

Notice

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of the Diamond Power Infrastructure Limited will be held at the Registered Office of the company situated at Phase II, Vil. Vadadala, Tal. Savli Dist. Vadodara – 391520 on Friday, 28th of September, 2012 at 10.00 A.M. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and approve audited Balance Sheet and Profit and Loss Account of the company for the year ended on 31st March, 2012 together with the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year ended on 31st March, 2012.
3. To Appoint Director in place of Shri Suresh N Bhatnagar, who retires by rotation and being eligible offers himself for re-appointment.
4. To Appoint Director in place of Shri Amit Suresh Bhatnagar, who retires by rotation and being eligible offers himself for re-appointment.
5. To Appoint Director in place of Shri Sumit Suresh Bhatnagar, who retires by rotation and being eligible offers himself for re-appointment.
6. To Re-appoint Auditors and to fix their remuneration.

ORDINARY RESOLUTION:

“RESOLVED THAT M/s. Vijay N. Tewar & Co., Chartered Accountants, be and is hereby appointed as Statutory Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modification, following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310 and Schedule XIII and such other applicable provisions, if any, of the Companies Act, 1956, (hereinafter referred to as “the Act”) including any statutory modifications or any amendment or any substitution or re-enactment for the time being in force, approval of the Company be and is hereby accorded to the appointment of Shri S. N. Bhatnagar as an Executive Chairman of the Company, with effect from 1st November, 2012 to 31st October, 2015.

RESOLVED FURTHER THAT approval be and is hereby, accorded to the remuneration, perquisites, benefits and amenities payable as per the terms and conditions of the Agreement entered into by Shri S. N. Bhatnagar with the Company for the aforesaid appointment and as set out in this notice; with authority to the Board of Directors of the Company to alter and/or vary the terms and conditions of the said appointment in accordance with, if any, the prescribed provisions of the Act and/or any schedules thereto.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay to Shri S. N. Bhatnagar remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Section II of Part II Schedule XIII of the Companies Act, 1956, as may be decided by the Board of Directors, subject to necessary sanctions and approvals as may be applicable from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby, authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Shri S. N. Bhatnagar in the light of further progress of the Company, any revision in the remuneration should be made in conformity with any amendments to the relevant provisions of the Act and/or rules and regulations made there under and/ or such guidelines as may be announced by the Central Government from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby, authorised to settle any question, difficulty or doubt, that may arise giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for such matters.”

8. To consider and if thought fit, to pass with or without modification, following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 317 and Schedule XIII and such other applicable provisions, if any, of the Companies Act, 1956, (hereinafter referred to as “the Act”) including any statutory modifications or any amendment or any substitution or re-enactment thereof for the time being in force, approval of the

Notice (Contd.)

Company be and is hereby, accorded for the re-appointment of Shri Amit Bhatnagar as the Managing Director of the Company, with effect from 1st February, 2013 to 31st January, 2016.

RESOLVED FURTHER THAT approval be and is hereby, accorded to the remuneration, perquisites, benefits and amenities payable as per the terms and conditions of the Agreement entered into by Shri Amit Bhatnagar with the Company for the aforesaid appointment and as set out in this notice; with authority to the Board of Directors of the Company to alter and / or vary the terms and conditions of the said appointment in accordance with, if any, the prescribed provisions of the Act and/or any schedules thereto.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Shri Amit Bhatnagar remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Section II of Part II Schedule XIII of the Companies Act, 1956, as may be decided by the Board of Directors, subject to necessary sanctions and approvals.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby, authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Shri Amit Bhatnagar in the light of further progress of the Company, any revision in the remuneration should be made in conformity with any amendments to the relevant provisions of the Act and / or rules and regulations made there under and/or such guidelines as may be announced by the Central Government from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby, authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters."

9. To consider and if thought fit, to pass with or without modification, following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 311, 317 and Schedule

XIII and such other applicable provisions, if any, of the Companies Act, 1956, (hereinafter referred to as "the Act") including any statutory modifications or any amendment or any substitution or re-enactment thereof for the time being in force, approval of the Company be and is hereby accorded to the re-appointment of Shri Sumit Bhatnagar as Jt. Managing Director of the Company, with effect from from 1st February, 2013 to 31st January, 2016.

RESOLVED FURTHER THAT approval be and is hereby, accorded to the remuneration, perquisites, benefits and amenities payable as per the terms and conditions of the Agreement entered into by Shri Sumit Bhatnagar with the Company for the aforesaid appointment and as set out in this notice; with authority to the Board of Directors of the Company to alter and/or vary the terms and conditions of the said appointment in accordance with, if any, the prescribed provisions of the Act and/or any schedules thereto.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Shri Sumit Bhatnagar remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Section II of Part II Schedule XIII of the Companies Act, 1956, as may be decided by the Board of Directors, subject to necessary sanctions and approvals.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Shri Sumit Bhatnagar in the light of further progress of the Company, any revision in remuneration should be made in conformity with any amendments to the relevant provisions of the Act and / or rules and regulations made there under and/ or such guidelines as may be announced by the Central Government from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters."

10. To consider and if thought fit, to pass with or without

Notice (Contd.)

modification, following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Bhavin Shah, who was appointed as an Non-Executive Director of the Company and in terms of Section 260 of the Companies Act, 1956, read with Article 128 of the Articles of Association of the Company, holds such office up to this Annual General Meeting, and in respect of whom the Company has received Notice in writing, from a member of the Company under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director along with a deposit of Rs 500/- be and is here by appointed as Director of the Company, liable to retire by rotation."

11. To consider and if thought fit, to pass with or without modification, following resolution as an Ordinary Resolution:

"RESOLVED THAT in super session of the resolution passed by the Company, pursuant to Section 293 (1)(d) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 20th September, 2011 and all other applicable provisions, if any, consent of the shareholders, be and is hereby accorded to the Board of Directors of the Company to borrow monies (apart from temporary loans obtained from the bankers in the ordinary course of business) up to Rs. 3500.00 Crores (Rupees Three Thousand Five Hundred Crores Only) as outstanding at any time in excess of the aggregate of Paid Up Capital and Free reserves of the Company from time to time."

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote at the meeting. The proxy need not be a member.
2. Proxy instrument should be duly completed, stamped, signed and must be deposited at the Corporate Office of the Company situated at 5/12, "Essen House", BIDC, Gorwa, Vadodara, 390 016, Gujarat, India not less than 48 hours before the commencement of the meeting.
3. No person shall be entitled to attend or vote at the meeting as a duly authorized representative of a company or any corporate which is a shareholder of the company, unless a copy of the resolution appointing him/her as a duly authorized representative, certified to be true copy by the Chairman of the meeting at

which it was passed, shall have been deposited at the Corporate office of the company situated at 5/12, "Essen House", BIDC, Gorwa, Vadodara, 390 016, Gujarat, India not less than 48 hours before the date of Annual General Meeting.

4. The Dividend, if declared, will be paid to those members, whose names appear on the Register of Members of the Company as on 28th September, 2012 being the date of Annual General Meeting of the Company.

In respect of shares held in electronic form, the dividend will be paid to those beneficial owners as per details furnished by depositories for the purpose.

5. Pursuant to Section 154 of the Companies Act 1956, the Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2012 to 28th September, 2012 (both days inclusive).
6. The Members are requested to make correspondence for any matters relating to Transfer or Dematerialization of Shares, changes in their addresses or bank details, names of the holders with Registrar and Transfer Agent (R. & T. A.) M/s. Karvy Computershare Private Limited, Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081.
7. As a measure of economy, the Company does not distribute the copies of Annual Report at the meeting. Hence, the members are requested to bring their copies with them.
8. As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, enabling the Company to effect electronic delivery of documents. The above initiative will go a long way in conserving paper which is a natural resource and also result in substantial savings on printing and posting of annual reports and other documents of your Company sent to Members. Members are requested to support this Green Initiative by updating their email addresses with their respective Depository Participants, in case of electronic shareholding; or registering their email addresses with the Company's Registrar and Transfer Agents, in case of physical shareholding.
9. Members seeking any information on the Accounts of the Company are requested to write to the Company Secretary, which should reach to the Company at

Notice (Contd.)

least one week before the date of Annual General Meeting, so as to enable the management to keep the information ready. However, replies will be provided only at the Annual General Meeting.

10. Pursuant to the directives given by the SEBI, trading of our Company's shares in Dematerialized form has been made compulsory for all investors with effect from 26th February, 2001. The Company has entered into an agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as an issuer Company for the dematerialization of the Company's Shares. Request for dematerialization of Shares may be sent through respective Depository Participants.
11. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
12. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants. The address/bank mandate as furnished to the company by the respective Depositories viz, NSDL and CDSL will be printed on the dividend warrants.
13. Members desirous of making a nomination in respect of their shareholding in the company, as permitted under Section 109A of the Companies Act, 1956, are requested to send the same to the office of the Registrar and Share Transfer Agent of the company.

14. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Numbers for identification.
15. In terms of Sections 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF).
16. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their Demat Accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar & Share Transfer Agent of the Company.
17. Information required under Clause 49 (IV)(G) of the Listing Agreement (relating to Corporate Governance) with respect to the Director being appointed and Directors retiring by rotation and being eligible for re-appointment is as under:

Notice (Contd.)

Name of the Director	Shri Suresh Narain Bhatnagar*
Position	Executive Chairman
Profile	<p>Shri S. N. Bhatnagar is the Chairman of our Board of Directors since January 2010. Prior to that, he was the Chairman and Managing Director of our Company since 1993.</p> <p>Shri Bhatnagar is a Mechanical Engineer by qualification. He joined Jaipur Metals and Electrical Limited (Kamani group companies) in 1964. During his tenure he has worked on many significant positions and was instrumental in developing groove contact wires, machineries and process, for the first time in the country. He was also heading the conductor and rod division. After rendering his outstanding services to the company for 7 years he resigned and founded Diamond Cables Limited as a partnership company. His long experience of 48 years in the power sector industry proved to be fruitful to Diamond Power Infrastructure Limited (formerly known as Diamond Cables Limited). Shri Bhatnagar having an expertise in projects development and design of machines was also a project consultant during his long tenure and so far has headed 26 such projects.</p> <p>Shri Bhatnagar went an extra mile by serving as the President of Cable and Conductor Manufacturers Association of Gujarat for 20 years. He was also a member of ETDC – 37 the committee which framed the specification in Bureau of Indian Standards. Shri Bhatnagar has also received the 'Udyog Jyoti' and 'Udyog Patra' awards in 1984-2001 from the Government of India.</p>
Date of Joining	26th August, 1992
No. of Shares held in the Company	15,48,087 Equity Shares
Directorship in other Companies	<ul style="list-style-type: none"> - Diamond Infosystems Limited - Diamond Projects Limited - Diamond Power Transformers Limited - Madhuri Finserve Private Limited (formerly known as Diamond Tele – Cabs Private Limited) - Diamond Power Global Holdings Limited (Dubai)

Notice (Contd.)

Name of the Director	Shri Amit Suresh Bhatnagar*
Position	Managing Director
Profile	<p>Shri Amit Bhatnagar 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 Bachelor's degree in Industrial Engineering (gold medalist) from Saurashtra University and MBA in Finance & MOP with a gold medal from the Asian Institute of Management, Manila.</p> <p>Shri Bhatnagar has over 22 years of experience in Managing the Company. 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 day to day operations of our Company, which includes sales, marketing, finance, procurement and public relations. He is also the president of Electrical Goods Manufacturers Association of Gujarat.</p> <p>Shri Bhatnagar was also awarded the 'Udyog Ratan' award for 2007-08 by the Government of India. He is also one of the founders of Vadodara Marathon' and is an Executive Committee Member of the Bal Gokulam, a children shelter established by the Government.</p>
Date of Joining	26th August, 1992
No. of Shares held in the Company	7,28,863 Equity Shares
Directorship in other Companies	<ul style="list-style-type: none"> - Diamond Infosystems Limited - Diamond Projects Limited - Diamond Power Transformers Limited - Madhuri Finserve Private Limited (formerly known as Diamond Tele – Cabs Private Limited) - Diamond Power Global Holdings Limited (Dubai) - Apex Power Equipments Private Limited - Vadodara Marathon

Notice (Contd.)

Name of the Director	Dr. Sumit Suresh Bhatnagar*
Position	Jt. Managing Director
Profile	<p>Dr. Sumit Bhatnagar is the Joint Managing Director of our Company since January 2010. He has pursued BE in Electronics from Pune University and also 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. He is also a certified ERP Professional for Microsoft, Oracle & SAP.</p> <p>Shri Sumit Bhatnagar has been associated with our Company for over 19 years. He has more than 15 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. Shri Bhatnagar headed the ERP and Microsoft Navision implementation at Diamond Power. He has also been associated in the development of software solutions for electrical industry.</p> <p>Shri Bhatnagar is also a Trustee on the Board of Bal Bhavan Society of Vadodara, the Vice President of Savli Taluka Industries Association, Chairman of Baroda Round Table – 49 and has also been felicitated with the National Business Leadership Award for Industrial Development given by IEDRA.</p>
Date of Joining	26th August, 1992
No. of Shares held in the Company	7,79,999 Equity Shares
Directorship in other Companies	<ul style="list-style-type: none"> - Diamond Infosystems Limited - Diamond Projects Limited - Diamond Power Transformers Limited - Madhuri Finserve Private Limited (formerly known as Diamond Tele – Cabs Private Limited) - Diamond Power Global Holdings Limited (Dubai) - Apex Power Equipments Private Limited

Notice (Contd.)

Name of the Director	Shri Bhavin Hasmukh Shah *
Position	Non-Executive Director (Additional)
Profile	Shri Bhavin Shah is a qualified Chartered Accountant and holds an MBA from the Indian Institute of Management (IIM), Ahmedabad. He is presently an Associate Director at Kotak Private Equity and member of the investment team responsible for investments, portfolio oversight and monetization. Earlier, he was a Senior Vice President at Kotak Investment Banking where he was responsible for private equity fund raising for corporates. Prior to Kotak, he worked with Crimson Investments, a \$500 mn private equity fund based in Hong Kong with a focus on investments in emerging markets including India.
Date of Joining	9th November, 2011
No. of Shares held in the Company	Individual Capacity: Not holding any Shares in the Company Kotak India Growth Fund II : 30,47,107 Equity Shares
Directorship in other Companies	- Dyna spede Integrated Systems Private Limited

*above details are as per the records available as on 31st March, 2012.

The Board of Directors recommended the re-appointment of Shri S. N. Bhatnagar, Shri Amit Bhatnagar, Shri Sumit Bhatnagar and Shri Bhavin Shah. Except these Directors, none of the Directors are concerned or interested in their re-appointment.

By Order of the Board
(**Nishant Javlekar**)
Company Secretary & Costing Officer

Date: 13th August, 2012
Place: Vadodara

Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 7

The shareholders of the Company in their Annual General Meeting held on 8th August, 2009 had approved reappointment of Shri S N Bhatnagar, as the Chairman & Managing Director of the Company for the period of 3 years on terms and conditions including salary and perquisites payable to him as per Section 198, 309, 310 and Schedule XIII of the Companies Act, 1956 whose expiry was due on 31st October, 2012.

Subsequently, Shri S N Bhatnagar in the Board Meeting held on 29th January, 2010 put forward his succession plan in view of his age by bringing new generation to infuse young and talented blood into the Management thereby, proposed to appoint Shri Amit Bhatnagar and Shri Sumit Bhatnagar as Managing Director and Jt. Managing Director respectively and retained his position as the Executive Chairman of the Company.

As an outcome of the devoted efforts, contribution and determined leadership of Shri Bhatnagar over a period of last 3 years, Company has reached its zenith in the form of terms of turnover and profitability. Shri Bhatnagar being a Promoter and Director has been devoting his full time and attention for the business and operations of the Company.

As Success is a journey and not a destination, the Company is yet to be an outperformer in terms of turnover and profitability in years to come. In spite of that, the acumen of Shri Bhatnagar as a visionary of the Company will definitely add light on the roadmap of the Company.

By keeping in view of overall inputs and support extended by Shri S. N. Bhatnagar to the Company and based on the recommendation of the remuneration committee your directors at their meeting held on 13th August, 2012, subject to the approvals of the Company in general meeting and Central Government, if required, will re appoint Shri Bhatnagar as Executive Chairman (Director Whole Time in Employment) of the Company for a period of 3 years starting from 1st November, 2012 to 31st October, 2015 as per following conditions:

A SALARY:

Rs. 1,00,34,926 (Rupees One Crore Thirty Four Thousand Nine Hundred and Twenty Six only) per month-as basic salary. The Annual increment in basic salary will be minimum 15% every year.

B PERQUISITES:

- (I) The Executive Chairman shall be entitled to House Rent Allowance subject to 50% of the aforesaid salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall however, be subject to a ceiling of 10% of the Basic Salary per annum.
- (II) The Executive Chairman shall be entitled for Medical Reimbursement, Leave Travel Concession, for self and family, club fees - maximum up to 24 % of salary per month.
- (III) The Executive Chairman shall be entitled for Special allowance maximum up to 25% of salary per month to maintain office at residence, subscription to various books and periodicals etc.
- (IV) Annual Increment: The Executive Chairman shall be entitled to get annual increment over and above normal increment as may be decided by the Board of Directors.
- (V) The following perquisites if applicable, shall not be included in the computation of the ceiling of remuneration:
 - (A) Contribution to Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable to under the Income Tax Act, 1961.
 - (B) Provision of car for use of Company's business and telephone at residence will not be considered as perquisites. However personal long distance calls and use of the car for private purpose shall be billed by the Company to the Executive Chairman.
 - (C) The Executive Chairman will be entitled to one month's leave with pay and allowance for every eleven months of service. Such leave may be accumulated as per Company's rules and practice and encashment of the same shall be allowed at the end of the tenure.
- (VI) The Executive Chairman shall not be entitled to sitting fees for attending meeting of the Board of Directors or Committees thereof.
- (VII) In absence of or inadequacy of profits in any financial year, the Executive Chairman will be entitled to said salary, perquisites, etc. as mentioned above as minimum remuneration.

Notice (Contd.)

A copy of the draft Agreement proposed to be entered into is available for inspection during working hours of the Company on any day preceding the day of the Annual General Meeting.

The Reappointment of Shri S. N. Bhatnagar is in accordance with the norms laid down in Schedule XIII of the Companies Act, 1956, and any approval of the Central Government, along with the shareholders of the Company, if required, would be obtained in accordance with the provisions of Schedule XIII of the Companies Act, 1956.

This may be treated as an abstract of terms and memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

Except Shri S. N. Bhatnagar and his relatives Shri Amit Bhatnagar and Shri Sumit Bhatnagar, none of the other directors may be considered to be concerned or interested in passing of this resolution.

The Board recommends the Resolution for approval of the Shareholders.

ITEM NO. 8

The shareholders of the Company in their Annual General Meeting held on 28th September, 2010 approved appointment of Shri Amit Bhatnagar, as Managing Director of the Company for a period of 3 years commencing from 1st February, 2010 to 31st January, 2013 on terms and conditions including salary and perquisites payable to him as per Section 198, 269, 309,310 and Schedule XIII of the Companies Act, 1956.

Shri Amit Bhatnagar succeeded Shri S N Bhatnagar as the Managing Director of the Company from the position of Jt. Managing Director as a result of the succession plan laid by Shri S N Bhatnagar, the former Managing Director of the Company.

The hardwork, perseverance and efforts injected by Shri Amit Bhatnagar in the Company has put the company in a pre-eminent position, enabling it to achieve new heights of success.

Based on the recommendation of the remuneration committee your directors at their meeting held on 13th August, 2012, subject to the approval of the Company in general meeting and Central Government, if required, will re appoint Shri Amit Bhatnagar as Managing Director of the Company for a period of 3 years starting from 1st February, 2013 to 31st January, 2016 as per following conditions:

A SALARY:

Rs. 89,19,935 (Rupees Eighty Nine Lacs Nineteen Thousand Nine Hundred and Thirty Five only) per-month-as basic salary. The Annual increment in basic salary will be minimum 15% every year.

B PERQUISITES:

- (I) The Managing Director shall be entitled to House Rent Allowance subject to 50% of the aforesaid salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall however, be subject to a ceiling of 10% of the Basic Salary per annum.
- (II) The Managing Director shall be entitled for Medical Reimbursement, Leave Travel Concession, for self and family, club fees - maximum up to salary 24 % of salary per month.
- (III) The Managing Director shall be entitled for Special allowance maximum up to 25% of Salary per month to maintain office at residence, subscription to various books and periodicals etc.
- (IV) Annual Increment: The Managing Director shall be entitled to get annual increment over and above normal increment as may be decided by the Board of Directors.
- (V) The following perquisites if applicable shall not be included in the computation of the ceiling of remuneration:
 - (A) Contribution to Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable to under the Income Tax Act, 1961.
 - (B) Provision of car for use of Company's business and telephone at residence will not be considered as perquisites. However personal long distance calls and use of the car for private purpose shall be billed by the Company to the Managing Director.
 - (C) The Managing Director will be entitled to one month's leave with pay and allowance for every eleven months of service. Such leave may be accumulated as per Company's rules and practice and encashment of the same shall be allowed at the end of the tenure.
- (VI) The Managing Director shall not be entitled to sitting fees for attending meeting of the Board of Directors or Committees thereof.

Notice

(VII) In absence of or in-adequacy of profits in any financial year, the Managing Director will be entitled to said salary, perquisites, etc. as mentioned above as minimum remuneration.

A copy of the draft Agreement proposed to be entered into is available for inspection during working hours of the Company on any day preceding the day of the Annual General Meeting.

The Reappointment of Shri Amit Bhatnagar is in accordance with the norms laid down in Schedule XIII of the Companies Act, 1956, and any approval of the Central Government, along with the shareholders of the Company, if required, would be obtained in accordance with the provisions of Schedule XIII of the Companies Act, 1956.

This may be treated as an abstract of terms and memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

Except Shri Amit Bhatnagar and his relatives Shri S N Bhatnagar and Shri Sumit Bhatnagar, none of the other Directors may be considered to be concerned or interested in passing of this resolution.

The Board recommends the Resolution for approval of the Shareholders.

ITEM NO. 9

The shareholders of the Company in their Annual General Meeting held on 28th September, 2010 approved appointment of Shri Sumit Bhatnagar, as Jt. Managing Director of the Company for a period of 3 years commencing from 1st February, 2010 to 31st January, 2013 on terms and conditions including salary and perquisites payable to him as per Section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956.

Shri Sumit Bhatnagar succeeded Shri S N Bhatnagar as the Jt. Managing Director of the Company from the position of Jt. Managing Director (Operations) as a result of the succession plan laid by Shri S N Bhatnagar, the former Managing Director and present Chairman of the Company.

Taking into consideration the endless efforts and commitment of Shri Sumit Bhatnagar towards the Company and his valuable ideas and support and based on the recommendation of the remuneration committee your directors at their meeting held on 13th August, 2012, subject to the approvals of the Company in general meeting and Central Government, if required, will re appoint Shri

Sumit Bhatnagar as Jt. Managing Director of the Company for a period of 3 years starting from 1st February, 2013 to 31st January, 2016 as per following conditions:

A SALARY:

Rs. 89,19,935 (Rupees Eighty Nine Lacs Nineteen Thousand Nine Hundred and Thirty Five only) per-month as basic salary. The Annual increment in basic salary will be minimum 15% every year.

B PERQUISITES:

- (I) The Jt. Managing Director shall be entitled to House Rent Allowance subject to 50% of the aforesaid salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall however, be subject to a ceiling of 10% of the Basic Salary per annum.
- (II) The Jt. Managing Director shall be entitled for Medical Reimbursement, Leave Travel Concession, for self and family, club fees - maximum up to 24 % of the salary per month.
- (III) The Jt. Managing Director shall be entitled for Special allowance maximum up to 25% of salary per month to maintain office at residence, Subscription to various books and periodicals etc.
- (IV) Annual Increment: The Jt. Managing Director shall be entitled to get annual increment over and above normal increment as may be decided by the Board of Directors.
- (V) The following perquisites if applicable shall not be included in the computation of the ceiling of remuneration:
 - (A) Contribution to Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable to under the Income Tax Act, 1961.
 - (B) Provision of car for use of Company's business and telephone at residence will not be considered as perquisites. However personal long distance calls and use of the car for private purpose shall be billed by the Company to the Jt. Managing Director.
 - (C) The Jt. Managing Director will be entitled to one month's leave with pay and allowance for every eleven months of service. Such leave may be accumulated as per Company's rules and practice and encashment of the same shall be allowed at the end of the tenure.

Notice (Contd.)

(VI) The Jt. Managing Director shall not be entitled to sitting fees for attending meeting of the Board of Directors or Committees thereof.

(VIII) In absence of or in-adequacy of profits in any financial year, the Jt. Managing Director will be entitled to said salary, perquisites, etc. as mentioned above as minimum remuneration.

A copy of the draft Agreement proposed to be entered into is available for inspection during working hours of the Company on any day preceding the day of the Annual General Meeting.

The Reappointment of Shri Sumit Bhatnagar is in accordance with the norms laid down in Schedule XIII of the Companies Act, 1956, and any approval of the Central Government, along with the shareholders of the Company, if required, would be obtained in accordance with the provisions of Schedule XIII of the Companies Act, 1956.

This may be treated as an abstract of terms and memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

Except Shri Sumit Bhatnagar and his relatives Shri S N Bhatnagar and Shri Amit Bhatnagar, none of the other Directors may be considered to be concerned or interested in passing of this resolution.

The Board recommends the Resolution for approval of the Shareholders.

ITEM NO. 10

Shri Bhavin Shah was nominated on the Board of the Company by Kotak India Growth Fund II, which is a Non-Financial Institution and holding substantial number of shares in the Company. To promote shareholders representation in the Company, Shri Shah was appointed as a Non-Executive Director (Additional) by the Board of Directors at their meeting held on 9th November, 2011 pursuant to Section 260 of the Companies Act, 1956 read along with Article 128 of the Articles of Association of the Company. The tenure of his office is coming to an end at this Annual General Meeting. Hence the Board of Directors at their meeting held on 13th August, 2012 decided to reappoint him as a Non-Executive Director, subject to the approval of the Shareholders.

The Company has received a notice in writing with deposit of Rs. 500/- from a member under the provisions of Section 257 of the Companies Act, 1956 proposing the candidature of Shri Bhavin Shah for the office of a Director liable to retire by rotation.

None of the Directors of the Company is in any way concerned or interested in the said resolution, except Shri Bhavin Shah.

The Directors recommended the resolution for your approval.

ITEM NO. 11

The Board of Directors of the Company (hereinafter referred to as the "Board") had been authorized at the General Meeting of the Company held on 20th September, 2011, under Section 293 (1) (d) and all other applicable provisions of the Companies Act, 1956, to borrow monies in excess of the aggregate Paid up Capital and Free Reserves of the Company up to Rs. 2250.00 Crores (Rupees Two thousand and two hundred and fifty Crores Only) as set out in the said resolution.

In order to accomplish the Company's expansion/diversification plan in the line of business in which it is having expertise and for promotion of its exports, the Company is in need of funds on initial basis. The said funding will be raised through Term Loan/ Convertible Securities etc. and other borrowings that may be required in the future. It is considered appropriate to increase the aforesaid limit from Rs. 2250.00 Crores (Rupees Two thousand Two hundred and Fifty Crores Only) to Rs. 3500 Crores (Rupees Three thousand Five hundred Crores Only). Your consent is sought to authorize the Board to borrow up to Rs. 3500 Crores (Rupees Three thousand Five Hundred Crores Only) as outstanding at any time in excess of the Paid up Capital and Free Reserves of the Company from time to time.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

The Directors recommended the resolution for your approval.

By Order of the Board

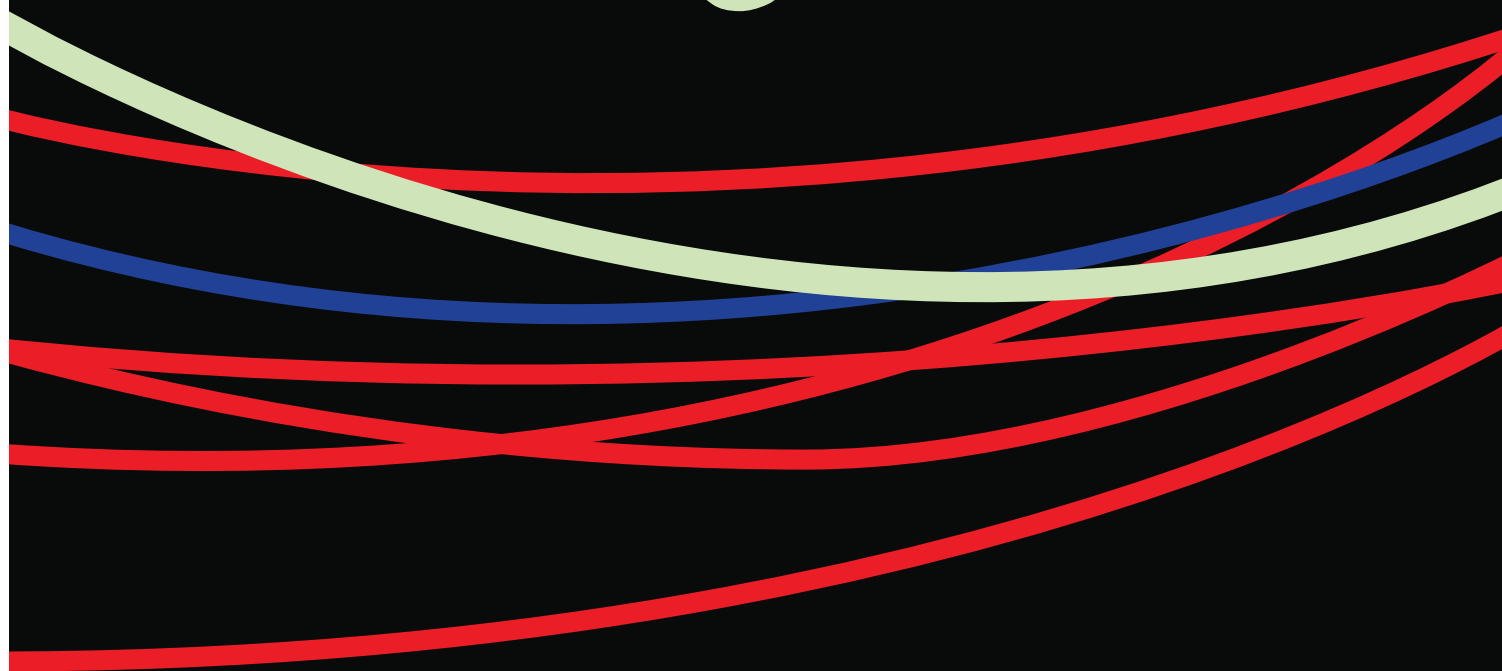
(Nishant Javlekar)

Company Secretary & Costing Officer

Date: 13th August, 2012

Place: Vadodara

We
continued
to glow
even in
tough times



Forward looking statements

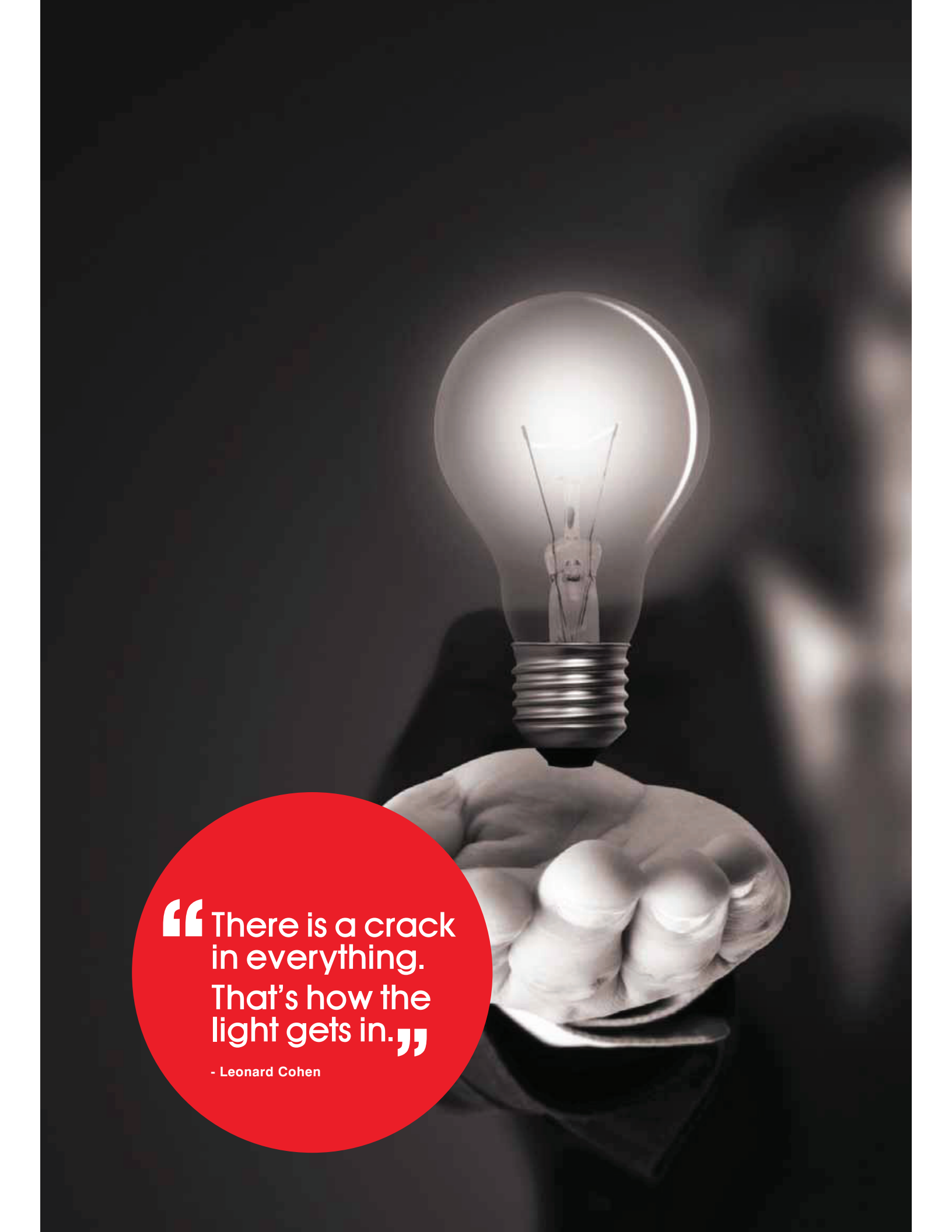
In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', '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 that 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.

The report path



A black and white photograph of a hand holding a glowing lightbulb. The lightbulb is illuminated, casting a warm glow. The hand is positioned in the lower right, with fingers curled around the base of the bulb. The background is dark and out of focus, with a blurred figure of a person visible on the right side.

“There is a crack
in everything.
That’s how the
light gets in.”

- Leonard Cohen



2011-12
was a demanding
year. Global economic
uncertainty translated into liquidity
pressures and slowdown in investment
inflows into the emerging economies. Closer
home, rising inflation led to strengthening of
interest rates, thereby impacting capital creation
in key infrastructure sectors. Moreover, the political
uncertainty coupled with economic constraints led
to deferment of key policies. The times were indeed
tough. The cost of key commodities continued to
rise. The competition continued to intensify.
The depreciation in Indian Rupee vis-à-vis
US Dollar continued to hurt exports. The
margins continued to remain under
pressure.



Amidst the gloom, we continued to glow.



We continued to consolidate our businesses.

We continued to create capacities.

We continued to improve our efficiencies and streamline costs.

We continued to improve our product quality and cement our clientele across verticals.

We continued to broaden our product base and improve our financial health.

We also continued to post decent growth. While our standalone revenues improved by 37.3% to Rs. 1,740 crore; our consolidated revenues crossed Rs. 2,000 crore-mark for the first time since our inception. We registered an increase of 19.3% in operating profits to Rs. 192.99 crore. Our net profit improved by 11% to cross Rs. 100 crore-mark during 2011-12. Our order book as on 31st March 2012 stood at Rs. 1,685 crore.

We are not resting yet. Instead, we are energised. We utilised a downturn to consolidate, strengthen and streamline our businesses. 2012-13 is expected to unleash an exciting phase for the Indian power sector. The Indian Power Transmission & Distribution sector is expected to witness investments of ~Rs. 240,000 crore under ongoing 12th Five Year Plan. Being the most diversified Power T&D player in the country, comprising of high-performance verticals – conductors, cables (LT, HT & EHV), transformers (power, distribution and gas-based), transmission and EPC solutions, we are poised attractively to capitalize upon immense opportunities that the sector offers. The future is bright indeed. we are not just growing right; but also glowing bright.

Turn the pages to know more...

Power points

What you need to know about us.

We are a 42-year young company!

- 💡 Commenced operations in 1970
- 💡 Established by Mr. SN Bhatnagar, a technocrat and presently the Chairman of the Company
- 💡 Consolidated revenues of more than Rs. 2000 crore
- 💡 Consolidated net profits of more than Rs. 125 crore
- 💡 Headquartered in Vadodara, Gujarat
- 💡 100 plus Distributors across 16 Indian cities
- 💡 ~2500 employees as on March 31, 2012
- 💡 Listed on the Bombay Stock Exchange (Stock code – 522163) and the National Stock Exchange (Stock code – DIAPOWER)
- 💡 Market capitalisation of more than Rs. 300 crore

Our Product portfolio

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

EPC services

- 💡 Plan, design and commission power turnkey transmission and distribution projects

Special projects

Customisation and execution of:

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



Among the
five largest
cable manufacturers
in India

We have built an integrated business model, based on our leadership in each segment

- 💡 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

Brands

- 💡 Dicabs
- 💡 Apex (Transformers)

Certification

ISO 9001:2008
ISO 14001

Powering new horizons

1971

Established a Conductor Manufacturing unit

1995

Setup an LV Cables Manufacturing unit

1999

Setup an Aluminum Rod Mill

2006

Setup the EPC Business

2007

Acquired Western Transformers

2008

Setup HV Cables manufacturing unit up to 132 KV

2010

Capacity Expansion of LV & HV Cables units

2011

Setup EHV Cables Manufacturing up to 550 KV
Setup Transmission Tower unit

2012

Acquired strategic stakes in Utkal Galvanizers and Maktel Control & Systems
Acquired controlling stake in Danke Controls
Commenced production of Power Transformers

Empowering scale

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
MV cables up to 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 up to 220 KV	7500 MVA
5-40 MVA up to 220 KV	2500MVA
Distribution transformers	
Up to 5 MVA	2500 MVA
Transmission towers	48,000 MT

Operational highlights 2011 - 12

Igniting new possibilities

2011

April 2011:

- 💡 Acquired strategic stake in Utkal Galvanizers, an ISO 9001:2000 Company offering wide range of EHV Power Transmission and street lighting solutions

June 2011:

- 💡 Commissioned 550 kV capacity Extra High Voltage Cables plant; becomes India's only and world's fifth to do so
- 💡 Commissioned a modern Plant to produce transmission towers aggregating 48,000 MT per annum.
- 💡 Received of an order aggregating Rs. 78 crores to supply Tower materials for 400 KV Quad and Twin lines
- 💡 Achieved Type Testing of 66,132,220 KV Cables

July 2011:

- 💡 Received orders from Montecarlo Construction Ltd. L&T and other customers for supply of Conductors and Cables amounting to Rs. 115 Crore

September 2011:

- 💡 Received Letter of Intent for Supply and Erection of 220KV D/C line for Halvad-Sadla and BECL-Botad aggregating 131.47 kms.

October 2011:

- 💡 Received Letter of Intent for Supply and Erection of 66KV, 132KV and 220KV Towers for GETCO aggregating 5600 Mts.
- 💡 Received Letters of Intents for Supply and Erection of 220KV D/C & 220KV S/C lines for Halvad-Sadla, BECL-Botad and Chorania - Gondal LILO at Sadla aggregating 155.846 kms.

November 2011:

- 💡 Received an order for Supply and Erection of 220 KV D/C lines from Gujarat Energy Transmission Company Ltd aggregating 380.15 kms



2012

January 2012:

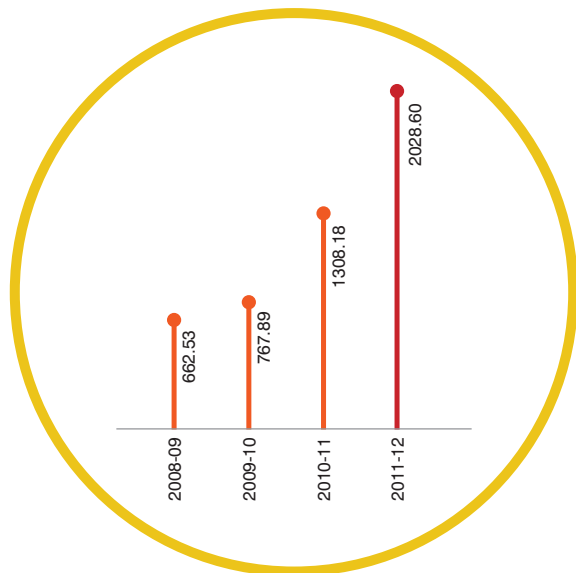
- 💡 Forayed into wind energy; purchased 6.3 MW Windmills near Kandla, Gujarat from Suzlon Energy
- 💡 Received first orders aggregating 35 kms for Extra High Voltage Cables for ratings of 66.132 & 220 kv
- 💡 Commenced production for Power Transformers
- 💡 Received order for supply of 108 Power Transformers aggregating Rs. 48.3 Crores-Type Tests Power Transformers

March 2012:

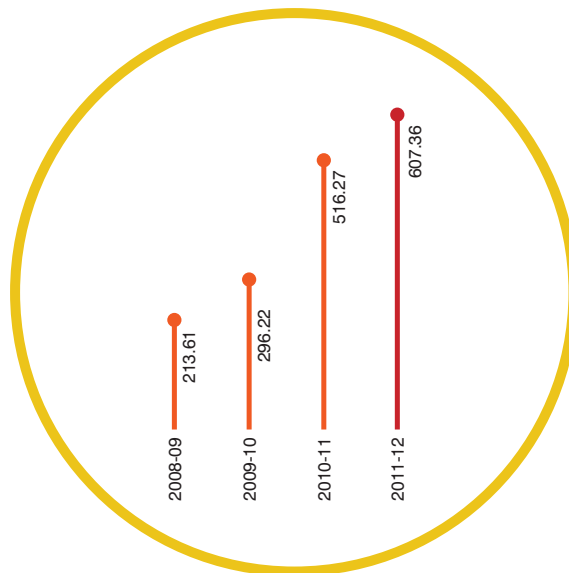
- 💡 Received an order for supply of 2948 KM Moose Conductor for 400 KV /C (Quad) Salem (New) - Somanhalli Transmission Line

Energising financial health

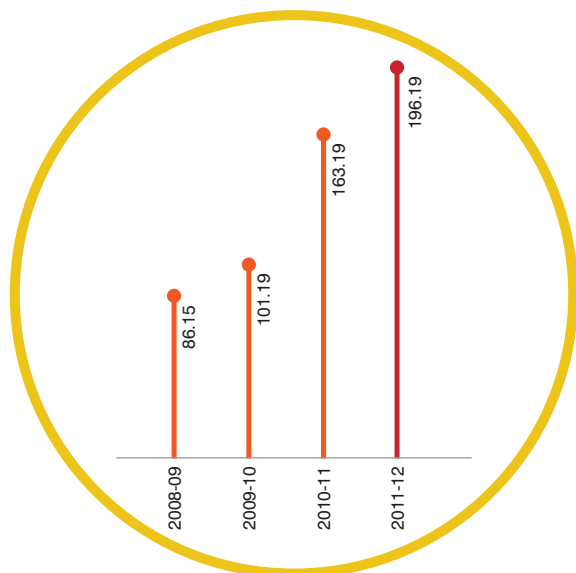
Net Revenues (Rs. crore)



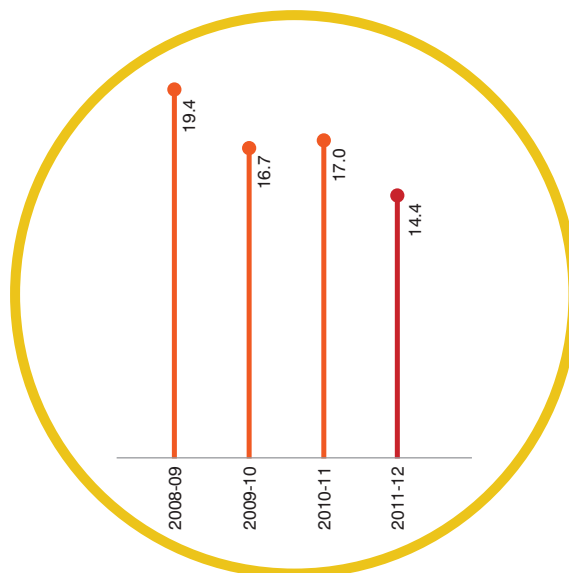
EBIDTA (Rs. crore)



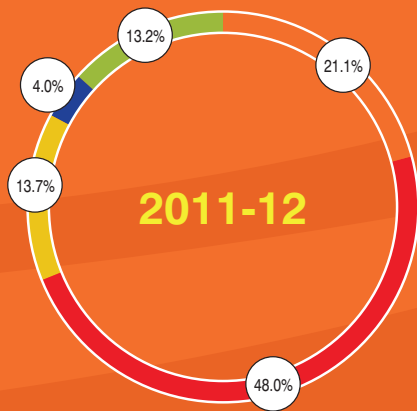
Net-worth (Rs. crore)



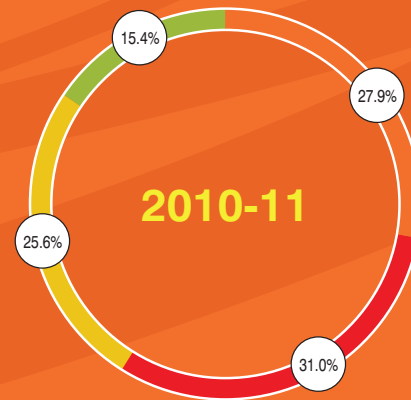
Return on Capital Employed (%)



Segment-wise Gross Revenue break-up

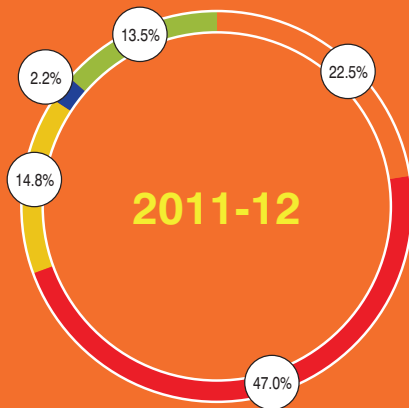


Conductor Cables (LT & HT)
Power Infrastructure - Turnkey Project [EPC]
Transmission Tower Transformers

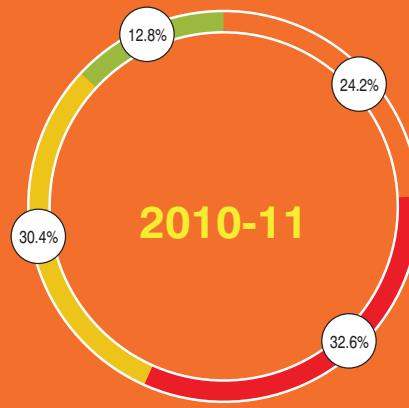


Conductor Cables (LT & HT)
Power Infrastructure - Turnkey Project [EPC]
Transmission Tower Transformers

Segment-wise EBITDA break-up



Conductor Cables (LT & HT)
EPC Tower Transformers

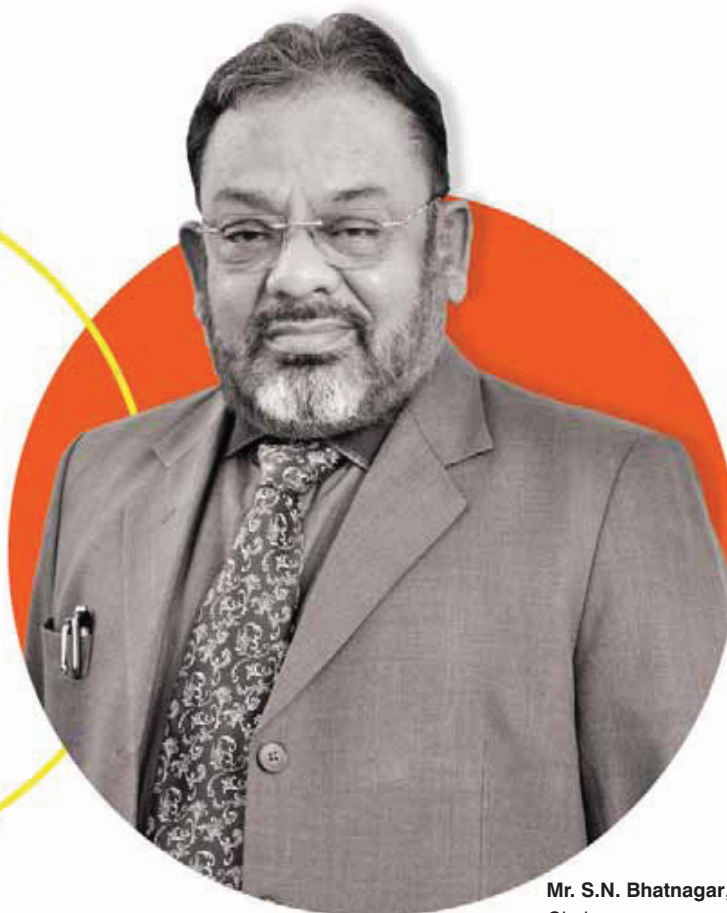


Conductor Cables (LT & HT)
EPC Tower Transformers



Chairman's overview

Our Cables and Transformers divisions grew by **99.8%** and **10.5%** respectively, resulting in an overall increase of the revenues by **~30%** during **2011-12**



Mr. S.N. Bhatnagar,
Chairman

At Diamond Power, we have always believed that the quality of growth is always sacred than the quantity of growth. Over the years, we at Diamond Power have diligently built a credible and robust business model based on knowledge, technology, quality and sincerity. It took us four decades to build a strong foundation and in the process also breach Rs. 2000 crore-mark in terms of revenues. Today, we are among the largest transmission and distribution equipment manufacturers, as well as leading integrated power solutions providers in India. What excites me more is that considering what we want to achieve; we are still at the starting point. Albeit, ready to deliver more.

It takes a hint of dark to appreciate the light.

2011-12 was a busy year. It tested us but in the process also made us stronger. We continued to look inwards. An integrated product mix enabled us withstand margin pressures and at the same time deliver quality solutions to our clients. With all the business units operational – conductors, cables, EHV Cables, Power and distribution transformers and transmission towers, we were able to mitigate the cost pressure and also post decent growth in terms of absolute numbers. A hard year made us cherish and bolster our unique business model.

Owing to economic slowdown and diminishing financial health of SEBs, our Power Infrastructure and Conductor verticals registered de-growth of 30.9% and 2.5% respectively in terms of divisional revenues. On the other hand, our Cables and Transformers divisions grew by 99.8% and 10.5% respectively, resulting in an overall increase of the revenues by ~30% during 2011-12. This also reflects our motivation over the years to move from single product to a multi-product and an integrated products and solutions company. During 2011-12, we also completed our expansion programme and commenced commercial production for power transformers, EHV cables and transmission towers. While our established products like Cables and conductors continue to provide us with liquidity and scale; our new products will enable us to tap power infrastructure segment in an economical and reliable way, going forward.

Aiming for sustainable growth

The Indian Power story continues to be promising. Although 2011-12 witnessed several hiccups in terms of slowdown in orders and galloping interest rates as well as input prices, we at Diamond Power strongly feel that the growth story in the sector has just begun. The urgency to invest into the Indian T&D infrastructure is further aggravated in wake of recent nationwide grid failures, which impacted more than 50 crore Indians. T&D losses also remain a huge concern. T&D losses in India are close to 30 per cent. China has a gross eight per cent T&D loss; the European Union averages around seven per cent. If India cut T&D losses to, global average of 10-12 per cent, it would result in huge capacity creation for the country. Our role as an integrated Power infrastructure solutions provider would be critical in this regards going forward.

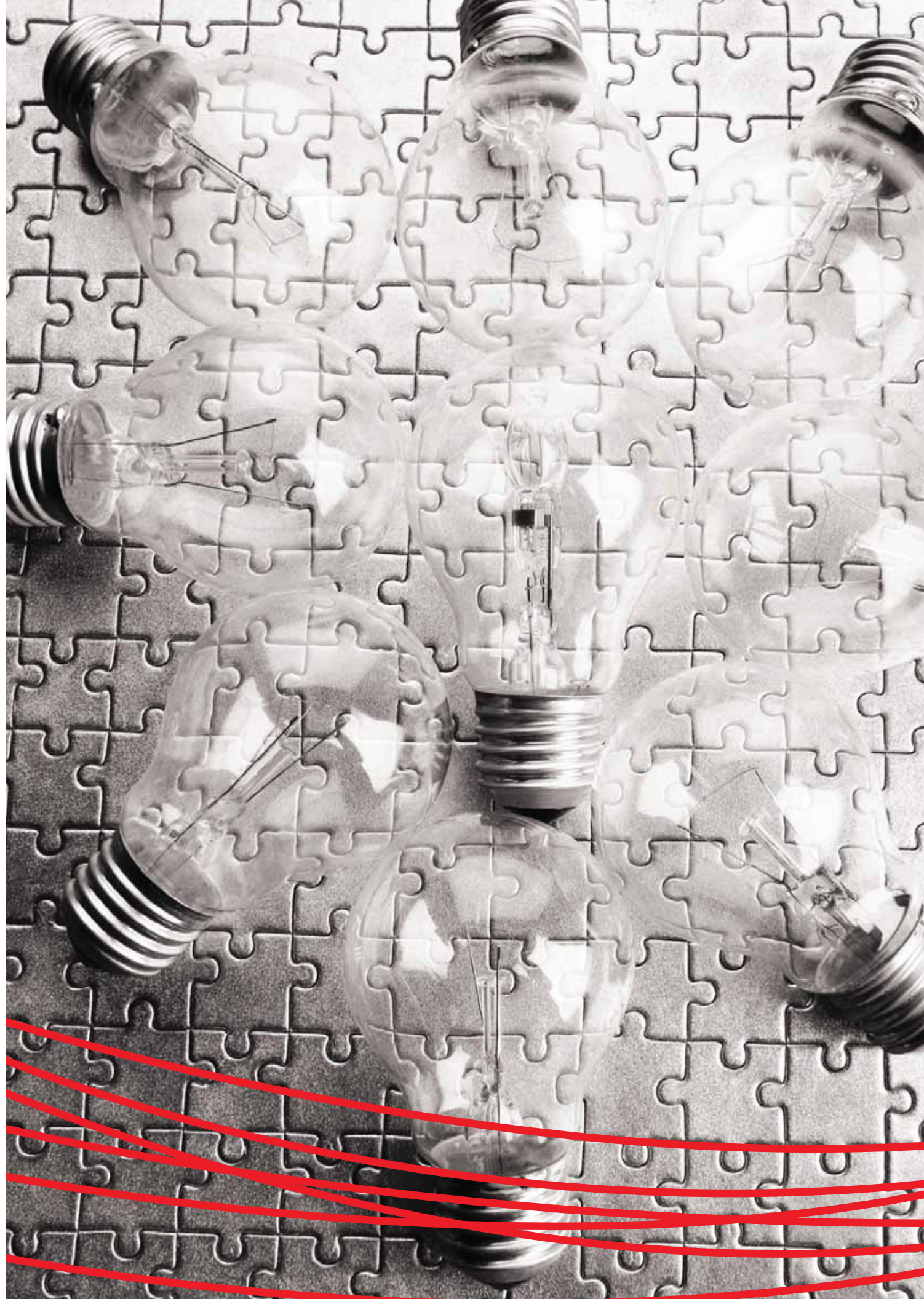
We have prepared well

All our business verticals have now reached a respectable scale. We are further investing to improving our capacities in conductors and cables during 2012-13. At the same time, our inorganic initiatives taken during the year under review would start playing vital role in boosting our product portfolio and solutions capabilities in the coming year.

I would like to thank each and every stakeholder of the company for supporting us and believing in our credentials. Our focus is unwavering. Our commitment is unfaltering. Our future is exciting.

SN Bhatnagar,

Chairman





Strengthening integration

WE COMMENCED OUR JOURNEY AS A CONDUCTOR MANUFACTURER MORE THAN FOUR DECADES AGO AND EMERGED AS A LEADING PLAYER IN THE SEGMENT.

It was more than two decades later that we widened our product portfolio by investing into LT Cables manufacturing. The turning point came in year 2006, when we commenced our journey towards creating an integrated business model, owing to our foray into EPC segment.

In 2007, we forayed into transformers segment through inorganic expansion. We acquired – Western Transformers (for distribution transformers). During 2011-12, we successfully commenced commercial production of power transformers. In 2008, we further forayed into HT cables and fortified our presence in the cables segment.

Post 2008, we translated the recessionary slowdown into an opportunity by choosing to expand our product portfolio. Foray into manufacturing of Transmission Tower was a necessary investment, considering the EPC Players then were allotted the tenders based on their captive tower manufacturing facility (even though the cost of transmission tower to the entire project was close to 10 per cent). Besides, we also invested into Extra-High voltage cables, to capitalize upon the government's encouragement towards usage of underground transmission lines vis-à-vis an overhead line. During 2011-12, we became India's first and world's fifth company to successfully commission an EHV cables unit.

2011-12 also witnessed a spate of inorganic initiatives. We acquired strategic stake in Utkal Galvanizers thereby cementing our presence in EHV Power Transmission and street lighting solutions. At the same time, during the end of the financial year, we also acquired strategic stakes in Danke Control (50 per cent) and Maktel Control & Systems (40 per cent). With these acquisitions, we further strengthened our integrated business model and broadened our product portfolio. Today, we at Diamond Power are emerging as a fast-growing EPC and turnkey solutions provider having in-house manufacturing capability and capacities for products accounting for close to 80% of the Project cost. These comprise of Conductors, Cables (LT, HT & EHV), Transformers (power & distribution), transmission towers, isolators, Electrical Panels, Consoles & Marshaling Kiosk, Control Cabinet (Meter Box), Control Panels and MV Switchgear Panels. This exhaustive product range will enable us to emerge as a preferred bidder for products and at the same time translate into better margins in EPC projects.



Expanding presence

SUSTAINED GROWTH DEMANDS BROADER PRESENCE. IN THE PAST DECADE, THE INVESTMENTS IN INDIAN POWER SECTOR HAVE INCREASED MANIFOLD.

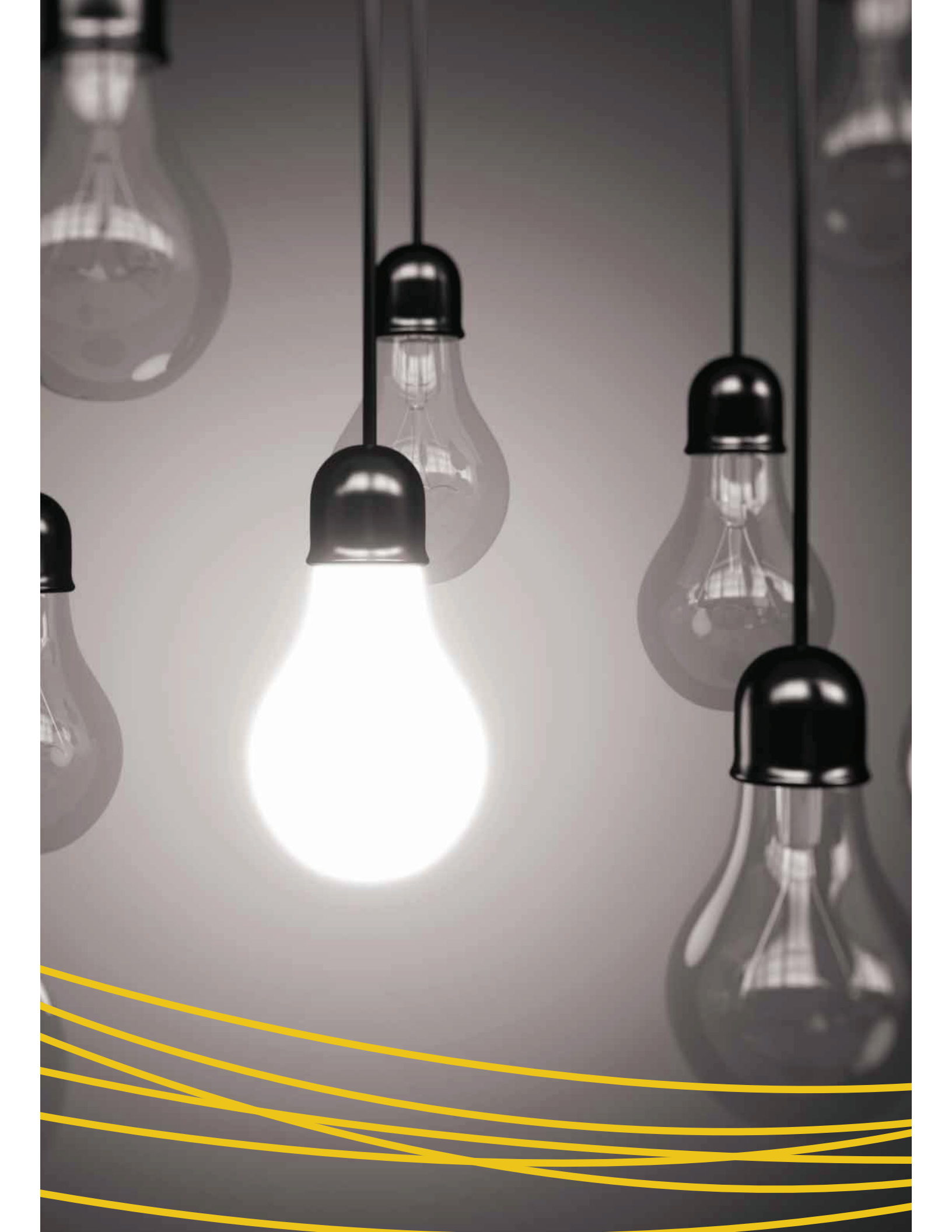
With the rural and semi-urban centres emerging as India's real growth engines, the demand for power is expected to witness sustained increase. Moreover, with influx of private public partnership projects into T&D segment, the competition has also intensified with the SEB and PGCIL 's projects. 2011-12 witnessed higher competition from overseas players in the equipment segment. The need to change with the times was evident for us and we prepared well. In the past five years, we have consciously focused on expanding our presence – both in terms of domestic as well as international geographies.

We have successfully evolved as a preferred products and solutions provider to the major T&D companies. Our transformers and Cables divisions have a retail focus and are sold under "Dicabs" brand. We have a large network of more than 100 distributors across 16 Indian states, supporting our retailing ambitions and enabling us to discover new markets consistently. With our recent foray into consumer-led products like Electrical Panels, Consoles & Marshaling Kiosk, Control Cabinet (Meter Box), Control Panels and MV Switchgear panels, etc, we are confident of further deepening our roots in the retail segment going forward.

Indian transmission EPC players are focusing on overseas T&D opportunity to offset slow down in state/private sector Capex. International market presents US\$ 6.5 tn opportunity over 2008-2030. At Diamond Power, we have initiated concrete measures in 2011-12, to improve our exports presence. We opened a dedicated marketing office in Dubai to have a first-hand knowledge of the key products in demand in the adjoining markets. The initiative has already started to demonstrate encouraging results in terms of consumer traction for our quality products. During the year, the company participated in tenders worth Rs. 1200 crore+ across diverse geographies including, Kenya, Zimbabwe, Ethiopia, Mozambique, Zimbabwe, etc.

Going forward, the company will further strengthen its presence in Middle East and African states, owing to higher investments in power sector. We are confident in expanding our customer base to adjoining countries and will look at value-added product opportunities in similar regions. On the other hand, our dedicated marketing office and adjoining markets would enable us further aid our technology absorption and would ensure faster adoption of international best practices in our Indian units.







Controlling costs

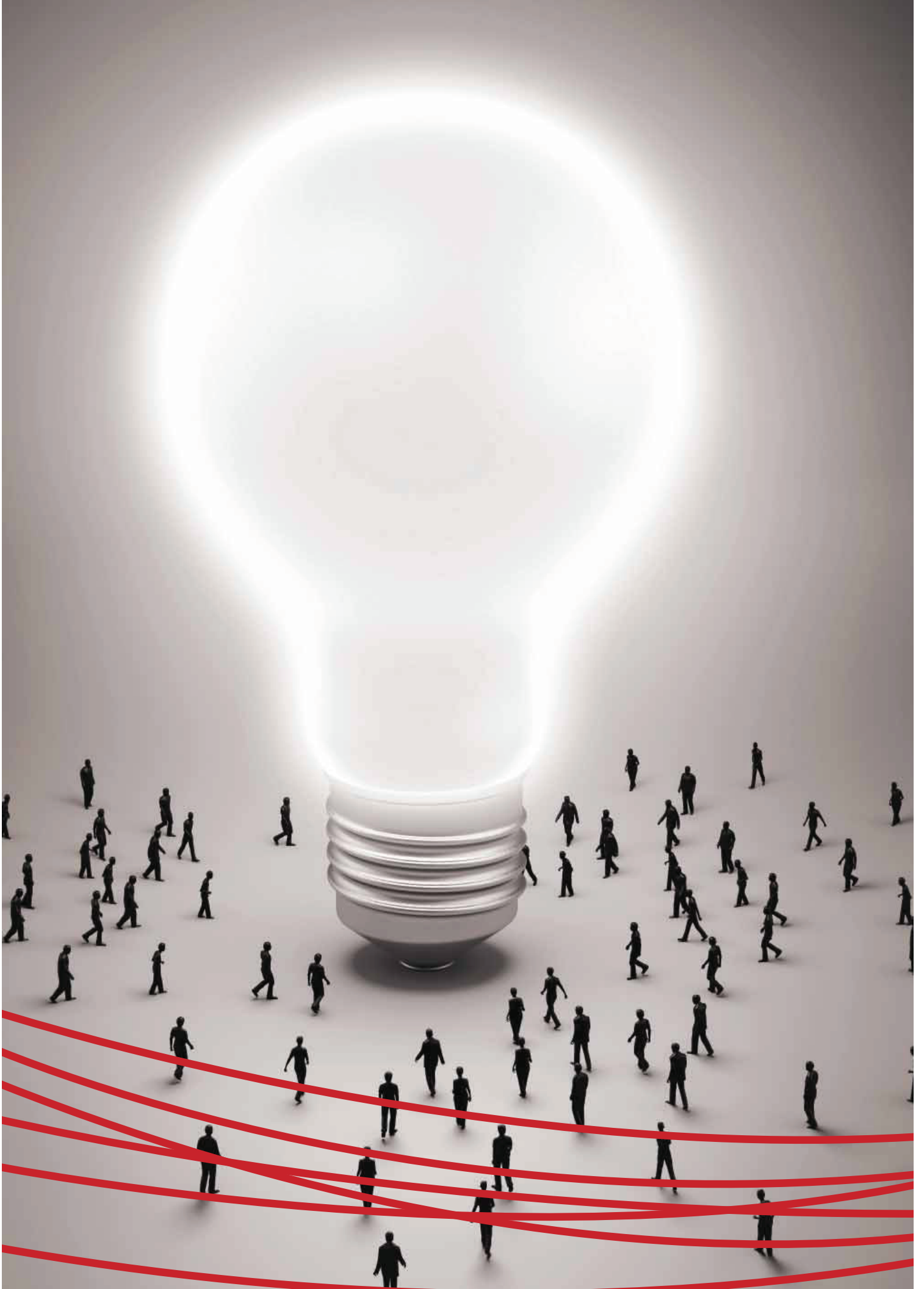
AT DIAMOND POWER WE HAVE ALWAYS BELIEVED THAT COST OPTIMISATION INITIATIVES HAVE TO BE CONTINUOUS AND PERSISTENT, NOT MOMENTARY OR OCCASIONAL.

Our zeal to improve and lead the change has not only enabled us to become a cost efficient player in the Indian industry but also offer improved quality of products, in line with the best in class international standards.

2011-12 was a challenging year. The cost of key inputs like aluminium and copper continued to remain northbound. At the same time, the depreciation in Indian Rupee vis-à-vis US Dollar led to considerable margin erosion. Being unprecedented rise in the cost of key inputs, we also couldn't remain unscathed from depleting margins. However, the organisation-wide culture of cost optimisation definitely helped us to stem the tide.

The focus was on sweating-off existing capacities to ensure higher overhead absorption. Each manufacturing unit continued to initiate measures to optimize usage of key resources, without impairing the quality of the end product. We invested in debottlenecking of capacities at incremental cost in various processes, thereby enhancing process cost efficiencies. We focused on automation, thereby reducing manual labour, shortening turnaround time across our units and at the same time reducing long-term process cost.

Each product and process was clearly looked at; and for some outsourcing was preferred, leading to lower cost, with no compromise on quality standards. The capacities were debottlenecked to improve economies of scale. Efficient inventory and debtors management led to improvement in inventory carrying and receivables cycles.





Adding capabilities

BEING A T&D EQUIPMENT MANUFACTURER, WE KNOW THAT FOR THE POWER TO TRAVEL FROM GENERATION TO USAGE, IT IS VERY IMPORTANT FOR ALL THE COMPONENTS – NOT MATTER HOW LARGE OR HOW SMALL, TO WORK TOGETHER.

Because, when people work like team, no challenge is large enough and no distance is unachievable. We are a company of leaders and our achievements in the business simply reflect our spirit of performing, achieving and sustaining repeatedly.

Diamond Power comprises of 2500+ highly motivated employees across 9 locations. We endeavor to provide an environment that encourages talented professionals to perform to their fullest potential. We believe that the development and effective management of our human resources is of core importance towards attaining our vision.

We believe in consistent enhancement of skills and knowledge of our employees through sustained investments in their training programmes – both on and off the job. This Human Resource strategy has not only enabled us to attract, develop and retain talent pool but have also led to cordial industrial relations since our inception.

2011-12 was a year of cementing our human resources across our business verticals. We focused on strengthening our middle management team to support the envisioned growth in the coming years. Several new positions at across business segments were created with the induction of experienced professionals from the respective industries.

Managing Directors' review

Dear Shareholders,

2011-12 WAS A REWARDING YEAR FOR US AT DIAMOND POWER. WE CONTINUED TO DELIVER GROWTH DESPITE CHALLENGES RELATED TO DECELERATION IN THE ECONOMY AND SLOWDOWN IN INDIAN POWER SECTOR.

We continued to optimise our cost structures and improved production efficiencies to expand our margins in wake of rising input prices and financial costs. Our intellectual capital and world class technology continued to strengthen our value-proposition with our customers globally.



Mr. Amit Bhatnagar
Managing Director

Dr. Sumit Bhatnagar,
Joint Managing Director

India has emerged as the market of tomorrow, today. Even in wake of the persisting slowdown, the economy continues to rank among the better performing economies globally. It is currently 4th in terms of purchasing power parity and in the coming years, is expected to be among the five largest economies by 2020. For a country having low levels of per capita consumption of power (around 800 KW), the potential is immense. India's power woes are largely dependent on its depleted T&D infrastructure, the impact of which is highly visible in power deficit states like UP and Bihar. As a leading solutions provider in the T&D space, we have over the years, built a strong business model, with presence across the product value chain – from generation station to vicinity to the end consumers.

Our timely investments in integration, capacities, and capability to create value added products backed with people and client approvals have enabled us to remain ahead of the curve. During 2011-12, we completed commissioning of EHV cables and Power Transformers. Besides, we acquired strategic stakes in two companies, which will lay a strong foundation for future growth from newer yet related segments.

We sincerely believe that the Indian Power Story is yet to demonstrate its intrinsic potential and therefore the opportunity is huge. We are further investing into a fresh phase of capacity expansion in our cables and conductors verticals. The cost of expansion will be around Rs. 770 crore and the same shall be concluded by March 2014. Post completion of this ambitious programme, we would rank among the top 5 cables manufacturers in the world and also foray into medium Tension cable space.

Owing to the strengths built over the years, we expect an exciting 2012-13. We believe that the input costs and interest rates have peaked already and would retain at same levels, if not revised downwards. The long term Indian growth story remains intact and promising. Our investments in an integrated business model will enable us withstand the slowdown and also capitalize in wake of impending upturn in the demand. Moreover, we would continue to light a candle instead of cursing the darkness. On this positive note, I would like to thank all of you for your continuing support and encouragement. I assure you that our commitment remains towards building a strong, sustainable and value-creating company.

Amit Bhatnagar
Managing Director

Dr. Sumit Bhatnagar
Joint Managing Director



CSR @ Diamond Power



ENRICHING LIVES. ENERGISING COMMUNITIES

PROMOTION OF EDUCATION

"Education is the most powerful weapon which we can use to change the world"

Supporting the same and being an active and accountable corporate citizen Diamond Power has promoted secondary education among the poor to reduce the number of school drop outs so that children can enjoy the fruit of education in the long-term from the seeds sown today by having a close knit association with many organisations working for this cause.

We have also inaugurated a primary school at Vadadala for educating the children of the village. It contributes and is a helping hand for all round development of our nation's assets, we contribute towards infrastructure facilities with the help of other organisations like Baroda Round Table 49 and Ladies Circle 76.

HELPING HAND TO THE UNDER-PRIVILEGED CHILDREN

It is rightly said "Children are the world's most valuable resources and its best hope for the future." Believing in the saying, Diamond Power has extended a helping hand towards upliftment of the destitute and downtrodden children of our society.

'Bal Gokulam Society – A Home away from home' is a first of its kind children home of the country established to provide shelter and protection to the orphans and physically challenged children and give them parental care, which is managed by Baroda District Probation and Aftercare Association.

Education and learning is given great importance at Bal Gokulam and therefore every child is given formal or non formal education. Children are instilled with lessons on health, first aid, cleanliness, general knowledge and computers. All this aids the child in its all round development.

Our Company has been working hand-in-hand with this society and Bal Bhavan, which has brought many smiles on the faces of the poor children of the society in which we exist.

VADODARA MARATHON

Vadodara Marathon is an independent Non-Profit Company that undertakes the activity of conducting annual marathons in Vadodara; with an objective to raise money and momentum every year for a cause, which is governed by a Board of Management comprising of leading industrialists, social workers, educationalists, professionals, directors etc.

Diamond Power has rolled up its sleeves and has been promoting this social cause by being the Co-sponsor of Vadodara Marathon since the time of its inception, Shri Amit Bhatnagar, Managing Director of the Company is also on the Board of Vadodara Marathon and also takes an active role in the activities.

The Vadodara International Half Marathon is India's first large scale international marathon organised in a non-metro city. The first two editions of the marathon have gone on to break all records; cementing the city's spot on the AIMS International Half Marathon Calendar and also was honored by the title '**Smallest City, Biggest Marathon**'.





HEALTHCARE

Ambulance Kendra

Life is as precious as time, once gone cannot be got back. Ambulances act as a boon by acting instantaneously in situations requiring immediate medical care on the right time. Valuing life, Diamond Power has adopted the 'Ambulance Kendra', which has reached out to many people in need and has helped saving hundreds of lives.

Blood Donation Camp

Blood costs nothing to give yet is more valuable than any other resource on this planet. Each and every drop of blood counts and can save millions of lives around. Keeping this good cause in mind, Diamond Power organizes blood donation camps once in every three months wherein the employees, their friends, family members and many others come to donate blood and help in saving many lives.

Eye care Camp

Eyes are the windows to the gorgeous world. Diamond Power supported by Baroda Round Table 49 & Baroda Ladies Circle 76 have organised a free eye check up camp for cataract followed by free cataract removal by laser at Hi-tech Eye Surgery clinic to help the poor see amazing colors, their loved ones and the world they live in.

Medical facilities in Vadadala

Health is wealth, validating this we provide medical facilities to poor and arranged free medical camps for the improvement of health in rural areas.

FOOTSTEPS TOWARDS SAVING MOTHER NATURE

Tree Plantation Activities

In the view of ever-increasing urbanisation Diamond Power has taken up a tree plantation initiative towards correcting the ecological imbalance in Mother Nature. “Someone is sitting in shade today, because someone planted a tree long time ago” – are the golden words spoken by Warren Buffet. Our Company believing in the golden words conducts plantation of tree saplings, hereby promoting afforestation.



Management of Vehicle Traffic

Road Transport is one of the major causes of global warming. To eliminate the same to some extent, our Company has been encouraging ‘Public Transport’ as a measure of reduction in the emission of green house gases, ultimately promoting sustainable development. Our Company Support Vadodara Traffic Education Trust being helping the city and the citizens to overcome traffic problems and hurdles and also to educate people on traffic rules and to ensure that they are being followed.

Ek tha water

Water and life are inseparable. It is nature’s gift to mankind and is the single most essential component of sustaining life on earth. With rapid urbanisation and industrialisation water all around is getting polluted and potable water is becoming scarce. Diamond Power addressing this concern has launched a campaign “EkTha Water – Running successfully, till water runs out” with an objective of making the people of the society aware about the importance of water.

Drop by drop an ocean is formed; our efforts just do not end here, we have just filled a pond and in the future to come we'll fill this pond with many drops in the form of our effort for the betterment of the society with the help of our valuable stakeholders.



Profiles of Directors



Shri S.N. Bhatnagar
Chairman

SHRI S. N. BHATNAGAR IS THE CHAIRMAN OF OUR BOARD OF DIRECTORS SINCE JANUARY 2010. PRIOR TO THAT, HE WAS THE CHAIRMAN AND MANAGING DIRECTOR OF OUR COMPANY SINCE 1993.

Shri Bhatnagar is a Mechanical Engineer by qualification. He joined Jaipur Metals and Electrical Limited (Kamani group companies) in 1964. During his tenure he has worked on many significant positions and was instrumental in developing groove contact wires, machineries and process, for the first time in the country. He was also heading the conductor and rod division. After rendering his outstanding services to the company for 7 years he resigned and founded Diamond Cables Limited as a partnership company. His long experience of 48 years in the power sector industry proved to be fruitful to Diamond Power Infrastructure Limited (formerly known as Diamond Cables Limited). Shri Bhatnagar having an expertise in projects development and design of machines was also a project consultant during his long tenure and so far has headed 26 such projects.

Shri Bhatnagar went an extra mile by serving as the President of Cable and Conductor Manufacturers Association of Gujarat for 20 years. He was also a member of ETDC – 37 the committee which framed the specification in Bureau of Indian Standards. Shri Bhatnagar has also received the 'Udyog Jyoti' and 'Udyog Patra' awards in 1984-2001 from the Government of India.

SHRI AMIT BHATNAGAR 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 Bachelor's degree in Industrial Engineering (gold medalist) from Saurashtra University and MBA in Finance & MOP with a gold medal from the Asian Institute of Management, Manila.

Shri Bhatnagar has over 22 years of experience in Managing the Company. 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 day to day operations of our Company, which includes sales, marketing, finance, procurement and public relations. He is also the president of Electrical Goods Manufacturers Association of Gujarat.

Shri Bhatnagar was also awarded the 'Udyog Ratan' award for 2007-08 by the Government of India. He is also one of the founders of Vadodara Marathon' and is an Executive Committee Member of the Bal Gokulam, a children shelter established by the Government.



Shri Amit Bhatnagar
Managing Director



DR. SUMIT BHATNAGAR IS THE JOINT MANAGING DIRECTOR OF OUR COMPANY SINCE JANUARY 2010.

He has pursued BE in Electronics from Pune University and also 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. He is also a certified ERP Professional for Microsoft, Oracle & SAP.

Shri Sumit Bhatnagar has been associated with our Company for over 18 years. He has more than 15 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. Shri Bhatnagar headed the ERP and Microsoft Navision implementation at Diamond Power. He has also been associated in the development of software solutions for electrical industry.

Shri Bhatnagar is also a Trustee on the Board of Bal Bhavan Society of Vadodara, the Vice President of Savli Taluka Industries Association, Chairman of Baroda Round Table – 49 and has also been felicitated with the National Business Leadership Award for Industrial Development given by IEDRA.



Dr. Sumit Bhatnagar
Joint Managing Director



Shri Karthik Athreya
Non-Executive Nominee Director

SHRI KARTHIK ATHREYA IS A NOMINEE DIRECTOR OF CLEARWATER CAPITAL PARTNERS ON THE BOARD OF THE COMPANY SINCE 3RD APRIL, 2012.

He is a member of the Institute of Chartered Accountants of India and holds a Commerce degree from Loyola College, Chennai.

Shri Athreya is a member of Clearwater's Management Committee and is based in Mumbai. He is responsible for Clearwater's Indian investments and overseas growth, organisation and business building strategies for Clearwater's portfolio in India. Prior to joining Clearwater, he held positions of increasing responsibility at Yes Bank, Rabo India Finance Pvt Ltd, Arthur Andersen and Pricewaterhouse Coopers.

SHRI BHAVIN SHAH WAS NOMINATED ON THE BOARD OF THE COMPANY BY KOTAK INDIA GROWTH FUND II, NON-FINANCIAL INSTITUTION AND WAS APPOINTED AS A NON-EXECUTIVE DIRECTOR W.E.F. 9TH NOVEMBER, 2011.

He is a qualified Chartered Accountant and holds an MBA from the Indian Institute of Management (IIM), Ahmedabad.

Shri Bhavin Shah is presently an Associate Director at Kotak Private Equity and member of the investment team responsible for investments, portfolio oversight and monetisation. Earlier, he was a Senior Vice President at Kotak Investment Banking where he was responsible for private equity fund raising for corporates. Prior to Kotak, he worked with Crimson Investments, a \$500 mn private equity fund based in Hong Kong with a focus on investments in emerging markets including India.



Shri Bhavin Shah
Non-Executive Director



Shri TNC Rajagopalan
Non-Executive Independent Director

SHRI T. N. C. RAJAGOPALAN IS A NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY SINCE 18TH OCTOBER, 2007.

He holds a bachelors degree of Science & Arts from Pune University.

Shri Rajagopalan has an experience of 30 years as an import-export consultant. He has wide knowledge on issues related to EXIM policy and procedures, anti-dumping duty, trade payments, custom valuation, custom Laws and procedures. Shri Rajagopalan is a member of Confederation of Indian Industries [CII], Baroda EXIM Club (founder member and ex-president). He also writes a weekly column on Exim Matters in Business Standard and has authored two books titled 'Exim Policy-Mastering in 7 days' (Centax Publications, 2003) and 'Foreign Trade Policy-Made Easy' [Centax Publications, 2004]. In addition to that he is also an advisor and consultant to several corporates.

DR. VASANTHA BHARUCHA 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 an 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. Vasantha Bharucha
Non-Executive Independent Director



Dr. Kirit Vyas
Non-Executive Independent Director

DR. KIRIT VYAS IS A NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY.

He is Doctor of Philosophy and Master of Science in Chemical Engineering from Illinois Institute of Technology, Chicago, Illinois, U.S.A. and has 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 general purpose antibiotics called Norfloxacin, Computer related businesses etc.

SHRI RANVIR SINGH SHEKHAWAT, IS A NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY.

He is a well-known figure in Power cable as well as communication cable industry. He is a technocrat having more than 45 years of rich experience in cable manufacturing and has worked at top management 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. He has undergone training at world leaders like ABB cables & Ericsson cables of Sweden.



Shri Ranvir Singh Shekhawat
Non-Executive Independent Director

Executive Council

Diamond Power's Executive Council comprises of a core group of corporate personalities who with their professional expertise and vast experience have nurtured Diamond Power to become a business leader over the years. The Corporate Executive Council, led by Bhatnagars, has been an active, dedicated and highly experienced forum.



Shri Jayramrao Marathe

Executive Director (EPC Division)* and Non-Executive Director Diamond Power Transformers Limited

B.E – Electrical, PGDM, training in finance- IIM-A and Knowledge Management – IIM-L

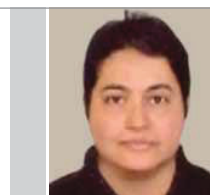
He has over 37 years experience in various segments of power utility like transmission, distribution and generation. He also has experience in customer relationship management, business development and technical research. Shri. Marathe is the chairman of Distribution Code Review Committee appointed by Gujarat Electricity Regulatory Commission, a member of Expert Committee appointed by Government of Gujarat and also member of Distribution Best practice Committee appointed by Government of India. He was working with Madhya Gujarat Vij Corporation Limited as Joint Managing Director before joining our Company.

Miss Nivedita Pandya

Technical advisor & Executive director (Projects)*

B.E – Mechanical

Having an experience of over 15 years in cables and conductor industry she is responsible for ISO 9002 quality control, quality assurance and other management related functions for the Company. She has also been in-charge of execution of HT cables project, which has recently been successfully implemented. Having massive knowledge in the field of Cable Manufacturing, all the projects of the Company are under her surveillance.

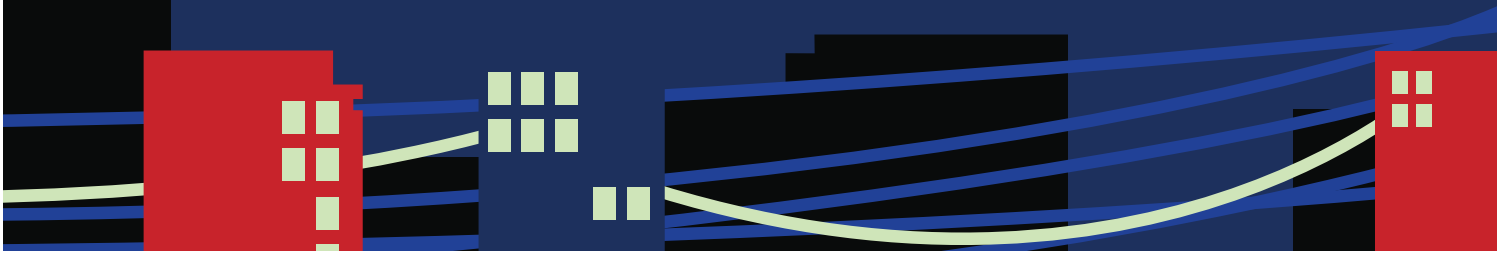


Shri P. Sridharan

Director- Operations* (Diamond Power Transformers Limited)

B.E – Electrical, Diploma – Business Administration.

Having an experience of over 32 years in the power sector he has worked in all functional areas including TQM, TPM, and TOC. He has also handled green field projects, Capex and Turnkey Electrical Projects. He handles products like Condenser Bushings for Power Transformers, SF6 Breaker Components, H.V. C.T , CVT, Wave Traps, Line Hardware, etc.



Shri Jaideep Nigam

Director Exports*(Diamond Power Global Holdings Limited, Dubai)

B.E- Mechanical, MBA – Marketing

Having an experience of over 25 years in the Middle East market he will be based in Dubai to look after our wholly owned subsidiary company whose main objective will be to take care of the export potential in the Middle East, African and Asian countries.



Shri Jaikishan Gianchandani

President & Chief Operating Officer – EPC and Business Development

BE – Electrical, Post Graduate – IIM. Bangalore, Certification – International Project Management

Being so qualified and having an experience of about 31 years in various functions like Marketing, Project Management and Contract Management he is responsible for heading the day-to-day operations of the EPC Division and open new doors for the Company's future.

Shri Prakash Mahajan

Sr. Vice President – Cables

MSc – Physics

Mr. Prakash Mahajan has around 44 years of wide experience in the field of Cable Industry. He is looking after the all the matters pertaining to HT Cables relating to production and manufacturing.

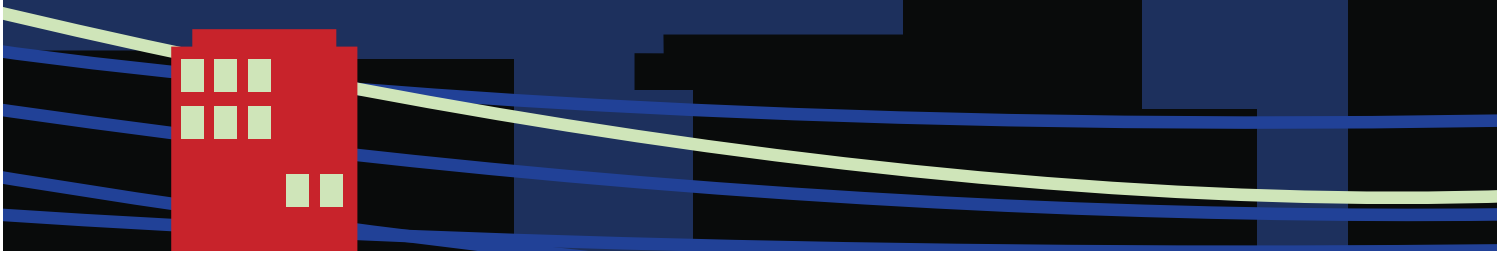


Shri Bhagwan Makhijani

Sr. Vice President – Finance & Strategic Initiatives & CFO (Diamond Power Transformers Limited)

B.Com, MBA– Finance

He is responsible for the overall functioning and working of the Company's business. He also has over 31 years of experience in the field of financial & commercial activities in professionally managed companies like Arvind Mills Limited, Coromandel Fertilizers Limited and Bhilwara group.



Shri Pankaj Pandya

Vice- President – Commercial & Engineering Services

B.E – Production Engineering, Post graduate in Business Administration

He is responsible for assignments pertaining to Stores, Excise, Mechanical Maintenance and Electrical Maintenance and is also holding the MR position for EHS & OSHAS activity. In addition to this , 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.



Shri Rashesh Chhaya

Vice President – Supply Chain

Diploma – Electrical & Mechanical Engineering

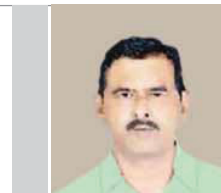
Having over 40 years of experience in field of Material Management, Shri Chhaya plays a very vital role in the management of the Company. He is responsible for Material Management, purchase and supply chain management in our Company.

Shri Ghanshyam Singh

Vice President – Quality Control Division

BSc– Chemical, Maths and Physics

He is responsible for quality assurance of incoming material and outgoing material and inspection of quality at each stage of process and has over 28 years experience in cables manufacturing industry.



Shri Ramesh Mishra

Vice President – Testing (HT Plant)

Diploma – Electrical Engineering

He is heading the Testing laboratory and quality department function in our Company and also has around 42 years of experience in the field of Testing and installation.

Shri Rajesh Dutta

Vice President – Marketing

MBA - Marketing

He is heading the dealer network division of our Company and is responsible for dealing with regular clients having business dealings above a certain level and also has over 15 years of experience in marketing of aluminum rods, conductors and cables.





Shri Jagdish Jain

Vice President – Cables and Conductor

B.E – Electrical, Diploma- Purchase & Stores

He successfully heads the Production area in our Company because of the vast experience of over 43 years in the field of Cable manufacturing and also possesses an expertise in Cable manufacturing.

Shri Prem Shekhar Prasad

Vice President – EPC

B.E. – Electrical, MBA - Finance

He has an experience of over 26 years in the field of O&M in cement industries, captive power plant, thermal power plant, energy conservation, quality management like ISO/TPM/TQM/ ISO14000, managing inventory, water management, evaluation of quotation, etc. Presently, he is looking after 220 KV transmission line project in Gujarat managing eight sites over 450 km. length overall with supply and etc.



Shri Vijay Shankar N S

Vice President – QTP

BSc.- Statistics & Maths

He looks after the designing and costing of all local and export related matters for cables and conductors. Having completed his training from various reputed institutions like IIM – Bangalore, XLRI – Jamshedpur, etc. he has about 38 years in field of cables and conductors manufacturing.

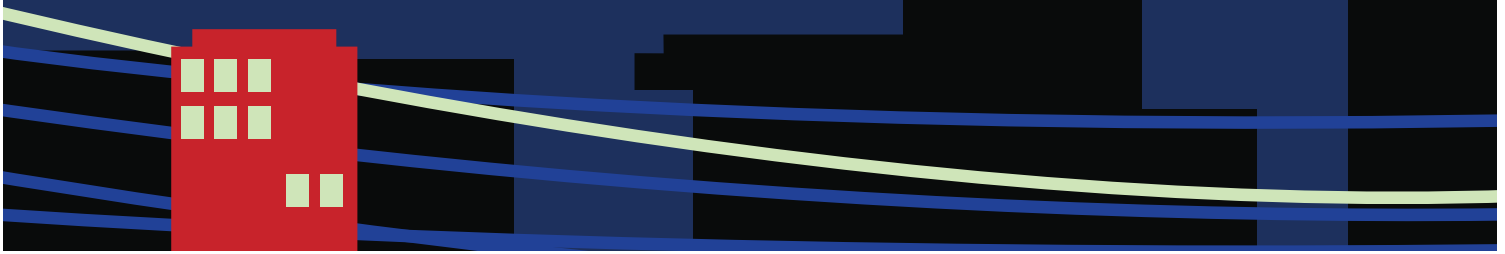
Shri Lakhamshi R. Patel

Vice – President (Marketing) Diamond Power Transformers Ltd.

B.E. -Electrical

He is heading the Marketing Department of Diamond Power Transformers Ltd., Samiyala and is having 36 years of wide experience (from Design to Marketing) in Transformers Industries. He took a leap to promote his own Transformer Manufacturing Industry in the Year 1983 in the name & style of Atlanta Electricals Pvt. Ltd.





Shri Dashrath M. Patel

Vice – President of Diamond Power Transformers Ltd.

B.E. -Mechanical

He is heading the Distribution Transformers of Diamond Power Transformers Ltd., Ranoli & is having 39 years of vast experience in various segments & outsourcing of transformers. He is a Gold Medalist for Machine Design.

Shri U K Shashidharan

Assistant Vice President – Transmission Tower Production

Diploma – Mechanical Engineering

Having an experience in Production, Production Planning, Maintenance and Quality Assurance in Transmission line Industry for 28 years he is responsible for the overall operation of Transmission Tower Plant in our Company.



Shri. Pratik Shah

General Manager - Accounts

B.Com, C.A.

He joined the Company in August, 2012. Having an overall work experience of 12 years he is responsible for finalisation of accounts and taxation related matters, freezing of reports, government liaisoning with Excise, Service Tax, Income Tax and Sales Tax. He also looks after internal audit, statutory audit and the commercial aspects of setting up a new product.

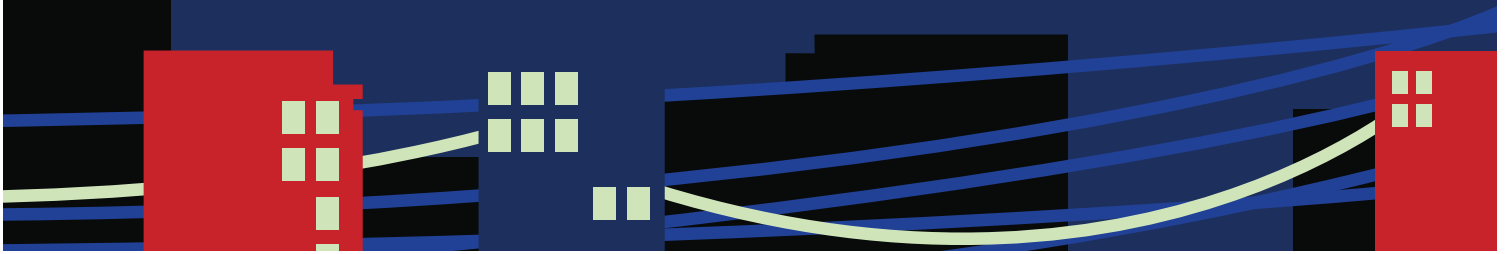
Shri Panicker Sugathan

Assistant Vice President – Purchase

B.Com & Secretarial Practice From The Board of Kerala

Shri Panicker Sugathan is having an experience of over 25 years prior to joining with us. He has experience in the field of Purchase, Procurement, Planning & Scheduling, Inventory Management.





Shri Omprakash Atre

Assistant Vice President – Logistics & Warehouse

BSc ,B.Ed., Diploma – Business Management

Shri Omprakash Atre has 38 years of experience in the field of logistics, purchase, Inventory management, Business Development. Prior to joining with us he was working as Vice President – Business Development & Commercial with M/s The Thar Dry Port.

Shri Ravindra Nath Mishra

Assistant Vice President – Mech. Maintenance

B.E. - Mechanical

Shri Ravindra Nath Mishra has experience of 30 years prior to joining with us. He has wide experience in Maintenance field with various industries like M/s HMT Ltd. , M/s Universal cables Ltd., M/s Tumus Electric Corporation Ltd., M/s Ken Electrical Ltd.



Shri Nishant Javlekar

Company Secretary & Costing Officer

B.Com, LLB, CS, ICWA (Cont.)

He is heading the Secretarial Department of Diamond Group Companies and also looks after the Costing Department. Other than this, he is a lecturer and visiting faculty of various institutions including ICSI and ICWAI and a Committee Member of Vadodara Chapter of Institute of Company Secretaries of India.

** not forming part of the Board Directors of the Company.*

Management Discussion and Analysis

Annexure C

TO DIRECTORS' REPORT

ECONOMY OVERVIEW

Global

The Global economy continued to be tepid, despite stimulus packages and liquidity been infused. Fresh financial crisis in European countries such as Greece and Spain and the developed world's slow recovery from the 2008 meltdown have slowed the global economic growth to 3.9 per cent in 2011 from 5.3 per cent in 2010. The global macro-economic scenario appears to be weak with euro-zone's debt crisis and the manufacturing slowdown. Europe appears to be the main source of weakness though US continues to hold up better when compared to other developed countries. Economic activities in emerging markets such as India, China and Brazil too slowed down due to lower trade growth that impacted domestic demands as well. But these developing countries will continue to lead the global economic recovery, as their burgeoning middle class will continue to drive demand. IMF expects the emerging economies' GDP to grow 5.7 per cent in 2012, slightly down from 6.2 per cent growth in 2011.

Indian

Indian economy, too, is estimated to have slowed to 6.9 per cent in 2011-12 from 8.6 per cent in 2010-11 as price increases across products and commodities and high interest rates impacted consumer demand and industrial activities. The central bank recently cut the short-term lending rate for the first time in more than two years, signaling lower interest rates that will boost demand, production and investment. One major problem the

country is facing is the recent free fall in the value of the rupee, which is making imports—which include crude oil and several raw materials—costlier. This could push inflation and that would make the central bank tighten its monetary policy again. The positives include prediction of normal monsoon, lower average age of consumers and their increasing aspirations, increasing demand for real estate and the country's infrastructure drive. The Prime Minister's Economic Advisory Council recently predicted 7.5 per cent-8.0 per cent GDP growth in 2012-13 although the Asian Development Bank has pegged it at 7 per cent.

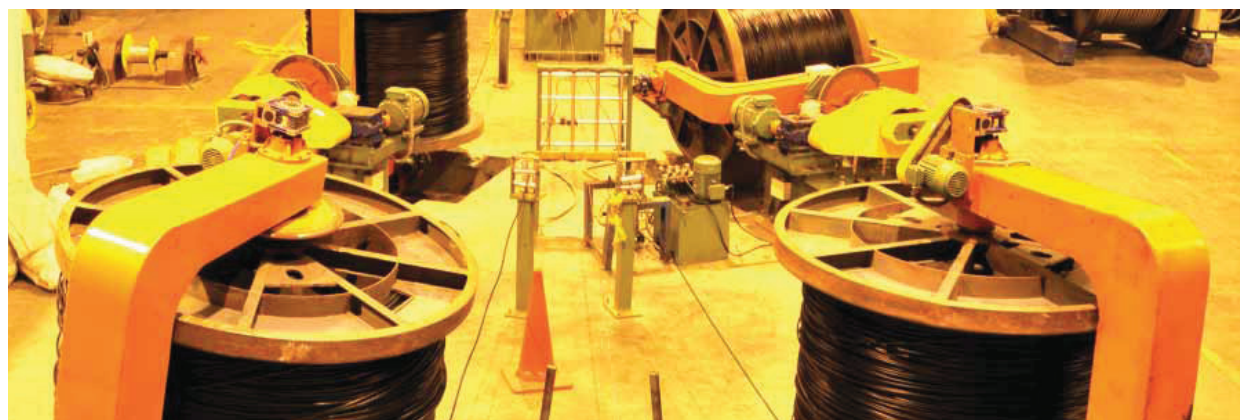
INDUSTRY OVERVIEW

Key highlights

The Power Sector staged a turnaround of sorts during 2011-12 with exceeding the capacity addition targets set by Power Ministry by nearly 17 per cent. It witnessed only 60 per cent target achievement during FY 2010-11. The capacity addition target for last year was pegged at 17,601 MW, which included 5,725 MW by the central sector, 4,266 MW by the states and 7,610 MW by the private sector. With regard to the actual achievement, totaling 20,501.7 MW, the sector-wise break-up works out to be 4,770 MW for the center, 3,761.2 MW for the state sector and 11,970.5 MW for the private sector.

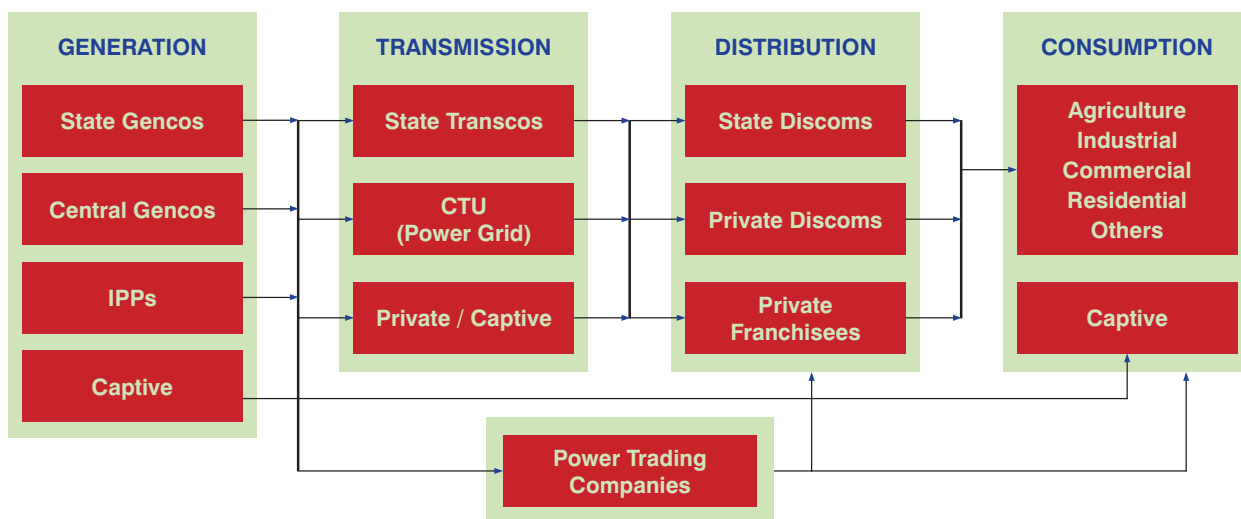
Industry framework

CERC is the nodal regulator for central gencos, inter-state transcos and power trading. SERCs regulate intra-state gencos and transco. Electricity distribution is a state subject.



POWER SECTOR - INDUSTRY STRUCTURE

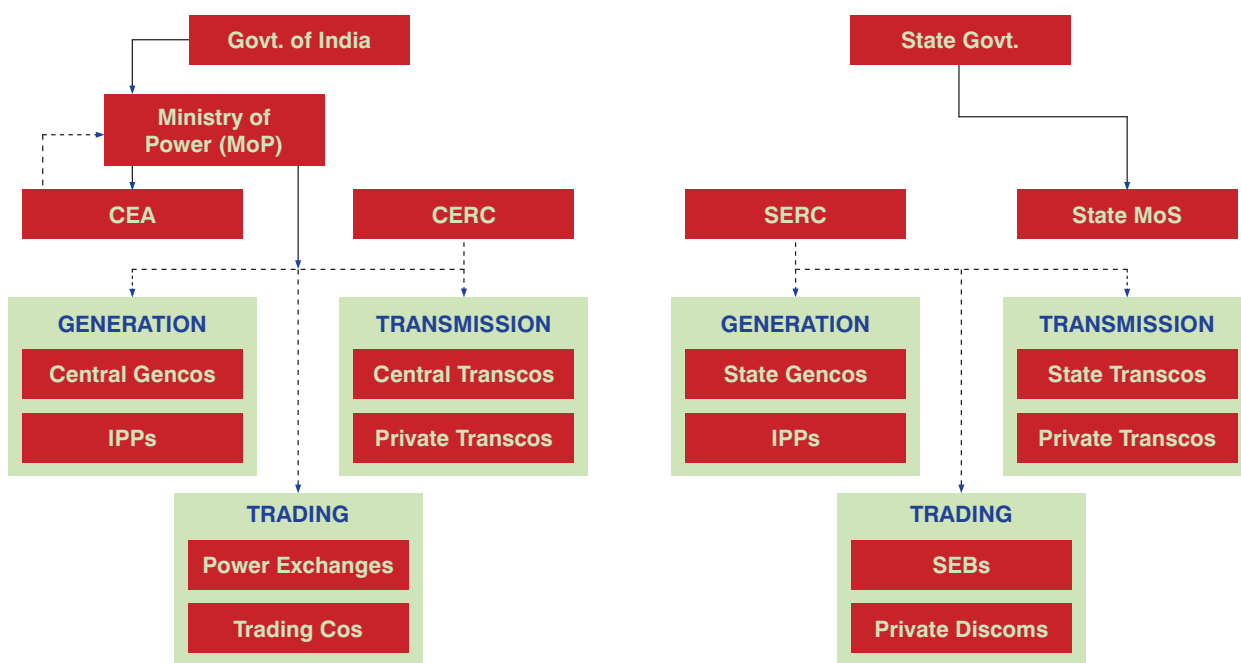
Private participation / investment surging in generation, a trickle in transmission, sporadic in distribution



Source : Nomura research

POWER SECTOR - REGULATORY FRAMEWORK

Financial health of state-owned distribution companies remains the key concern



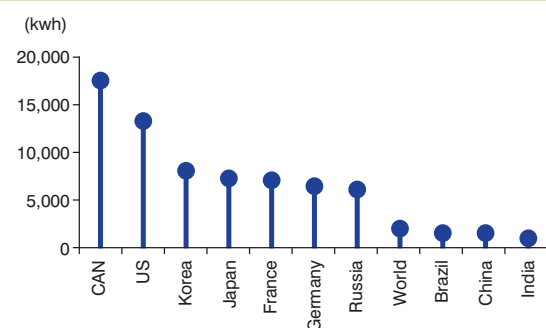
Note: CERC - Central Electricity Regulatory Commission; CEA - Central Electricity Authority, SERC - State Electricity Regulatory Commission

Source : Nomura research

The Indian economy has been focusing more on power generation, being a huge consumer of power. Despite this the All India peak/energy deficit hovers around 7-8 per cent. During the 12th Plan, capacity addition target has been set at 76000 MW to bring down the deficit to 5 per cent level by end of the 12th plan.

INDIA VS WORLD - PER CAPITA ELECTRICITY CONSUMPTION (kwh)

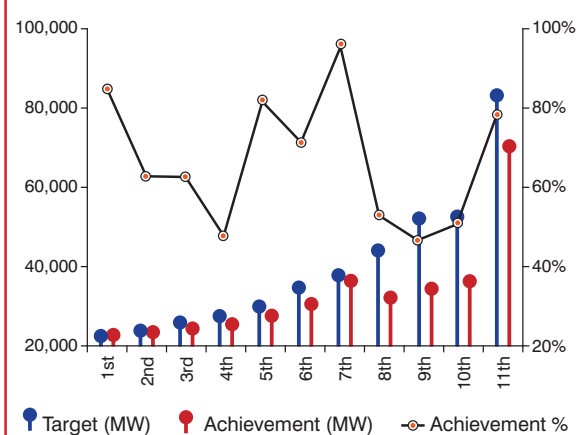
Consumption less than one-third of China's,
one-fourth of world's average



Note: Figures for CY08.

Source: IEA Energy Statistics 2010, Nomura research

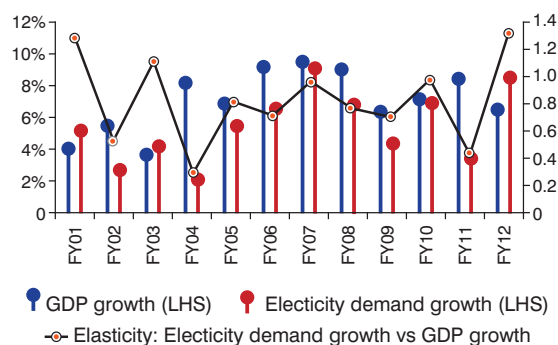
INVESTMENTS IN POWER SECTOR



Source: CEA and Planning Commission

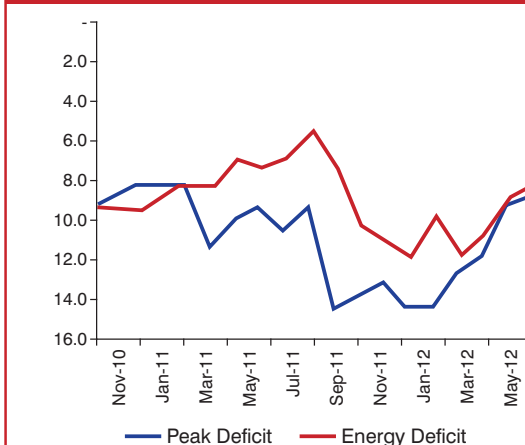
INDIA - ELASTICITY OF ELECTRICITY CONSUMPTION OF GDP

Past 10 yrs avg. is 0.8x; we expect 1.0x due to
'latent demand' kicking in



Source: CEA, 17th Economic Power Survey, Nomura research

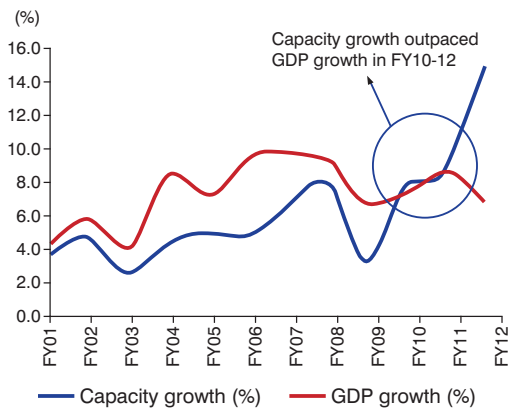
DEFICIT SCENARIO (%)



Source: CEA

INDIA – GROWTH IN GENERATION CAPACITY VS GDP

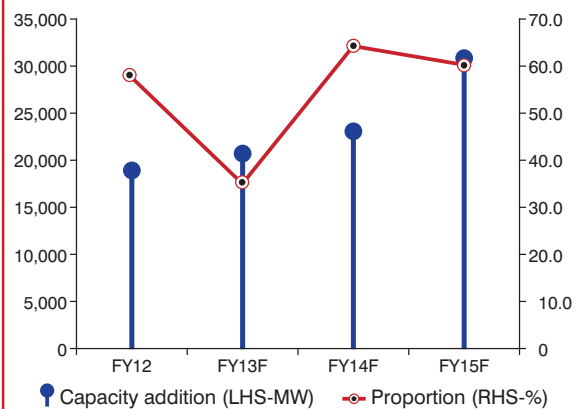
Capacity growth outpaced GDP growth in FY10-12



Source: 17th Economic Power Survey, Nomura research

CAPACITY ADDITION – SHARE OF PVT SECTOR

Pvt sector contribution set to increase further



Source: CEA, Nomura research

GENERATION CAPACITY ADDITION OVER PLAN PERIODS

Actual vs target around 50% over past 15 yrs.

Plan	Period	Target (MW)	Actual (MW)	Deficit (MW)	Actual vs Target
I	FY51-56	1,300	1,100	200	85%
II	FY56-61	3,500	2,250	1,250	64%
III	FY61-66	7,040	4,520	2,520	64%
IV	FY68-74	9,264	4,579	4,685	49%
V	FY74-79	12,499	10,202	2,297	82%
VI	FY80-85	19,666	14,226	5,440	72%
VII	FY85-90	22,245	21,401	844	96%
VIII	FY92-97	30,358	16,423	14,115	54%
IX	FY97-02	40,245	19,015	21,230	47%
X	FY02-07	41,110	21,095	20,015	51%
XI	FY07-12	62,374	54,153	8,221	87%
XII	FY12-17	76,000			

Note: [1] Original capacity addition target for XIth and XIIth plan was 78 GW and 82GW respectively

Source: CEA, Mid-term Appraisal of XIth Plan

11th plan Performance

The achievement ratio of capacity additions has been the highest ever over Five Year Plans. In terms of quantum too the capacity additions in the 11th plan were 2.5x, in comparison to 10th Plan.

Plan	Actual Capacity Addition	Targeted Capacity Addition	Per cent Achieved
8th	16 GW	30 GW	52
9th	19.5 GW	42 GW	46
10th	21 GW	40 GW	52
11th	62 GW	78 GW	79

Capacity additions have picked up during the 11th plan period and are expected to continue in the 12th plan period.

The rate of growth in power generation capacities is directly proportional to the rate of growth in the economy. As a result the power T&D space remained neglected. The transmission lines in India are loaded 90 per cent as compared to a global average of 60-65 per cent. Worldwide the investment in power generation and power T&D is always equal- 1:1, but in India power T&D gets only 50 per cent of the investment earmarked for power generation. During the 11th Plan, T&D Capex stood at 46 per cent of the Generation CAPEX vs. planned 79 per cent. The shortfall was lead by distribution capex achievement (only ~33 per cent). However, the transmission capex was encouraging at 88 per cent of the targeted. India has planned Rs. 4.9 tn/Rs. 5.5 tn T&D capex in 12th/13th Plan, which is 76 per cent/79 per cent of generation CAPEX respectively.

12th Plan Capacity Addition Plan

	XIth Plan	XIIth Plan	XIIIth Plan
Generation CAPEX	4,79,600	6,38,000	7,00,000
Transmission CAPEX	1,23,000	1,80,000	2,00,000
Distribution CAPEX	1,00,000	3,06,000	3,50,000
Sub-total	2,23,000	4,86,000	5,50,000
T&D CAPEX per cent of Generation CAPEX	46 per cent	76 per cent	79 per cent

Source: CEA

Emphasis on integrating India's T&D network increases

In the 12th five-year plan, India has planned to add close to 75 GW of power generation capacities. The huge capacity addition plan also offers opportunity for developing evacuation capacities and supply related OEMs like conductor manufacturing, insulator manufacturing, tower fabrication and EPC. During the 12th and 13th plan major part of transmission spending is slated by Power Grid Corporation, which gives us the confidence of significant achievement of Transmission capex. As per Power Grid, total T&D spend for 12th plan (FY13-17) is budgeted at US\$ 88 bn - US\$22bn for inter state transmission, US\$10bn for intra state transmission and US\$55bn for distribution. There is huge opportunity in the domestic T&D sector with 12th plan investment in the industry pegged at Rs. 2,40,000 crore (PGCIL Rs. 1,20,000 crore, SEB's Rs. 1,00,000 crore and private Rs. 200 crore). Assuming 55 per cent share in transmission lines this provides an opportunity of over Rs. 1300 crore over next 5 years.

T&D Losses

The T&D losses for the whole of India during 1995-96 was about 22 percent, which further increased to about 25.6 percent by 2009-10; as compared to a global average of 10 per cent. The States, which have relatively high T&D losses, are Jammu & Kashmir (63 per cent), Bihar (38 per cent), Chhattisgarh (38 per cent), Jharkhand (38 per cent) and Madhya Pradesh (35 per cent). The State shaving relatively low T&D losses include Punjab (19.7 per cent), Himachal Pradesh (14.7 per cent), Andhra Pradesh (18 per cent) and Tamil Nadu (18 per cent).

SEBs Reforms

With over 17 states announcing tariff hikes in last 1 year (weighted hike of 15 per cent), the financials of the ailing SEBs are likely to be better. An IBA panel had recently called for mandatory annual tariff hikes by the state utilities by way of a pre-condition for further lending to them. Cleaning the balance sheets of state-owned distribution companies would help fund high cost power supplies and enable increased capex to strengthen the intra state transmission & distribution (T&D) infrastructure.

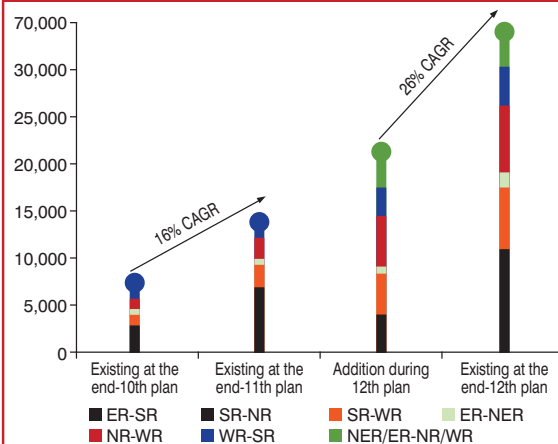
Strengthening Inter-regional transmission capacity

Inter-regional transmission capacity has been major thrust area. During 11th FYP, 11GW capacity (16 per cent CAGR) was added. Moreover, 12th FYP planned capacity addition stands at ~40GW (26 per cent CAGR). The Northern-Western Regions (NR-WR) would add maximum capacity of 10 GW, followed by Eastern-Western Regions (ER-WR) / Eastern-Northern Region (ER-NR) with 8.4 GW/7.9 GW respectively by FY17. Moreover, given the poor connectivity of Southern region to other regions, transmission capacity addition of 6.4GW in between Western-Southern Region would come as big respite to power deficit in South India.

Public Private Partnership (PPP) model

The Government is inviting the participation of Private Sector companies in generation as well distribution of power across key Indian States. The transmission projects are being awarded to private players on BOOT basis. This initiative has already started showing positive signs; with significant reduction achieved in terms of AT&C losses within a short time span. This has further led to increased reliability and better customer service. Several urban franchisee models have been adopted in Indian states like Maharashtra, Uttar Pradesh. Other

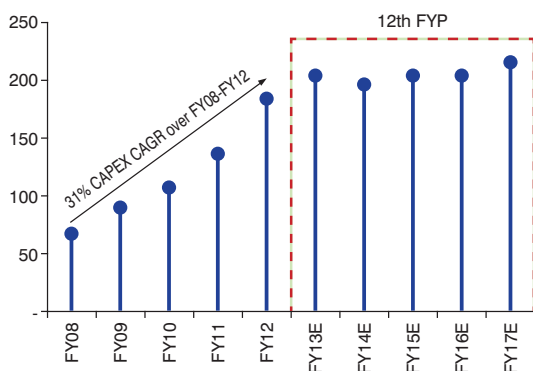
INTER-REGIONAL CAPACITY IS UP FOR 26% CAGR



Source: CEA, Nomura research

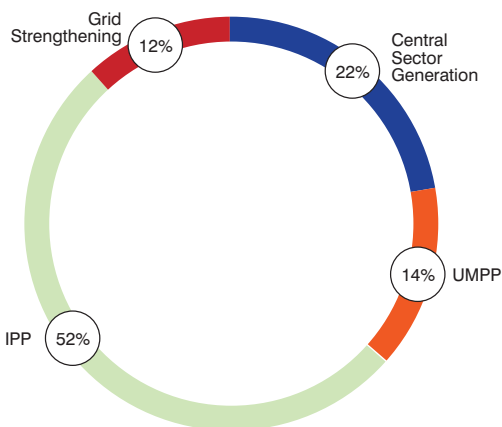
states like Uttarakhand, Bihar, Madhya Pradesh, Haryana and Karnataka are in the process of implementing “Distribution Franchisee Model”. These initiatives will lead to increased opportunities coupled with better receivables cycles for the equipment and solutions providers to the Power sector in India.

PGCIL: ORDER FLOWS REMAIN ROBUST

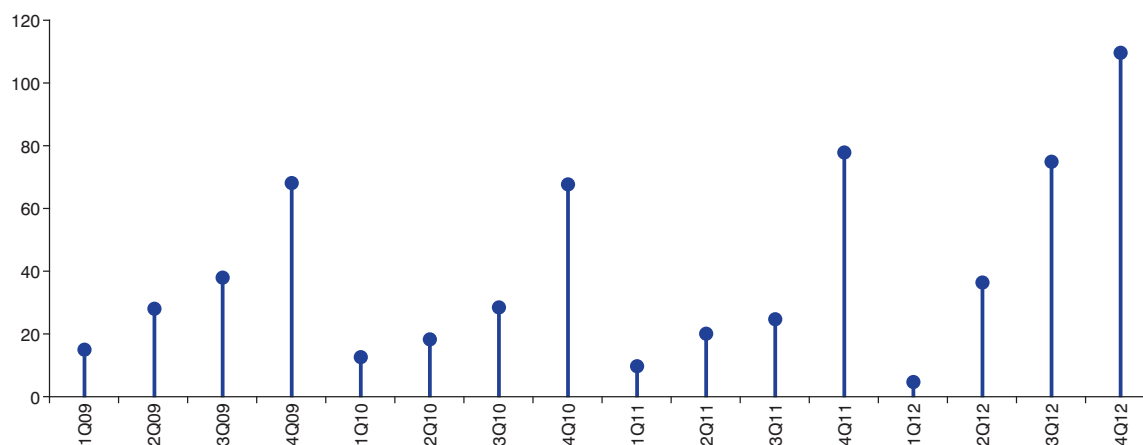


Source: PGCIL

PGCIL's 12th FYP CAPEX break up



CONTINUED TRACTION IN AWARDS BY PGCIL - 70%* YoY GROWTH IN FY12



Source: PGCIL, IIFL Research *excludes large Rs 53 bn HVDC order awarded in Mar-2011 (4Q11)

Over FY09-FY12, Power Grid spent Rs. 55,000 crore, achieving its targeted CAPEX. Power Grid (PGCIL) has set a target of Rs. 1,00,000 crore+ CAPEX for 12th plan (2012-17), which would keep order inflow intact for transmission EPC players. PGCIL will further spend 52 per cent of the planned CAPEX towards development of High Capacity Power Transmission Corridors. These corridors are based on multiple IPP based in one location. Therefore, delay in one or two power plants would not cause deferment of transmission line. Moreover, Grid strengthening and Central sector generation related CAPEX of PGCIL is expected to remain on schedule.

PGCIL's award activity has remained strong in FY12. The orders awarded during March 2012 increased 40 per cent YoY. FY12 orders stood at Rs. 22,100 crore up 70

per cent YoY. However, the improved activity is unlikely to translate into pricing gains. The number of players has increased across categories with existing players entering new segments and new vendors increasing market share. Foreign equipment vendors continue to account for ~40 per cent of the market. Even though the equipment providers to T&D space are expected to record reasonable-to-robust revenue growth; but margins are expected to remain depressed on account of increasing competition and high input cost.

The primary beneficiaries from PGCIL's award pie are tower contractors and conductor suppliers. These two segments formed 69 per cent of the projects awarded. Orders for equipment supplies (including construction work for substation packages) formed 26 per cent of the total orders.

Tower and conductors form bulk of awards

	FY10	FY11*	FY12
Total awards (Rs m)	122,604	130,537	220,239
Tower	41%	49%	44%
Conductor	12%	23%	25%
Substation	17%	13%	14%
Transformer & Reactors	20%	9%	12%
Insulator	8%	3%	3%
Others	2%	3%	3%

Source: PGCIL, IIFL Research *excludes large Rs 53 bn HVDC order awarded in Mar-2011

Over FY09-FY12, Power Grid spent Rs. 55,000 crore, achieving its targeted CAPEX. Power Grid (PGCIL) has set a target of Rs. 1,00,000 crore+ CAPEX for 12th plan (2012-17), which would keep order inflow intact for transmission EPC players.

GLOBAL FOCUS FOR INDIAN T&D EPC PLAYERS

Overseas opportunity

Region	Year 2008-2015 (US\$ bn)			Year 2008-2030 (US\$ bn)		
	Transmission	Distribution	Total	Transmission	Distribution	Total
North America	111	240	351	354	764	1,118
Europe	71	214	285	226	684	910
Pacific	55	96	151	137	238	375
Europe/Eurasia	31	104	135	93	311	404
Asia	323	666	989	949	1,958	2,907
Middle East	25	52	77	86	178	264
Africa	21	42	63	68	140	208
Latin America	29	61	90	92	191	283

Source: WEO 2009, IEA

Indian transmission EPC players are focusing on overseas T&D opportunity to offset slowdown in state/private sector CAPEX. International market presents US\$6.5 tn opportunity over 2008-2030.

Industry outlook

The last decade has seen a sea change in India's electricity sector, from being 10th largest in the world to 5th largest now. The industry is moving away from negotiated & guaranteed arrangements of the past era, to more open market and performance-based competition. The approach now is more pro-investment, although the legacy problems of cross-subsidies, losses, and rural access remain a challenge. The private sector has emerged as a key player in both conventional and renewable power, and increasingly in other parts of the business.

COMPANY OVERVIEW

About the Company

Diamond Power Infrastructure Limited is an integrated solutions provider in Power T&D space in India. Primarily established as a conductor manufacturer in 1970 by Mr. SN Bhatnagar, a first generation technocrat and presently the Chairman of the Company, Diamond Power achieved greater integration post completion of its expansion projects during 2010-11. Today, it commands presence across the value chain –conductors, cables (LT, HT & EHV), transformers (power and distribution), transmission towers and EPC services. With 9 manufacturing locations and headquarter, all located in Vadodara, Gujarat; the

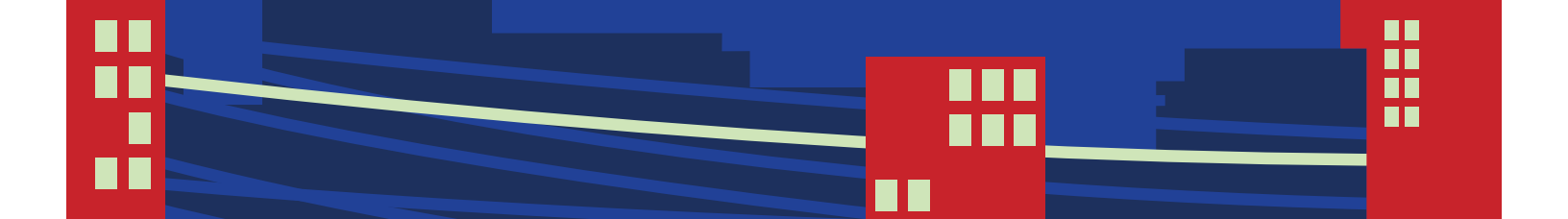
Company also has more than 100 distributors across 16 Indian states. The Company sells its products under 'Dicabs' brand.


Corporate highlights 2011-12

- Focused on consolidating its operations by strategic acquisition in related companies
- Commenced commercial production in EHV and power transformer units
- The total order book to Rs. 1685 crore as on 31st March 2012.
- Strengthened the core management team across key product verticals to ensure sustained growth
- Laid the foundation for the next phase of expansion programme in cables division; to commence expansion activity in 2012-13; proposed outlay of Rs. 700 crore

Financial highlights 2011-12

- The company crossed Rs. 2000 crore mark in terms of consolidated gross revenues for the first time since inception
- Net revenues (on standalone basis) increased by 37.2 per cent from Rs. 1,268 crore in 2010-11 to Rs. 1,740 crore in 2011-12
- EBIDTA (on standalone basis) increased by 19.1 per cent from Rs. 162 crore in 2010-11 to Rs. 193 crore in 2011-12



 Crossed Rs. 100 crore mark in terms of Net profit (on standalone basis); up 11.0 per cent from Rs. 97 crore in 2010-11 to Rs. 108 crore in 2011-12

Operational achievements

2011-12 started on a promising note for the Company, in wake of completion of its expansion activity and a healthy order book. However, 2011-12 witnessed unprecedented slowdown in the economic activity, owing to liquidity pressures, inflationary environment and deferred policy decisions. This led to an adverse impact on the power sector investments, especially in light of deteriorating fiscal health of SEBs and increased competition from a host of entrants; further resulting in margin erosion across the sector. At Diamond Power, we chose not to focus on quantity of orders but assured quality (in terms of payment security and visibility of completion) thereby protecting the stakeholders' value. The impact of our expanded capacities reflected in the improved revenues. However, the margins remained under pressure on account of higher input cost.

During the year, we continued to focus on higher value EPC projects. During the year, we commenced operations in Extra High Voltage cables and power transformer units. We also secured the first orders for both the segments. Despite challenging environment for the whole power sector, we continued to witness robust inflow of orders. Some recent order win includes an order for supply of 2948 KM Moose Conductor for 400 KV D/C (Quad) Salem (New) - Somanhalli Transmission Line, an order for 108 Power Transformers from various customers, etc. The total order book as on 31st March 2012 to Rs. 1,685 crore. The current order book is expected to translate into revenues within next 12 months.

During March 2012, the Company also invested Rs. 50 crore to commission its 6.3 MW windmills, purchased from Suzlon Energy, at Jamanwada, Kutch. The mill is expected to serve company's Green Initiative Program and will meet the company's demand of power besides providing tax advantage to the company.

Segmental analysis

In terms of segmental revenues, Cables division accounted for 48 per cent of the total revenues, followed by Conductors division with 21 per cent of the share. Power EPC division stood at 14 per cent,

followed by Transformer division at 13 per cent. During 2011-12, the company also witnessed encouraging order flows for EHV cables and is further expected to improve its share in the coming years. While the revenues from Cables division improved by 99.8 per cent to Rs. 1,024 crore during 2011-12 (as compared to Rs. 513 crore in 2010-11); the divisional EBIDTA improved by 79 per cent to Rs. 107 crore during 2011-12 (as compared to Rs. 59 crore in 2010-11). The division posted EBIDTA margin of 10.4 per cent.

The company's conductor division accounted for 21 per cent of its net revenues in 2011-12. The division registered a marginal decline of 3 per cent in terms of its net sales, to Rs. 450 crore in 2011-12 from Rs. 462 crore in 2010-11. The divisional EBIDTA margin stood at 11.3 per cent for the year under review. The margins improved by 170 basis points as the company chose to pursue larger orders, leading to better economies of scale.

EPC division registered a decline of 30 per cent in terms of its net sales, to Rs. 292 crore in 2011-12 as compared to Rs. 423 crore in 2010-11. The division's EBIDTA margin stood at 11.5 per cent in 2011-12.

The year witnessed decent growth for company's transformers segment. The revenues improved by 13 per cent to Rs. 281 crore in 2011-12; the EBIDTA margin improved by 180 basis points to 10.9 per cent on account of improved demand and improved capacity.

Expansion plan

Buoyed by the envisioned growth in the transmission and distribution segments, the company has set the foundation for the next phase of growth. The company would invest Rs. 770 crore during 2012-13. The company achieved the financial closure for the expansion plan during the year under review. The company plans to expand its conductors manufacturing capacity to 150,500 MT per annum from the current capacity of 50,500 MT per annum; increase its rod manufacturing facility to 122,000 MT p.a. from 32,000 MT per annum. It will also install additional 3 medium voltage cable lines, each with an installed capacity of 2,500 kms, which will augment the current capacity of 5,600 kms to 12,700 kms.

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.
- 💡 Upgradation of existing T&D network
- 💡 Policies like RGGVY and APDRP to encourage investment in T&D.

Threats

- 💡 Increasing competition from global players
- 💡 Volatility in input cost

Human Resources

The Company employed more than 2800 people as on 31.03.2012. At Diamond Power, we believe that human resource has been the single largest factor that has propelled our growth since inception. Amidst large

machines, complex processes, strict delivery schedules and a constant need to innovate and excel, we are steadily creating a fertile environment that is pro-growth and achievement centric. To this end, we offer the right ingredients to encourage individual as well as team level achievement. We have successfully instilled a culture of transparency in the organisation to ensure better co-ordination and performance across the units and also departments within the units.

We have always been a value and ethics based organisation, and this has helped us preserve the soul of a small organisation even though we have achieved the corpus and dimensions of a large corporate. A culture of 'open door' and transparency across organisation has enabled us not only retain talent but also plan and provide a rewarding career path within the organisation for the promising talent. Training and development is an intrinsic reason for Company's growth. The Company has actively initiated various programs for every employee in order to hone each one's skill, expertise and efficiency. During the year under review, the Company spent considerable man-hours in training initiatives across the organisation. The company continues to witness the lowest attrition rate in the industry. Also the relationship with the workers' unions remains amicable.

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.

RISKS AND CONCERNS

The Company is exposed to normal industry risk factors of competition, economic cycle and uncertainties in the international and domestic markets and credit risk. The Company manages these risks, by maintaining a conservative financial profile and by following prudent business and risk management practices.

Directors' Report

TO THE MEMBERS,



We are pleased to present the Twentieth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS

Particulars	(Rs. in Lacs)	
	2011-12	2010-11
Income	1,74,358.26	1,28,904.72
Expenditure	1,54,738.95	1,10,586.20
Gross Profit / (Loss) before Interest, Depreciation Tax & Amortization	19,619.31	16,318.52
Interest	4,850.90	2,487.77
Depreciation & Amortization	2,429.26	1,877.79
Net Profit / (Loss) after Depreciation & Interest	12,339.15	11,952.96
Share Capital	3,720.64	3,720.64
Reserves & Surplus	57,015.96	47,906.80
EPS	29.13	26.24

IMPORTANT PERFORMANCE PARAMETERS

Particulars	2011-12	2010-11
Gross Profit Margin (%)	9.47	12.06
Asset Turnover (times)	1.11	1.32
Interest Coverage (times)	3.96	6.41
Earning per Shares (Rs.)	29.13	26.24

DIVIDEND

In view of substantial growth and good financial performance during the year, the Board has recommended dividend of Rs. 4 per share (i.e. 40%), out of the profit of the financial year ended on 31st March, 2012 on 3,72,06,371 equity shares of Rs. 10.00 each fully paid up aggregating to Rs. 37,20,63,710.

CURRENT ACTIVITIES

At present our Company is generating revenues from Cables, Conductors, Transformers, Transmission and EPC Contracts. Company provides to its customers, numerous ranges of products in terms of best quality and ensures them optimum satisfaction level. We are glad to give you a brief look on the wide array of product range offered by our Company:

CABLES

Our power cables transmit a reassuring quality that can be counted on at all times. Our range includes the highly reliable LV/HV cables from 1.1KV to 132KV and the EHV cables from 220KV to 550KV. In order to deliver world-class power transmission products, we leverage our CCV method of manufacturing, coupled with German technology. What's more, we also offer a 10-year warranty on our products against manufacturing defects - a first of its kind assurance that helps build the client's confidence and trust in our products.

Power and Control Cables include

- LV(1.1KV) grade aluminum/copper, armoured/unarmoured, PVC/FRLS/XLPE cables up to 1000 sq mm in single core and 630 sq mm in multi core that confirm to IS1554-I, IS 7098-I and other international standards
- Copper control cables up to 61 core with PVC/XLPE/FRLS that conform to international standards and specifications
- HV cables up to 132KV as per international specifications and standards
- EHV cables from 220KV to 550KV
- Aerial Bunch Cables (ABC), both in LV & HV grade that conform to various standards

- Specialty cables which include control & instrumentation cables
- PVC / XLPE insulated ACSR & AAA conductors for special purposes
- Flexible cables with single core and multi core that conform to international standards and BS specifications.

Production Capacities

Our key equipment suppliers include global leaders such as Scholz, Nokia-Mallefer and Supermac among others. Amongst the top five power cable manufacturers in India, Diamond Power has also established India's first 'vertical lead extrusion facility' as well as the 'aluminum extrusion facility' for cables, ranging from 66KV and more. Our cable capacities include:

- LV cables (1.1KV): 34300 KMPA
- HV cables (up to 132KV): 5600 KMPA
- EHV cables (220KV & above): 2500 KMPA

Approvals, Certifications and Testing

- ISO 9001-2008 Certified
- Products type-tested at ERDA and CPRI
- BIS certification for all LV / HV cables, conductors
- Products approved and accepted by leading electrical consultants, EPC contractors and corporate houses
- Products approved by most of the power utilities viz. Powergrid, NTPC, NHPC and State Electricity Boards

CONDUCTORS

Proficient Range of Conductors

Our range of conductors has been designed for superior efficiency and performance. Conductor manufacturing has been Diamond Power's core competency since its inception; it has today evolved into the country's second largest player with a market share of over 25% and an installed capacity of over 50,500 MT. The product range comprises of 7 strand to 91 strand from 11KV HVDC lines. Diamond Power has supplied more than 1 million KM of conductors.

Our Transmission and Distribution Conductors include

- 💡 Aluminum Alloy Conductor Steel Reinforced (AACSR)
- 💡 All Aluminum Conductors (AAC)
- 💡 All Aluminum Alloy Conductors (AAAC)
- 💡 Aluminum Conductor Steel Reinforced (ACSR)
- 💡 Aluminum Conductor Alloy Reinforced (ACAR)
- 💡 High Conductivity Alloy Conductors AL-59 etc

Production Capacities

- 💡 Installed capacity of over 50,500 MT
- 💡 Annual capacity of over 80,000 KMPA

Approvals, Certifications and Testing

- 💡 ISO 9001-2008 certified
- 💡 Products are type-tested at ERDA, NETFA, TAG and CPRI
- 💡 India's first plant with in-house alloy manufacturing capabilities with type- testing facilities for rods

- 💡 Products approved with Powergrid, NTPC, NHPC and SEB's
- 💡 First in India to develop and manufacture alloy conductors and proto-test HSHC (High Strength and High Conductivity) conductors
- 💡 First BIS mark holder for alloy conductors in India having ISI licenses for all types of conductors

Product Awards

- 💡 Winner of the International Gold Star Award & Quality Award from BID Spain

TRANSFORMERS

Power and Distribution Transformers

Diamond Power's transformer division has been formed with the takeover of Western Transformers. This acquisition brings in over 4 decades of manufacturing and technical excellence. To further fuel growth in the division, fresh investments in technology, capabilities and capacities have been made. Our transformer range comprises of state-of-the-art power, distribution and dry-type transformers. It includes 11KV to 220KV, all the way up to 315MVA. Each of our transformers undergoes stringent type-testing, ensuring higher efficiency as well as reliability. We have successfully manufactured and type-tested transformers with ratings starting from 10 KV to 315 MVA, up to 220 KV class.

Power & Distribution Transformers include:

- 💡 Power transformers up to 220KV, 315 MVA
- 💡 Distribution transformers up to 33KV, 2500 KVA
- 💡 Single phase track side transformers up to 145KV, 10 MVA
- 💡 Single phase track side transformers up to 145KV, 31 MVA
- 💡 Cast resin transformers up to 36KV, 3150KVA
- 💡 Current transformers up to 245KV
- 💡 Voltage transformers up to 72.5KV
- 💡 Vacuum circuit breakers up to 36KV, 2500 A, 40KA

Production facilities and Approvals:

- 💡 Three fully-integrated facilities in Gujarat with in-house facilities for products such as core laminations, wire drawing, strip mill, winding as well as an in-house transformer oil refinery
- 💡 Over 50,000 installed transformers worldwide and an annual production capacity of 5000 transformers



Approvals, Certifications and Testing:

- 💡 Our type-testing facilities of up to 1000 KV have been installed with a view to cover anticipated increased needs in the future
- 💡 Over 500 type-tests of several sizes done in laboratories all over the world
- 💡 Our R&D facilities have been certified by DSIR, Govt. of India and ISO 9001-2008

TRANSMISSION TOWERS

A Tough Range of Transmission Towers

Our transmission towers have been designed to withstand the roughest of weathers. Sturdily built and technically superior in quality, these towers can perform in the most demanding of conditions. Not surprisingly, Diamond Power's transmission towers are empowering every corner of the country by delivering power efficiently and reliably.

Diamond Power, India's most diversified power T&D Company has commenced production at its transmission tower facility.

Product Facilities

Our state-of-the-art facility is located at Village:Vadadala, Taluka:Savli, Dist.: Vadodara. It has been designed to manufacture a wide range of transmission towers with a capacity of 48,000 MTPA.

TURNKEY PROJECTS

Our turnkey services in the power T&D sector are the key to our growth. We not only conceptualize the project, but also take charge of various stages of the project including planning, design and development, procurement, right up to the erection and commissioning. This has made us the country's largest integrated power solutions provider. With our vast product range, we have an in-house control over 80% of the average EPC project cost.

Overhead Transmission Lines

One of our core focus areas is high voltage and extra high voltage transmission line projects. Our technical capabilities, financial viability and superior execution skills ensure a cutting-edge project development and implementation.

Rural & Urban Distribution Projects

Our solutions also encompass rural and urban electrification and distribution projects; wherein we offer end-to-end services – right from project design to commissioning.

“A dream becomes a goal when action is taken towards its achievement.”
Your dream to see the company reaching new heights is our goal and validating the same we are very proud to inform you that the company is growing very potentially in the field of power infrastructure.


Substation Projects

Diamond Power also undertakes MV, HV and EHV substation projects. Here again, our technical, financial and managerial prowess allows us to configure a project that fulfills client demands.

DEVELOPMENTS & EXPANSION PLANS

“A dream becomes a goal when action is taken towards its achievement.” Your dream to see the company reaching new heights is our goal and validating the same we are very proud to inform you that the company is growing very potentially in the field of power infrastructure. Globally, the company is working on the new and related activities, which aims to achieve the Company's goal of making Diamond Group as the real Power Infrastructure Company which adds value to its stake holders. Our company has already commenced its commercial operation of HT Project in addition to this, the Company having commissioned India's First Extra High Voltage Cables Plant to manufacture 500 KV Cables. The Company is also working to expand its business in foreign nations with collaboration of other foreign organizations. As a measure of the same we are delighted to inform you that Company has started its 100% owned offshore Holding Company, Diamond Power Global Holdings Limited in Jebel Ali Free Zone (JAFZA), Dubai, U.A.E. Diamond Power Global Holdings Limited which was incorporated with the vision for the promotion of exports, not only in Dubai but also in Middle East and North Africa (MENA) markets. This will open the doors of international market for the Company.

Our Company expands its horizons by setting new heights, by adding to its current manufacturing setup new



projects for producing conductors and medium voltage cables at Vadadala, Vadodara to cater to the growing demand from its existing markets.

The Board of Directors at their board meeting held on 13th February, 2012 approved the company's ambitious Expansion Project aggregating to Rs 753 Crores to be completed over a period of 30 months in three phases beginning from January, 2012. The company has already invested in the 6.3 MW Windmill project.

In case of Conductors, the Company aims to take advantage of the current market scenario and become a key supplier of conductors. It also plans to expand its conductors manufacturing capacity to 1,50,500 MT p.a. from the current capacity of 50,500 MT p.a. Along with the proposed expansion, the Company also proposes to increase its rod manufacturing facility to 1,22,000 MT p.a. from the present 32,000 MT p.a.

In case of Medium Voltage Cables, the Company proposes to put up additional 3 lines, each with an installed capacity of 2,500 kms totaling to 7,500 kms which will augment the current capacity of 5,600 kms to 13,100 kms.

The Company has added a new feather to its cap by setting up the first testing laboratory in India to test Extra High Voltage Cable up to 500 KV. This laboratory is a state of art and equipped with latest technology which will enable the Company to test EHV Cables up to 500 KV within the Company.

Taking steps forward to compete with our Competitors in today's tech savvy world the Company is planning to shift from manual to automatic process which will ensure highest level of productivity and minimum level of handling and processing errors. This system will be time as well as cost effective. Further with respect to futuristic vision, the Company is planning for backward and forward integration for raw materials and packaging which will minimize the Company's cost.

FINANCIAL STATEMENTS

The Ministry of Corporate Affairs (MCA) vide notification no. S.O. 447(E) dated 28th February, 2011 amended the existing Schedule VI to the Companies Act, 1956. The Revised Schedule VI is applicable from financial

year commencing from 1st April, 2011. The financial statements of our Company for the year ended 31st March, 2012 have been prepared in accordance with the Revised Schedule VI and accordingly, the previous year's figures have been reclassified/ regrouped to conform to this year's classification.

Our Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

SUBSIDIARY COMPANIES

M/s. Diamond Power Transformers Limited and M/s. Diamond Power Global Holdings Limited are wholly owned subsidiaries of our company.

Diamond Power Transformers Limited

Diamond Power Transformers Limited has performed well and has achieved 100% growth in turnover. The Company is one of the core suppliers of transformers to the clients like BHEL, Noida Power, and Electricity Boards etc. The Company expects to achieve higher growth with addition of varied size and rating of transformers. We are pleased to inform to our shareholders about the acquisition of strategic stake by Diamond Power Transformers Limited in Maktel Control and Systems Private Limited and Maktel Power Limited (formerly known as Danke Control Private Limited) as a measure of expanding its current operations in July 2012.

The Accounts of M/s. Diamond Power Transformers Limited, Wholly Owned Subsidiary Company, together with the reports of the Directors and the auditors, as required under Section 212 of the Companies Act, 1956, are attached with this annual report.

Diamond Power Global Holdings Limited

Diamond Power Global Holdings Limited was incorporated on 3rd November, 2011 as a 100% subsidiary of Diamond Power Infrastructure Limited in Jebel Ali Free Zone (JAFZA), Dubai, U.A.E. to promote exports of the Company in the Middle East. The company being a toddler is taking steps towards attaining its object



successfully and in years to come is expected to achieve the desired results.

As the Company was incorporated on 3rd November, 2011 annual accounts for the same will be provided to the Shareholders from next year onwards.

DIRECTORS

In accordance with the Companies Act, 1956 and the Articles of Association of the Company Shri S N Bhatnagar, Shri Amit Bhatnagar and Shri Sumit Bhatnagar retire by rotation at the Annual General Meeting. However, they are eligible for re-appointment. Shri Bhavin Shah who was appointed as a Non-Executive Director by the Board will retire at this Annual General Meeting and the Company has also received his candidature for re-appointment as a Non-Executive Director of the Company.

Further during the year under review following Directors were retired and appointed:

SHRI N N BHATNAGAR

Shri N N Bhatnagar joined our Company on 31st October, 2008 as an Independent Director. Due to his pre occupation he opted for retirement from the Company in the last Annual General Meeting held on 20th September, 2011. Shri Bhatnagar served as a Member in the Audit Committee and Investors' Grievances Committee. His

suggestions and guidance have indeed proved to be very effective in the progress of the Company. The company will always be thankful to him to guide it like a lamp in the dark.

SHRI VAMESH CHOVATIA


Shri Vamesh Chovatia joined our Company as on 10th January, 2011 as a Non-Executive Director and a representative of Kotak India Growth Fund II, Non-Financial Institution. Due to his prior commitments he resigned from the Company on 30th May, 2011. The Company appreciates the directions and support given by him.

SHRI BHAVIN SHAH

Shri Bhavin Shah joined our Company as on 9th November, 2011 as a Non-Executive Director and replaced Shri Vamesh Chovatia as the representative Director of Kotak India Growth Fund II, Non-Financial Institution.

SHRI ASWINI SAHOO

Shri Aswini Sahoo joined our Company as on 30th June, 2009 as a Nominee Director for Clear Water Capital (CCP) and resigned on 27th March, 2012. He has been associated with our Company for the past four years. In these years, the Company has been able to nail down many opportunities that have come its way with the help



of his suggestions and guidance. The Management would like to extend its gratitude to him regarding his valuable suggestions to the Company.

SHRI KARTHIK ATHREYA

Shri Karthik Athreya joined our Company as on 3rd April, 2012 as a Nominee Director of Clear Water Capital Partners (Cyprus) in place of Shri Aswini Sahoo.

STATUTORY 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.

AUDITORS' REPORT

The Auditors' Report to the shareholders does not contain any qualification.

DUE DILIGENCE REPORT

M/s. Swati Bhatt & Co., Practicing Company Secretary conducted Due Diligence Audit and has submitted the Report confirming compliance with the applicable provisions of Companies Act, 1956 and other rules and regulations issued by SEBI / other regulatory authorities for Corporate law.

COST AUDITOR

Pursuant to the direction from the Ministry of Corporate Affairs for appointment of Cost Auditors, our Board has reappointed M/s.S. S. Puranik & Associates, as the Cost Auditor of our Company for the financial year 2011-12 to conduct the audit of the cost records of the Company.

DEBENTURES

During the year under review, the Company has issued Non-Convertible Debentures amounting to Rs.32 Crores in addition to Rs. 68 Crores issued in financial year ended on 31st March, 2011 comprising of Rs. 1 Lacs Each at the rate of 12%, 12.25%, 12.35%, 12.50% and 12.75% to the respective Debenture Holders. M/s. Unit Trust of India Investment Advisory Services Limited was appointed as Debenture Trustee of the Company.

Any member interested in obtaining any information regarding Debentures or Debenture holders may write to the Company Secretary at the Corporate Office of the Company.

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.

INSURANCE

All the insurable interests of our Company including inventories, buildings, plant and machinery and liabilities under legislative enactments are adequately insured.

PESONNEL

The Board of Directors wishes to express their appreciations to all the employees for their outstanding contribution to the operations of the Company during the year. Any member interested in obtaining a copy of the Statement of Particulars of employees referred to in Section 217(2A) of the Companies Act, 1956, may write to the Company Secretary at the Corporate Office of the Company.

LITIGATION

We have a core and competent team of legal department who instantaneously looks after all the material litigations. However, during the year 2011-12 under review there were no material litigations against our company.

Further our directors would like to clarify that, the searches and surveys were carried out by Income Tax Department at the premises on some Group Companies only and promoters' residences for the first time in the last 43 years on 15th and 16th March, 2012. We being strong believers of Corporate Governance Policy appreciate the concern showed by the Income Tax Department and are thankful to all the stake holders including IT Department to have faith in us. No major tax liability in our opinion is expected on Diamond Power Infrastructure Limited.

QUALITY CONTROL

It is the quality of our work which will please our Customers and not the quantity. The Company is committed to establish, sustain and strengthen the quality management system in each sphere of its operation, aiming at total customers' satisfaction.

To achieve this, it will be an endeavor of the Company to strive towards producing impeccable products, ensuring timely delivery and providing quality services to our valued customers.

In terms of quality, the Company is certified by ISO 9001-2008.

ENVIRONMENT & SAFETY

The Company has given high priorities to Environment

It is the quality of our work which will please our Customers and not the quantity.

and Safety. A number of initiatives have been taken to embed a culture of safety and safe working practices in the organisation. A detailed corporate safety action plan has been prepared, including the activities that will be guided and supervised by the Management.

The Company is dedicated to pro-actively comply with the Statutory, legal and other requirements related to environment, safety and occupational health as pertinent to various processes, to ensure lowest pollution levels and safe working environment throughout the organization.

We are striving to prevent accidents and injuries, lower the incidences of occupational and ill health issues across the Company by identification and documentation of all environmental aspects as well as hazard risks.

The Company is certified by ISO 14001:2004 - for Environmental Management System and OHSAS 18001:2007 for Occupational Health and Safety Management Systems.

RISK MANAGEMENT

As part of the Risk Management Process, during the year, the Company reviewed the various risks and finalized mitigation plans. These were reviewed periodically by the Management and closely monitored and reviewed the risk plans periodically. Employees play a very vital role by contributing to the risk identification process.

CORPORATE GOVERNANCE

As per the requirement of Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Ltd and National Stock Exchange of India Limited, 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 is given as Annexure-C to this report.

The declaration given by the Managing Director and Joint Managing Director with regard to compliance of



Company's Code of Conduct by the Board members and senior management is available on our website www.dicabs.com.

CORPORATE SOCIAL RESPONSIBILITY VOLUNTARY GUIDELINES

MCA had released a set of guidelines on Corporate Social Responsibility (CSR) in December 2009. The Company is substantially complying with the guidelines laid down. The activities carried out by the Company as a part of its CSR initiatives are briefly described in this Annual Report. The detailed CSR activity of the Company is also available on the Company's website www.dicabs.com.

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, 2012 and of the Profit /Loss for the year ended on that date;

- c) 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 safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The annual Accounts have been prepared on a going concern basis.

CONSERVATIONS OF ENERGY, TECHNOLOGY ABSORPTION 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 this report.

ACKNOWLEDGEMENT

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



Form A

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

			(Rs. in Lacs)	
Sr. No.	Particulars	2011-12	2010-11	
1.	Power & Fuel Consumption			
	Electricity			
1.	Total Amount (Rs. Lacs)	331.2	194	
	Own Generation			
1.	Through Windmill Unit	17051	N.A.	
2.	Coal (Specify Quality & Where used)	N.A.	N.A.	
3.	Furnace Oil			
1.	Quantity (K. Liters)	906.970 M.T	813.850 M.T.	
2.	Total Amount (Rs. Lacs)	407	264	
4.	Others/Internal Generation	N.A.	N.A.	

The Company has generated assets at Jamanwada, Kutch, Gujarat that supply wind power. During the year the Company commissioned 6.3 MW of Wind Power Capacity, which enables your Company to reduce the cost in power and will result in large tax benefits also. It will also further enhance the company's green initiative policy and focus on alternate sources of energy to meet its energy demand.

In LT plant expansion, with increased load, the Company has installed new 200 KvAR APFC panel to maintain Power Factor at 0.99 in the year 2011-12 by which PF rebate is claimed from MGVCL.

Form B

Form for Disclosure of particulars with respect to Absorption, Research and Development.

- Setting up of laboratory for testing of Cables up to 500 KV.
- Tie up with KEMA, Netherlands for the pre-qualification tests.
- Plan for backward and forward integration for raw materials and packaging and XLP materials which is generally imported from other countries.
- Specific areas in which R & D Carried out Related Products like H.T. cables.
- Future planning for shifting from manual to automatic process of production.
- Benefits derived as a result of above R & D Company Planning for Expansion.
- Future plan of action to float a subsidiary to take care of H.T. cable Business.

Technology absorption, adoption and innovation:

Efforts in brief made towards Technology absorption, adoption and innovation are:

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

Form C

FOREIGN EXCHANGE INFLOW & OUTFLOW

			(Rs. in Lacs)	
Sr. No.	Particulars	2011-12	2010-11	
1	Inflow	Nil	16.38	
2	Outflow	770.00	368.32	

Corporate Governance Report

Annexure 'A'

"If management is about running the business, governance is about seeing that it is run properly"

Good corporate governance in Diamond Power Infrastructure Limited is about 'intellectual honesty' and not just sticking to rules and regulations. The Company seeks to focus on heightening of long-term value creation and wealth for all its stakeholders without compromising on the social obligations, environment and regulatory compliances.

Diamond being an accountable corporate citizen has established various programs and systems to ensure the company is managed to suit the best interest of all the stakeholders. In addition to this, the Company has also adopted the requirements of Corporate Governance under Clause 49 of the Listing Agreement of the Companies Act, 1956 with the Stock Exchanges, which are given below:

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 20.09.2011	No. of other Directorships		No. of other Board Committees	
		Held	Attended		Member	Chairman	Member	Chairman
Shri S.N. Bhatnagar	Ex / Chairman	5	5	Yes	4	4	2	2
Shri Amit Bhatnagar	Ex / Managing Director	5	4	Yes	7	-	2	-
Shri Sumit Bhatnagar	Ex / Joint Managing Director	5	5	Yes	6	-	2	-
Shri Ranvir Singh Shekhawat	NE/ Director	5	4	No	1	-	2	1
Shri Kirit Vyas	NE/ Director	5	4	Yes	3	-	3	-
Dr. Vasantha Bharucha	NE/ Director	5	4	No	1	-	3	1
Shri TNC Rajagopalan	NE / Director	5	5	Yes	-	-	1	1
Shri Karthik Athreya	NE / Nominee Director	5	0	No	8	-	-	-
Shri Bhavin Shah	NE/ Director	5	3	No	1	-	-	-
Shri Aswini Sahoo*	NE / Nominee Director	5	5	No	N.A.	N.A.	N.A.	N.A.
Shri N N Bhatnagar**	NE/ Director	5	1	No	N.A.	N.A.	N.A.	N.A.
Shri Vamesh Chovatia*	NE/ Director	5	0	No	N.A.	N.A.	N.A.	N.A.

****Retired *Resigned**

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

Five Board Meetings were held during the year under review on 13.05.2011, 04.08.2011, 09.11.2011, 29.12.2011 and 13.02.2012. 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.

CODE OF CONDUCT

The Board has laid down separate Code of Conduct for Directors and Senior Management personnel of the Company and the same is posted on the Company's website www.dicabs.com. The Board and Senior Management personnel have affirmed compliance with the Code of Conduct.

As required under Clause V of Clause 49 of the Listing Agreement with the stock exchanges, the Managing Directors have certified to the Board the financial statements for the year ended 31st March, 2012. They have further declared that all the board members and senior personnel have affirmed compliance with the code of conduct for the year ended 31st March, 2012.

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, 1956 apart from overseeing the process of checks and balances in the working of the Company.

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

Sr. No.	Name of Members	Position	Status	No. of Meetings	
				Held	Attended
1	Shri T.N.C. Rajagopalan	Independent Director	Chairman	4	4
2	Shri Ranvir Singh Shekhawat	Independent Director	Member	4	1
3	Shri Kirit Vyas	Independent Director	Member	4	3
4	Dr. Vasantha Bharucha	Independent Director	Member	4	3
5	Shri N N Bhatnagar**	Independent Director	Member	4	1

**Retired

Shri T N C Rajagopalan, Chairman of the Audit Committee has accounting and financial expertise and all the members of the Audit Committee are financially literate.

Four Audit Committee Meetings were held during the year under review on 13.05.2011, 04.08.2011, 09.11.2011 and 13.02.2012.

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 in 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 Ranvir Singh Shekhawat	Chairman	Independent Director
2	Dr. 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, based on the performance of the employees as well as based on recommendations of the Head of Departments in case of subordinate and in case of Head of Departments, Managing and Joint Managing Director of the Company, the remuneration committee takes its decisions.

The details of remuneration and sitting fees for Board and other committee meetings paid to the Directors for the year ended 31st March, 2012 are:

Name	Category / Position	Salary (Rs.)	Sitting Fees (Rs.)	Other Allowances (Rs.)
Shri S. N. Bhatnagar	Ex. Chairman	87,26,023	NIL	74,70,338
Shri Amit Bhatnagar	Ex. MD	77,56,465	NIL	55,84,660
Shri Sumit Bhatnagar	Ex. JMD	77,56,465	NIL	55,84,660
Shri T. N. C. Rajagopalan	NE	NIL	95,000	30,000
Shri N. N. Bhatnagar**	NE	NIL	15,000	NIL
Shri Aswini Sahoo*	NE/ Nominee	NIL	NIL	NIL
Shri Kirit Vyas	NE	NIL	80,000	20,000
Dr. Vasantha Bharucha	NE	NIL	95,000	30,000
Shri Ranvir Singh Shekhawat	NE	NIL	95,000	30,000
Shri Karthik Athreya	NE /Nominee	NIL	NIL	NIL
Shri Bhavin Shah	NE	NIL	NIL	NIL
Shri Vamesh Chovatia*	NE	NIL	NIL	NIL

****Retired *Resigned**

Remuneration Policy

Non-Executive Independent Directors

The Non-Executive Directors (NEDs) are paid remuneration by way of sitting fees only. The Board of Directors of the Company, pursuant to the relevant provisions of the Companies Act, 1956 and by virtue of Article No. 132 (3) of the Articles of Association of the Company, revised their sitting fees from Rs. 5,000 to Rs. 20,000 per each board meeting with effect from 9th November, 2011.

Further Non-Executive Independent Directors are also entitled for out of pocket expenses which include travelling and accommodation charges which are shown in other allowances as above are not forming part of Directors' Remuneration.

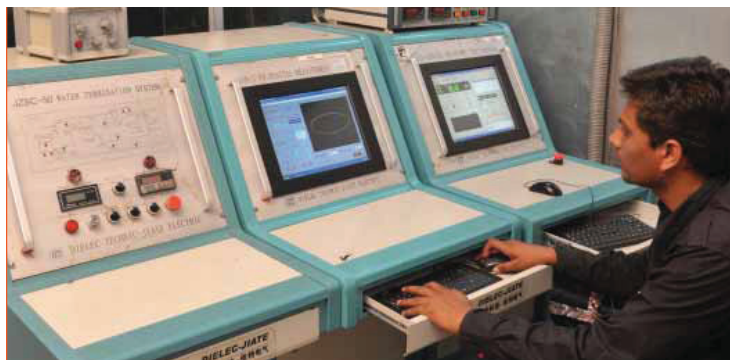
Amount stated above is sum total of all the remuneration including out of pocket expenses.

For each Audit Committee and Investors' Grievance Committee the fees paid to Non – Executive Independent Directors is Rs. 5,000 per meeting.

Executive Directors

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to the Managing Directors and the Executive Chairman. Salary is paid within the range approved by the Members.

Annual increments recommended by the Remuneration Committee, are placed before the Board for approval. The ceiling on perquisites and allowances as a percentage



of salary is fixed by the Board. Within the prescribed ceiling, the perquisite package is recommended by the Remuneration Committee and approved by the Board. The Commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board on the recommendation of the Remuneration Committee at the end of the financial year, subject to overall ceilings stipulated in Sections 198 and 309 of the Act. Specific amount payable to such Directors is based on the performance criteria laid down by the Board which broadly takes into account the profits earned by the Company for the year.

Management Staff

Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of the total remuneration vary for different grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his annual performance etc.

INVESTOR'S GRIEVANCES COMMITTEE/ SHAREHOLDERS 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 review status of legal cases involving the investors where the Company has been made a party.

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.	Name of Members	Position	Category	No. of Meetings	
				Held	Attended
1	Smt Vasantha Bharucha	Chairman	Independent Director	4	3
2	Shri Kirit Vyas	Member	Independent Director	4	3
3	Shri N. N. Bhatnagar**	Member	Independent Director	4	1
4	Shri Sumit Bhatnagar	Member	Executive Director	4	4

****Retired *Resigned**

Four Investor Grievance Committee Meetings were held during the year under review on 13.05.2011, 04.08.2011, 09.11.2011 and 13.02.2012.

SHARE TRANSFER COMMITTEE

The reference mandated by your Board in line with the review of share transfer and transmission process and its approval a separate committee was formed.

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

Sr. No.	Name of Members	Position	Category	No. of Meetings	
				Held	Attended
1	Shri S N Bhatnagar	Chairman	Executive Director	8	8
2	Shri Amit Bhatnagar	Member	Executive Director	8	8
3	Shri Sumit Bhatnagar	Member	Executive Director	8	8

Eight Share Transfer Committee Meetings were held during the year under review, as per Memorandum of Transfer provided by Independent Share Transfer Agent, on 30.04.2011, 30.05.2011, 30.06.2011, 30.11.2011, 31.12.2011, 31.01.2012, 29.02.2012 and 31.03.2012.

DEBENTURES ISSUE COMMITTEE

The reference mandated by your Board for the purpose of review of process of Issue of Debentures a separate committee was formed.

The composition, names of the members, chairperson are as follows:

Sr. No.	Name of Members	Position	Category
1	Shri S N Bhatnagar	Chairman	Executive Director
2	Shri Amit Bhatnagar	Member	Executive Director
3	Shri Sumit Bhatnagar	Member	Executive Director

GENERAL BODY MEETINGS

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

Sr. No	AGM Particulars & Date	Venue	Time	Special Resolution passed in the AGM
1	19th Annual General Meeting (2010- 11) held on 20th September, 2011	Registered Office	10.30 a.m.	💡 Special Resolution for Amendment in the Article No. 125 and 126 of the Articles of Association of the Company, pursuant to Section 31 of the Companies Act, 1956.
2	18th Annual General Meeting (2009-10) held on 28th September, 2010	Registered Office	10.00 a.m.	💡 Special Resolutions for the re-appointment of Shri Amit Bhatnagar and Shri Sumit Bhatnagar, Managing Director and Jt. Managing Director pursuant to Sections 198, 269, 309, 310, 311 and other provisions of the Companies Act, 1956, read with Schedule XIII of the said Act.
3	17th Annual General Meeting (2008 - 09) held on 8th August, 2009	Registered Office	10.30 a.m.	💡 Special Resolutions for the re-appointment of Shri S. N. Bhatnagar, Shri Amit Bhatnagar and Shri Sumit Bhatnagar, Managing Director and Jt. Managing Director pursuant to Sections 198, 269, 309, 310, 311 and other provisions of the Companies Act, 1956, read with Schedule XIII of the said Act. 💡 Special Resolution for pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Act, the provisions of Chapter XII/A of the SEBI (DIP) Guidelines and other applicable rules and regulations if any.

MATERIAL DISCLOSURES

- Special Resolution pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Act, the provisions of Chapter XII/A of the SEBI (DIP) Guidelines and other applicable rules and regulations if any. 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.
- Special Resolution pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Act, the provisions of Chapter XII/A of the SEBI (DIP) Guidelines and other applicable rules and regulations if any. There are no matters pertaining to non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- Special Resolution pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Act, the provisions of Chapter XII/A of the SEBI (DIP) Guidelines and other applicable rules and regulations if any. The Company strongly believes in Corporate Governance and advocates Whistle Blower

policy, affirmation is hereby given that no personnel has been denied access to the audit committee.

GENERAL SHAREHOLDER INFORMATION

- i. **20th Annual General Meeting :**
 - Date: Friday, 28th September, 2012
 - Time: 10.00 A.M.
 - Venue: **Registered Office of the Company**
Phase II, Village: Vadadala,
Taluka: Savli, Dist: Vadodara,
Gujarat, India
- ii. Financial Year: Commencing from 1st April, 2011 to 31st March, 2012
- iii. Date of Book Closure: Thursday, 20th September, 2012 to Friday, 28th September, 2012 (both days inclusive)
- iv. Dividend Payment Date: 27th October, 2012
- v. **Listed on:**
 - The Bombay Stock Exchange Limited, Mumbai
 - The National Stock Exchange of India Limited, Mumbai

The Listing Fees to National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. has already been paid for the year 2012-13.
- vi. **Stock Code:**
 - BSE : 522163
 - NSE : DIAPOWER
- vii. **ISI No:** INE989C01012

ix. Market Price Data:

The Market price data (Monthly High / Low) of the company's Equity shares traded on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) during the period from 01/04/2011 to 31/03/2012 are given below:

Stock Exchange	BSE			NSE		
	High (Rs.)	Low (Rs.)	No. of Shares traded during the month	High (Rs.)	Low (Rs.)	No. of Shares traded during the month
Month & Year						
April 2011	179.45	153.15	876900	181	152.1	934545
May 2011	174.50	157.05	253209	175	151.7	720821
June 2011	172	153.10	218141	171.9	151.3	322463
July 2011	167.90	154	279820	168	149	421018
August 2011	156	115	342215	156.8	114.25	494669
September 2011	123	100.40	578008	128.7	100.3	681844
October 2011	110.90	98.40	238135	111	98	217520
November 2011	124.90	98.35	284569	125.4	91	462498
December 2011	104.60	74.10	151823	107.7	74.3	387445
January 2012	115	79.55	247657	115	80.4	389769
February 2012	144	109.60	784563	144.7	109.1	1144280
March 2012	122	105	251295	122.8	104.5	367879

x. Registrar and Transfer Agent:

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

xi. Share Transfer System:

Share Transfers in physical form can be lodged with Karvy Computershare Private Limited, Independent Share Transfer Agent, at the abovementioned address. Transfers are normally processed within 30 days from the date of receipt. If the documents are complete in all respects, Shri Nishant Javlekar, Company Secretary and Costing Officer is empowered to approve transfers, in addition to the powers with the Members of the Investors' Grievance Committee.

Details of investors' complaints received during 1st April, 2011 to 31st March, 2012 are as follows:

Sr. No.	Nature of Complaint*	Recd.	Disposed	Pending	Remarks
1	Non- receipt of dividend warrant	82	82	0	--
2	Excess/ Short payment of Dividend Warrant	1	1	0	--
3	Non-receipt of Annual Reports	6	6	0	--
4	Legal Notice	0	0	0	--
5	Non- receipt of refund order	0	0	0	--
6	Correction of name on securities	12	12	0	--
7	Non Receipt of Security- Complaint relating to transfer of Shares	109	109	0	--
8	Clarification regarding shares	33	33	0	--

* Information is based on reports prepared by share transfer agent.

xii. Shareholding Pattern and Distribution of Shareholding

Shareholding pattern

Category	No. of Holders	Total Shares	% of Equity
Promoters Bodies Corporate	3	10844266	29.15
Resident Individuals	17399	6849401	18.41
Promoters	8	4112547	11.05
Foreign Corporate Bodies	2	4087218	10.99
Foreign Institutional Investors	8	4780914	12.85
Mutual Funds	4	1567914	4.21
Trust	1	2208050	5.93
Bodies Corporates	499	1556806	4.18
Non-Resident Indians	600	812228	2.18
Huf	423	358944	0.96
Clearing Members	67	26517	0.07
Indian Financial Institution	1	900	0.002
Banks	1	666	Negligible
Total	19016	37206371	100.00%

Distribution Schedule - Consolidated as on 31/03/2012

Sr. No.	Category	Cases	% of Cases	Total shares	Amount	% of Amount
1	Upto 1 - 5000	16392	86.22	2481224	24812240	6.67
2	5001 - 10000	1529	8.04	1116311	11163110	3.00
3	10001 - 20000	579	3.05	852385	8523850	2.29
4	20001 - 30000	170	0.89	443882	4438820	1.19
5	30001 - 40000	75	0.39	268568	2685680	0.72
6	40001 - 50000	52	0.27	241501	2415010	0.65
7	50001 - 100000	104	0.55	777864	7778640	2.09
8	100001 & ABOVE	110	0.59	31024636	310246360	83.39
Total		19011	100.00	37206371	372063710	100.00

The Shareholders are requested to follow exact ISIN for the purpose of dealing in the respected 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 31st March, 2012 is as follows:

Particulars	Number of Shares	% of total Equity Share
Physical	12,29,656	3.30%
Electronic	3,59,76,715	96.70%
Total	3,72,06,371	100.00

Name, designation & address of Compliance Officer:

Shri Nishant Javlekar

Company Secretary & Costing Officer

DIAMOND POWER INFRASTRUCTURE LIMITED,
"ESSEN House"

5 / 12, BIDC, Gorwa, Baroda - 390016

Phone : 91-265-2284328, 2283969

Fax : 91-265-2280528

E-mail : cs@dicabs.com

Compliance with Non-Mandatory Requirements

i) The Board

The company is not maintaining a separate office for the Chairman.

ii) Remuneration Committee

The Board has set up a Remuneration Committee. Please see details in paragraph on Remuneration Committee.

iii) Shareholder Rights

The Company is planning to provide a half-yearly declaration of financial performance including summary of the significant events in last six months.

iv) Audit qualifications

During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

v) Training of Board Members

The Company's Board of Directors comprises of professionals with expertise in their respective fields and industry. They endeavour to keep themselves updated with changes in the economy, legislation and technologies.

vi) Mechanism for evaluation of Non-Executive Board Members

Performance evaluation of Non-Executive Board Members is done by the Board of Directors of the Company.

vii) Whistle Blower Policy

The Company has adopted a Whistle Blower Policy.

Other Shareholder Information

Corporate Identity Number (CIN)

The CIN allotted to the Company by the Ministry of Corporate Affairs, Government of India is L31300GJ1992PLC018198.

Shareholders' Queries

All the queries pertaining to the shareholders shall be referred to Company Secretary of the Company.

Transfer of unclaimed dividend to Investor Education and Protection Fund

Pursuant to the provisions of Sections 205A and 205C of the Act, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is

required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The Shareholders are therefore requested to contact Share Transfer Agent or Company Secretary in case of their unpaid dividend.

After transfer of the said amounts to the IEPF, no claims in this respect shall lie against the IEPF or the Company nor shall any payment be made in respect of such claims.

Shares held in electronic form

Members holding shares in electronic form may please note that:-

- i) Instructions regarding bank details which they wish to have incorporated in future dividend warrants must be submitted to their Depository Participants (DP). As per the regulations of NSDL and CDSL, the Company is obliged to print bank details on the dividend warrants, as furnished by these Depositories to the Company.
- ii) Instructions already given by them for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.
- iii) Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.
- iv) The Company provides NECS facilities for shares held in electronic form and Members are urged to avail of this facility.

Bank Details

Members holding shares in physical form are requested to notify/send the following to Share transfer Agent to facilitate better servicing:-

- i) any change in their address/mandate/bank details, and
- ii) particulars of the bank in which they wish their dividend to be credited, in case they have not been furnished earlier.

Members are advised that respective bank details and address as furnished by them or by NSDL/CDSL to the Company, for shares held in physical form and in electronic form respectively, will be printed on their dividend warrants as a measure of protection against fraudulent encashment.

National Electronic Clearing Service (NECS) Facility

Under NECS facility, Members get an option to receive dividend directly to their bank account rather than receiving the same through Dividend Warrants. Members holding shares in physical form, who wish to avail NECS facility, are requested to send their NECS mandate in the prescribed form to Share Transfer Agent, in the event they have not done so earlier. Members holding shares in dematerialised form are requested to give the NECS mandate to their respective DPs directly.



Please note that Members who do not provide details of bank accounts with banks having Core Banking Facility, as required by RBI, will receive their dividend by physical warrants.

Demat Initiative

In view of the advantages of holding shares in electronic form, Members holding their Equity Shares in physical form are urged to avail of this opportunity and Demat their holdings.

Green Initiative

Based on the 'Green Initiative' taken by the Government of India, the Company has sent out a communication to its Members that henceforth, all communications, including Annual Reports, will be e-mailed to them at their e-mail address registered with their Depository Participants/the Share Registry, unless they opt for physical copies. Facility of getting electronic communication will go a long way in saving trees and also result in substantial cost savings.

Depository Services

Members may write to the respective Depository or to Share Transfer Agent for guidance on depository services. Address for correspondence with the Depositories is as follows:

National Securities Depository Limited

Trade World, 4th Floor
Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai 400 013
Tel : 022-2499 4200
Fax : 022-2497 6351
e-mail : info@nsdl.co.in
website : www.nsdl.co.in

Central Depository Services (India) Limited

PhirozeJeejeebhoy Towers
17th Floor, Dalal Street
Mumbai 400 023
Tel : 022-2272 3333
Fax : 022-2272 3199
e-mail : investor@cdslindia.com
website : www.cdslindia.com

Nomination Facility

Pursuant to the provisions of Section 109A of Act, Members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/ change in the nomination in respect of their shares in the Company may submit their requests in Form No. 2B to Share Transfer Agent. Members holding shares in electronic form are requested to give the nomination request to their respective DPs directly.

Reconciliation of Share Capital Audit

As stipulated by SEBI, M/s. Devesh Vimal & Co., Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report there on is submitted to the Stock Exchanges as well as placed before the Board of Directors. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

For and On Behalf of
the Board of Directors

(S. N. Bhatnagar)

Chairman

Date: 13th August, 2012

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 31st March, 2012 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 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 Accountant)

(Vijay N. Tewar)

Proprietor

Membership No.40676

Place:Vadodara

Date: 13th August, 2012

Certification

13th August, 2012

To,

The Board of Directors,

Diamond Power Infrastructure Limited

We, Amit Bhatnagar, Managing Director and Dr. Sumit Bhatnagar, Jt. Managing Director of Diamond Power Infrastructure Limited both certify to the Board that we have reviewed the financial statements of the Company for financial year ended on 31st March, 2012 and to the best of our knowledge and belief, we certify that –

1. The Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; that the Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are no fraudulent or illegal transactions.
3. For the purpose of financial reporting, we accept the responsibility for establishing and maintaining the internal controls which are monitored by the Company's Internal Audit Team and have evaluated based on feedbacks received from the Company's Internal Audit Team, the effectiveness of the internal control systems of the Company pertaining to financial reporting and have reported to the Auditors and the Audit Committee, the deficiencies, if any, in the operation and design of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes, if any in the internal controls over financial reporting during the year;
 - (ii) Significant changes, if any in the accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of any significant fraud, if any of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For **Diamond Power Infrastructure Limited**

Amit Bhatnagar
Managing Director

Dr. Sumit Bhatnagar
Jt. Managing Director

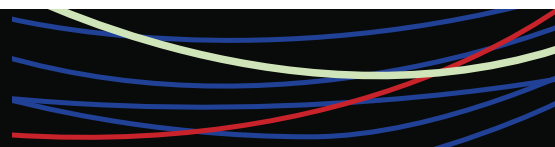


FINANCIAL SECTIONS



DIAMONDPOWER
Cables, Conductors, Transformers & Towers

Auditors' Report



1. We have audited the attached Balance Sheet of Diamond Power Infrastructure Ltd (herein after referred to as the "Company") as at 31st March, 2012 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 are opinion on these financial statements based on our audit.
2. 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 principles 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.
3. 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:

- a. 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.
- b. 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.

- c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the aforesaid books of accounts.
- d. 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.
- e. On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2012 from being appointed as a Director in terms of Clause (g) of subsection(1) of Section 274 of the Companies Act, 1956.
- f. 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 and 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 2012; and
 - II) In the case of Profit & Loss Account, of the Profit for the year ended on that date; and
 - III) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **VIJAY N. TEWAR & CO.**
(Chartered Accountants)

(Vijay N. Tewar)

Proprietor

Membership No. 040676

Place: Vadodara

Date: 13th August, 2012

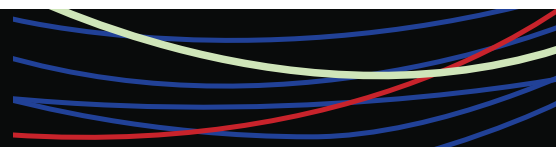
Annexure

TO AUDITORS' REPORT

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the current year in accordance with a planned programme of verifying them at reasonable intervals which, in our opinion, is rational having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
2. (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of clauses 4(iii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of clauses 4(iii) (e) to (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system 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. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
5. (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. 5,00,000 have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, related to the manufacture of electrical goods, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
9. (a) The Company is generally regular in depositing with appropriate authorities undisputed 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 it.

Annexure

TO AUDITORS' REPORT (Contd.)



- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
10. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
 11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company has no outstanding dues to financial institutions or debenture holders.
 12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) 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 (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
 15. According to the information and explanations given to us, the Company has given guarantee for loans taken by its subsidiaries from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
 16. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
 17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
 18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956 as there is no allotment of shares during the year under review.
 19. The Company did not have any outstanding debentures of Rs.100 Crores as at 31st March, 2012.
 20. The Company has not raised money by way of public issue of shares/ debentures in the current year.
 21. As per the recent Circular no. 62/2011 of the Ministry of Corporate Affairs Company has prepared its financial report as per revised Schedule VI of the Companies Act, 1956.
 22. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

(Chartered Accountants)

(Vijay N. Tewar)

Proprietor

Membership No. 040676

Place: Vadodara

Date: 13th August, 2012

Balance Sheet

AS AT 31st MARCH, 2012

Particulars	Note No.	Rs. in Lacs	
		31/03/2012	31/03/2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	3,720.64	3,720.64
(b) Reserves and Surplus	2	57,015.96	47,906.80
(c) Money received against share warrants		-	-
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	33,366.02	28,848.41
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	4	36,234.07	15,477.11
(b) Trade Payables	5	23,513.86	10,234.96
(c) Other Current Liabilities	6	2,700.08	2,004.67
(d) Short-Term Provisions	7	3,043.02	3,346.47
Total		1,59,593.65	1,11,539.06
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	8		
(i) Gross Block		62,519.64	45,014.98
(ii) Depreciation		7,177.39	5,133.32
(iii) Net Block		55,342.25	39,881.66
(b) Non-current investments	9	1,707.80	1,707.80
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	10	11,931.54	8,655.97
(e) Other non-current assets	11	-	-
(2) Current Assets			
(a) Current investments	12	0.60	0.25
(b) Inventories	13	59,066.87	34,121.01
(c) Trade receivables	14	19,957.39	19,027.92
(d) Cash and cash equivalents	15	4,865.76	3,960.15
(e) Short-term loans and advances	16	6,721.43	4,184.29
(f) Other current assets		-	-
Total		1,59,593.65	1,11,539.06
NOTES TO ACCOUNTS	25		

Notes attached thereto form an integral part of Financial Statement
This is the Financial Statement referred to in our Report of even date.

For **Vijay Tewar & Co.**

Chartered Accountants

V.N. Tewar

Proprietor

Membership No. : 040676

Place: Vadodara

Dated: 13th August, 2012

For and On Behalf of the Board of Directors

S.N. Bhatnagar

Chairman

Amit Bhatnagar

Managing Director

Sumit Bhatnagar

Joint Managing Director

Nishant Javlekar

Company Secretary

STATEMENT OF Profit & Loss

FOR THE PERIOD ENDED ON 31st MARCH, 2012

		Rs. in Lacs	
Particulars	Note No.	31/3/2012	31/03/2011
I Revenue from operations	17	1,74,037.73	1,26,762.91
II Other Income	18	320.53	141.81
III Total Revenue (I + II)		1,74,358.26	1,26,904.72
IV Expenses:			
Cost of materials consumed Purchase of Stock-in-Trade	19	1,79,257.61	1,11,576.44
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	-28,501.93	-3,913.74
Employee Benefit Expense	21	2,170.11	1,395.84
Financial Costs	22	4,850.90	2,487.77
Depreciation and Amortization Expense	23	2,429.26	1,877.79
Other Administrative Expenses	24	1,813.15	1,527.66
Total Expenses (IV)		1,62,019.11	1,14,951.75
V Profit before exceptional and extraordinary items and tax	(III - IV)	12,339.15	11,952.97
VI Exceptional Items		-	0.05
VII Profit before extraordinary items and tax (V - VI)		12,339.15	11,952.92
VIII Extraordinary Items		0.30	-
IX Profit before tax (VII - VIII)		12,338.85	11,952.92
X Tax expense:			
a. Current tax expenses of the year		1,500.00	2,191.46
b. MAT Credit		-	-
c. Current tax relating to previous year		-	-
d. Net current tax		-	-
e. Deferred tax		-	-
XI Profit(Loss) from the period from continuing operations	(IX-X)	10,838.85	9,761.45
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax expense of discounting operations		-	-
XIV Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV Profit/(Loss) for the period (XI + XIV)		10,838.85	9,761.45

Notes attached thereto form an integral part of Financial Statement
This is the Financial Statement referred to in our Report of even date.

For **Vijay Tewar & Co.**

Chartered Accountants

V.N. Tewar

Proprietor

Membership No. : 040676

Place: Vadodara

Dated: 13th August, 2012

For and On Behalf of the Board of Directors

S.N. Bhatnagar

Chairman

Amit Bhatnagar

Managing Director

Sumit Bhatnagar

Joint Managing Director

Nishant Javlekar

Company Secretary

Cash Flow Statement

FOR THE YEAR ENDED 31st MARCH 2012

Rs. in Lacs

Particulars	AS AT 31.03.2012		AS AT 31.03.2011	
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit as per Profit & Loss Account		9,109.14		8,459.87
Adjustment for:				
Depreciation	2,026.86		1,500.59	
Deferred Expenses	-		-	
Income Tax	1,010.79		151.89	
Interest expenses	4,850.91		2,487.77	
Loss on sale of Assets			-	
Extra Ordinary items	-84.04		-785.22	
Interest Received	-317.49		-113.68	
Interest \ Other income Received		7,487.03		3,241.35
Operating profit before working capital changes		16,596.17		11,701.22
Change in inventories	-28,619.86		-6,741.38	
Change in receivables	-929.47		-5,051.38	
Changes in Loans and Advances	-7,282.86		2,434.37	
Change in other current Assets	3,492.92		-3,394.89	
Change in current liabilities	14,249.29		538.38	
Net change in working capital	-19,089.98	-19,089.98	-12,214.90	-12,214.90
Cash generated from operations		-2,493.81		-513.68
CASH FLOW FROM INVESTMENT ACTIVITIES				
Direct Taxes Paid	-295.43		-283.67	
Cash flow before Extra Ordinary / prior period items				
Interest Received			330.68	
Prior Period items (Restructuring)				
Net cash flow from operating activity				
Increase of fixed assets	-15,412.24		-21,669.50	
Decrease in Fixed Assets				
Increase of investment	-14.63		-1,200.90	
Loss on Sale of Assets				
Net cash flow used in investing activities	-15,722.30	-15,722.30	-22,823.39	-22,823.39

Cash Flow Statement

FOR THE YEAR ENDED 31st MARCH 2012 (Contd.)

Rs. in Lacs

Particulars	AS AT 31.03.2012		AS AT 31.03.2011	
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital			714.36	
Proceeds from Debt Re-structuring				
Proceeds from Premium			12,897.99	
Increase in Secured loans	23,199.57		10,159.00	
Increase in unsecured loan	2,075.00		3,000.00	
Decrease in Subsidy				
Interest paid	-4,850.90		-2,487.77	
Increase in long term & other borrowing (net)				
Dividend Paid	-1,301.58		650.79	
Net cash flow from financing activities	19,122.09	19,122.09	24,934.37	24,934.37
Net increase in cash & cash equivalents		905.98		1,597.30
Add: Cash & cash equivalents opening	3,960.40		2,363.10	
Cash & cash equivalents closing	4,866.38	-905.98	3,960.40	-1,597.30

For **Vijay Tewar & Co.**
Chartered Accountants
V.N. Tewar
Proprietor
Membership No. : 040676
Place: Vadodara
Dated: 13th August, 2012

For and On Behalf of the Board of Directors

S.N. Bhatnagar
Chairman

Amit Bhatnagar
Managing Director

Sumit Bhatnagar
Joint Managing Director

Nishant Javlekar
Company Secretary

Auditor's Certificate

We have examined the above cash flow statement of Diamond Power Infrastructure Ltd (The Company) for the year ended 31st March, 2012. 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 : 13th August, 2012
Place : Vadodara

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012

		Rs. in Lacs	
		Current Year	Previous Year
1	SHARE CAPITAL		
1	Authorized Capital		
	50000000 Shares (50000000 Shares) of Rs. 10 Each	5,000.00	5,000.00
2	Issued & Subscribed Capital		
	37886121 (37886121) Equity Shares of Rs. 10 Each	3,788.61	3,788.61
3	Paid Up Capital		
	37206371 (37206371) Equity Shares of Rs. 10 Each Fully Paid - Up	3,720.64	3,720.64
Total		3,720.64	3,720.64

2.1 Reconciliation of number of Equity Shares and amount outstanding at the beginning and at the end of the year

	Current Year		Previous Year	
	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs
Equity Shares				
Outstanding at the Beginning of the Year (Face Value Rs 10 each)	3,72,06,371	3,720.64	3,72,06,371	3,720.64
Outstanding at the End of the Year	3,72,06,371	3,720.64	3,72,06,371	3,720.64

2.2 Shareholders holding more than 5% Equity Shares in the Company as at the end of the year

Name of Shareholder	Current Year		Previous Year	
	No of Shares	% of Holding as on 31/03/2012	No of Shares	% of Holding as on 31/03/2011
Diamond Tele - Cabs Private Limited	6168413	16.58	6168413	16.58
Diamond Infosystems Ltd	2469005	6.64	2469005	6.64
Diamond Projects Pvt Ltd	2206848	5.93	2206848	5.93
Suresh N Bhatnagar	1881420	5.06	1881420	5.06
Clearwater Capital Partners Cyprus Ltd	3248161	8.73	3248161	8.73
Kotak Mahindra Trusteeship Services Limited-A/C Ko	2208050	5.93	2208050	5.93
The Royal Bank Of Scotland N.V., (London) Branch	2122297	5.7	-	-

2.3 For the period of 5 years immediately preceding the date as at which the balance Sheet is prepared NA

- Aggregate Number and Class of Shares allocated as fully paid up pursuant to contract(s) without payment have being received In cash
- Aggregate Number and Class of Shares allocated as fully paid up by way of bonus Shares
- Aggregate Number and Class of Shares bought Back

2.4 The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
2	RESERVE & SURPLUS		
1	Capital Reserve	1,759.94	1,759.94
2	Capital Redemption Reserve	-	-
3	Securities Premium Reserve	25,229.13	25,229.13
4	Debenture Redemption Reserve	-	-
5	Revaluation Reserve	-	-
6	Shares Option Outstanding Account	-	-
7	Other Reserve	25.00	25.00
8	Surplus (Profit & Loss Account)	30,001.90	20,892.73
	Balance brought forward from previous year	20,892.73	12,432.86
	Less: Tax on Regular Assessment Paid	-	-
	Add: Profit for the period	10,838.85	9,761.45
	Proposed Dividend	1,488.25	1,116.19
	Tax on Proposed Dividend	241.43	185.39
	Proposed Dividend (Including Tax)	1,729.69	1,301.58
	Surplus Transferred to Balance Sheet	9,109.16	8,459.87
	Total	57,015.96	47,906.80

		Rs. in Lacs	
		Current Year	Previous Year
3	LONG TERM BORROWINGS		
1	Bonds / Debentures	10,000.00	6,800.00
2	Term Loan		
	- From Bank	18,169.39	19,000.00
	- From Other Parties	-	-
3	Deferred Payment Liabilities	-	-
4	Deposit	-	-
5	Loans & Advances From Related Parties	-	-
6	Long Term Maturities of Finance lease obligation	-	-
7	Unsecured Loans From Lender	5,075.00	3,000.00
8	Other Loans & Advances (Car Loan)	121.62	48.41
	Total	33,366.02	28,848.41

Term Loans from Banks

- Rs 12500 Lacs (Previous year Rs 15000 Lacs) Secured 1st Pari Passu Charge on the entire Fixed Assets of the company both present and Future. The Term Loan is repayable in remaining 22 equal Quaterly Installments by 30th Sep 2016 and present intrest rate is 12.90% p.a
- Rs 2739.41 Lacs (Previous year Nil) Secured 1st Pari Passu Charge on the entire Fixed Assets of the company both Present and Future. The Term Loan is Repayable in 26 equally quaterly installments commencing from 30th Sep 2014 and carries Intrest rate of 12.75% pa
- Rs 2909.08 Lacs (Previous year Rs. 4000 lacs) secured by 1st pari passu charge on all fixed assets of the company both present & future with in 60 days from the first disbursement. 2nd pari passu charge on all current assets of the company, both present & future within 60 days from the 1st disbursement, The term loan is repayable in 11 equated quarterly installments after moratorium period carries interest rate 12.25%
- Rs. 10000 lacs (Previous Year 6800 Lacs) (Non Convertible Debentures) secured by 1st pari passu charge on all fixed assets of the company both present & future with in 60 days from the first disbursement. 2nd pari passu charge on all current assets of the company, both present & future within 60 days from the 1st disbursement, repayment starting from 1st June 2014, carries interest rate 12.35%
- Rs 121.62 Lacs (Previous Year 48.41) Loans taken for the Vehicles the present rate of interest charged is at 10.83%PA the duration of loan are for period of 36 Months from the Date of Disbursement

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

3 LONG TERM BORROWINGS (Contd.)

Unsecured Loans

- Rs 2850 Lacs (Previous Year 3000 Lacs) are unsecured carrying interest rate of 12.90% and repayable within 90 days from the first Disbursement
- Rs 2200 Lacs (Previous Year Nil) are towards contribution from the Promoters' group for the ongoing expansion project.

		Rs. in Lacs
	Current Year	Previous Year
4 SHORT TERM BORROWINGS		
1 Loan Repayable on Demand		
- From Bank	36,234.07	15,477.11
- From Other Parties	-	-
2 Loans & Advances From Related Parties	-	-
3 Deposits	-	-
4 Others	-	-
Total	36,234.07	15,477.11

Note to Standalone

Loans repayable on Demand

Rs 36234.07 Lacs (Previous Year 15477.11 Lacs) these entire loan are secured by the first Parri Passu Charge on Entire Current Assets of the company and second pari Passu Charge on the Fixed Assets of the company and rate of Interest charged on the entire loan is @ 13.50 to 14%

		Rs. in Lacs
	Current Year	Previous Year
5 TRADE PAYABLES		
1 Creditor for Goods (Includes Capital goods)	9,640.02	4,003.68
2 Creditor for Expenses	2,438.89	1,195.84
3 Creditor Under Letter of Credit	11,434.95	5,035.43
Total	23,513.86	10,234.96

		Rs. in Lacs
	Current Year	Previous Year
6 OTHER CURRENT LIABILITIES		
1 Duties & Taxes Payable	129.17	255.49
2 Statutory Liability Payable	360.58	309.79
3 Other Liabilities Payable	2,210.33	1,439.39
Total	2,700.08	2,004.67

		Rs. in Lacs
	Current Year	Previous Year
7 SHORT TERM PROVISIONS		
1 Provision For Employees Benefit		
Employee Dues Payable	79.97	53.55
2 Others		
Provision for Taxation	942.26	1,953.05
Provision for Dividend	1,488.25	1,116.16
Provision for Dividend Tax	426.76	185.39
Provision for Expenses	105.78	38.32
Total	3,043.02	3,346.47

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

Rs. in Lacs

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance As At 1 April 2011	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31st March 2012	Balance as at 1st April 2011	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st March 2012
8 FIXED ASSETS										
Tangible Assets										
Land & Site Development	374.80	395.43	-	-	770.23	-	-	-	-	770.23
Building	4,202.03	38.28	-	-	4,240.31	417.87	140.45	-	-	3,681.98
Plant & Machinery	24,187.49	10,521.42	-	-	34,708.91	4,224.61	1,797.97	-	-	28,664.11
Electrical Installation	765.90	14.73	-	-	780.63	176.06	56.92	-	-	547.65
Furniture & Fixture / Equipments	274.46	123.20	-	-146.00	251.66	216.68	9.29	-	-	25.69
Vehicles	209.40	150.81	-	-32.49	327.73	96.86	22.22	-	5.01	213.66
Other Assets	1.24	-	-	-	1.24	1.24	-	-	-	-
Total	30,015.33	11,243.87	-	-178.49	41,080.72	5,133.32	2,026.86	-	5.01	33,903.33
Capital Work In Progress	14,999.65	25,615.94	-	-19,176.67	21,438.92	-	-	-	-	21,438.92
Grand Total	45,014.98	-	-	-	62,519.64	5,133.32	2,026.86	-	5.01	55,342.25

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
9	NON CURRENT INVESTMENT		
1	Investment in Property	-	-
2	Investment in Equity Instrument (Unquoted Shares)	1,657.80	1,657.80
3	Investment in Preference shares	-	-
4	Investment in Government or Trust Securities	-	-
5	Investment in Debentures & Bonds	-	-
6	Investment in Mutual Fund	-	-
	Baroda Pioneer Equity Fund	50.00	50.00
7	Investment in Partnership Firm	-	-
8	Other	-	-
Total		1,707.80	1,707.80

		Rs. in Lacs	
		Current Year	Previous Year
10	LONG TERM LOANS AND ADVANCES		
I)	Capital Assets		
a)	Secured, Considered Good :	8,253.86	5,145.22
b)	Unsecured, Considered Good :	-	-
c)	Doubtful	-	-
II)	Security Deposit		
a)	Secured, Considered Good :		
	Government Deposits	1.45	1.30
	Security Deposit	1,322.10	1,315.81
	Earnest Money Deposit	278.75	228.22
	Lease Rent	741.43	738.59
	Other Deposit	200.83	93.71
b)	Unsecured, Considered Good :	-	-
c)	Doubtful	-	-
III)	Loans & Advances to related parties		
	Apex Power Equipments Pvt Ltd	1,132.58	1,132.58
	Diamond E.H.V. Conductors	0.04	0.04
	Apex Electricals Ltd	-	-
IV)	Other Loans & Advances		
	Other Advances	0.51	0.51
Total		11,931.54	8,655.97

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
11	OTHER NON CURRENT ASSETS		
1	Long Term Trade Receivables	-	-
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
2	Others	-	-
	Total	-	-

		Rs. in Lacs	
		Current Year	Previous Year
12	CURRENT INVESTMENT		
1	Investment in Equity	-	-
2	Investment in Preference Shares	-	-
3	Investment in Govt Securities	-	-
4	Investment in debentures & Bonds	-	-
5	Investment in Mutual Fund	-	-
6	Investment in Partnership Firm	-	-
7	In Short term Fixed Deposits	0.60	0.25
	Total	0.60	0.25

		Rs. in Lacs	
		Current Year	Previous Year
13	INVENTORIES		
1	Raw Material	3,718.22	3,380.26
2	Work-in-Progress	40,746.58	18,221.54
3	Finished Goods	6,138.53	1,806.81
4	Stock-in-Trade	4,852.20	8,526.20
5	Packaging Material	49.94	167.41
6	Consumable Stores	345.97	167.70
7	Fuel & Gases	49.58	19.22
8	Goods in Transit	3,165.84	1,831.87
	Total	59,066.87	34,121.01

		Rs. in Lacs	
		Current Year	Previous Year
14	TRADE RECEIVABLES		
1	Outstanding for less than six months		
	a) Secured, Considered Good	19,957.39	19,027.92
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
2	Others		
	a) Secured, Considered Good	-	-
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
	Total	19,957.39	19,027.92

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
15	CASH & CASH EQUIVALENT		
1	Cash-in-Hand		
	Cash Balance	0.28	2.78
	Petty Cash Balance	-	-
	Sub Total (A)	0.28	2.78
2	Bank Balance		
	Bank Balance	569.75	1,046.76
	Margin Money	4,295.73	2,910.61
	Sub Total (B)	4,865.48	3,957.37
3	Cheques on Hand (C)	-	-
	Total [A + B + C]	4,865.76	3,960.15

		Rs. in Lacs	
		Current Year	Previous Year
16	SHORT TERMS LOANS AND ADVANCES		
1	Loans & Advances from related parties		
	a) Secured, Considered Good :		
	Advance to Associate Concerns	-	-
	Diamond Power Transformers Ltd	1,981.16	873.77
	Diamond Power Global Holding Ltd	14.63	
	b) Unsecured, Considered Good :		
	Staff	6.06	5.62
	Other Advances	-	-
	c) Doubtful		
2	Others		
	Advance Recoverable in cash or in kind or for value to be considered good		
	Advance to Suppliers	59.72	31.89
	Advance Income Tax/Refund Due	-	-
	Balance With Revenue Authorities (Indirect Taxes)	-	-
	Prepaid Expenses	934.03	1,066.45
	PLA	0.14	0.14
	Cenvat	2,312.70	1,510.62
	Service Tax	1,086.59	661.07
	Tax Deducted at Source	25.41	25.41
	Income Tax	141.17	7.02
	Electricity Duty Refund	2.30	2.30
	Sales Tax Advance	157.52	
	VAT	-	-
	Interest	-	-
	Total	6,721.43	4,184.29

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
17	REVENUE FROM OPERATIONS		
1	Domestic Sales (Exclusive of Excise Duty)	1,74,037.73	1,24,488.11
2	Export Sales	-	2,103.73
3	Others	-	171.07
Total		1,74,037.73	1,26,762.91

		Rs. in Lacs	
		Current Year	Previous Year
18	OTHER INCOME		
1	Dividend Received	-	0.01
2	Interest on FDR	-	-
3	Interest Received	317.49	113.68
4	Notice Pay Recovered	2.04	1.36
5	Claim Received	0.48	0.55
6	Other Income	0.51	26.22
Total		320.52	141.82

		Rs. in Lacs	
		Current Year	Previous Year
19	COST OF MATERIAL CONSUMED		
a)	Purchases of Raw Materials And Stores		
	Conductor	39,778.57	32,027.11
	Cables	99,649.70	40,293.04
	EPC	28,800.37	37,487.23
	Transformer	-	-
	Tower	8,144.08	-
	Sub-total (a)	1,76,372.72	1,09,807.37
B)	Direct/Productions Expenses		
	Cartage & Transport	238.88	67.21
	Excise Duty Paid		
	Calibration Expenses	1.56	2.79
	Consumable Stores	357.12	109.77
	Repair & Maintenance (Plant & Machinery)	22.16	16.35
	Factory Expenses	21.50	27.35
	Insurance Expenses	25.27	24.07
	Packing Material	1,309.39	800.04
	Detention & Demurrage Charges	0.04	0.62
	Diesel for Generator	-	-
	Electricity Expenses	-	-
	Security Charges	-	-
	Survey Charges -- Infrastructure	6.04	1.83
	Air Time Charges	0.14	0.14
	Workman compensation Premium	-	-
	Power & Fuel Expenses	902.78	718.91
	Sub-total (b)	2,884.89	1,769.07
Total		1,79,257.61	1,11,576.44

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
20	CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN TRADE		
1	Opening Stock of WIP & Finished Goods	20,028.35	16,075.55
2	Closing Stock of WIP & Finished Goods	46,885.11	20,028.35
3	WIP Increase / Decrease Division wise	1,645.16	-39.05
Total		-28,501.93	-3,913.74

		Rs. in Lacs	
		Current Year	Previous Year
21	EMPLOYMENT BENEFIT EXPENSES		
1	Bonus	20.42	14.58
2	Director's Remuneration (Net)	368.47	224.83
3	House Rent Allowance	67.82	43.18
4	Leave wages / Salary	0.01	46.86
6	Medical Allowances	0.38	32.25
	Medical Expenses	47.89	
7	Provident Fund Expenses (P.F. & F.P.F)	37.47	34.59
8	Salary & Wages	788.31	284.41
9	Staff & Labour Welfare	64.28	35.85
10	Labour Contract Charges	744.28	646.67
11	Stipend	0.85	6.49
12	Telephone Allowance	29.94	26.13
Total		2,170.11	1,395.84

		Rs. in Lacs	
		Current Year	Previous Year
22	FINANCIAL COST		
1	Interest on Cash Credit Facility	4,850.90	1,842.98
2	Interest on Term loan	-	-
4	Interest on Other loans	-	-
5	Bank Charges (Including LC, Bank Guarantee & Bill Discounting Charges & Others)	-	644.79
6	Bank Guarantee Charges	-	-
Total		4,850.90	2,487.77

		Rs. in Lacs	
		Current Year	Previous Year
23	DEPRECIATION AND AMORTIZATION EXPENSE		
1	Depreciation	2,026.86	1,500.59
2	Preliminary Expenses W/O	-	-
3	Amortisation Expenses	402.40	377.20
Total		2,429.26	1,877.79

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
24	OTHER ADMINISTRATIVE EXPENSES		
1	Audit Fees	24.32	22.55
2	Consultancy Charges	16.23	11.32
3	Conveyance Expenses	12.56	6.26
4	Donation	17.31	23.40
5	Electricity Expenses	10.51	7.62
6	Legal & Professional charges	168.08	160.01
7	Post, Tele. & Courier Charges	7.16	6.60
8	Rent, Rates & Taxes	95.84	69.36
9	Application Fees	1.50	0.03
10	Repairs & Maintenance Others	50.05	27.52
11	Printing & Stationary Expenses	12.31	9.23
12	Tender fees	-	-
13	Training Expenses	-	-
14	Sundry Expenses	10.01	9.68
15	Travelling Expenses	118.09	38.56
16	Vehicles Expenses	57.95	57.10
17	Office Expenses	13.09	7.22
18	Software Expenses	12.51	6.82
19	Insurance Exp (Car)	-	-
20	Mis. Expenses	-	-
21	Service Tax Expenses	37.66	26.20
22	Documentation Charges		-
23	Penalty	3.72	15.87
24	Hospitality Expense	22.72	9.70
25	Loss on Sales of Fixed Asset	7.48	1.14
26	Professional Tax	-	-
27	Preliminary Expenses Written of	-	-
28	Sundry Balances Written of	50.90	-0.04
29	Advertising Expenses	186.17	173.51
30	Sales Promotion Expenses	87.50	19.51
31	Commission on Sales	320.19	371.92
32	Marketing Expenses	469.31	446.59
Total		1,813.15	1,527.66

25 SIGNIFICANT ACCOUNTING POLICIES

A. Statement of Significant Accounting Policy

1. **Method of Accounting:** The Financial Statements have been prepared on historical cost convention. The Company follows the accrual basis of accounting. The Financial Statements are prepared in accordance with the accounting standards specified in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government in terms of Section 211(3C) of the Companies Act, 1956.
2. **Revenue Recognition:** Sales includes inter-divisional transfers, sale of scrap, Sales 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 are 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. Provision is made for diminution, other than temporary, in the value of investments.
7. **Inventories:**
 - a) 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.
 - b) Cost of work-in-progress and finished goods includes material cost, labour cost, and manufacturing overheads absorbed on the basis of normal capacity of production.
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. **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.

25 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

11. **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.
12. **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.
13. **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.
14. **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.
15. **Uses of Estimates:** The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which results are known/materialised.
16. **Derivative Contracts:** Company as such in the current financial year has entered into any such Derivative Contracts.
17. **Operating Cycle:** Assets and liabilities other than those relating to long-term contracts (i.e. Supply or turnkey contracts) are classified as current if it is expected to realise or settle within 12 Months after the balance sheet date. In case of long-term contracts, the time between acquisition of assets for processing and realisation of the entire proceeds under the contracts in cash or cash equivalent exceeds one year. Accordingly for classification of assets and liabilities related to such contracts as current, duration of each contract is considered as its operating cycle

Part B Notes to Accounts

1. Contingent Liabilities

- (a) Letter of Credit opened Rs.2001 Million Previous Year Rs 1145.25 Million; materials under all letters of credit have been received and accounted for as Creditors.
- (b) Outstanding Bank Guarantees as of March 31, 2012 is Rs.1226.37 Million (Previous Year Rs. 948.73 Million
- (c) There are no outstanding income tax demands under appeals.
- (d) There are no outstanding Claims against the Company.
- (e) Corporate guarantees issued on behalf of wholly owned subsidiary – Diamond Power Transformers Ltd. in favour of SICOM Limited and Indian Overseas Bank

2. The company has been sanctioned the fund based and non-fund based working capital facilities of Rs. 1650 Million from the Axis Bank Ltd.; Rs. 2314

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

25 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Million from the Bank of India; Rs. 1980 Million from the ICICI Bank Ltd.; Rs. 2200 Million from the Bank of Baroda, Rs 1620 Million from Allahabad Bank & Rs 660 Million from Dena Bank and Rs 552 Million 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.

3. Balance confirmation letters were sent out to various debtors and creditors. The confirmation of most of the Debtors and creditors is received.

4. 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.
5. 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.

6. Segmental Reporting:

The company is primarily engaged in the manufacture of conductors, cables, towers, transformers 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)				
Gross Segment Revenue	2011-12	2010-11	2009-10	2008-09	2007-08
Conductor	4501.85	4,615.04	3,431.98	3,539.72	3775.05
Cables (LT & HT)	10239.69	5,125.28	2,031.53	817.59	666.18
Power Infrastructure –Turnkey Project [EPC]	2923.45	4,231.67	3,291.48	1800	649.45
Transmission Tower	858.42				
Transformer	2809.89	2,543.11	1365.11	979.04	446.59
Total Gross Sales	21,333.30	16,515.09	10,120.10	7,136.35	5,537.27
Less: Inter Segment Sales	761.92	1121.25	1,400.82	0	0
Gross Sales	20571.38	15,393.84	8,719.28	7,136.35	5,537.27
Less: Excise Duty	398.08	184.98	117.97	157.31	231.9
Net Sales	20,182.30	15,208.86	8,601.31	6,979.04	5,305.37

7. Share Holding in Various Companies:

The Company holds the following shares

1. 99.60% in its Subsidiary Diamond Power Transformers Ltd
2. 100% in its wholly owned Subsidiary Diamond Power Global Holdings Ltd

8. Related Party Disclosures:

a) Particulars of Associates of the Company:

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

b) Subsidiary Company:

Name of the Subsidiary
Diamond Power Transformers Ltd

25 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

c) Key Management Personnel and their Relatives:

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

d) Relatives of Key Management Personnel:

Key Management Relatives
Smt Madhurilata Bhatnagar
Smt Mona Bhatnagar
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:

(Rs in Lacs)					
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	3679	Nil	Nil	Nil	3679
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	368.46	Nil	Nil	368.46
Outstanding Receivable as on 31.03.2012	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.

9. Earnings Per Share (EPS):

(Rs in Millions)		
Earnings Per Share (EPS)	March 31, 2012	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	1083.89	976.14
II Weighted average number of equity shares for Earnings per share computation		
A. For Basic Earnings per Share	37,206,371	37,206,371
B. For Diluted Earnings per Share No. of shares for Basic EPS as per II A	37,206,371	37,206,371
Add: Weighted Average outstanding Option / Shares deemed to be issued for no consideration	-	-
No. of shares for Diluted Earnings per share	37,206,371	37,206,371
III Earnings per Share (Weighted Average)		
Basic	29.13	26.24
Diluted	29.13	26.24

25 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

10. 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 31st March, 2012 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. To confirm names/figures

11. Sales include an amount of Rs 761.92 Million (Net of Duty) of inter- unit Transfer (Previous year Rs 1121.25 Million).
12. Aggregate directors' remuneration is Rs. 36.85 Million (previous year Rs. 22.48 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.
13. Aggregate Auditor's remuneration is fixed at Rs. 2.32 Million (previous year Rs 1.04 Million). Which includes Rs 1.02 Million as Audit Fees (Previous year Rs 1.02 Million).
14. As per Accounting Policy (10) on excise duty, the excise duty payable on finished goods in stocks at works amounting to Rs 75.87 Million (previous year Rs 18.61 Million) has been included in the expenditure and in such stocks. However, the same has no impact on the profit for the year.
15. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

16. 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 & CSR Conductor (Excluding Conductors used In Cables)	NA	50500 MTPA.	32,496	36,700
LT Electric Power Cables & Control Cables	NA	34,300 Kms	26860 Kms	14400 Kms
HT Cables	NA	5600 Kms	5320 Kms	2553 Kms
EHV Cables	NA	2000 Kms	598Kms	NA
Transmission Towers		48000 MT	15,450 MT	Nil

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.

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

25 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

17. Details of Raw Materials Consumed (including captive consumption):

Description of Item	U.O.M	Quantity For the year 2011-12	Quantity For the year 2010-11
Aluminium	M.Ts.	72,892	49,600
Copper	M.Ts.	2,321	1,955

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

(Rs in Millions)				
Raw Materials	Current year (2011-12)	Previous year (2010-11)	Current year % (2011-12)	Previous year % (2010-11)
Imported	770.00	142.80	4.58	1.4
Indigenous	16,052.86	10837.94	95.42	98.60

19. Particulars of Sales and Stocks:

Item	U.O.M	Opening Stock	Sales	Closing Stock
Conductors	Kms.	3345	29,956	1,052.35
Cables	Kms.	678.40	34,115	2,015.40
Transmission Tower	MT	0	12,545	2,905.00

20. Expenditure in Foreign Currency:

(Rs in Millions)		
Particular	2011-12	2010-11
Import on CIF Basis	770	142.8
Travelling Expenses	---	0.60
Others	---	224.92

21. Income in Foreign currency:

(Rs in Millions)		
Particular	FOB Value of Export 2011-12	FOB Value of Export 2010-11
Exports	Nil	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.

This is the Financial Statement referred to in our Report of even date.

For **Vijay Tewar & Co.**

Chartered Accountants

V.N. Tewar

Proprietor

Membership No. : 040676

Place: Vadodara

Dated: 13th August, 2012

For and On Behalf of the Board of Directors

S.N. Bhatnagar

Chairman

Amit Bhatnagar

Managing Director

Sumit Bhatnagar

Joint Managing Director

Nishant Javlekar

Company Secretary

Directors' Report

To the Members

Your Directors hereby present the Annual Report and the Audited Accounts of your Company for year ended 31st March, 2012.

FINANCIAL RESULTS

(Rs. In Lacs)		
Particulars	2011-12	2010-11
Gross total Income	27,809.44	25,327.43
Gross total Expenditure	24,711.78	22,989.67
Profit / (Loss) Before, Interest Depreciation Taxation & Amortization	3,097.66	2,337.76
Interest	466.63	181.77
Depreciation / Amortization	105.99	102.24
Profit / (Loss) Before Tax	2,525.04	2,053.75
Provision for Taxation / Deferred Tax	808.80	776.50
PROFIT AFTER TAX / (LOSS)	1,716.24	1,277.25
APPROPRIATIONS		
a) General Reserve	-	-
b) Dividend	-	-
Profit carried from last year	2,996.27	1,719.02
Balance carried to Balance Sheet	1,716.24	1,277.25
Earning Per Shares	17.16	12.77

PERFORMANCE

Diamond Power Transformers Limited is a wholly-owned subsidiary of Diamond Power Infrastructure Limited. For the Financial Year 2011-12, the Company has earned total income of Rs. 27,809.44 Lacs (against last year's Rs. 25,327.43 Lacs) against which, the Company has incurred total expenditure of Rs. 24,711.78 Lacs (against last year's Rs. 22,989.67 Lacs) making the Profit of Rs. 1,716.24 Lacs (against last year's Rs. 1,277.25 Lacs).

Company's earning per share has increased up to Rs. 12.77 (for last year) to Rs. 17.16 (for current year).

DIVIDEND

Your Company requires more funds/reserves to accomplish its objects & to incur day to day expenditure of the Company. Therefore, the directors do not recommend any dividend for the year ended 31st March, 2012.

CURRENT ACTIVITIES

Today, Electricity is the lifeline of any economy. Without it the progress graph of any country stumbles down. In such a situation transformers act as a boon by enabling a continuous flow of electricity by preventing voltage fluctuations in some or the other way.

Diamond Power Transformers Limited is into production of Power and Distribution Transformers. It includes 11KV to 220KV, all the way up to 315MVA. Each of our

transformers undergoes rigorous type-testing, ensuring superior efficiency as well as reliability. We have fruitfully manufactured and type-tested transformers with ratings starting from 10 KV to 315 MVA, up to 220 KV class.

Type of Power & Distribution Transformers:

- Power transformers up to 220KV, 315 MVA
- Distribution transformers up to 33KV, 2500 KVA
- Single phase track side transformers up to 145KV, 10 MVA
- Single phase track side transformers up to 145KV, 31 MVA
- Cast resin transformers up to 36KV, 3150KVA
- Current transformers up to 245KV
- Voltage transformers up to 72.5KV
- Vacuum circuit breakers up to 36KV, 2500 A, 40KA

Turnkey Facilities under one Umbrella:

- Three fully-integrated facilities in Gujarat with in-house facilities for products such as core laminations, wire drawing, strip mill, winding as well as an in-house transformer oil refinery
- Over 50,000 installed transformers worldwide and an annual production capacity of 5000 transformers

"Our fundamental belief is that for us growth is a way of life and we have to grow at all times." Validating this quotation your company has added another feather to its cap by acquiring a strategic stake in India's leading power and control panel manufacturer M/s Maktel Control

Directors' Report (Contd.)

& Systems Pvt. Ltd. and Maktel Power Limited.

The foundation stone of Maktel Control was laid down 25 years ago by Danke Group and Mr AK Nandi. In the last financial year the Company reported revenue of Rs 40 crores which will increase two-fold to more than Rs 100 crores with the commencement of one of the most modern and large Power and Control manufacturing facility near Vadodara.

DIRECTORS

In accordance with the Companies Act, 1956 and the Articles of Association of the Company Shri Sumit Bhatnagar retires by rotation at the ensuing annual general meeting. However, he is eligible for re-appointment.

Further, Shri Jayramrao Chandravadan Marathe was appointed as an Additional Director of the Company with effect from 3rd March, 2011 in terms of Section 260 of the Companies Act, 1956, read with Article 134 of the Articles of Association of the Company holds his office up to the last Annual General Meeting held on 19th September, 2011. Subsequently, he retired at that Meeting and again was reappointed as an Additional Director with effect from 20th September, 2011. 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 along with a deposit of Rs. 500/- in this Annual General Meeting. All the necessary resolutions for appointment, re-appointment of the directors have been included in the notice calling the forthcoming Annual General Meeting.

STATUTORY 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.

CLARIFICATION ON REMARK IN AUDITOR'S REPORT:

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

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.

INSURANCE

All the insurable interests of our Company including inventories, buildings, plant and machinery and liabilities under legislative enactments are sufficiently insured.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTIONS AND FOREIGN EXCHANGE

The Company (Disclosure of Particulars under Report of Directors) Rules 1988, regarding the conservation of energy, the Company's total consumption of energy is 6,16,237 Units during the year.

Foreign Exchange: The Company has neither earned 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

ACKNOWLEDGEMENT

Your Directors acknowledge with appreciation, 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 shareholders has indeed played a major role in the Company's growth and progress. The Directors also wish to place on record their deep sense of appreciation for the overwhelming co-operation and assistance received from the Bankers and all members of the company.

For and on behalf of the Board of Directors

S N Bhatnagar

Chairman

Place: Vadodara

Date: 11th August, 2012

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, 2012 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 mis-statement. 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, 2012 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2012 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:
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, 2012 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 flows of the Company for the year ended on that date.

For **R. A. Amin & Co.**
(Chartered Accountants)
FRN: 100334W

(Hiren R. Amin)
Proprietor
M.N. 111009

Place: Vadodara
Date: 11th August, 2012

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 Rs. 5,00,000 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.

Annexure TO AUDITORS' REPORT (Contd.)

(Referred to in paragraph 3 of our report of even date) Re: Diamond Power Transformers Limited ('the Company')

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.

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 31st March, 2012 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.

Annexure TO AUDITORS' REPORT (Contd.)

(Referred to in paragraph 3 of our report of even date) Re: Diamond Power Transformers Limited ('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 loans have been applied for the purpose for which they were raised other than amounts 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
M.N. 111009

Place: Vadodara
Date: 11th August, 2012

Balance Sheet

AS AT 31st MARCH, 2012

		Rs. in Lacs	
Particulars	Note No.	31/03/2012	31/03/2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	1,000.00	1,000.00
(b) Reserves and Surplus	2	4,712.51	2,996.27
(c) Money received against share warrants		-	-
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	3,206.79	1,671.16
(b) Deferred Tax Liabilities (Net)		-	1.75
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	4	2,996.55	558.38
(b) Trade Payables	5	1,404.79	1,091.90
(c) Other Current Liabilities	6	1,053.38	108.14
(d) Short-Term Provisions	7	877.89	794.82
Total Equity & Liabilities		15,251.91	8,222.42
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	8		
(i) Gross Block		1,610.88	1,653.71
(ii) Depreciation		282.95	177.95
(iii) Net Block		1,327.93	1,475.76
(b) Non-current investments	9	-	-
(c) Deferred tax assets (net)			
(d) Long term loans and advances	10	181.29	155.80
(e) Other non-current assets	11		
(2) Current Assets			
(a) Current investments	12	-	-
(b) Inventories	13	4,092.29	1,506.04
(c) Trade receivables	14	6,374.49	4,255.47
(d) Cash and cash equivalents	15	1,392.12	106.14
(e) Short-term loans and advances	16	1,883.79	723.21
(f) Other current assets			-
Total Assets		15,251.91	8,222.42
NOTES TO ACCOUNTS	25		

Notes attached thereto form an integral part of Financial Statement
This is the Financial Statement referred to in our Report of even date.

For **R. A. Amin & Co.**

Chartered Accountants

FRN: 100334W

(Hiren R. Amin)

Proprietor

Membership No. : 111009

Place: Vadodara

Dated: 11th August, 2012

For and On Behalf of the Board of Directors

S.N. Bhatnagar
Director

Amit Bhatnagar
Director

Sumit Bhatnagar
Director

STATEMENT OF Profit & Loss

FOR THE PERIOD ENDED ON 31st MARCH, 2012

		Rs. in Lacs	
Particulars	Note No.	31/3/2012	31/03/2011
I Revenue from operations	17	27,785.29	25,325.70
II Other Income	18	24.14	1.72
III Total Revenue (I + II)		27,809.44	25,327.43
IV Expenses:			
Cost of materials consumed	19	25,090.49	22,149.34
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	-2,098.59	-809.29
Employee Benefit Expense	21	214.75	183.78
Financial Costs	22	466.63	181.77
Depreciation and Amortization Expense	23	105.99	102.24
Other Administrative Expenses	24	1,505.13	1,465.84
Total Expenses (IV)		25,284.40	23,273.68
V Profit before exceptional and extraordinary items and tax	(III - IV)	2,525.04	2,053.75
VI Exceptional Items			
VII Profit before extraordinary items and tax (V - VI)		2,525.04	2,053.75
VIII Extraordinary Items		-	-
IX Profit before tax (VII - VIII)		2,525.04	2,053.75
X Tax expense:			
a. Current tax expenses of the year		808.80	775.00
b. MAT Credit		-	-
c. Current tax relating to previous year		-	-
d. Net current tax		-	-
e. Deferred tax		-	1.50
XI Profit(Loss) from the period from continuing operations	(IX-X)	1,716.24	1,277.25
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax expense of discounting operations		-	-
XIV Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV Profit/(Loss) for the period (XI + XIV)		1,716.24	1,277.25

Notes attached thereto form an integral part of Financial Statement
This is the Financial Statement referred to in our Report of even date.

For **R. A. Amin & Co.**

Chartered Accountants

FRN: 100334W

(**Hiren R. Amin**)

Proprietor

Membership No. : 111009

Place: Vadodara

Dated: 11th August, 2012

For and On Behalf of the Board of Directors

S.N. Bhatnagar
Director

Amit Bhatnagar
Director

Sumit Bhatnagar
Director

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012

		Rs. in Lacs	
		Current Year	Previous Year
1	SHARE CAPITAL		
1	Authorized Capital		
	10000000 Shares of Rs. 10 Each	1,000.00	1,000.00
2	Issued & Subscribed Capital		
	10000000 Shares of Rs. 10 Each	1,000.00	1,000.00
3	Paid Up Capital		
	10000000 Shares of Rs. 10 Each Fully Paid - Up	1,000.00	1,000.00
Total		1,000.00	1,000.00

		Rs. in Lacs	
		Current Year	Previous Year
2	RESERVE & SURPLUS		
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Securities Premium reserve	-	-
4	Debenture Redemption Reserve	-	-
5	Revaluation Reserve	-	-
6	Shares Option Outstanding Account	-	-
7	Other Reserve	-	-
8	Surplus (Profit & Loss Account)	4,712.51	2,996.27
	Balance brought forward from previous year	2,996.27	1,719.02
	Less: Tax on Regular Assessment Paid	-	-
	Add: Profit for the period	1,716.24	1,277.25
Total		4,712.51	2,996.27

		Rs. in Lacs	
		Current Year	Previous Year
3	LONG TERM BORROWINGS		
1	Bonds / Debentures	-	-
2	Term Loan		
	- From Bank	-	-
	- From Other Parties	750.00	1,000.00
3	Deferred Payment Liabilities	-	-
4	Deposit	-	-
5	Loans & Advances From Related Parties	-	-
6	Long Term Maturities of Finance lease obligation	-	-
7	Unsecured Loans From Lender	2,446.16	644.98
8	Other Loans & Advances (Car Loan)	10.63	26.19
Total		3,206.79	1,671.16

Notes for Subsidiary

Rs 750 Lacs (Previous Year Rs 1000 Lacs) these loan taken from the NBFC and are secured by First Pari Passu Charge on entire Fixed Assets of the company and repayment of the the said loan has started from June 2011
Rs 10.63 Lacs (Previous Year Rs 26.19 Lacs) these loan taken from the lender the purpose of the loans was for purchase of Vehicles and the rate of Interest charged on it is 10.83% PA and loan repayment will be in 36 Months starting from the date of Disbursement

Unsecured Loan

Rs 2446.16 Lacs (Previous Year Rs 644.98 Lacs) these loan taken from Diamond Power Infrastructure Ltd and the said loan is repayable on demand and rate of Interest charged on the said Loan is @10%

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
4	SHORT TERM BORROWINGS		
1	Loan Repayable on Demand		
	- From Bank	2,996.55	558.38
	- From Other Parties	-	-
2	Loans & Advances From Related Parties	-	-
3	Deposits	-	-
4	Others	-	-
	Total	2,996.55	558.38

Notes of Subsidiary

Rs 2996.55Lacs (Previous Year 558.38 lacs) these entire loan are secured by the first Parri Passu Charge on Entire Current Assets of the company and second pari Passu Charge on the Fixed Assets of the company and rate of Interest charged on the entire loan is @ 13.50 to 14%

		Rs. in Lacs	
		Current Year	Previous Year
5	TRADE PAYABLES		
1	Creditor for Goods (Includes Capital goods)	1,328.27	70.81
2	Creditor for Expenses	76.52	1,021.09
3	Creditor Under Letter of Credit	-	-
	Total	1,404.79	1,091.90

		Rs. in Lacs	
		Current Year	Previous Year
6	OTHER CURRENT LIABILITIES		
1	Duties & Taxes Payable	17.81	105.73
2	Statutory Liability Payable	4.36	-
3	Other Liabilities Payable	1,031.21	2.41
	Total	1,053.38	108.14

		Rs. in Lacs	
		Current Year	Previous Year
7	SHORT TERM PROVISIONS		
1	Provision For Employees Benefit		
	Employee Dues Payable	14.32	6.76
2	Others		
	Provision for Taxation	858.26	775.00
	Provision for Dividend	-	-
	Provision for Dividend Tax	-	-
	Provision for Expenses	5.31	13.06
	Total	877.89	794.82

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		GROSS BLOCK					ACCUMULATED DEPRECIATION				NET BLOCK	
		Balance As At 1 April 2011	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31st March 2012	Balance as at 1st April 2011	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 1st April 2011	Balance as at 31st March 2012
8	FIXED ASSETS											
	Tangible Assets											
	Land & Site Development	739.86	(158.92)	-	-	580.94	-	-	-	-	739.86	580.94
	Building	318.07	28.15	-	-	346.21	61.54	26.70	-	-	256.53	257.98
	Plant & Machinery	448.51	26.42	-	-	474.94	75.49	52.93	-	-	373.02	346.51
	Office Equipments	2.20	2.27	-	-	4.47	1.07	0.32	-	-	1.14	3.08
	Electrical Installation	3.77	16.16	-	-	19.93	1.29	0.83	-	-	2.48	17.81
	Furniture & Fixture / Equipments	9.21	4.81	-	-	14.02	3.75	1.30	-	-	5.46	8.96
	Vehicles	0.38	-	-	-	0.38	0.25	0.04	-	-	0.13	0.09
	Computers	10.65	22.46	-	-	33.11	6.60	5.09	-	-	4.04	21.42
	Testing Equipments	65.54	13.57	-	-	79.11	10.33	7.98	-	-	55.20	60.80
	Air Conditioners	0.89	2.26	-	-	3.14	0.11	0.21	-	-	0.78	2.82
	Car	54.54	-	-	-	54.54	17.50	9.59	-	-	37.04	27.45
	Refrigerator	0.09	-	-	-	0.09	0.01	0.01	-	-	0.08	0.07
	Total	1,653.71	(42.83)	-	-	1,610.88	177.95	105.00	-	-	1,475.76	1,327.93
	Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	-
	Grand Total	1,653.71	(42.83)	-	-	1,610.88	177.95	105.00	-	-	1,475.76	1,327.93

Rs. in Lacs

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
9	NON CURRENT INVESTMENT		
1	Investment in Property	-	-
2	Investment in Equity Instrument (Unquoted Shares)	-	-
3	Investment in Preference shares	-	-
4	Investment in Government or Trust Securities	-	-
5	Investment in Debentures & Bonds	-	-
6	Investment in Mutual Fund	-	-
	Baroda Pioneer Equity Fund	-	-
7	Investment in Partnership Firm	-	-
8	Other	-	-
	Total	-	-

		Rs. in Lacs	
		Current Year	Previous Year
10	LONG TERM LOANS AND ADVANCES		
I)	Security Deposit		
a)	Secured, Considered Good :		
	Government Deposits	15.56	-
	Security Deposit	-	-
	Earnest Money Deposit	-	-
	Lease Rent	138.26	127.01
	Other Deposit	1.94	3.79
II)	Loans & Advances to related parties		
	Apex Power Equipments Pvt Ltd	0.52	-
	Diamond E.H.V. Conductors	-	-
	Apex Electricals Ltd	25.01	25.00
III)	Other Loans & Advances		
	Other Advances	-	-
	Total	181.29	155.80

		Rs. in Lacs	
		Current Year	Previous Year
11	OTHER NON CURRENT ASSETS		
1	Long Term Trade Receivables	-	-
a)	Secured, Considered Good :	-	-
b)	Unsecured, Considered Good :	-	-
c)	Doubtful	-	-
2	Others	-	-
	Total	-	-

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
12	CURRENT INVESTMENT		
1	Investment in Equity	-	-
2	Investment in Preference Shares	-	-
3	Investment in Govt Securities	-	-
4	Investment in debentures & Bonds	-	-
5	Investment in Mutual Fund	-	-
6	Investment in Partnership Firm	-	-
7	In Short term Fixed Deposits	-	-
Total		-	-

		Rs. in Lacs	
		Current Year	Previous Year
13	INVENTORIES		
1	Raw Material	546.77	59.12
2	Work-in-Progress	3,540.54	1,355.90
3	Finished Goods	4.98	91.03
4	Stock-in-Trade	-	-
5	Packaging Material	-	-
6	Consumable Stores	-	-
7	Fuel & Gases	-	-
8	Goods in Transit	-	-
Total		4,092.29	1,506.04

		Rs. in Lacs	
		Current Year	Previous Year
14	TRADE RECEIVABLES		
Outstanding for less than six months			
Secured, Considered Good		6,374.49	4,255.47
Total		6,374.49	4,255.47

		Rs. in Lacs	
		Current Year	Previous Year
15	CASH & CASH EQUIVALENT		
1	Cash-in-Hand		
	Cash Balance	28.79	2.31
	Petty Cash Balance	-	-
	Sub Total (A)	28.79	2.31
2	Bank Balance		
	Bank Balance	916.67	18.20
	Margin Money	409.70	85.63
	Sub Total (B)	1,326.37	103.83
3	Cheques on Hand (C)	36.96	-
Total [A + B + C]		1,392.12	106.14

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
16	SHORT TERMS LOANS AND ADVANCES		
1	Loans & Advances from related parties		
	Other Advances	562.25	558.54
2	Others		
	Advance Recoverable in cash or in kind or for value to be considered good		
	Advance to Suppliers	1,092.84	67.80
	Advance Income Tax/Refund Due	0.25	
	Balance With Revenue Authorities (Indirect Taxes)		
	Prepaid Expenses	2.25	14.09
	PLA	0.07	0.07
	Cenvat	161.95	80.13
	Service Tax		-
	Tax Deducted at Source	0.85	0.54
	Income Tax	1.80	2.05
	Electricity Duty Refund	-	-
	Sales Tax Advance	-	-
	VAT	43.47	-
	Interest	18.06	-
	Total	1,883.79	723.21

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs
	Current Year	Previous Year
17 REVENUE FROM OPERATIONS		
Domestic Sales (Exclusive of Excise Duty)	27,785.29	25,325.70
Total	27,785.29	25,325.70

		Rs. in Lacs
	Current Year	Previous Year
18 OTHER INCOME		
1 Dividend Received		
2 Interest on FDR	9.88	4.88
3 Interest Received	1.91	-
4 Notice Pay Recovered	-	-
5 Claim Received	-	-
6 Other Income	12.35	-3.16
Total	24.14	1.72

		Rs. in Lacs
	Current Year	Previous Year
19 COST OF MATERIAL CONSUMED		
a) Purchases of Raw Materials And Stores		
Transformer	24,632.29	21,963.43
Sub-total (a)	24,632.29	21,963.43
b) Direct/Productions Expenses		
Cartage & Transport	55.66	6.46
Excise Duty Paid	-	11.99
Calibration Expenses	65.51	11.82
Consumable Stores	2.46	0.43
Conversion & Labour charge	205.07	81.49
Repair & Maintenance (Plant & Machinery)	3.70	0.63
Factory Expenses	15.81	4.90
Insurance Expenses	2.40	1.06
Packing Material	-	-
Detention & Demurrage Charges	-	-
Diesel for Generator	-	-
Electricity Expenses	91.63	
Security Charges	15.28	3.86
Survey Charges -- Infrastructure	-	-
Air Time Charges	-	-
Workman compensation Premium	0.68	
Power & Fuel Expenses	-	63.27
Sub-total (b)	458.20	185.91
Total	25,090.49	22,149.34

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
20	CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN TRADE		
1	Opening Stock of WIP & Finished Goods	1,446.93	637.64
2	Closing Stock of WIP & Finished Goods	3,545.52	1,446.93
	Total	-2,098.59	-809.29

		Rs. in Lacs	
		Current Year	Previous Year
21	EMPLOYMENT BENEFIT EXPENSES		
1	Bonus	2.92	0.80
2	Director's Remuneration (Net)	68.00	-
3	House Rent Allowance	-	-
4	Leave wages / Salary	0.02	-
6	Medical Allowances		
	Medical Expenses	-	-
7	Provident Fund Expenses (P.F. & F.P.F)		-
8	Salary & Wages	142.95	175.27
9	Staff & Labour Welfare	0.58	0.00
10	Labour Contract Charges		-
11	Stipend	0.28	7.70
	Total	214.75	183.78

		Rs. in Lacs	
		Current Year	Previous Year
22	FINANCIAL COST		
1	Interest on Cash Credit Facility	166.76	-
2	Interest on Term loan	145.44	114.75
4	Interest on Other loans	74.16	49.67
5	Bank Charges (Including LC, Bank Guarantee & Bill Discounting Charges & Others)	-	17.35
6	Bank Guarantee Charges	80.28	-
	Total	466.63	181.77

		Rs. in Lacs	
		Current Year	Previous Year
23	DEPRECIATION AND AMORTIZATION EXPENSE		
1	Depreciation	105.00	102.24
2	Preliminary Expenses W/O	0.99	-
	Total	105.99	102.24

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
24	OTHER ADMINISTRATIVE EXPENSES		
1	Audit Fees	2.00	2.00
2	Consultancy Charges	3.34	10.87
3	Conveyance Expenses	3.50	3.82
4	Donation	8.86	4.29
5	Electricity Expenses	-	-
6	Legal & Professional charges	0.60	32.89
7	Post, Tele. & Courier Charges	2.07	1.21
8	Rent, Rates & Taxes	42.69	99.40
9	Application Fees	13.83	0.62
10	Repairs & Maintenance Others	5.08	1.93
11	Printing & Stationary Expenses	2.46	1.59
12	Tender fees	0.96	0.13
13	Training Expenses	-	0.05
14	Sundry Expenses	-	-
15	Travelling Expenses	18.26	7.43
16	Vehicles Expenses	-	-
17	Office Expenses	0.49	0.03
18	Software Expenses	-	-
19	Insurance Exp (Car)	0.39	0.42
20	Mis. Expenses	1.13	0.78
21	Service Tax Expenses	1.73	0.61
22	Documentation Charges	-	19.15
23	Penalty	-	-
24	Hospitality Expense	7.29	-
25	Loss on Sales of Fixed Asset	-	-
26	Professional Tax	0.02	0.02
27	Preliminary Expenses Written of	-	0.99
28	Sundry Balances Written of	0.03	-
29	Advertising Expenses	11.94	10.13
30	Sales Promotion Expenses	0.36	0.37
31	Commission on Sales	3.15	16.71
32	Marketing Expenses	0.63	72.58
33	Deferred Sales Liability	-	1,177.81
34	Canteen expenses	0.90	-
35	Car hire charges	3.87	-
36	Charity /welfare	2.71	-
37	Discount /bad debt	0.77	-
38	Subscriptions& Donations	-	-
39	Erp Annual contract	5.26	-
40	Franking Charges	7.34	-
41	Gratuity	4.04	-
42	Portal Charges	0.05	-
43	Software	0.56	-
44	Vat paid	1,347.00	-
45.	EPF Paid	1.81	-
Total		1,504.88	1,465.84

25 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.

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

- 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.

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 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.

NOTES ON ACCOUNTS

1. Corresponding figures of the previous year have been regrouped wherever necessary, in lines with Revised Schedule VI of the Companies Act, 1956.
2. There are no Contingent liabilities as at the date of the Balance Sheet. Total Amount of Bank Guarantees stood at Rs.2,18,61,386
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 2nd October, 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 31st March 2012 registered under the MSMED Act, 2006.

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

25 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

- | | | | |
|----|---------------------------------|---|------------|
| 5. | Value of Imports on CIF Basis | - | NIL |
| 6. | Earnings in Foreign Exchange | - | NIL |
| 7. | Expenditure in Foreign Currency | - | US\$ 15300 |

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
Mr. Jayramrao Marathe	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 Personnels of 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	196 *
Production	6769
Sales	6952
Closing Stock	13

* Opening Stock data includes WIP of Goods pending Quality Assessment and Dispatch Confirmation (186 nos.)

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

25 SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

I. Registration Details :		Balance Sheet Date 31-03-2012	
Registration No.: 052486/2007		State Code : Gujarat	
II. Capital raised during the year (Amount Rupees in Lacs)			
Public Issue :	NIL	Bonus Issue :	NIL
Right Issue :	NIL	Private Placement :	0
A. Total Issue :	NIL	B. Capital Raised :	NIL
III. Position of Mobilisation and Deployment of Funds (Amt Rs. in Lacs)			
Total Liabilities :	15,251.91	Total Assets :	15,251.91
Sources of Funds			
Paid-up Capital :	1,000.00	Reserves & Surplus :	4,712.51
Non Current Liabilities :	3,206.79	Current Liabilities :	6,332.61
Application of Funds			
Non Current Assets :	1,509.22	Current Assets :	13,742.68
Performance of Company			
Operational Revenue :	27,785.29	Total Expenditure :	25,284.39
Other Income :	24.14		
Profit Before Tax and prior period adjustments:	2,525.04	Profit After Tax :	1,716.24
Earning per Share:	Rs. 17.16	Dividend Rate % :	NIL
Generic Names of Principal Products / Services of Company (as per Monetary terms)			
Item Code No. (ITC Code)		Product Description	
---		Power and Distribution Transformers	
---		Cables, Conductors and Allied Electrical Items	
* Generic Codes are not allotted to the products manufactured			

This is the Financial Statement referred to in our Report of even date.

For **R. A. Amin & Co.**

Chartered Accountants

FRN: 100334W

(**Hiren R. Amin**)

Proprietor

Membership No. : 111009

Place: Vadodara

Dated: 11th August, 2012

For and On Behalf of the Board of Directors

S.N. Bhatnagar
Director

Amit Bhatnagar
Director

Sumit Bhatnagar
Director



DIAMOND POWER INFRASTRUCTURE LIMITED



DIAMONDPOWER
Cables, Conductors, Transformers & Towers

Auditors' Report

To,
The Board of Directors,
Diamond Power Infrastructure Ltd
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 Transformers Ltd [collectively referred to as "the Group"] as at 31st March, 2012 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 31st March, 2012, approved by the Board of Directors, regrouped wherever necessary for the year ended on 31st March, 2012 and audited by M/s. Vijay N Tewar & Co, Chartered Accountants for the years ended on 31st March, 2012, and in respect of which we have issued our audit reports dated 13th August, 2012 respectively to the Board of Directors of the Company. Accordingly any events subsequent to these dates have not been considered and 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 reflects a total income of Rs 27,809.44 Lacs and a total expenditure of

Rs 25284.40 Lacs. For the period ended 31st March, 2012 and total assets of Rs 15,252.91 Lacs and total Liabilities of Rs 15,252.91 Lacs as of 31st March, 2012. 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 31st March, 2012 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 31st March, 2012;
 - (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

Membership No. 040676

Place: Vadodara

Date: 13th August, 2012

Balance Sheet

AS AT 31st MARCH, 2012

Particulars	Note No.	Rs. in Lacs	
		31/03/2012	31/03/2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	3,720.64	3,720.64
(b) Reserves and Surplus	2	61,728.47	50,903.07
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	36,572.80	30,519.57
(b) Deferred Tax Liabilities (Net)			1.75
(4) Current Liabilities			
(a) Short-Term Borrowings	4	39,230.62	16,035.49
(b) Trade Payables	5	24,918.66	11,326.86
(c) Other Current Liabilities	6	3,753.46	2,112.81
(d) Short-Term Provisions	7	3,920.91	4,141.29
Total Equity & Liabilities		1,73,845.56	1,18,761.48
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	8		
(i) Gross Block		64,130.52	46,668.69
(ii) Depreciation		7,460.33	5,311.27
(iii) Net Block		56,670.19	41,357.42
(b) Non-current investments	9	707.80	707.80
(c) Long term loans and advances	10	12,112.83	8,811.77
(d) Other non-current assets	11	-	-
(2) Current Assets			
(a) Current investments	12	0.60	0.25
(b) Inventories	13	63,159.16	35,627.05
(c) Trade receivables	14	26,331.88	23,283.39
(d) Cash and cash equivalents	15	6,257.88	4,066.29
(e) Short-term loans and advances	16	8,605.22	4,907.50
Total Assets		1,73,845.56	1,18,761.48
NOTES TO ACCOUNTS	25		

Notes attached thereto form an integral part of Financial Statement
This is the Financial Statement referred to in our Report of even date.

For **Vijay Tewar & Co.**

Chartered Accountants

V.N. Tewar

Proprietor

Membership No. : 040676

Place: Vadodara

Dated: 13th August, 2012

For and On Behalf of the Board of Directors

S.N. Bhatnagar

Chairman

Amit Bhatnagar

Managing Director

Sumit Bhatnagar

Joint Managing Director

Nishant Javlekar

Company Secretary

STATEMENT OF Profit & Loss

FOR THE PERIOD ENDED ON 31st MARCH, 2012

		Rs. in Lacs	
Particulars	Note No.	31/3/2012	31/03/2011
I Revenue from operations	17	2,01,823.03	1,52,088.61
II Other Income	18	344.67	143.54
III Total Revenue (I + II)		2,02,167.69	1,52,232.15
IV Expenses:			
Cost of materials consumed	19	2,04,348.10	1,33,725.78
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	-30,600.52	-4,723.03
Employee Benefit Expense	21	2,384.86	1,579.62
Financial Costs	22	5,317.54	2,669.54
Depreciation and Amortization Expense	23	2,535.25	1,980.02
Other Administrative Expenses	24	3,318.27	2,993.51
Total Expenses (IV)		1,87,303.50	1,38,225.54
V Profit before exceptional and extraordinary items and tax	(III - IV)	14,864.19	14,006.71
VI Exceptional Items		-	0.05
VII Profit before extraordinary items and tax (V - VI)		14,864.19	14,006.66
VIII Extraordinary Items		0.30	-
IX Profit before tax (VII - VIII)		14,863.89	14,006.66
X Tax expense:			
a. Current tax expenses of the year		2,308.80	2,966.46
b. MAT Credit		-	-
c. Current tax relating to previous year		-	-
d. Net current tax		-	-
e. Deferred tax		-	1.50
XI Profit(Loss) from the period from continuing operations	(IX-X)	12,555.09	11,038.70
XII Profit/(Loss) for the period (XI + XIV)			
XIII Proposed Dividend			
XIV Tax on Proposed Dividend			
Proposed Dividend(Including Tax)			
XV Surplus Transferred to Balance Sheet		12,555.09	11,038.70

Notes attached thereto form an integral part of Financial Statement
This is the Financial Statement referred to in our Report of even date.

For **Vijay Tewar & Co.**

Chartered Accountants

V.N. Tewar

Proprietor

Membership No. : 040676

Place: Vadodara

Dated: 13th August, 2012

For and On Behalf of the Board of Directors

S.N. Bhatnagar

Chairman

Amit Bhatnagar

Managing Director

Sumit Bhatnagar

Joint Managing Director

Nishant Javlekar

Company Secretary

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012

		Rs. in Lacs	
		Current Year	Previous Year
1	SHARE CAPITAL		
1	Authorized Capital		
	50000000 Shares (50000000 Shares) of Rs. 10 Each	5,000.00	5,000.00
2	Issued & Subscribed Capital		
	37886121 (37886121) Equity Shares of Rs. 10 Each	3,788.61	3,788.61
3	Paid Up Capital		
	37206371 (37206371) Equity Shares of Rs. 10 Each Fully Paid - Up	3,720.64	3,720.64
Total		3,720.64	3,720.64

2.1 Reconciliation of number of Equity Shares and amount outstanding at the beginning and at the end of the year

	Current Year		Previous Year	
	No of Shares	Rs in Lacs	No of Shares	Rs in Lacs
Equity Shares				
Outstanding at the Beginning of the Year (Face Value Rs 10 each)	3,72,06,371	3,720.64	3,72,06,371	3,720.64
Outstanding at the End of the Year	3,72,06,371	3,720.64	3,72,06,371	3,720.64

2.2 Shareholders holding more than 5% Equity Shares in the Company as at the end of the year

Name of Shareholder	Current Year		Previous Year	
	No of Shares	% of Holding as on 31/03/2012	No of Shares	% of Holding as on 31/03/2011
Diamond Tele - Cabs Private Limited	6168413	16.58	6168413	16.58
Diamond Infosystems Ltd	2469005	6.64	2469005	6.64
Diamond Projects Pvt Ltd	2206848	5.93	2206848	5.93
Suresh N Bhatnagar	1881420	5.06	1881420	5.06
Clearwater Capital Partners Cyprus Ltd	3248161	8.73	3248161	8.73
Kotak Mahindra Trusteeship Services Limited-A/C Ko	2208050	5.93	2208050	5.93
The Royal Bank Of Scotland N.V., (London) Branch	2122297	5.7	-	-

2.3 For the period of 5 years immediately preceding the date as at which the balance Sheet is prepared NA

- Aggregate Number and Class of Shares allocated as fully paid up pursuant to contract(s) without payment have being received In cash
- Aggregate Number and Class of Shares allocated as fully paid up by way of bonus Shares
- Aggregate Number and Class of Shares bought Back

2.4 The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
2	RESERVE & SURPLUS		
1	Capital Reserve	1,759.94	1,759.94
2	Capital Redemption Reserve	-	-
3	Securities Premium reserve	25,229.13	25,229.13
4	Debenture Redemption Reserve	-	-
5	Revaluation Reserve	-	-
6	Shares Option Outstanding Account	-	-
7	Other Reserve	25.00	25.00
8	Surplus (Profit & Loss Account)	34,714.41	23,889.00
	Balance brought forward from previous year	23,889.00	14,151.89
	Less: Tax on Regular Assessment Paid	-	-
	Add: Profit for the period	12,555.09	11,038.70
	Proposed Dividend	1,488.25	1,116.19
	Tax on Proposed Dividend	241.43	185.39
	Proposed Dividend (Including Tax)	1,729.69	1,301.58
	Surplus Transferred to Balance Sheet	10,825.40	9,737.12
	Total	61,728.47	50,903.07

		Rs. in Lacs	
		Current Year	Previous Year
3	LONG TERM BORROWINGS		
1	Bonds / Debentures	10,000.00	6,800.00
2	Term Loan		
	- From Bank	18,169.39	19,000.00
	- From Other Parties	750.00	1,000.00
3	Deferred Payment Liabilities	-	-
4	Deposit	-	-
5	Loans & Advances From Related Parties	-	-
6	Long Term Maturities of Finance lease obligation	-	-
7	Unsecured Loans From Lender	7,521.16	3,644.98
8	Other Loans & Advances (Car Loan)	132.25	74.59
	Total	36,572.80	30,519.57

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
4	SHORT TERM BORROWINGS		
1	Loan Repayable on Demand		
	- From Bank	39,230.62	16,035.49
	- From Other Parties	-	-
2	Loans & Advances From Related Parties	-	-
3	Deposits	-	-
4	Others	-	-
Total		39,230.62	16,035.49

		Rs. in Lacs	
		Current Year	Previous Year
5	TRADE PAYABLES		
1	Creditor for Goods (Includes Capital goods)	10,968.29	4,074.49
2	Creditor for Expenses	2,515.41	2,216.93
3	Creditor Under Letter of Credit	11,434.95	5,035.43
Total		24,918.66	11,326.86

		Rs. in Lacs	
		Current Year	Previous Year
6	OTHER CURRENT LIABILITIES		
1	Duties & Taxes Payable	146.98	361.22
2	Statutory Liability Payable	364.94	309.79
3	Other Liabilities Payable	3,241.54	1,441.81
Total		3,753.46	2,112.81

		Rs. in Lacs	
		Current Year	Previous Year
7	SHORT TERM PROVISIONS		
1	Provision For Employees Benefit		
	Employee Dues Payable	94.29	60.31
2	Others		
	Provision for Taxation	1,800.52	2,728.05
	Provision for Dividend	1,488.25	1,116.16
	Provision for Dividend Tax	426.76	185.39
	Provision for Expenses	111.08	51.39
Total		3,920.91	4,141.29

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

Rs. in Lacs

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance As At 1 April 2011	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31st March 2012	Balance as at 1st April 2011	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st March 2012
8 FIXED ASSETS										
Tangible Assets										
Land & Site Development	1,114.66	236.50	-	-	1,351.17	-	-	-	-	1,351.17
Building	4,520.09	66.43	-	-	4,586.52	479.41	167.15	-	-	3,939.96
Plant & Machinery	24,636.01	10,547.84	-	-	35,183.85	4,300.10	1,850.91	-	-	29,010.62
Electrical Installation	846.84	69.18	-	-	916.02	194.41	71.04	-	-	650.57
Furniture & Fixture / Equipments	285.87	130.28	-	-146.00	270.15	221.50	10.91	-	-	37.74
Vehicles	264.32	150.81	-	-32.49	382.65	114.61	31.85	-	5.01	241.20
Other Assets	1.24	-	-	-	1.24	1.24	-	-	-	-
Total	31,669.04	11,201.04	-	-178.49	42,691.60	5,311.27	2,131.86	-	5.01	35,231.26
Capital Work In Progress	14,999.65	25,615.94	-	-19,176.67	21,438.92	-	-	-	-	21,438.92
Grand Total	46,668.69	36,816.99	-	-19,355.15	64,130.52	5,311.27	2,131.86	-	5.01	56,670.19

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
9	NON CURRENT INVESTMENT		
1	Investment in Property	-	-
2	Investment in Equity Instrument (Unquoted Shares)	657.80	657.80
3	Investment in Preference shares	-	-
4	Investment in Government or Trust Securities	-	-
5	Investment in Debentures & Bonds	-	-
6	Investment in Mutual Fund	-	-
	Baroda Pioneer Equity Fund	50.00	50.00
7	Investment in Partnership Firm	-	-
8	Other	-	-
Total		707.80	707.80

		Rs. in Lacs	
		Current Year	Previous Year
10	LONG TERM LOANS AND ADVANCES		
I)	Capital Assets		
	Secured, Considered Good :	8,253.86	5,145.22
II)	Security Deposit		
a)	Secured, Considered Good :		
	Government Deposits	17.01	1.30
	Security Deposit	1,322.10	1,315.81
	Earnest Money Deposit	278.75	228.22
	Lease Rent	879.69	738.59
	Other Deposit	202.77	224.51
III)	Loans & Advances to related parties		
	Apex Power Equipments Pvt Ltd	1,133.10	1,132.58
	Diamond E.H.V. Conductors	0.04	0.04
	Apex Electricals Ltd	25.01	25.00
IV)	Other Loans & Advances		
	Other Advances	0.51	0.51
Total		12,112.83	8,811.77

		Rs. in Lacs	
		Current Year	Previous Year
11	OTHER NON CURRENT ASSETS		
1	Long Term Trade Receivables	-	-
a)	Secured, Considered Good :	-	-
b)	Unsecured, Considered Good :	-	-
c)	Doubtful	-	-
2	Others	-	-
Total		-	-

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs
	Current Year	Previous Year
12 CURRENT INVESTMENT		
1 Investment in Equity	-	-
2 Investment in Preference Shares	-	-
3 Investment in Govt Securities	-	-
4 Investment in debentures & Bonds	-	-
5 Investment in Mutual Fund	-	-
6 Investment in Partnership Firm	-	-
7 In Short term Fixed Deposits	0.60	0.25
Total	0.60	0.25

		Rs. in Lacs
	Current Year	Previous Year
13 INVENTORIES		
1 Raw Material	4,264.99	3,439.38
2 Work-in-Progress	44,287.13	19,577.43
3 Finished Goods	6,143.51	1,897.84
4 Stock-in-Trade	4,852.20	8,526.20
5 Packaging Material	49.94	167.41
6 Consumable Stores	345.97	167.70
7 Fuel & Gases	49.58	19.22
8 Goods in Transit	3,165.84	1,831.87
Total	63,159.16	35,627.05

		Rs. in Lacs
	Current Year	Previous Year
14 TRADE RECEIVABLES		
1 Outstanding for less than six months		
a) Secured, Considered Good	26,331.88	23,283.39
Total	26,331.88	23,283.39

		Rs. in Lacs
	Current Year	Previous Year
15 CASH AND CASH EQUIVALENT		
1 Cash-in-Hand		
Cash Balance	29.07	5.10
Sub Total (A)	29.07	5.10
2 Bank Balance		
Bank Balance	1,486.42	1,064.96
Margin Money	4,705.43	2,996.23
Sub Total (B)	6,191.85	4,061.19
3 Cheques on Hand (C)	36.96	-
Total [A + B + C]	6,257.88	4,066.29

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
16	SHORT TERMS LOANS AND ADVANCES		
1	Loans & Advances from related parties		
a)	Secured, Considered Good :		
	Advance to Associate Concerns	-	-
	Diamond Power Transformers Ltd	1,981.16	873.77
	Diamond Power Global Holding Ltd	14.63	-
b)	Unsecured, Considered Good :		
	Staff	6.06	5.62
	Other Advances	562.25	558.54
c)	Doubtful		
2	Others		
	Advance Recoverable in cash or in kind or for value to be considered good		
	Advance to Suppliers	1,152.56	99.68
	Advance Income Tax/Refund Due	0.25	-
	Balance With Revenue Authorities (Indirect Taxes)	-	-
	Prepaid Expenses	936.28	1,080.54
	PLA	0.21	0.21
	Cenvat	2,474.65	1,590.75
	Service Tax	1,086.59	661.07
	Tax Deducted at Source	26.27	25.95
	Income Tax	142.97	9.07
	Electricity Duty Refund	2.30	2.30
	Sales Tax Advance	157.52	-
	VAT	43.47	-
	Interest	18.06	-
	Total	8,605.22	4,907.50

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
17	REVENUE FROM OPERATIONS		
1	Domestic Sales (Exclusive of Excise Duty)	2,01,823.03	1,49,813.82
2	Export Sales	-	2,103.73
3	Others	-	171.07
Total		2,01,823.03	1,52,088.61

		Rs. in Lacs	
		Current Year	Previous Year
18	OTHER INCOME		
1	Dividend Received	-	0.01
2	Interest on FDR	9.88	4.88
3	Interest Received	319.40	113.68
4	Notice Pay Recovered	2.04	1.36
5	Claim Received	0.48	0.55
6	Other Income	12.86	23.06
Total		344.67	143.54

		Rs. in Lacs	
		Current Year	Previous Year
19	COST OF MATERIAL CONSUMED		
a)	Purchases of Raw Materials And Stores		
	Conductor	39,778.57	32,027.11
	Cables	99,649.70	40,293.04
	EPC	28,800.37	37,487.23
	Transformer	24,632.29	21,963.43
	Tower	8,144.08	-
	Sub-total (a)	2,01,005.01	1,31,770.80
B)	Direct/Productions Expenses		
	Cartage & Transport	294.54	73.67
	Excise Duty Paid	-	11.99
	Calibration Expenses	67.07	14.61
	Consumable Stores	359.58	110.20
	Conversion/labour charges	205.07	81.49
	Repair & Maintenance (Plant & Machinery)	25.86	16.98
	Factory Expenses	37.30	32.25
	Insurance Expenses	27.68	25.12
	Packing Material	1,309.39	800.04
	Detention & Demurrage Charges	0.04	0.62
	Diesel for Generator	-	-
	Electricity Expenses	91.63	-
	Security Charges	15.28	3.86
	Survey Charges -- Infrastructure	6.04	1.83
	Air Time Charges	0.14	0.14
	Workman compensation Premium	0.68	-
	Power & Fuel Expenses	902.78	782.17
	Sub-total (b)	3,343.09	1,954.98
Total		2,04,348.10	1,33,725.78

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
20	CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN TRADE		
1	Opening Stock of WIP & Finished Goods	21,475.28	16,713.19
2	Closing Stock of WIP & Finished Goods	50,430.63	21,475.28
3	WIP Increase / Decrease Division wise	1,645.16	-39.05
Total		-30,600.52	-4,723.03

		Rs. in Lacs	
		Current Year	Previous Year
21	EMPLOYMENT BENEFIT EXPENSES		
1	Bonus	23.33	15.37
2	Director's Remuneration (Net)	436.47	224.83
3	House Rent Allowance	67.82	43.18
4	Leave wages / Salary	0.03	46.86
6	Medical Allowances	0.38	32.25
	Medical Expenses	47.89	-
7	Provident Fund Expenses (P.F. & F.P.F)	37.47	34.59
8	Salary & Wages	931.26	459.69
9	Staff & Labour Welfare	64.86	35.85
10	Labour Contract Charges	744.28	646.67
11	Stipend	1.13	14.19
12	Telephone Allowance	29.94	26.13
Total		2,384.86	1,579.62

		Rs. in Lacs	
		Current Year	Previous Year
22	FINANCIAL COST		
1	Interest on Cash Credit Facility	5,017.66	1,842.98
2	Interest on Term loan	145.44	114.75
4	Interest on Other loans	74.16	49.67
5	Bank Charges (Including LC, Bank Guarantee & Bill Discounting Charges & Others)	-	662.14
6	Bank Guarantee Charges	80.28	-
Total		5,317.54	2,669.54

		(Rs.)	
		Current Year	Previous Year
23	DEPRECIATION AND AMORTIZATION EXPENSE		
1	Depreciation	2,131.86	1,602.83
2	Preliminary Expenses W/O	0.99	-
3	Amortisation Expenses	402.40	377.20
Total		2,535.25	1,980.02

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

		Rs. in Lacs	
		Current Year	Previous Year
24	OTHER ADMINISTRATIVE EXPENSES		
1	Audit Fees	26.32	24.55
2	Consultancy Charges	19.57	22.19
3	Conveyance Expenses	16.05	10.08
4	Donation	26.17	27.68
5	Electricity Expenses	10.51	7.62
6	Legal & Professional charges	168.67	192.90
7	Post, Tele. & Courier Charges	9.23	7.81
8	Rent, Rates & Taxes	138.53	168.75
9	Application Fees	15.33	0.65
10	Repairs & Maintenance Others	55.13	29.44
11	Printing & Stationary Expenses	14.77	10.82
12	Tender fees	0.96	0.13
13	Training Expenses	-	0.05
14	Sundry Expenses	10.01	9.68
15	Travelling Expenses	136.34	46.00
16	Vehicles Expenses	57.95	57.10
17	Office Expenses	13.58	7.25
18	Software Expenses	12.51	6.82
19	Insurance Exp (Car)	0.39	0.42
20	Mis. Expenses	1.13	0.78
21	Service Tax Expenses	39.39	26.81
22	Documentation Charges	-	19.15
23	Penalty	3.72	15.87
24	Hospitality Expense	30.01	9.70
25	Loss on Sales of Fixed Asset	7.48	1.14
26	Professional Tax	0.02	0.02
27	Preliminary Expenses Written of	-	0.99
28	Sundry Balances Written of	50.93	-0.04
29	Advertising Expenses	198.12	183.64
30	Sales Promotion Expenses	87.86	19.88
31	Commission on Sales	323.33	388.62
32	Marketing Expenses	469.94	519.17
33	Deferred Sales Liability	-	1,177.81
34	Canteen expenses	0.90	-
35	Car hire charges	3.87	-
36	Charity /welfare	2.71	-
37	Discount /bad debt	0.77	-
38	Subscriptions & Donations	-	-
39	Erp Annual contract	5.26	-
40	Franking Charges	7.34	-
41	Gratuity	4.04	-
42	Portal Charges	0.05	-
43	Software	0.56	-
44	Vat paid	1,347.00	-
45	EPF A/C	1.81	-
Total		3,318.27	2,993.51

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

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 Incorporation	Proportion of Interests
Diamond Power Transformers Ltd	India	98%

Significant Accounting Policies, Contingent Liabilities and Notes

A. Statement of Significant Accounting Policy

- Method of Accounting:** The consolidated financial statements relate Diamond Power Infrastructure Limited (the Company), its Subsidiaries. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21(AS 21) "Consolidated Financial Statements" and Accounting Standard 27 (AS 27) as specified in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government in terms of section 211(3C) of the Companies Act, 1956.
- Revenue Recognition:** Sales includes inter-divisional transfers, sale of scrap, Sales 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.
- 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.

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 are 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. 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 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.
12. **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.
13. **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.

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

14. **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. Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount.
15. **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.
16. **Derivative Contracts:** Company as such in the current financial year has not entered into any such Derivative Contracts.
17. **Operating Cycle:** Assets and liabilities other than those relating to long-term contracts (i.e. supply or turnkey contracts) are classified as current if it is expected to realise or settle within 12 months after the balance sheet date. In case of long-term contracts, the time between acquisition of assets for processing and realisation of the entire proceeds under the contracts in cash or cash equivalent exceeds one year. Accordingly for classification of assets and liabilities related to such contracts as current, duration of each contract is considered as its operating cycle.
- The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses are fully eliminated.

Part B Notes to Accounts

1. Contingent Liabilities

- (a) Letter of Credit opened Rs. 2001 Million Previous Year Rs 1145.25 Million; materials under all letters of credit have been received and accounted for as Creditors.

- (b) Outstanding Bank Guarantees as of March 31, 2012 is Rs.1226.37 Million (Previous Year Rs.948.73 Million).
- (c) There are no outstanding income tax demands under appeals,
- (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.
- (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. 21.86 Million (previous Year 31.17 Million), and Letter of Credit Rs. Nil (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. 278.09 Crores and a total expenditure of Rs. 260.92 Crores for the period ended 31st March, 2012 and total assets of Rs. 152.52 Crores and total liabilities of Rs. 95.39 Crores as of 31st March, 2012. The Financial Statements of Diamond Power Transformers Ltd is prepared as per Indian Generally Accepted Accounting Principles ("Indian GAAP").
- 1 The company has been sanctioned the fund based and non-fund based working capital facilities of Rs. 1650 Million from the Axis Bank Ltd.; Rs. 2314 Million from the Bank of India; Rs. 1980 Million from the ICICI Bank Ltd.; Rs. 2200 Million from the Bank of Baroda, Rs. 1620 Million

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

from Allahabad Bank & Rs 660 Million from Dena Bank and Rs 552 Million 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. For Subsidiary having the Fund based and Non Fund Baed Working Capital facilities of Rs 400 Million from Indian Overseas Bank and Rs 400 Million from UCO Bank Ltd 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.

- Balance confirmation letters were sent out to various debtors and creditors. The confirmation of most of the Debtors and creditors is received.
- 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.
- 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.

5. 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)				
Gross Segment Revenue	2011-12	2010-11	2009-10	2008-09	2007-08
Conductor	4501.85	4,615.04	3,431.98	3,539.72	3775.05
Cables (LT & HT)	10239.69	5,125.28	2,031.53	817.59	666.18
Power Infrastructure –Turnkey Project [EPC]	2923.45	4,231.67	3,291.48	1800	649.45
Transmission Tower	858.42				
Transformer	2809.89	2,543.11	1365.11	979.04	446.59
Total Gross Sales	21,333.30	16,515.09	10,120.10	7,136.35	5,537.27
Less: Inter Segment Sales	761.92	1121.25	1,400.82	0	0
Gross Sales	20571.38	15,393.84	8,719.28	7,136.35	5,537.27
Less: Excise Duty	398.08	184.98	117.97	157.31	231.9
Net Sales	20,182.30	15,208.86	8,601.31	6,979.04	5,305.37

6. Share Holding in Various Companies:

The Company holds the following shares

- 99.60% in its Subsidiary Diamond Power Transformers Ltd
- 100% in its wholly owned Subsidiary Diamond Power Global Holdings Ltd

7. Related Party Disclosures:

a) Particulars of Associates of the Company:

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

b) Subsidiary Company: :

Name of the Subsidiary
Diamond Power Transformers Ltd

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

c) **Key Management Personnel and their Relatives:**

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

d) **Relatives of Key Management Personnel:**

Key Management Relatives
Smt Madhurilata Bhatnagar
Smt Mona Bhatnagar
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:**

(Rs in Lacs)

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	3679	Nil	Nil	Nil	3679
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	368.46	Nil	Nil	368.46
Outstanding Receivable as on 31.03.2012	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.

8. **Earnings Per Share (EPS):**

(Rs in Millions)

Earnings Per Share (EPS)	March 31, 2012	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	1,255.54	1,103.87
II Weighted average number of equity shares for Earnings per share computation		
A. For Basic Earnings per Share	37,206,37	37,206,371
B. For Diluted Earnings per Share No. of shares for Basic EPS as per II A	37,206,371	37,206,371
Add: Weighted Average outstanding Option / Shares deemed to be issued for no consideration	-	-
No. of shares for Diluted Earnings per share	37,206,371	37,206,371
III Earnings per Share (Weighted Average)		
Basic	33.75	29.67
Diluted	33.75	29.67

9. 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 31st March, 2012 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 31st 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.

10. Sales include an amount of Rs 761.92 Million (Net of Duty) of inter- unit Transfer (Previous year Rs 1121.25 Million).
11. Aggregate directors' remuneration is Rs. 43.65 Million (previous year Rs. 22.48 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.
12. Aggregate Auditor's remuneration is fixed at Rs. 2.64 Million (previous year Rs 1.04 Million. Which includes Rs 2.52 Million as Audit Fees (Previous year Rs 1.02 Million).
13. As per Accounting Policy (10) on excise duty, the excise duty payable on finished goods in stocks at works amounting to Rs 75.87 Million (previous year Rs 18.61 Million) has been included in the expenditure and in such stocks. However, the same has no impact on the profit for the year.
14. There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

15. 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.	32,396	36,700
LT Electric Power Cables & Control Cables	NA	34,300 Kms	26,860	14400
HT Cables	NA	5600 Kms	5320	2553
EHV Cables	NA	2000 Kms	598	Nil
Transmission Towers	NA	48000 MT	15,450	Nil
Transformer	Na	5000 mva	6769 (Nos.)	1272 (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.

Notes FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2012 (Contd.)

16. Details of Raw Materials Consumed (including captive consumption):

Description of Item	U.O.M	Quantity For the year 2011-12	Quantity For the year 2010-11
Aluminium	M.Ts.	72,892	49,600
Copper	M.Ts.	2,321	1955
Transformer	Nos	6769	1272

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

(Rs in Millions)

Raw Materials	Current year (2011-12)	Previous year (2010-11)	Current year % (2011-12)	Previous year % (2010-11)
Imported	770.00	142.80	4.58	1.40
Indigenous	16,052.86	10837.94	95.42	98.6

18. Particulars of Sales and Stocks:

Item	U.O.M	Opening Stock	Sales	Closing Stock
Conductors	Kms.	3345	29,956	1052.35
Cables	Kms.	678.40	34,115	2015.40
Transmission Tower	MT	-	12,545	2905.00
Transformer	Nos	196	6952	13

19. Expenditure in Foreign Currency:

(Rs in Millions)

Particular	2011-12	2010-11
Import on CIF Basis	770	142.8
Travelling Expenses	-	0.60
Others	-	224.92

20. Income in Foreign currency:

(Rs in Millions)

Particular	FOB Value of Export 2011-12	FOB Value of Export 2010-11
Exports	Nil	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.

Notes attached there to form an integral part of Financial Statement
This is the Financial Statement referred to in our Report of even date.

For **Vijay Tewar & Co.**

Chartered Accountants

V.N. Tewar

Proprietor

Membership No. : 040676

Place: Vadodara

Dated: 13th August, 2012

For and On Behalf of the Board of Directors

S.N. Bhatnagar

Chairman

Amit Bhatnagar

Managing Director

Sumit Bhatnagar

Joint Managing Director

Nishant Javlekar

Company Secretary

[illegible]

Corporate Information

20TH ANNUAL GENERAL MEETING

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

BOARD OF DIRECTORS

Shri S. N. Bhatnagar	<i>Chairman</i>
Shri Amit Bhatnagar	<i>Managing Director</i>
Dr. Sumit Bhatnagar	<i>Jt. Managing director</i>
Shri Karthik Athreya	<i>Nominee Director</i>
Shri Bhavin Shah	<i>Non-Executive Director</i>
Shri T N C Rajagopalan	<i>Independent Director</i>
Shri Kirit Vyas	
Dr. Vasantha Bharucha	
Shri Ranvir Singh Shekhawat	

AUDIT COMMITTEE

Shri T N C Rajagopalan	<i>Chairman</i>
Smt. Dr. Vasantha Bharucha	
Shri Kirit Vyas	
Shri Ranvir Singh Shekhawat	

INVESTORS GRIEVANCES COMMITTEE

Smt. Dr. Vasantha Bharucha	<i>Chairman</i>
Shri Kirit Vyas	
Shri Sumit Bhatnagar	

SHARE TRANSFER COMMITTEE

Shri S. N. Bhatnagar	<i>Chairman</i>
Shri Amit Bhatnagar	
Shri Sumit Bhatnagar	

REMUNERATION COMMITTEE

Shri Ranvir Singh Shekhawat	<i>Chairman</i>
Dr. Vasantha Bharucha	
Shri Kirit Vyas	

DEBENTURE ISSUE COMMITTEE

Shri S. N. Bhatnagar	<i>Chairman</i>
Shri Amit Bhatnagar	
Dr. Sumit Bhatnagar	

AUDITORS

Vijay Tewar & Co.	<i>Statutory Auditor</i>
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	

SECRETARIAL AUDIT

Devesh Vimal & Co

CORPORATE & COMPANY AFFAIRS COMPLIANCE AUDIT

Arvind Gaudana & Co.

COST AUDITOR

S S Puranik & Associates

CROSSIANCE CONSULTING

CRM Marketing/Sales/Logistics Org Building
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LEGAL ADVISER

Advocate Harshad J. Shah

BANKERS & FINANCIAL INSTITUTION

Bank of India	Allahabad Bank
Axis bank	Dena Bank
Bank of Baroda	Indian Overseas Bank
ICICI bank	

COMPANY SECRETARY & COSTING OFFICER

Nishant Javlekar
Contact Details : 0265 2284328, 2283969, 2280973
Fax: 0265 2280528

CORPORATE OFFICE

ESSEN HOUSE, 5/12, B.I.D.C., Gorwa, Vadodara 391520
Contact Details : 0265 2284328, 2283969, 2280973
Fax: 0265 2280528

REGISTERED OFFICE & PLANTS

Phase II, Vil: Vadadala, Tal: Savli, Dist: Vadodara 391520
Contact Details: 02667 251354, 251516, 251517
Fax: 02667 251202

REGISTAR & TRANSFER AGENTS

Karvy Computershare, Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081
Phone No . 040-23421971



Diamond Power Infrastructure Limited
www.dicabs.com



DIAMOND POWER INFRASTRUCTURE LTD.

An ISO 9001:2008 Company

Registered office: Vill: Vadadala, Tal: Savli, Dist: Vadodara – 391 520, Gujarat, India

Corporate office: 5/12, Essen House, BIDC, Gorwa, Vadodara - 390 016, Gujarat, India

PROXY FORM

DP ID*:
Folio No.:

Client ID:
No. of Shares:

I/We being a member / members of the above named company hereby appoint or failing him/her as my / our proxy to attend and vote on my / our behalf at the Annual General meeting of the company to be held on 28th September, 2012 or at any adjournment thereof.

Signed this day of 2012.

*Applicable for investors holding shares in electronic form only.

Affix Revenue Stamp here

Note: This instrument of proxy shall be deposited at the Corporate Office of the company before 48 hours of the General Meeting.



DIAMOND POWER INFRASTRUCTURE LTD.

An ISO 9001:2008 Company

Registered office: Vill: Vadadala, Tal: Savli, Dist: Vadodara – 391 520, Gujarat, India

DP ID*:
Folio No.:

Client ID:
No. of Shares:

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

- Name of the attending member
 - Name of the proxy (in Block Letters)
(To be filled in if the proxy attends instead of the member)
- No. of shares held

I hereby record my presence at the Annual General meeting of the company held on 28th September, 2012.
Or at any adjournment thereof

Member's / Proxy's Signature

* Applicable for investors holding shares in electronic form only