRAUD AND INTENTIONAL MISREPRESENTATIONS

To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **R. A. AMIN & CO.**

(Chartered Accountants)

FRN:100334W

(Hiren R Amin)

Proprietor

Place: Vadodara

Date: 3rd August, 2011

Membership No. 111009

Balance Sheet

as at March 31, 2011



(Rs.)

	Schedules	AS ON 31.03.2010	AS ON 31.03.2011
SOURCE OF FUNDS			
Share Holder's Funds			
Share Capital	1	50,000,000	100,000,000
Reserves & Surplus	2	171,902,188	299,626,798
Total Share Holder's Funds		221,902,188	399,626,798
Loan Funds			
Secured Loans	3	1,852,812	158,456,282
Unsecured Loans	4		64,497,660
Total Loan Funds		1,852,812	222,953,942
Deferred tax liability		25,000	175,000
Total Source of Funds		223,780,000	622,755,740
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		36,577,218	165,370,707
Less : Depreciation		7,570,994	17,794,545
Net Block		29,006,224	147,576,162
Add : Capital Work In Progress		104,802,469	-
Total Fixed Assets		133,808,693	147,576,162
Investments	6	6,027,592	8,562,872
Current Assets, Loans & Advances	7		
Inventories		70,661,536	150,604,149
Sundry Debtors		118,651,750	425,546,938
Cash & Bank Balances		7,093,019	2,051,563
EPC Final Bill Pending Approval		-	
Loans & Advances		16,786,987	74,525,171
Other Current Assets		362,618	13,079,811
Total Current Assets		213,555,909	665,807,631
Less : Current Liabilities & Provisions	8		
Current Liabilities		69,466,112	120,680,253
Provisions		60,540,500	78,806,487
Total Current Liabilities		130,006,612	199,486,740
Net Current Assets		83,549,297	466,320,892
Miscellaneous Expenditure	9	394,419	295,814
(To the Extent Not Written Off or Adjusted)			
Total Application of Funds		223,780,000	622,755,740

Signature to Schedule 1 to 17 forming part of the accounts. As per our even date

For **R. A. AMIN & CO.**

(Chartered Accountants)

Hiren R Amin

Proprietor

Membership No. 111009

Date : 3rd August, 2011

Place : Vadodara

For & on behalf of the Board of Directors

Amit Bhatnagar

Director

Sumit Bhatnagar

Director

Profit & Loss Accounts

for the year end March 31, 2011



			(Rs.)
	Schedules	AS ON 31.03.2010	AS ON 31.03.2011
INCOME			
Gross sales		1,365,117,032	2,543,106,085
Less: Excise Duty		6,609,806	10,535,836
Net Sales		1,358,507,226	2,532,570,249
Increase in Stocks	10	34,134,301	80,928,830
Other Income	11	-1,284,165	172,463
Total Income		1,391,357,362	2,613,671,543
EXPENDITURE			
Raw Material Consumed	12	1,174,412,972	2,196,342,884
Employees' Emoluments	13	10,495,420	18,377,592
Power & Fuel		730,812	6,326,673
Manufacturing Expenses	14	12,318,021	12,264,320
Administrative Expenses	15	7,886,960	18,824,514
Selling and Distribution Expenses	16	2,526,629	127,759,974
Deferred Tax Liability		25,000	150,000
Expenditure-Total		1,208,395,814	2,380,045,957
Profit before Interest and Dep.		182,961,548	233,625,585
Less: Finance Charges		5,635,624	18,177,425
Less: Depreciation		3,030,861	10,223,551
Interest and Dep.-Total		8,666,485	28,400,976
Profit (Loss) before Tax		174,295,063	205,224,610
Income tax		59,991,131	77,500,000
Fringe Benefit Tax			
Total Tax Provisions		59,991,131	77,500,000
Profit after-tax		114,303,932	127,724,610
Add: Prior Period Adjustments			
Add: Extra Ordinary Items		-	
Total Adjustments		-	
Net Profit		114,303,932	127,724,610
Balance brought forward		57,598,256	171,902,188
Surplus transferred to Balance Sheet		171,902,188	299,626,798

Signature to Schedule 1 to 17 forming part of the accounts. As per our even date

For **R. A. AMIN & CO.**

(Chartered Accountants)

Hiren R Amin

Proprietor

Membership No. 111009

Date : 3rd August, 2011

Place : Vadodara

For & on behalf of the Board of Directors

Amit Bhatnagar

Director

Sumit Bhatnagar

Director

Cash Flow Statement



(Rs. in Lakh)

AS ON 31.03.2011

SOURCES OF FUNDS

1	Profit After Tax	1,277.25
	Add: Depreciation	102.24
	Net Cash Accruals	1,379.49
2.	Increase in Equity	500.00
3.	Increase in share Premium	
4.	Increase in Reserves	
5.	Increase in Term Loan	1,566.03
6.	Increase in WC borrowings	
7.	Increase in Unsecured Loans	
8.	Increase in Other Loans	644.98
9.	Increase in Creditors	
10.	Increase in Other Current Liabilities	694.80
11.	Decrease in pre-operative Exp.	0.99
12.	Investment in deferred tax liabilities	1.5
12.	Decrease in Investments	
(A) Total Sources		4,787.79

APPLICATION OF FUNDS

12.	Increase in Fixed Assets	239.91
13.	Increase in Current Assets	
	- Inventories	799.44
	- Debtors	3,068.96
	- Advances to Suppliers	
	- Other Current Assets	577.38
	- Advance/Loan	127.17
	- Non Current Assets	
	- Investments	25.35
14	Payment of contingent liability falling	
15	Payment of Dividend	
16	Repayment of Other Loan	
17	Repayment of Term Loan	
18	Repayment of Unsecured Loans	
19	Decrease in Deffered Tax Liabilities	
(B) Total Uses		4,838.21
	Opening Cash	70.93
	Net Flows (A - B)	-50.42
	Closing Cash	20.51

For **R. A. AMIN & CO.**
 (Chartered Accountants)

Hiren R Amin

Proprietor

Membership No. 111009

Date : 3rd August, 2011

Place : Vadodara

For & on behalf of the Board of Directors

Amit Bhatnagar

Director

Sumit Bhatnagar

Director

Schedule

forming part of Balance Sheet



(Rs.)

	AS ON 31.03.2010	AS ON 31.03.2011
SCHEDULE - 1 : PAID UP SHARE CAPITAL		
Equity Share Capital		
Equity Share Capital	50,000,000	100,000,000
Equity Share Capital -- Total	50,000,000	100,000,000
Share Warrant		
Share Warrant Money		
Share Warrant Application Money	-	
Share Warrant Calls in Arrears		
Share Warrant - Total	-	
Paid up Share Capital - Total	50,000,000	100,000,000
SCHEDULE - 2 : RESERVES & SURPLUS		
(A) CAPITAL RESERVE		
Reserve on Debt Restructuring		
Reserve on Forfeited Shares		
Total		-
(A-1) SECURITIES PREMIUM		
Shares Premium		-
Capital Redemption Reserve		
Revaluation Reserve		
Capital Gain on Sale of Asset		
Premium on Debenture		
Premium on Warrants		-
Securities Premium -- Total		-
(A-2) STATE GOVT SUBSIDY		
State Government Subsidy		
State Government Subsidy		-
State Government Subsidy -- Total		-
(B) GENERAL RESERVE		
General Reserve	171,902,188	299,626,798
General Reserve -- Total	171,902,188	299,626,798
Reserves & Surplus -- Total	171,902,188	299,626,798

Schedule

forming part of Balance Sheet (Contd.)



(Rs.)

	AS ON 31.03.2010	AS ON 31.03.2011
SCHEDULE - 3 : SECURED LOANS		
(A) TERM LOANS		
Sicom Ltd.		100,000,000
Interest Accrued & Due		
Term Loans -- Total		100,000,000
(B) WORKING CAPITAL DEMAND LOAN & SHORT TERM LOANS		
(B-1) CASH CREDIT		
Bank OCC Account		55,837,704
Cash Credit Account -- Total		
(B-2) WORKING CAPITAL DEMAND LOAN		
Working Capital Demand Loan All		-
Working Capital Demand Loan -- Total		55,837,704
(B-3) OVER DRAFT		
Over Draft Loan -- Total		
Other Loans		
Axis Bank Ltd. (Car loan)	1,852,812	931,847
Kotak Mahindra (Car loan)		1,686,731
Clear Water Capital Partners Loan		-
Other Loans -- Total	1,852,812	2,618,578
Working Capital Loans -- Total		
(C) NON CONVERTIBLE DEBENTURES		
Non - Convertible Debentures		
Non - Convertible Debentures -- Total		
Secured Loans -- Total	1,852,812	158,456,282
SCHEDULE - 4 : UNSECURED LOANS		
From Relatives & Associates		-
From Body Corporates		64,497,660
Sales Tax Deferment Loan		-
Fully Convertible Debentures		
Unsecured Loan -- Total		64,497,660

Schedule

forming part of Balance Sheet (Contd.)



ASSETS		GROSS BLOCK				DEPRECIATION		NET BLOCK		(Rs.)
		As on 1/4/2010	Addition	Deduction/ Adjustments	As on 31/03/2011	As on 1/4/2010	Total Depreciation For the year	As on 31/03/2011	1/4/2010	
SCHEDULE - 5 : FIXED ASSETS										
Building		15,599,356	16,207,200	0.00	31,806,556	3,533,929	2,619,914	6,153,843	12,065,427	25,652,713
Land		9,250,240	64,735,900	0.00	73,986,140	0.00	0.00	0.00	9,250,240	73,986,140
Plant & Machinery		5,421,304	39,430,075	0.00	44,851,379	2,060,623	5,488,658	7,549,281	3,360,681	37,302,098
Office equipments		220,364	0.00	0.00	220,364	88,211	18,382	106,593	132,153	113,771
Computer		1,037,187	27,619	0.00	1,064,806	407,685	252,721	660,406	629,502	404,400
Furniture & Fixture		835,141	85,750	0.00	920,891	260,161	114,990	375,151	574,980	545,740
Testing Equipments		626,351	5,927,400	0.00	6,553,751	237,046	796,253	1,033,299	389,305	5,520,452
Electrical Installation		376,693	0.00	0.00	376,693	88,732	40,055	128,787	287,961	247,906
Airconditioner		24,100	64,800	0.00	88,900	9,097	2,087	11,184	15,003	77,716
Vehicle		37,610	0.00	0.00	37,610	18,953	5,597	24,550	18,657	13,060
Car		3,148,872	2,305,545	0.00	5,454,417	866,557	883,934	1,750,491	2,282,315	3,703,926
Refrigerator		0	9,200	0.00	9,200	0.00	960	960	0.00	8,240
Total		36,577,218	128,793,489	0.00	165,370,707	7,570,994	10,223,551	17,794,545	29,006,224	147,576,162

Schedule

forming part of Balance Sheet (Contd.)



	(Rs.)	
	AS ON 31.03.2010	AS ON 31.03.2011
SCHEDULE - 6 : INVESTMENTS		
LONG TERM INVESTMENTS		
(A) INVESTMENTS IN QUOTED SHARES		
Quoted Shares at Cost		
Additions to Quoted Shares		
Disposal of Quoted Shares		
Adjustments in the Shares (AS)		
Investments in Quoted Shares -- Total		
(B) INVESTMENTS IN UNQUOTED SHARES		
Unquoted shares at Cost	-	
Addition to Unquoted Shares		
Disposal of Unquoted Shares		
Adjustments in the Shares (AS)		
Investments in Unquoted Shares -- Total	-	
(C) OTHER INVESTMENTS		
Other Investments (FDR for BG & LC)	6,027,592	8,562,872
Additions to Other Investments	-	
Disposal of Other Investments		
Adjustments in Other Investments (AS)		
Accrued Interest in Other Investments		
Other Investments -- Total	6,027,592	8,562,872
Investments -- Total	6,027,592	8,562,872
SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES		
(A) CURRENT ASSETS		
(A-1) INVENTORIES AT COST(AS CERTIFIED BY MANAGEMENT)		
Raw Materials	6,897,746	5,911,529
Work in Progress	38,975,811	135,589,748
Finished Goods	24,787,979	9,102,872
Packaging Material	-	
Consumable Stores	-	
Fuel & Gases	-	
Goods in Transit	-	
Inventories at Cost --- Total	70,661,536	150,604,149
(A-2) SUNDRY DEBTORS (UNSECURED CONSIDERED GOOD)		
Dealer Network	-	
Export	15,563,084	-
Utility		
Engineering Procurement Construction	-	
Others	103,088,666	425,546,938
Sundry Debtors -- Total	118,651,750	425,546,938
(A-3) CASH & BANK BALANCE		
Cash in Hand		231,494
Bank Balance		18,20,068
Margin Money		
Fixed Deposit		
Cash & Bank Balance -- Total	7,093,019	2,051,563
Current Assets -- Total		

Schedule

forming part of Balance Sheet (Contd.)



	(Rs.)	
	AS ON 31.03.2010	AS ON 31.03.2011
SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES (Contd.)		
(B) LOANS & ADVANCES (UNSECURED CONSIDERED GOOD)		
(B-1) LOANS		
Cash or Kind		
Staff		
Other Advances	350,000	55,853,528
Loans -- Total	350,000	55,853,528
(B-2) GOVERNMENT ADVANCES		
PLA	7,137	7,137
Cenvat	3,820,968	8,012,929
Service Tax	58,298	
Fringe Benefit Tax		
Tax Deducted at Source	58,947	53,867
Income Tax	205,019	205,018
Input Vat Receivable	725	
Interest & Insurance Pre paid	951,073	1,113,009
Import Entitlement		
Electricity Duty Refund		
Sales Tax Advance		
Government Advances -- Total	5,102,168	9,391,960
(B-3) CORPORATE ADVANCES		
Apex Electrical Ltd.		2,500,000
Corporate Advances -- Total		2,500,000
(B-4) BUSINESS ADVANCES		
Advance to Vendor for Expenses		99,270
Advance to Vendors for Goods	3,152,352	6,680,414
Advance to Branches		
Business Advances -- Total	3,152,352	6,779,684
(B-5) OTHER ADVANCES		
Retention Money		
Other Advances	8,182,467	-
Other Advances -- Total	8,182,467	
Loans & Advances -- Total	16,786,987	74,525,172
(C-1) SUNDRY DEPOSITS		
Government Deposits		
Security Deposit		
Earnest Money Deposit		
Lease Rent		
Other Deposits	362,618	13,079,811
Sundry Deposits -- Total	362,618	13,079,811
Current Assets, Loans & Advances --- Total	17,149,605	87,604,983

Schedule

forming part of Balance Sheet (Contd.)



	(Rs.)	
	AS ON 31.03.2010	AS ON 31.03.2011
SCHEDULE - 8 : CURRENT LIABILITIES & PROVISIONS		
(A) CURRENT LIABILITIES		
(A-1) SUNDRY CREDITORS		70,81,115
Creditors for Goods	61,438,125	102,109,076
Creditors for Expenses		
Creditors for Goods in Transit		
Sundry Creditors -- Total	61,438,125	109,190,191
(A-2) CREDITORS FOR OTHERS		
Duties & Taxes Payable	5,576,592	10,572,702
Statutory Liability Payable		
Employee Dues Payable	419,938	675,925
Investor Education & Protection Fund		
Creditors for Others -- Total	67,434,656	120,438,817
(A-3) OTHER LIABILITIES PAYABLE		
Other Liabilities Payable	2,031,455	241,436
Other Liabilities Payable -- Total	2,031,455	241,436
Current Liabilities -- Total	69,466,111	120,680,253
(B) PROVISIONS		
Provision for Taxation	60,000,000	77,500,000
Provision for Dividends		
Provision for Expenses	540,500	1,306,487
Provision for Others	-	
Provisions -- Total	60,540,500	78,806,487
CURRENT LIABILITIES & PROVISIONS -- TOTAL	130,006,611	199,486,740
SCHEDULE - 9 : MISCELLANEOUS EXPENDITURE		
(A) MISCELLANEOUS EXPENDITURE		
(A-1) PRELIMINARY EXPENSES		
Preliminary Expenses	394,419	295,814
Preliminary Expenses -- Total	394,419	295,814
Miscellaneous Expenditure -- Total	394,419	295,814
SCHEDULE - 10 : INCREASE / DECREASE IN STOCK		
(A) OPENING STOCK		
Work in Progress	29,390,618	38,975,811
Finished Goods	238,871	24,787,979
Opening Stock -- Total	29,629,489	63,763,790
(B) CLOSING STOCK		
Work in Progress	38,975,811	135,589,748
Finished Goods	24,787,979	9,102,872
Closing Stock -- Total	63,763,790	144,692,620
WIP Increase / Decrease Division wise		
Increase / decrease in Stock	34,134,301	80,928,830
SCHEDULE - 11 : OTHER INCOME		
Foreign Exchange Fluctuation	-2,424,317	-315,955
Interest on FDR	497,622	488,418
Other Income	642,530	
Other Income -- Total	-1,284,165	172,463

Schedule

forming part of Balance Sheet (Contd.)



	(Rs.)	
	AS ON 31.03.2010	AS ON 31.03.2011
SCHEDULE - 12 : NET RAW MATERIAL CONSUMED		
Opening Stock	10,475,448	6,897,746
Add: Purchase	1,170,835,270	2,195,356,666
Less: Closing Stock	6,897,746	5,911,529
Net Raw material Consumed -- Total	1,174,412,972	2,196,342,884
SCHEDULE - 13 : EMPLOYEES EMOULMENTS		
Bonus & Exgratia	68,803	79,658
Salary & Wages	10,406,955	17,527,492
Staff & Labour Welfare	162	442
Stipend/ retainership fees	19,500	770,000
Employees Emoluments -- Total	10,495,420	18,377,592
SCHEDULE - 14 : MANUFACTURING EXPENSES		
Cartage & Transport, Loading unloading	4,545,191	646,295
Excise Duty Paid	144,348	1,199,470
Calibration /testing Expenses	922,423	1,181,791
Conversion/labour charges	5,667,117	8,148,817
Consumable Stores	59,977	42,730
Repair & Maintenance (Plant & Machinery)	143,598	63,365
Factory Expenses	326,875	490,357
Insurance Expenses	173,791	105,682
Packing Material		
Detention & Demurrage Charges		
Electricity Expenses		
Security charges	334,701	385,814
Sales Tax (VAT)	-	
Manufacturing Expenses -- Total	12,318,021	12,264,320
SCHEDULE - 15 : ADMINISTRATIVE EXPENSES		
Insurance Expenses (Car)	37,566	42,452
Income Tax Assessment Dues		
Audit Fees	135,000	200,000
Consultancy Charges	615,072	1,087,307
Conveyance Expenses	93,907	382,485
Donation	55,000	428,852
Training expenses		5,000
Misc, Expenses	11,054	78,299
Legal & Professional charges	1,512,031	3,289,169
Post, Tele. & Courier Charges	97,174	121,391
Rent, Rates, Taxes, interest, fees	3,116,451	9,939,770
Application Fees/certification fees		61,675
Repairs & Maintenance Others& car	827,736	192,583
Printing & Stationary Expenses	341,227	159,001
Tender fees	48,500	13,398
Travelling Expenses	717,993	743,441
Office Expenses	135,663	2,770
Software Expenses		
Sub-Total	7,744,374	16,747,591

Schedule

forming part of Balance Sheet (Contd.)



	(Rs.)	
	AS ON 31.03.2010	AS ON 31.03.2011
SCHEDULE - 15 : ADMINISTRATIVE EXPENSES (Contd.)		
Service Tax Expenses	33,581	61,248
Documentation / Franking Charges		1,914,670
ISO9002 Expenses	8,000	
Loss on Sale of Fixed Assets		
Professional Tax	2,400	2,400
FBT Paid		
Preliminary Expenses Written of	98,605	98,605
Sub - Total 2	142,586	2,076,923
Administrative Expenses -- Total	7,886,960	18,824,514

SCHEDULE - 16 : SELLING & DISTRIBUTION EXPENSES		
Advertising Expenses		1,013,144
Sales Promotion Expenses	170,144	37,226
Commission on Sales	2,034,757	1,670,609
Marketing Expenses	321,728	7,258,232
Sales Tax/ VAT		1,17,780,763
Selling & Distribution Expenses -- Total	2,526,629	127,759,974

SCHEDULE - 17 : SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The financial statements have been prepared under the accrual method of accounting on a going concern basis and statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP). Previous years figures have been regrouped / rearranged wherever necessary.

B. FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation.

Opening Capital Work in Progress has been capitalized during the year amounting to Rs. 10,48,02,469

C. DEPRECIATION

Depreciation is provided on written-down value basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

D. IMPAIRMENT OF ASSETS

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount.

E. VALUATION OF INVENTORIES

- Inventories are valued at lower of cost or net realizable value on FIFO basis.

- Raw materials, Stores and spares — includes purchase price and freight
- Work in progress — Material cost plus appropriate share of manufacturing overheads.
- Finished Goods — Absorption cost basis and includes material, labour and appropriate overheads.

F. INVESTMENTS

Investments are stated at cost. Provision for diminution in value on long-term investments is made only if such decline is other than temporary in nature.

G. REVENUE RECOGNITION

Sale of goods is recognized at the point of dispatch to the customers. Gross Sales are accounted inclusive of excise duty and sales tax.

H. EXPENSES

All expenses booked on accrual basis. Any deduction by customers on account of contractual deductions is worked out in each year and debited to Profit & Loss A/c.

I. FOREIGN CURRENCY TRANSACTIONS

Transactions in Foreign Currency are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at

Schedule

forming part of Balance Sheet (Contd.)



the balance sheet date and resultant gain or loss is recognized in the profit and loss account.

Gain/Loss on settlement of transaction arising on cancellation or renewal of a forward exchange contract is recognized as income or as expense of the period/year.

J. INCOME TAX

Provision for Current Income tax is made on the assessable income at the tax rate applicable to the relevant assessment year.

1. Corresponding figures of the previous year have been regrouped wherever necessary.
2. There are no Contingent liabilities as at the date of the Balance Sheet. Total Amount of BG Rs.3,11,70,729 (Rupees Three Crores Eleven Lacs Seventy Thousand Seven Hundred Twenty Nine only)
3. The balance of advances, debtors and creditors are taken on the basis of book figures and are subject to confirmation. However, in the opinion of the Board, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. The provision made in the accounts for depreciation and for all other known liabilities is considered adequate and not in excess of the amounts reasonably necessary.
4. Under the Micro, Small and Medium Enterprise Development Act, 2006, which came into effect from October 2, 2006, certain disclosures are required to be made relating to Micro, Medium and Small Enterprises. Based on the information available with the Company, there are no Creditors as on 31' March 2011 registered under the MSMED Act, 2006.
5. Value of Imports on CIF Basis - NIL
6. Earnings in Foreign Exchange - Rs.
7. Expenditure in Foreign Currency - Rs.

8. Related Party Disclosures

As identified by the company and relied upon, the related parties are as follows:-

Name of the related party	Relationship
Key Management Personnel **	
Mr. S. N. Bhatnagar	Director
Mr. Amit Bhatnagar	Director
Mr. Sumit Bhatnagar	Director

Relatives of Key Management Personnel **

Smt. Madhurilata Bhatnagar
Smt. Mona Bhatnagar
Smt. Richa Bhatnagar

Associate Companies / Firm

Diamond Power Infrastructure Limited
Diamond Projects Limited
Diamond Infosystems Limited

** No transactions have been entered into with any of the Key Management Personnel or their relatives during the year.

9. Additional Information Pursuant to the Provisions of Paragraphs 3 & 4 (C) & (D) of Part II of Schedule VI to the Companies Act, 1956:

A. In respect of products manufactured

(i) *Licensed Capacity :*

Not Applicable

(ii) *Installed Capacity :*

Not determinable being distribution transformer manufacturer of various ratings

B. Production	Numbers / Quantity
Opening Stock	75
Production	1272
Sales	1337
Closing Stock	10

Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956.



I. REGISTRATION DETAILS :

Registration No.: 052486/2007

Balance Sheet Date 31-03-2011

State Code : Gujarat

II. CAPITAL RAISED DURING THE YEAR (Amount Rupees in Thousand)

Public Issue : 50000

Right Issue : NIL

A) Total Issue : 50000

Bonus Issue : NIL

Private Placement : 0

B) Capital Raised : 50000

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT RS. IN THOUSAND)

Total Liabilities : 622756

Paid-up Capital :

Secured Loans : 100000

158456

Net Fixed Assets : Misc. Expenditure :

296

Performance of Company

Turnover : 2613499

Other Income : 173

Profit Before Tax and

prior period adjustments : 233626

Earning per Share : Rs. 12.7725

Total Assets : 622756

Sources of Funds

Reserves & Surplus : 299627

Unsecured Loans : 64498

Deferred Tax Liability : 175

Application of Funds : 147576

Net Current Assets : 466321

Investment : 8563

Total Expenditure : 2380046

Profit After Tax : 127725

Dividend Rate : NIL

Signature to Schedule 1 to 17 forming part of the accounts. As per our even date

For **R. A. AMIN & CO.**

(Chartered Accountants)

Hiren R Amin

Proprietor

Membership No. 111009

Date : 3rd August, 2011

Place : Vadodara

For & on behalf of the Board of Directors

Amit Bhatnagar

Director

Sumit Bhatnagar

Director

Auditors' Report on Consolidated Financial Statements for the years ended March 31, 2011



To,

The Board of Directors,

Diamond Power Infrastructure Ltd

Registered Office :

Village : Vadadala Tal Savli

Dist : Vadodara

1. We, M/s. Vijay N Tewar & Co. Chartered Accountants, the statutory auditor of Diamond Power Infrastructure Ltd (the "Company") have examined the attached consolidated balance sheet of the Company and its subsidiaries - Diamond Power Transformer Ltd (collectively referred to as "the Group") as at March 31, 2011 and the consolidated statements of profit and loss and cash flows for the year then ended and the related financial statements schedules (the "Audited Consolidated Financial Statements") These Audited Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Audited Consolidated Financial Statements based on our examination.
2. We report that the figures disclosed in the attached Audited Consolidated Financial Statements are extracted from the annual audited consolidated financial statements of the Group as at and for the years ended March 31, 2011, approved by the Board of Directors, regrouped wherever necessary for the year ended on March 31, 2011 and audited by M/s. Vijay N Tewar & Co, Chartered Accountants for the years ended on March 31, 2011, and in respect of which we have issued our audit reports dated August 04TH 2011 respectively to the Board of Directors of the Company. Accordingly any event subsequent to these dates have not been considered / adjusted for the said purpose. As stated by us in these reports, we conducted our audit in accordance with the auditing standards generally accepted in India.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Financial Statements of Diamond Power Transformers Ltd reflect a total income of Rs 261.37 Crores and a total expenditure of Rs 248.59 Crores for the period ended March 31, 2011 and total assets of Rs 62.28 Crores and total liabilities of Rs 22.31 Crores as of March 31, 2011. The Financial Statements of Diamond Power Transformers Ltd is prepared as per Indian Generally Accepted Accounting Principles (Indian GAAP")
4. We report that the consolidated financial statements of the Group as at and for each of the years ended March 31, 2011 have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 - Consolidated Financial Statements and other applicable Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 as amended from time to time.
5. Based on our audit as conducted above and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components and accounts furnished by the management and on the basis stated in paragraph above, we are of the opinion that the Audited Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Consolidated Balance Sheets, of the state of affairs of the Group as at March 31, 2011;
 - (ii) In the case of the Consolidated Profit and Loss Accounts, of the profit of the Group for the years ended on these dates; and
 - (iii) In the case of the Consolidated Cash Flows, of the cash flows of the Group for the years ended on these dates.
6. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this be construed as a new opinion on any of the financial statements referred to herein.
7. Our report is for the above specific purpose only and should not be used for any other purpose without our prior written consent.

For **VIJAY N. TEWAR & CO.**

(Chartered Accountants)

(Vijay N. Tewar)

Proprietor

Place: Vadodara

Date: 4th August, 2011

Membership No. 40676

Consolidated Balance Sheet

as at March 31, 2011



	(Rs.)	
	2009-10	2010-11
SOURCE OF FUNDS		
Share Holder's Funds		
Share Capital	300,627,600	372,063,710
Reserves & Surplus	2,833,462,640	5,090,306,758
Total for Share Holder's Funds	3,134,090,240	5,462,370,468
Loan Funds		
Secured Loans	3,118,505,346	4,291,008,390
Unsecured Loans	0	364,497,660
Total for Loan Funds	3,118,505,346	4,655,506,050
Deffered Tax Liability	25,000	175,000
Total of Source of Funds	6,252,620,586	10,118,051,520
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	1,356,154,297	3,166,903,841
Less : Depreciation	371,101,170	531,126,879
Net Block	985,053,127	2,635,776,961
Add : Capital Work In Progress	1,065,637,614	1,445,572,099
Total Fixed Assets	2,050,690,741	4,081,349,060
Investments	6,718,019	79,343,299
CURRENT ASSETS, LOANS & ADVANCES		
Inventories	1,956,003,776	2,710,084,854
Sundry Debtors	1,516,306,138	2,328,339,313
Cash & Bank Balances	243,402,808	398,091,594
EPC Final Bill Pending Approval	592,570,553	852,620,482
Loans & Advances	1,199,841,163	1,014,142,642
Other Current Assets	158,686,929	250,842,922
Total Current Assets	5,666,811,366	7,554,121,807
Less : Current Liabilities & Provisions		
Current Liabilities	1,236,710,717	1,349,998,121
Provisions	317,799,755	408,098,488
Total Current Liabilities	1,554,510,472	1,758,096,609
Net Current Assets	4,112,300,894	5,796,025,198
Miscellaneous Expenditure (To the Extent Not Written Off or Adjusted)	82,910,931	161,333,964
Total Application of Funds	6,252,620,586	10,118,051,520

Signature to Schedule 1 to 17 forming part of the accounts. As per our even date

For **VIJAY. N. TEWAR & CO.**

(Chartered Accountants)

For & on behalf of the Board of Directors

Vijay N. Tewar

Proprietor

Nishant Javlekar

Company Secretary

S.N. Bhatnagar

Chairman

Amit Bhatnagar

Managing Director

Sumit Bhatnagar

Joint Managing Director

Membership No. 040676

Date : 4th August, 2011

Place : Vadodara

Consolidated Income Statement for the year ended on March 31, 2011



	(Rs.)	
	2009-10	2010-11
INCOME		
Gross sales	8,719,293,099	15,393,845,144
Less: Excise Duty	117,969,898	184,984,135
Net Sales	8,601,323,201	15,208,861,009
Increase in Stocks	455,758,873	472,303,249
Other Income	13,217,943	14,353,968
Total Income	9,070,300,017	15,695,518,226
EXPENDITURE		
Raw Material Consumed	7,526,375,317	13,177,080,362
Employees' Emoluments	126,615,579	157,961,545
Power and Fuel	37,363,995	78,217,394
Manufacturing Expenses	77,752,585	117,280,393
Administrative Expenses	62,681,644	108,157,611
Selling and Distribution Expenses	58,472,228	228,912,509
Deffered Tax Liabilites		150,000
Expenditure-Total	7,889,261,349	13,867,759,813
Profit before Interest and Dep.	1,181,038,669	1,827,758,413
Less: Finance Charges	241,861,593	266,954,370
Less: Depreciation	67,959,860	160,282,595
Interest and Dep.-Total	309,821,453	427,236,965
Profit(Loss) before Tax	871,217,215	1,400,521,448
Income tax	251,172,994	296,646,484
Fringe Benefit Tax	-	-
Total Tax Provisions	251,172,994	296,646,484
Profit afterTax	620,044,221	1,103,874,964
Add: Prior Period Adjustments		-
Add: Extra Ordinary Items	-27,118	-5,210
Total Adjustments	-27,118	-5,210
Net Profit	620,017,103	1,103,869,754
LESS:		
Proposed Dividend	55,809,557	111,619,113
Tax on Proposed Dividend	9,269,270	18,538,820
Proposed Dividend(Including Tax)	65,078,827	130,157,933
Balance brought forward	554,938,276	973,711,821
Surplus transfered to Balance Sheet	937,027,772	1,492,012,034
Surplus transfered to Balance Sheet	1,492,012,033	2,465,723,854

Signature to Schedule 1 to 17 forming part of the accounts. As per our report of even date

For **VIJAY. N. TEWAR & CO.**

(Chartered Accountants)

For & on behalf of the Board of Directors

Vijay N. Tewar

Proprietor

Nishant Javlekar

Company Secretary

S.N. Bhatnagar

Chairman

Amit Bhatnagar

Managing Director

Sumit Bhatnagar

Joint Managing Director

Membership No. 040676

Date : 4th August, 2011

Place : Vadodara

Cash Flow Statement

for the year ended March 31, 2011



(Rs. in lakh)

	AS AT 31.03.2010 12 Months		AS AT 31.03.2011 12 Months	
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit		5,549.38		9,737.12
Adjustment for:				
Depreciation	679.60		1,602.83	
Deferred Expenses				
Income Tax	1,783.98		326.89	
Interest expenses	2,418.62		2,669.54	
Loss on sale of Assets	-		-	
Extra Ordinary items	140.87		-784.23	
Interest Recived	-144.69		-113.68	
Interest \ Other income Received		4,878.38		3,701.35
Operating profit before working capital changes		10,428.23		13,438.47
Change in inventories	-5,089.92		-7,540.81	
Change in receivables	-6,108.88		-8,120.33	
Changes in Loans and Advances	-5,708.33		1,856.99	
Change in other current Assets	-3,000.09		-3,522.06	
Change in current liabilities	7,481.98		919.74	
Net change in working capital	-12,425.24	-12,425.24	-16,406.47	-16,406.47
Cash generated from operations		-1,997.01		-2,968.00
CASH FLOW FROM INVESTMENT ACTIVITIES				
Direct Taxes Paid	54.78		300.63	
CASH FLOW BEFORE EXTRA ORDINARY / PRIOR PERIOD ITEMS				
Interst Recived	-144.69		-113.68	
Prior Period items (Restructuring)				
Net cash flow from operating activity				
Increase of fixed assets	-6,568.46		-21,909.41	
Decrease in Fixed Assets				
Increase of investment	-4.70		-726.25	
Loss on Sale of Assets				
Net cash flow used in investing activities	-6,663.07	-6,663.07	-22,488.71	-22,488.71

Cash Flow Statement

for the year ended 31.03.2011 (Contd.)



(Rs. in lakh)

	AS AT 31.03.2010 12 Months		AS AT 31.03.2011 12 Months	
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital(net)	200.00		714.36	
Proceeds from Debt Re-structuring				
Proceeds from Premium	3,654.33		12,897.99	
increase in Secured loans	8,056.45		11,725.03	
Decrease in Subsidy	-		-	
Interest paid	-2,418.62		-2,669.54	
Dividend	404.53		650.79	
Increase in unsecured loans	-356.37		3,644.98	
Net cash flow from financing activities	9,540.31	9,540.31	26,963.60	26,963.60
Net increase in cash & cash equivalents		880.23		1,546.89
Add: Cash & cash equivalents opening	1,553.80		2,434.03	
Cash & cash equivalents closing	2,434.03	-880.23	3,980.92	-1,546.89

For & on behalf of the Board of Directors

Nishant Javlekar
Company Secretary

S.N. Bhatnagar
Chairman

Amit Bhatnagar
Managing Director

Sumit Bhatnagar
Joint Managing Director

Date : 4th August, 2011

Place : Vadodara

Auditor's Certificate

We have examined the above consolidated cash flow statement of Diamond Power Infrastructure Ltd (The Company) for the year ended March 31st, 2011. The statement has been prepared by the company in accordance with the requirements of listing agreements with the stock Exchanges and is based on and in agreements with the corresponding profit and loss account and balance sheet of the Company covered by our report of even date.

For **VIJAY. N. TEWAR & CO.**

(Chartered Accountants)

Vijay N. Tewar

Proprietor

Membership No. 040676

Date : 4th August, 2011

Place : Vadodara

Consolidated Balance Sheet **Schedule** period ended on March 31, 2011



	(Rs.)	
	2009-10	2010-11
SCHEDULE - 1 : PAID UP SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
50000000 Shares (30000000 Shares) Of Rs. 10 Each	500,000,000	500,000,000
ISSUED & SUBSCRIBED SHARE CAPITAL		
37886121 (28742510) Equity Shares Of Rs. 10 Each	287,425,100	378,861,210
PAID - UP SHARE CAPITAL		
37206371 (28062760) Eq. Shares of Rs.10 Each Fully Paid - Up	280,627,600	372,063,710
- In Respect of the Above, * 46,40,800 Eq. Sh. Were Allotted on Preferential Basis During 1999-2000 * 7,50,000 Eq.Sh. Were Allotted on Preferential Basis During 2005-2006 * 1250000 Eq. Shares Were Allotted on Conversion of Fully Convertible Debentures on Preferential Basis During The Year 2006 - 2007 & Balance 12,50,000 Eq. Shares During The Year 2007-2008 * on Conversion of Equity Warrant During The Year 2007-2008, 1,50,000 Eq. Shares Were Allotted To Brescon Corporate Advisors Limited, 5,50,000 Eq. Shares To Promoters & 1,00,000 Eq. Shares To Clearwater Capital Partners (Cyprus) Limited. Issue of Bonus Shares are in Nos 7015690 During the Year Company Issued Fresh Shares to QIP Holder and also did prefetinal Allotment totally added 71,43,611 Shares Warrants allotted to group company are converted into eq. shares which added other 26,66,667 Shares (The Company Had Forfeited 679750 Equity Shares on 29.4.2000 out of Issued Capital of 18250000 Eq. Sh.)		
Share Warrant Money 2000000 SHARE WARRANTS OF RS. 10 EACH	20,000,000	
Total	300,627,600	372,063,710

Consolidated Balance Sheet Schedule

period ended on March 31, 2011 (Contd.)



	(Rs.)	
	2009-10	2010-11
SCHEDULE - 2 : RESERVES & SURPLUS		
(A) CAPITAL RESERVE		
Reserve on Debt Restructuring	172,380,955	172,380,954
Reserve on Forfeited Shares	3,612,750	3,612,750
Total	175,993,705	175,993,704
(A-1) SECURITIES PREMIUM		
Shares Premium	867,681,020	2,522,912,767
Premium on Warrants	365,432,782	
Securities Premium -- Total	1,233,113,802	2,522,912,767
(A-2) STATE GOVT SUBSIDY		
State Government Subsidy	2,500,000	2,500,000
State Government Subsidy -- Total	2,500,000	2,500,000
(B) GENERAL RESERVE		
Opening Balance	1,500,000	47,127,456
Add : Transfer From Profit & Loss	45,627,456	84,598,721
Total (A)	47,127,456	131,726,177
Profit & Loss Account	935,527,772	1,374,727,676
Add: Profit During the Year	554,984,261	973,711,820
Total (B)	1,490,512,033	2,348,439,498
Less : Transfer to Genral Reserve	45,627,456	84,598,721
Less : Capitalization of Profit & Loss	70,156,900	6,666,667
Total (C)	115,784,356	91,265,388
Total (A+(B - C))	1,421,855,133	2,388,900,287
Reserves & Surplus -- Total	2,833,462,640	5,090,306,758

Consolidated Balance Sheet **Schedule** period ended on March 31, 2011 (Contd.)



	(Rs.)	
	2009-10	2010-11
SCHEDULE - 3 : SECURED LOANS		
SECURED LOANS		
(A) TERM LOANS		
Axis Bank Ltd	596,596,928	
Bank of India	261,000,000	
ICICI Bank Ltd		1,500,000,000
Bank of Baroda		
Sicom Ltd		100,000,000
Total	857,596,928	1,600,000,000
(B) WORKING CAPITAL DEMAND LOAN & SHORT TERM LOANS		
(B-1) Cash Credit		
Bank OCC Account	1,155,695,333	1,603,548,863
Bank LC Account		45
Cash Credit Account -- Total	1,155,695,333	1,603,548,909
(B-2) Working Capital Demand Loan		
Working Capital Demand Loan All	400,000,000	400,000,000
Working Capital Demand Loan -- Total	400,000,000	400,000,000
Other Loans	3,360,273	4,840,903
Other Loans (Axis Bank/Kotak Car Loan Account)	1,852,812	2,618,578
Clear Water Capital Partners Loan	700,000,000	
Other Loans -- Total	705,213,085	7,459,481
Working Capital Loans -- Total	2,260,908,418	2,011,008,390
(C) NON CONVERTIBLE DEBENTURES		
Non - Convertible Debentures		680,000,000
Non - Convertible Debentures -- Total		680,000,000
Secured Loans -- Total	3,118,505,346	4,291,008,390

SCHEDULE - 4 : UNSECURED LOANS

From Relatives & Associates		
From Body Corporates		64,497,660
From Bank of Baroda		300,000,000
Sales Tax Defferment Loan		
Fully Convertible Debentures		
Unsecured Loan -- Total		364,497,660

Consolidated Balance Sheet Schedule

period ended on March 31, 2011 (Contd.)



	(Rs.)	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
		Op.Bal. 01.04.2010	Addition	Dedu.	31.03.2011	01.04.2010	For the year	Dedu.	31.03.2011
SCHEDULE - 5 : FIXED ASSETS									
Land & Site Development		19,954,956	91,511,173	-	111,466,129	-	-	-	111,466,129
Building		230,817,869	221,195,487	[4,100]	452,009,256	34,536,277	13,404,572	-	404,068,407
Plant & Machinery		1,002,836,164	1,460,764,681	-	2,463,600,845	295,036,607	134,973,283	430,009,890	2,033,590,955
Electrical Installation		52,109,878	24,857,208	-	76,967,086	12,886,378	4,848,864	17,735,242	59,231,843
Furniture & Fixture / Equipments		29,755,948	6,547,740	-	36,303,688	19,542,789	4,312,808	23,855,597	12,448,091
Vehicles		20,557,797	6,595,739	[721,088]	26,432,448	8,974,731	2,743,068	11,460,913	14,971,535
Other Assets		124,388	-	-	124,388	124,388	-	124,388	-
Total		1,356,157,000	1,811,472,028	[725,188]	3,166,903,840	371,101,170	160,282,595	256,886	2,635,776,961
Capital Work In Progress		1,065,634,914	3,404,431,476	[3,024,494,291]	1,445,572,099	-	-	-	1,445,572,099
Grand Total		2,421,791,914	5,215,903,504	[3,025,219,479]	4,612,475,939	371,101,170	160,282,595	531,126,879	4,081,349,060

Consolidated Balance Sheet **Schedule** period ended on March 31, 2011 (Contd.)



	(Rs.)	
	2009-10	2010-11
SCHEDULE - 6 : INVESTMENTS		
LONG TERM INVESTMENTS		
(B) INVESTMENTS IN UNQUOTED SHARES		
Unquoted shares at Cost	644,426	644,426
Investments in Unquoted Shares -- Total	644,426	100,644,426
(C) OTHER INVESTMENTS		
Other Investments	46,001	46,001
Other Investment (FDR of BG)	6,027,592	8,562,872
Investment In Shares (Apex Electricals)		65,090,000
Baroda Pioneer Equity Fund		5,000,000
Other Investments -- Total	6,073,593	78,698,873
WESTERN TRANSFORMERS		
Investments -- Total	6,718,019	79,343,299

SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES

(A) CURRENT ASSETS

(A-1) INVENTORIES AT COST (AS CERTIFIED BY MANAGEMENT)		
Raw Materials	156,023,157	343,937,702
Work in Progress	1,391,042,176	1,957,743,452
Finished Goods	280,268,831	189,784,100
Packaging Material	741,338	16,740,655
Consumable Stores	10,740,040	16,770,376
Fuel & Gases	12,448,044	1,922,052
Goods in Transit	104,740,191	183,186,517
Inventories at Cost --- Total	1,956,003,776	2,710,084,854
(A-2) SUNDRY DEBTORS (UNSECURED CONSIDERED GOOD)		
Dealer Network	21,276,919	27,511,454
Export	28,125,951	1,002,151
Utility -- SEB's	1,010,983,973	1,169,760,892
Engineering Procurement Construction	78,276,120	121,555,275
Distributor	377,643,175	582,962,600
Others		425,546,938
Sundry Debtors -- Total	1,516,306,138	2,328,339,313

Schedule

forming part of Balance Sheet (Contd.)



	(Rs.)	
	2009-10	2010-11
SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES (Contd.)		
(A-3) CASH & BANK BALANCE		
Cash in Hand	3,740,444	509,783
Bank Balance	8,943,612	106,496,276
Margin Money	228,438,825	291,060,534
Fixed Deposit	25,000	25,000
Accrued Interest in Other Investments	2,254,926	
Cash & Bank Balance -- Total	243,402,808	398,091,594
(A-4) EPC PROJECTS PENDING FINAL BILLING APPROVAL		
EPC Projects Pending Billing Approval	592,570,553	852,620,482
EPC Projects Pending Final Billing Approval -- Total	592,570,553	852,620,482
Current Assets -- Total	4,308,283,275	6,289,136,243
(B) LOANS & ADVANCES (UNSECURED CONSIDERED GOOD)		
(B-1) LOANS		
Cash or Kind		
Staff	724,067	561,702
Other Advances	350,000	55,853,528
Apex Power Equipment Pvt Ltd	104,485,271	111,869,304
Diamond Power Transformer	61,181,208	87,376,704
Loans -- Total	166,740,545	255,661,238
(B-2) GOVERNMENT ADVANCES		
PLA	621,103	21,103
Cenvat	77,757,022	159,074,510
Service Tax	34,387,224	66,106,716
Fringe Benefit Tax		
Tax Deducted at Source	2,600,190	2,595,109
Income Tax	6,598,718	907,350
Input Vat Receivable	725	
Interest & Insurance Pre paid	951,073	1,113,009
Electricity Duty Refund	230,416	230,416
Sales Tax Advance	37,163,124	
Government Advances -- Total	160,309,594	230,048,214

Schedule

forming part of Balance Sheet (Contd.)



		(Rs.)
	2009-10	2010-11
SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES (Contd.)		
(B-3) CORPORATE ADVANCES		
Diamond E.H.V. Conductors	4,000	4,000
Enterprise Intelligent Systems Limited		
Apex Equipments Pvt. Ltd	857,967	1,388,384
Apex Electricals Ltd		2,500,000
Corporate Advances -- Total	861,967	3,892,384
(B-4) BUSINESS ADVANCES		
Advance to Vendor for Expenses	2,855,256	3,287,905
Advance to Vendors for Goods	860,840,829	521,202,396
Advance to Branches		
Business Advances -- Total	863,696,086	524,490,302
(B-5) OTHER ADVANCES		
Other Advances	50,502	50,501
Other Advances	8,182,467	
Other Advances -- Total	8,232,969	50,501
Loans & Advances -- Total	1,199,841,163	1,014,142,641
(C-1) SUNDRY DEPOSITS		
Government Deposits	99,500	129,956
Security Deposit	128,498,485	131,580,577
Earnest Money Deposit	14,652,484	22,821,915
Lease Rent	6,618,400	73,859,180
Other Deposits	8,818,060	22,451,294
Sundry Deposits -- Total	158,686,929	250,842,922
Current Assets, Loans & Advances --- Total	5,666,811,366	7,554,121,807

Schedule

forming part of Balance Sheet (Contd.)



	(Rs.)	
	2009-10	2010-11
SCHEDULE - 8 : CURRENT LIABILITIES & PROVISIONS		
(A) CURRENT LIABILITIES		
(A-1) SUNDRY CREDITORS		
Creditors for Goods	301,980,234	407,448,974
Creditors for Expenses	108,836,912	221,693,489
Creditors for Goods Under LC	580,233,904	503,543,476
Sundry Creditors -- Total	991,051,051	1,132,685,940
(A-2) CREDITORS FOR OTHERS		
Duties & Taxes Payable	59,837,358	36,121,593
Statutory Liability Payable	24,320,474	30,979,082
Employee Dues Payable	3,496,255	6,030,869
Creditors for Others -- Total	87,654,087	73,131,545
(A-3) OTHER LIABILITIES PAYABLE		
Other Liabilities Payable	158,005,579	144,180,635
Other Liabilities Payable -- Total	158,005,579	144,180,635
Current Liabilities -- Total	1,236,710,717	1,349,998,121
(B) PROVISIONS		
Provision for Taxation	245,807,138	272,804,838
Provision for Dividend	55,809,557	111,616,089
Provision for Dividend Tax	12,847,379	18,538,820
Provision for Expenses		5,138,741
Provision for Others		
Provisions -- Total	317,799,755	408,098,488
Current Liabilities & Provisions -- Total	1,554,510,472	1,758,096,609
SCHEDULE - 9 : MISCELLANEOUS EXPENDITURE		
(A) MISCELLANEOUS EXPENDITURE		
(A-1) PRELIMINARY EXPENSES		
Preliminary Expenses	10,463,078	50,906,645
Preliminary Expenses -- Total	10,463,078	50,906,645
(A-2) PRE-OPERATIVE EXPENSES		
Pre-operative Expenses		54,000,000
Pre-operative Others		2,034,564
Pre-operative Expenses -- Total		56,034,567
(A-3) Pre-Project Expenses		
Preproject Expenses ABC Cable		
Preproject Expenses HSHC conductor	72,447,853	54,392,751
Pre- Project Expenses -- Total	72,447,853	54,392,751
(A-4) DEFFERED REVENUE EXPENDITURE		
Share Issue Expenses		
Deferred Revenue Expenditure -- Total		
Miscellaneous Expenditure -- Total	82,910,931	161,333,964
(B) PROFIT & LOSS DEBIT BALANCE		
Profit & Loss Account - Balance Brought Forward		
Loss During the Year		
Profit During the Year -- Misc Expenditure		
Profit & Loss Credit Balance -- Total		
Miscellaneous Expenditure -- Total	82,910,931	161,333,964

Consolidated Income Statement Schedule

period ended on March 31, 2011



	(Rs.)	
	2009-10	2010-11
SCHEDULE - 10 : INCREASE / DECREASE IN STOCK		
(A) OPENING STOCK		
Work in Progress	514,948,176	1,391,042,176
Finished Goods	700,611,486	280,277,082
Opening Stock -- Total	1,215,560,385	1,671,319,258
(B) CLOSING STOCK		
Work in Progress	1,391,042,176,452	1,957,743,452
Finished Goods	280,277,082,772	189,784,100
Closing Stock -- Total	1,671,319,258,224	2,147,527,552
WIP Increase / Decrease Division wise	-8,251,717	-3,905,045
Increase / decrease in Stock	455,758,873	472,303,249
SCHEDULE - 11 : OTHER INCOME		
Provisions / Bad Debts Written Back/ Excess		
Discounts / Kasar Received		
Dividend Received	15	750
Interest on FDR	497,622	488,418
Interest Received	14,468,676	11,367,724
Notice Pay Recovered	33,367	136,261
Claim Received		54,663
Other Income	642,580	2,306,151
Foreign Exchange Flactuation	-2,424,317	-
Other Income -- Total	13,217,943	14,353,968
SCHEDULE - 12 : NET RAW MATERIAL CONSUMED		
Opening Stock	139,062,437	156,022,886
Add: Purchases	7,543,335,766	13,364,995,177
Less: Closing Stock	156,022,886	343,937,702
Net Rawmaterial Consumed -- Total	7,526,375,317	13,177,080,362
SCHEDULE - 13 : EMPLOYEES EMOULMENTS		
Bonus	1,724,620	1,537,330
Director's Remuneration (Net)	24,794,574	22,473,696
House Rent Allowance	2,853,316	4,317,923
Leave wages / Salary	6,937,934	4,686,465
Medical Expenses		
Medical Allowances	1,819,137	3,224,789
Providend Fund Expenses (P.F. & F.P.F)	3,203,543	3,458,638
Salary & Wages	38,248,968	45,966,419
Staff & Labour Welfare	2,144,654	3,584,970
Labour Contract Charges	42,565,070	64,679,133
Stipend	501,901	1,419,407
Telephone Allowance	1,821,862	2,612,775
Employees Emoulments -- Total	126,615,579	157,961,545

Consolidated Income Statement Schedule

period ended on March 31, 2011 (Contd.)



	(Rs.)	
	2009-10	2010-11
SCHEDULE - 14 : MANUFACTURING EXPENSES		
Cartage & Transport	8,966,617	7,367,430
Excise Duty Paid	144,348	1,199,470
Calibration Expenses	991,477	1,461,059
Service Charges	5,667,117	-
Consumable Stores	7,108,701	11,019,861
conversion/labour charges		8,148,817
Repair & Maintenance (Plant & Machinery)	1,326,528	1,697,894
Factory Expenses	1,974,685	3,224,873
Electrical Spares		-
Insurance Expenses	3,133,646	2,512,488
Packing Material	46,244,178	80,003,680
Detention & Demmorage Charges		62,006
Diesel for Generator		-
Electricity Expenses		-
Security Charges	334,701	385,814
Srvey Charges -- Infrastructure	1,685,200	182,592
Air Time Charges	14,400	14,400
Custom & Clearing Charges	160,987	-
Sales Tax (VAT)		-
Manufacturing Expenses -- Total	77,752,585	117,280,393
SCHEDULE - 15 : ADMINISTRATIVE EXPENSES		
Income Tax Assesment Dues		
Audit Fees	1,177,497	2,454,750
Consultancy Charges	1,850,656	2,219,000
Conveyance Expenses	518,680	1,008,002
Donation	1,155,367	2,768,353
Electricity Expenses	813,961	762,272
Exchange Fluctuation	78,459	-
Legal & Proffessional charges	16,649,216	19,289,883
Post, Tele. & Courier Charges	716,860	781,301
Rent, Rates & Taxes	9,216,397	16,875,379
Application Fees	1,200	65,030
Repairs & Maintenance Others	2,613,620	2,944,278
Printing & Stationary Expenses	1,133,201	1,082,441
Tender fees	48,500	13,398
Training Expenses		
Sundry Expenses	564,146	968,005
Travelling Expenses	4,462,036	4,599,872
Vehicles Expenses	3,022,314	5,709,502
Amortisation Expenses	13,988,485	37,719,579
Office Expenses	542,650	724,646
Software Expenses	566,758	681,593
Insurance Exp (Car)	37,566	42,452
Mis. Expenses	11,054	78,299
Sub-Total	59,168,623	100,793,034

Consolidated Income Statement Schedule

period ended on March 31, 2011 (Contd.)



	(Rs.)	
	2009-10	2010-11
SCHEDULE - 15 : ADMINISTRATIVE EXPENSES (Contd.)		
Service Tax Expenses	1,278,061	2,681,288
Documentation Charges	106	1,914,670
Penalty		1,586,816
Hospitality Expense	405,518	970,298
Loss on Sales of Fixed Asset		
Travelling Exp(Non FBT)	176,101	-
Fixed Allowance	1,323,593	-
Attendance Allowance	220,559	-
ISO9002 Expenses	8,000	-
FBT Paid		-
Loss on Sale of Fixed Assets		-
Professional Tax	2,400	2,400
Preliminary Expenses Written of	98,605	98,605
Sundry Balances Written of	78	-3,702
Sub - Total 2	3,513,021	7,364,577
Administrative Expenses -- Total	62,681,644	108,157,611
SCHEDULE - 16 : SELLING & DISTRIBUTION EXPENSES		
Advertising Expenses	587,914	18,363,813
Sales Promotion Expenses	3,371,381	1,988,426
Commission on Sales	18,881,736	38,862,223
Marketing Expenses	35,606,197	51,917,286
Deferred Sales Liability	25,000	117,780,763
Selling & Distribution Expenses -- Total	58,472,228	228,912,509

Schedule Notes

to Consolidated Financial Statements



SCHEDULE - 17 : SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES

Forming part of the Consolidated Financial Statements for the year ended March 31, 2011

A) BASIS OF ACCOUNTING :

The Consolidated Financial Statement relate to Diamond Power Infrastructure Ltd ("DPIL" or "the Company") and its subsidiary Diamond Power Transformers Limited. The Consolidated Financial Statements are prepared under the historical cost convention, on accrual basis of accounting to comply in all materials respects ,with the mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006 as amended ("the Rules") and the related provisions of the Companies Act ,1956 ("the Act") .The accounting policies have been consistently applied by the Company and the accounting policies not referred to otherwise, are in conformity with the Indian Generally Accepted Accounting Principles ("Indian GAAP").

B) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of the companies are prepared in accordance with Accounting Standard 21- "Consolidated Financial Statements", Accounting Standard 23- "Accounting for Investments in Associates in Consolidated Financial Statements" as notified under the Rules

Subsidiaries

The Financial Statements of the Company and its subsidiary company Diamond Power Transformers Limited are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions.

The Consolidated financial Statements are prepared using the uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible, are made in the consolidated financial statements and are presented in the same manner as the Company's standalone financial statements.

Following subsidiary company is considered in the consolidated financial Statements :

Name of the Subsidiary	Country of Incorporations	Proportion of Interests
Diamond Power Transformer Ltd	India	98%

Significant Accounting Policies, Contingent Liabilities and Notes

A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICY

- Method of Accounting:** The Financial Statements are prepared as a going-concern under historical cost convention on an accrual basis except those with significant uncertainty comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006, as amended, other pronouncements of the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956, (the 'Act') to the extent applicable. Accounting Policies not stated explicitly otherwise are consistent with generally accepted accounting principles (GAAP).
- Revenue Recognition:** Sales includes inter-divisional transfers, sale of scrap, Sales of Outsource Products, Sales related to Engineering Procurement and Contract Services, Excise duty Paid, Value Added tax and Invoices for price escalation as per Contracts with the relevant customers on accrual basis. Sale of goods in books of Subsidiary is recognized at the point of dispatch to the customers. Gross Sales are accounted inclusive of excise duty and sales tax
- Fixed Assets:** Fixed Assets are stated at cost less accumulated depreciation up to the year. Expenditure incurred on improvement or replacement, which in the opinion of the management is likely to substantially increase the life of the assets and future benefits from it, is capitalized. Capital expenditure includes advances for assets under erection/installation are being grouped under capital work in progress. Fixed Assets are stated at cost less accumulated depreciation. Opening Capital Work in Progress has been capitalized during the year amounting to Rs. 10,48,02,469
- Depreciation:** Depreciation is charged on Straight Line basis at rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on addition / deletion or discarded Fixed Assets during the year is charged on pro - rata basis. Depreciation in book of Subsidiary is provided on written-down value basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956

Schedule Annexed to and Forming Part of the Accounts (Contd.)



5. **Expenditure during construction period:** All pre-operative project expenditure (net of income accrued), including interest on borrowings incurred up to the date of installation is capitalized and added pro-rata to the cost of fixed assets. Foundation costs are allocated as certified by management.
6. **Investment:** Long-term investments are valued at cost. Investments in Subsidiary are stated at cost. Provision for diminution in value on long-term investments is made only if such decline is other than temporary in nature
7. **Inventories:** Inventories of finished goods are valued at lower of costs or net realizable value inclusive of excise duty. Work in process (including finished stock pending QC inspection) is valued at cost representing material, labour and apportioned overheads as certified by the management. Other inventories are valued at cost. Materials related to Projects under implementation are valued at standard cost.
 - i) Inventories are valued at lower of cost or net realizable value on FIFO basis.
 - ii) Raw materials, Stores and spares — includes purchase price and freight
 - iii) Work in progress — Material cost plus appropriate share of manufacturing overheads.
 - iv) Finished Goods — Absorption cost basis and includes material, labour and appropriate overheads.
8. **Provident Fund and Retirement Benefits:** Contribution to Provident Fund is accounted on actual liability basis. Provision for Gratuity and Leave Encashment is made based on actuarial valuation.
9. **Excise Duty:** Excise Duty payable on finished goods held as stock in the works is included in the expenditure and in such stocks as per the provisions of Section 145 of the Income tax Act, 1961.
10. **Miscellaneous Expenditure:** Expenditure on Fire Resistant Low Smoke Project (FRLS) & High Sensitivity & High Conductivity Conductors (HSHC) have been amortized over a period of five years. ne- fifth portion of the expenses deferred on Aerial Bunch Cable Project (ABC Project) have been charged to the revenue for the financial period.
11. **Foreign Currency Transactions:** The Company has no Branch offices outside India. The Foreign currency transaction are recorded on initial recognition in the reporting currency by applying the exchange rate prevailing at the date of transaction .Any Income or Expense on account of exchange rate difference is recognized in the Income and Expenditure Account . Transactions in Foreign Currency are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at the balance sheet date and resultant gain or loss is recognized in the profit and loss account. Gain/Loss on settlement of transaction arising on cancellation or renewal of a forward exchange contract is recognized as income or as expense of the period/year
12. **Borrowing Costs:** Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.
13. **Income Tax:** Provision for Current Income Tax is made after considering Company's claims under the Income Tax Act, 1961 .This Liability is calculated at the applicable tax rate or Minimum Alternate Rate under Section 115JB of the Income Tax Act 1961 as the case may be. Provision for Current Income tax is made on the assessable income at the tax rate applicable to the relevant assessment year
14. **Deferred Tax:** Deferred Tax is Calculated at the tax rates and Laws that have been enacted or substantially enacted as of Balance Sheet date and is recognized on timing differences that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence are recognized and carried forward only to the extent that they can be released.
15. **Impairment of Assets:** The Company has examined carrying cost of its identified Cash Generating Units (CGU) by comparing present value of estimated

Schedule Annexed to and Forming Part of the Accounts (Contd.)



future cash flows from such CGUs, in terms of Accounting Standard-28 on impairment of Assets, and in absence of any indication of being potential impairment of Assets, no provision for impairment is required as assets of none of CGUs are impaired during the financial year under consideration. Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount.

16. **Expenses** : All expenses booked on accrual basis. Any deduction by customers on account of contractual deductions is worked out in each year and debited to Profit & Loss A/c.

PART B NOTES TO ACCOUNTS

1. Contingent Liabilities

- (a) Letter of Credit opened Rs. 1145.25 Million (Previous Year Rs 803.96 Million); materials under all letters of credit have been received and accounted for as Creditors.
- (b) Outstanding Bank Guarantees as of March 31, 2011 is Rs.948.73 Million (Previous Year Rs.683.18 Million).
- (c) Income tax demands being in appeal not provided for Rs. NIL (previous year Rs Nil).
- (d) There are no outstanding Claims against the Company.
- (e) Corporate guarantees issued to wholly owned subsidiary – Diamond Power Transformers Ltd. In favour of SICOM Limited and Indian Overseas Bank total Rs 600 Million.
- (f) Corresponding figures of the previous year have been regrouped wherever necessary
- (g) There are no Contingent liabilities as at the date of the Balance Sheet. Total Amount of Outstanding Bank Guarantee in Book of Subsidiary Stands to Rs.31.17 Million (Previous Year Nil).
- (h) The balance of advances, debtors and creditors are taken on the basis of book figures and are subject to confirmation. However, in the opinion of the Board, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. The provision made in the accounts for depreciation and

for all other known liabilities is considered adequate and not in excess of the amounts reasonably necessary

- (i) The Financial Statements of Diamond Power Transformers Ltd reflect a total income of Rs 261.37 Crores and a total expenditure of Rs 248.59 Crores for the period ended March 31, 2011 and total assets of Rs 62.28 Crores and total liabilities of Rs 22.31 Crores as of March 31, 2011. The Financial Statements of Diamond Power Transformers Ltd is prepared as per Indian Generally Accepted Accounting Principles (Indian GAAP”).

2. Share Capital :

During the current Financial Year, the share capital of the company underwent through various changes .During the year the company has undergone increase in share capital by way of Issue of fresh equity shares under QIP and Preferential Allotment. The company allotted totally 55,93,727 shares under QIP and 8,83,217 under Preferential allotment at Rs.203.80per share; so in totality company has raised its Share Capital by 64,76, 944shares and 6,66,667 Shares were added by bonus Shares of Diamond Tele Cabs Pvt Ltd who were allotted 20,00,000 Warrants in 2009-10 . During the current Financial Year the Authorised /Issued and Paid up Capital of Subsidiary is increased by other Rs 50.00 Million so there authorised /Issued and Paid up capital stands to Rs 1000 Million for 2010-11.

3. Reserves and Surplus :

- Capital Reserve includes the amount of Rs. 2.5 Millions (Previous Year Rs 2.5 Million) from State Govt. Subsidy., Rs 172.38 Millions (Previous year Rs 172.38 Millions) from Debt Restructuring & Rs 3.61 Millions (Previous Year Rs 3.61 Millions) from Forfeited Shares
- During the year company's share premium has increased by Rs 1289.80 Million (Previous year Rs 365.43Million). The increase in Premium is due to allotment of 64,76,944 shares with premium of Rs 193.80 per share and 20,00,000 share warrant issued to group companies with premium of Rs 200 per share .

Schedule Annexed to and Forming Part of the Accounts (Contd.)



4. Secured Loans:

1. The company has availed a Term Loan of Rs. 1500 Million during the year 2010-11 from the ICICI Bank Ltd. @10.45% p.a. (Earlier Loan of Rs 1300 Million was @ 13.5% rate of interest per annum). The earlier loan was initially given by Axis Bank and others for on-going Expansion of Project. The said loan is taken over by ICICI Bank at lower rate of Interest.
2. The company availed a corporate loan of Rs 400 Million from Tata Capital Limited which was sanctioned with interest rate of 12.25% p.a.
The said loans are secured by way of First Parri-passu charge on fixed assets of the company, both present and future and second Pari Passu Charge on all Current Assets of the company, both Present and Future.
3. The Company during FY 2010-11 allotted Secured Redeemable Non-Convertible Debentures (Debentures) in form of Redeemable, Separately Transferable Redeemable Principal Parts (STRPPs) amounting to Rs 68 crores carrying an annual rate of interest of 12.25%

The said debentures are secured by First Parri-passu charge on fixed assets of the company and/or its subsidiaries/group entities, having minimum asset cover of 1.25 times to be maintained during the tenor of the NCDs.

The company has been sanctioned the fund based and non-fund based working capital facilities of Rs. 1000 Millions from the Axis Bank Ltd. ; Rs. 1420 Million from the Bank of India ; Rs. 1240 Million from the ICICI Bank Ltd.; Rs. 1340 Million from the Bank of Baroda , Rs 990 Million from Allahabad Bank & Rs 400 Millions from Dena Bank and Rs 320 Millions from Indian Overseas Bank against the security of first pari passu charge on the entire current assets of the company by way of Hypothecation agreement and the second pari passu charge on the entire fixed assets of the company.

4. Balance confirmation letters were sent out to various debtors and creditors. The confirmation of most of the Debtors and creditors is received.
5. The method of valuation of inventories adopted by the company is in accordance with the requirements of Accounting Standard 2 (Valuation of Inventories and as revised from time to time) issued by the Institute of Chartered Accountants of India.
6. In the opinion of the Management all the current assets, loans and advances and deposits are realizable at value stated in the ordinary course of the business which are at least equal to the amount at which they are stated in the books unless otherwise explicit.

7. Segmental Reporting :

The company is primarily engaged in the manufacture of conductors, cables and selling out-sourced products and EPC Contracts. As the company's manufacturing facilities are inter woven/ inter- mix due to the nature of its business with the EPC business, it is not possible to directly and specifically attribute or allocate on a reasonable basis, the expenses, assets & liabilities in different Segments. The segmental Sales product wise are as follows:

		(Rs in Millions)			
Sr.	Gross Segment Revenue	2010-11	2009-10	2008-09	2007-08
1	Conductor	4,615.04	3,431.98	3,539.72	3,775.05
2	Cables (LT & HT)	5,125.28	2,031.53	817.59	666.18
3	Power Infrastructure –Turnkey Project [EPC]	4,231.67	3,291.48	1800	649.45
4	Transformer	2,543.11	1365.11	979.04	446.59
	Total Gross Sales	16,515.09	10,120.10	7,136.35	5,537.27
	Less: Inter Segment Sales	1,121.25	1,400.82	0	0
	Gross Sales	15,393.84	8,719.28	7,136.35	5,537.27
	Less: Excise Duty	184.98	117.97	157.31	231.9
	Net Sales	15,208.86	860.31	6,979.04	5,305.37

Schedule Annexed to and Forming Part of the Accounts (Contd.)



8. Share Holding in Various Companies :

The Company holds the following shares

- (1) 50% in Apex Electricals Ltd
- (2) 98% in its Subsidiary Diamond Power Transformer Ltd.

9. Related Party Disclosures :

A. Particulars of Associates of the Company:

Name of the Related Party	Nature of Relationship
1 Diamond Info systems Ltd.	Associate Company of DPIL
2 Diamond Projects Ltd.	Associate Company of DPIL

B. Subsidiary Company:

Name of the Subsidiary

Diamond Power Transformer Ltd

C. Key Management Personnel and their Relatives:

Key Management Personnel and their Relatives	Nature of Relationship
1 Mr. S.N.Bhatnagar	Chairman
2 Mr.Amit Bhatnagar	Managing Director
3 Mr. Sumit Bhatnagar	Jt. Managing Director

D. Relatives of Key Management Personnel:

Key Management Relatives

- 1 Smt Madhurilata Bhatnagar
- 2 Smt Mona Bhatnagar
- 3 Smt Richa Bhatnagar

E. Enterprise under Significant influence of Key Management Personnel: None

F. Summary of the Transaction with related Parties and it's Associate Companies:

The company is primarily engaged in the manufacture of conductors, cables and selling out- sourced products and EPC Contracts. As the company's manufacturing facilities are inter woven/ inter- mix due to the nature of its business with the EPC business, it is not possible to directly and specifically attribute or allocate on a reasonable basis, the expenses, assets & liabilities in different Segments. The segmental Sales product wise are as follows:

(Rs in Lakh)

Particulars	Associate	Key Management Personnel	Relative of key Management Personnel	Ent. Under significant Influence of key Mgt. Personnel & their relatives	Total
Purchase/ (sales) of Goods	2830	Nil	Nil	Nil	2830
Receipts/ Rendering of services	35	Nil	Nil	Nil	35
Rent (Paid)/ Recd.	12	Nil	Nil	Nil	12
Advances Recd/(Given)	45	Nil	Nil	Nil	45
Directors Remuneration	Nil	224.8	Nil	Nil	224.80
Outstanding Receivable as on 31.03.2011	Nil	Nil	Nil	Nil	Nil

Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company and approved by the Board of Directors of the Company, which has been relied upon by the Auditors. Enterprise under the same management include Wholly Owned Subsidiary Diamond Power Transformers Ltd.

Schedule Annexed to and Forming Part of the Accounts (Contd.)



10. Earnings Per Share (EPS) :

	March 31, 2010	March 31, 2011
I Profit Computation for both Basic and Diluted Earnings Per Share of Rs.10 each		
Net Profit as per Profit & Loss Account available for Equity Shareholders	620.02 (Rs in Million)	1,103.87 (Rs in Million)
II Weighted average number of equity shares for Earnings per share computation		
(A) For Basic Earnings per Share	28,062,760	37,206,371
(B) For Diluted Earnings per Share No. of shares for Basic EPS as per II A	28,062,760	37,206,371
Add: Weighted Average outstanding Option / Shares deemed to be issued for no consideration		
No. of shares for Diluted Earnings per share	28,062,760	37,206,371
III Earnings per Share (Weighted Average)		
Basic	22.09	29.67
Diluted	22.09	29.67

11. Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated

After filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2011 has been made in the financial statements based on information received and available with the Company. Detail of the Small Scale Industries (SSI) units which have supplied the materials to the company and to whom the company owes a sum exceeding RS 1.00 Lacs and which is outstanding for more than 30 days is Nil

In Book of Subsidiary Under the Micro, Small and Medium Enterprise Development Act, 2006, which came into effect from October 2, 2006, certain disclosures are required to be made relating to Micro, Medium and Small Enterprises. Based on the information available with the Company, there are no Creditors as on 31' March 2011 registered under the MSMED Act, 2006

Note: The above Information regarding Small Scale Industrial undertaking has been determined to the extent such parties has been identified on the basis of information available with the company. The same has been relied upon by the Auditors. To confirm names/figures

12. Sales include an amount of Rs 1121.25 Million (Net of Duty) of inter- unit Transfer (Previous year Rs 1400.83 Million).
13. Aggregate directors' remuneration is Rs. 22.48 Million (previous year Rs. 24.79 Million. The remuneration of directors is as per the approval accorded by remuneration Committee, shareholders and Central Government as per the provisions of section 311 read with Schedule XIII of the Companies Act, 1956.
14. Aggregate Auditor's remuneration is fixed at Rs. 1.04 Million (previous year Rs 1.04 Million. Which includes Rs 1.02 Million as Audit Fees (Previous year Rs 1.02 Millions).
15. As per Accounting Policy (10) on excise duty, the excise duty payable on finished goods in stocks at works amounting to Rs 18.61 Million (previous year Rs 26.61 Million) has been included in the expenditure and in such stocks. However, the same has no impact on the profit for the year.
16. There are no amounts due and outstanding to be credited to investor Education and Protection Fund.

Schedule Annexed to and Forming Part of the Accounts (Contd.)



17. Details of Licensed, Installed Capacities and Production:

Goods Manufactured	Licensed Capacity	Installed Capacity Current Year	Production Current Year 12 Months	Production Previous Year 12 Months
All Aluminum Alloy Conductors & ACSR Conductor (Excluding Conductors used In Cables)	NA	50500 MTPA.	36,700 Kms	35,300
LT Electric Power Cables & Control Cables	NA	34,300 Kms	14400 Kms	8490 Kms
HT Cables	NA	5600 KS	2553	420 Kms
EHV Cables	NA	2000 Kms	Nil	NA
Transmission Towers	NA	48000 MT	Nil	NA
Transformer	Na	5000 mva	1272 Nos.	564 Nos.

Consumption of Assorted Wire / Wire rods is not provided, as they are totally consumed in-house for manufacture of conductors. Installed capacity and capacity utilization are as certified by the management and not verified by the auditors being a technical matter. The quantity in Kms. cannot comparable as the weight per Kms of each conductor varies on the cross section area and current carrying capacity. Hence, the production has been shown in Kms. The Quantity are usually taken as per relevant IS standards.

18. Details of Raw Materials Consumed (including captive consumption)

Description of Item	U.O.M	Quantity For the year 2010-11	Quantity For the year 2009-10
Aluminium	M.Ts.	49,600	41,300
Copper	M.Ts.	1955	1500
Transformer	Nos	1272	3564

19. Value of Imported and indigenous Raw Material Consumed and Percentage thereof:

Raw Materials	(Rs in Millions)			
	Current year (2010-11)	Previous year (2009-10)	Current year % (2010-11)	Previous year % (2009-10)
Imported	142.8	1300	1.4	1.8
Indigenous	10837.94	69,700	98.6	98.20

20. Particulars of Sales and Stocks:

Item	U.O.M	Opening Stock	Sales	Closing Stock
Conductors	Kms.	4229	32,300	3345
Power & Control Cables	Kms.	1043	16,600	678.4
Transformer	Nos	75	1337	10

21. Expenditure in Foreign Currency

Particular	(Rs Million)	
	2009-10	2010-11
Import on CIF Basis	1,35.00	142.8
Travelling Expenses	0.30	0.60
Others	330.00	224.92

22. Income in Foreign currency

Income in Foreign currency	(Rs Million)	
	FOB Value of Export 2009-10	FOB Value of Export 2010-11
Exports	380	14.80
Foreign exchange fluctuation	Nil	1.58

Previous year figures are regrouped /reclassified where ever necessary to make them comparable with the current year.

Signature to Schedule 1 to 17 forming part of the accounts. As per our even date

For **VIJAY. N. TEWAR & CO.**

(Chartered Accountants)

Vijay N. Tewar

Proprietor

Membership No. 040676

Date : 4th August, 2011

Place : Vadodara

For & on behalf of the Board of Directors

Nishant javlekar
Company secretary

S.N. Bhatnagar
Chairman

Amit Bhatnagar
Managing director

Sumit Bhatnagar
Joint Managing director

Corporate Information



DIAMOND POWER INFRASTRUCTURE LIMITED (FORMERLY KNOWN AS DIAMOND CABLES LTD.)

19TH ANNUAL GENERAL MEETING

Tuesday, September 20, 2011

At the Regd. Office of the Company at HT Cables Plant, Phase II,
Vil. Vadadala, Tal. Savli, Dist. Vadodara 391520

AUDITORS

Vijay Tewar & Co.

315-316, Panorama, R. C. Dutt Road
Vadodara-390 007

Kejal Pandya & Associates

Internal Audit-Expenditure/Stores &
Procurement

Vinod Patel & Company

Internal Audit-Marketing/Sales/Logistics

OP Rathi & Associates

Internal Audit-EPC

Pradeep Gupta & Associates

Internal Audit-HR and Statutory Compliance

Devesh Pathak & Co

Secretarial Audit

Crossiance consulting

CRM-Marketing/Sales/Logistics Org
Building

Arvind Gaudana & Co.

Corporate & Company Affairs Compliance
Audit

Harshad Shah

Legal Advisor

CORPORATE OFFICE

ESSEN HOUSE, 5/12, B.I.D.C., Gorwa,
Vadodara 391520

BANKERS

Bank of Baroda

ICICI Bank

Axis Bank

Bank of India

Allahabad Bank

Dena Bank

Indian Overseas Bank

COMPANY SECRETARY

Nishant Javlekar

REGISTERED OFFICE & PLANTS

Phase II, Vil. Vadadala, Tal. Savli, Dist.
Vadodara 391520

REGISTRAR & TRANSFER AGENTS

Karvy Computershare Pvt. Ltd.

Plot No. 17 to 24, Vittalrao Nagar,
Madhapur,

Hyderabad 500 081

Phone No. 040-2342 1971

Email: ussingh@karvy.com







Diamond Power Infrastructure Limited
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