

EPC CONDUCTORS TRANSMISSION TOWERS CABLES TRANSFORMERS

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

Forward looking statements

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

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

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

What would you find inside this annual report?

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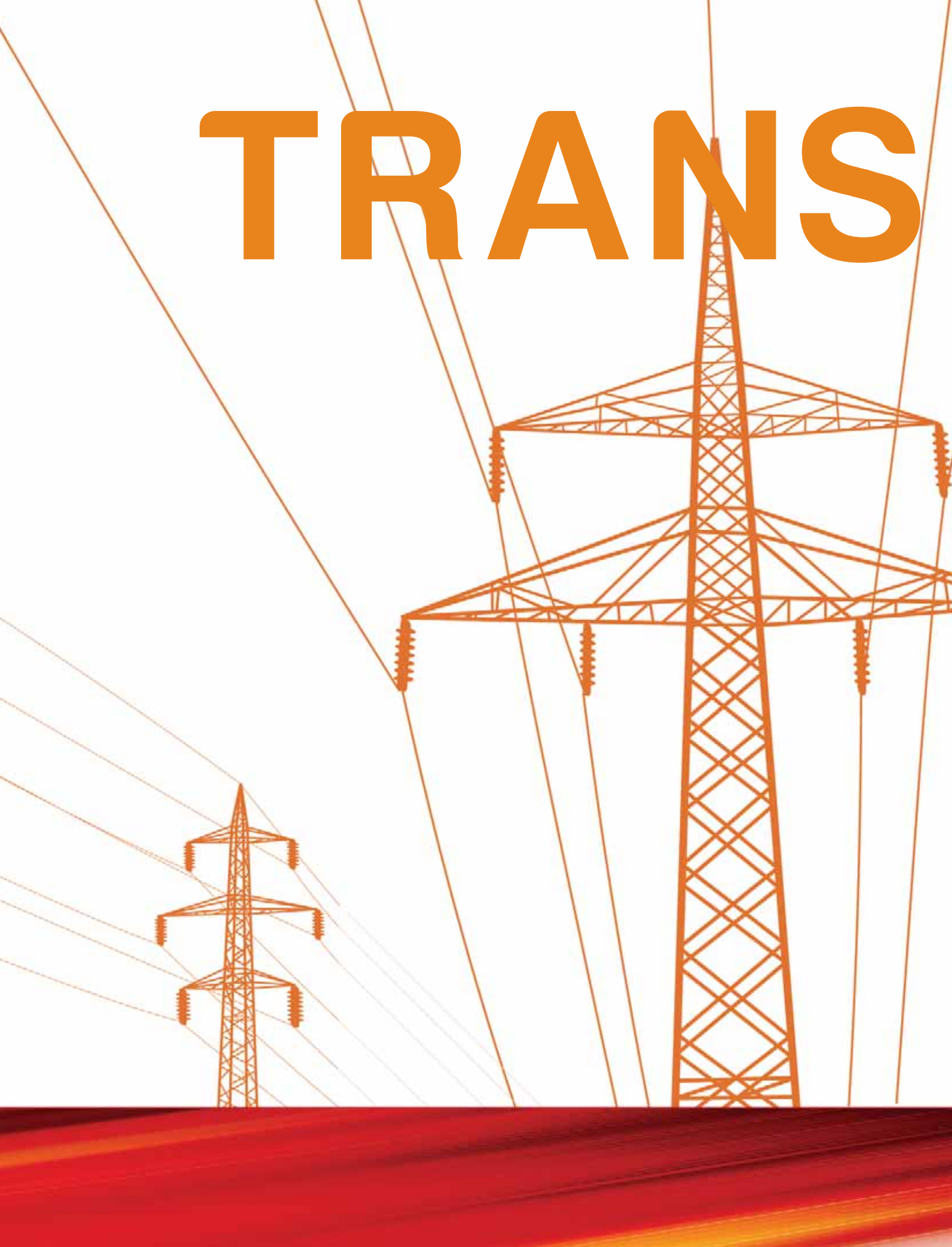
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**“The whole is
greater than the
sum of its parts.”**

- Aristotle



TRANS



MISSION DISTRIBUTION

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

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

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

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

About us

Origin

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

Our reputation

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

Geographical presence

Corporate office

Vadodara, Gujarat

Manufacturing facilities

Vadodara District, Gujarat



Brands

- Dicabs

People

~2500 employees as on 31st March, 2011

Certification

ISO 9001:2008

Marketing network

100 plus Distributors across 16 Indian cities

Listings

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



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





Product portfolio

01 T&D equipment

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

02 EPC services

Plan, design and commission power turnkey transmission and distribution projects

03 Special projects

Customisation and execution of:

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

Our journey till now...

1971

Established as a Conductor Manufacturing unit

1995

Set up LV Cables Manufacturing unit

1999

Set up an Aluminum Rod Mill

2006

Set up the EPC Business

2007

Acquired Western Transformers

Capacities

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



2007

Acquired substantial stake in Apex Electricals Ltd.

2008

Set up HT Cables manufacturing unit upto 132 KV

2010

Capacity Expansion of LT & HT Cables units

2011

Set up EHV Cables manufacturing upto 550 KV

2011

Set up Transmission Tower manufacturing unit

What did we achieve in 2010-11?

Registered robust performance*

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

*On Standalone basis



Commenced operations

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



Forged Partnership

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

