

In 2012-13,
we continued to
LIGHT UP THE POSSIBILITIES
instead of cursing
the darkness...

DIAMOND POWER INFRASTRUCTURE LIMITED

ANNUAL REPORT 2012 - 13


Forward-looking Statements

The report contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words like 'plans', 'expects', 'anticipates', 'believes', 'intends', 'estimates', or other similar expressions as they relate to Company or its business are intended to identify such forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company's actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. The Company undertakes no obligation or responsibility to publicly amend, update, modify or revise any forward-looking statements, on the basis of any new information, future event, subsequent development or otherwise.



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In the past three years (2010-13), considered to be most challenging for the Indian economy, we at DIAMOND POWER INFRASTRUCTURE LIMITED (DPIL) have clocked in a compounded annual growth rate of 44.4% in terms of consolidated revenues and 18.9% in terms of consolidated net profits.

The reason:

We utilized the downturn to strengthen our foundation and continued to envision, engage and explore opportunities. In the process, we created an integrated power infrastructure company, comprising of self-sustaining and scalable business verticals.

Switch on the pages to know more on how we are shaping our future with greater focus.

The spotlight is on us

How we got here?

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
Acquired substantial stake in Apex Electricals Ltd.

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 and control & relay panels
Successfully commissioned 6.3 MW of wind energy at Jamanwada, Kutch



WHAT DID WE ACHIEVE IN 2012-13?

† Recruited top level experienced professionals to head company's efforts in strengthening Exports, EPC & Tower businesses

† Further expanded the product portfolio by acquiring strategic stake in M/s Maktel Control & Systems, India's leading power and control panel manufacturer

Board recommended dividend of 40% i.e. Rs. 4 per equity share for financial year 2011-12

† Successfully established Ultra High Voltage Cable Testing Laboratory, a first of its kind in India having a capability to 500 KV capacity

† Rebranded our range of wires and cables as Diatron

Received orders worth Rs. 175 crore for the supply of ACSR Moose Conductors for 400kV Narendra (GIS)-Kudgi (new) and Salem - Sonahali Transmission line (Part) from Power Grid Corporation of India Limited

Who we are

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

The numbers that matter

44th year

in operations – established in 1970

Rs. 2,132.75

crore of total revenues

Rs. 92.08

crore of Net Profit

100+

Distributors across 16 Indian cities

3000+

employees as on March 31, 2013

Rs. 250+

crore of market capitalization; Listed on BSE (522163) and NSE (DIAPOWER)

What do we offer?

POWER	EPC SERVICES	SPECIAL PROJECTS
<ul style="list-style-type: none"> † 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 † Relay control panel † Unitised substations 	<ul style="list-style-type: none"> † Plan, design and commission power turnkey transmission and distribution projects 	<ul style="list-style-type: none"> Customisation and execution of: † Overhead transmission line projects † Substation projects † Rural & urban distribution projects Cable testing facility up to 500 kV

Our brand



Certification

† ISO 9001:2008

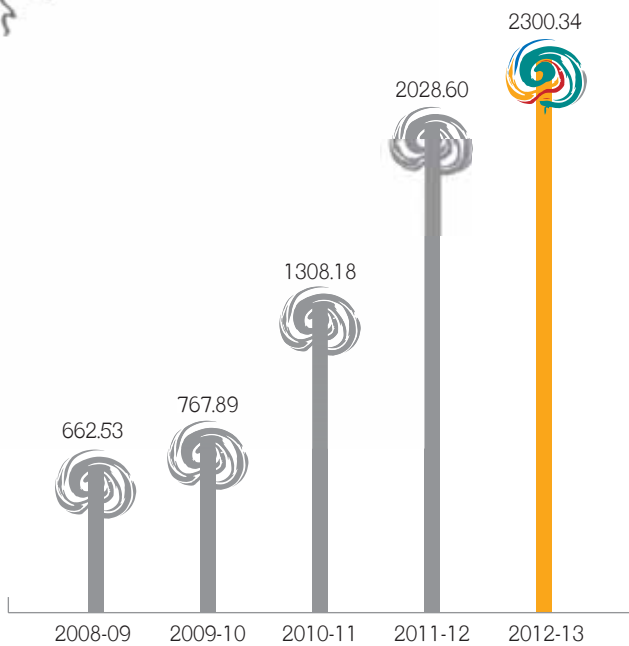
† ISO 14001

An integrated and scalable business model

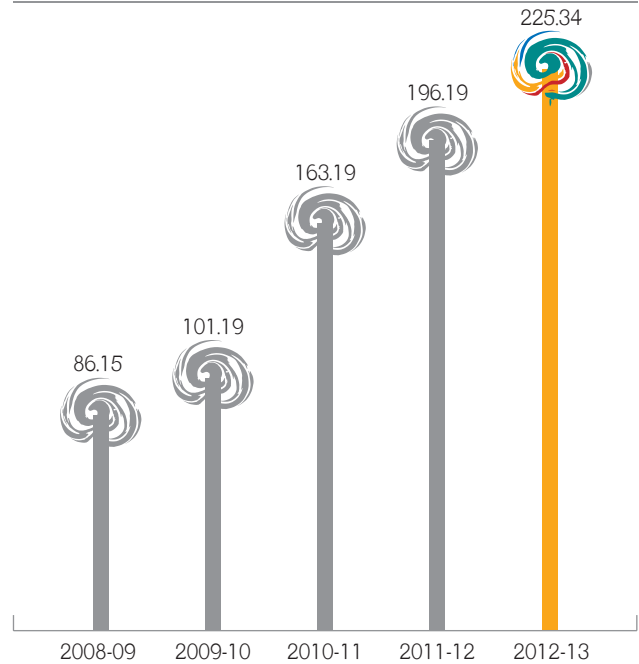
PRODUCTS	EXISTING CAPACITIES PER ANNUM
Rods	
Aluminum and alloy rods	32,000 MT
Conductors	
Alloy and ASCR conductors	50,500 MT
Power cables	
LV XLPE Power & Control cables	34,300 KMS
MV cables up to 66 KV	5,600 KMS
Specialty cables	3,500 KMS
High tension cables up to 132 KV	2,800 KMS
EHV cables 220-550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

Energizing financial health

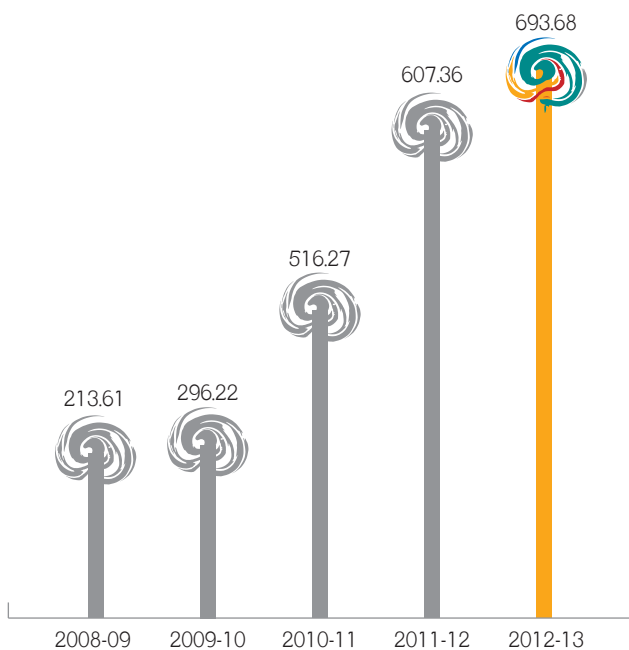
Net Revenues (Rs. crore)



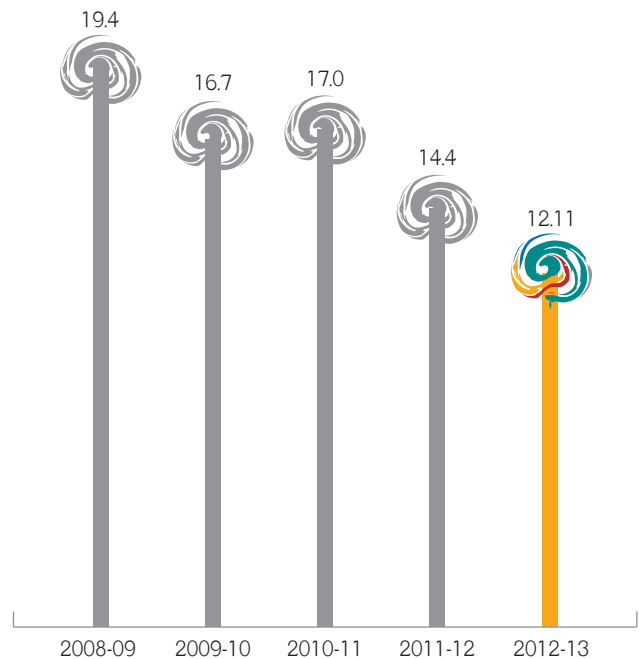
EBIDTA (Rs. crore)



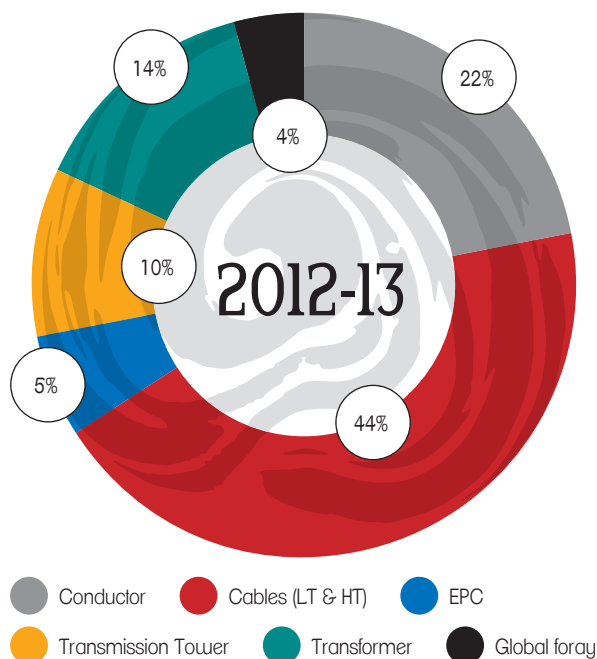
Net Worth (Rs. crore)



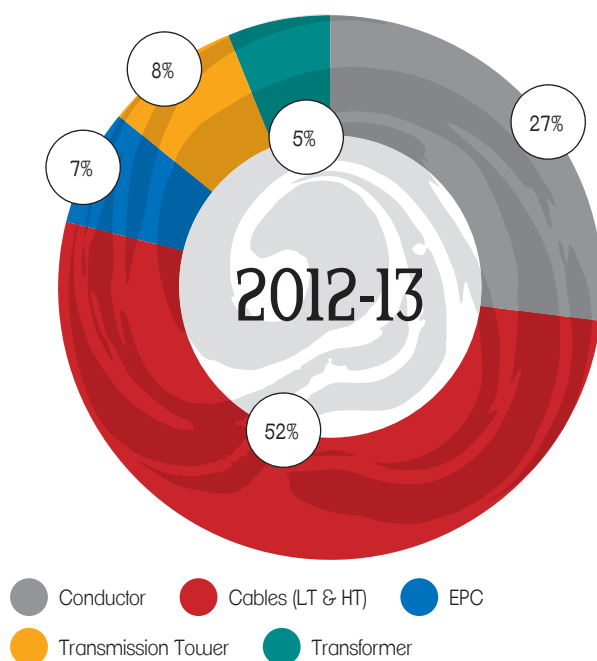
Return on Capital Employed (%)



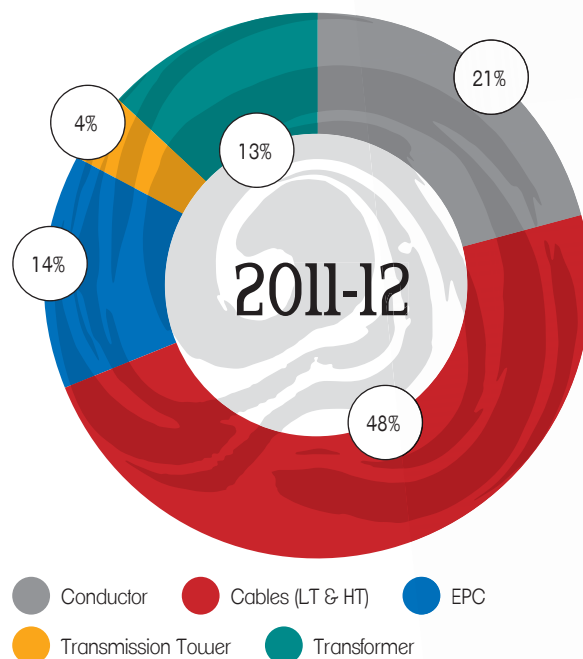
Divisional revenues



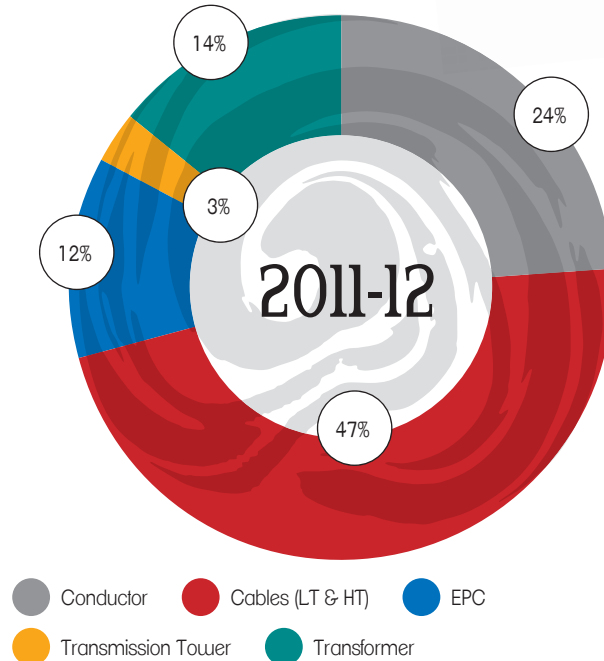
EBIDTA



Divisional revenues



EBIDTA



Igniting possibilities. Working harder.

IT'S THE SAME OLD STORY. OF CHALLENGES AND OPPORTUNITIES. SINCE THE DAY I BEGAN MY ENTREPRENEURIAL JOURNEY, I HAVE LEARNT THAT CHANGE IS THE ONLY CONSTANT.

While we can't change situations to suit ourselves every time; we surely can build a robust ecosystem to minimize the dependence or impact of uncontrollable factors in our business. Since past five years, this is exactly what we set out to achieve at Diamond Power. And I am proud to admit that we have emerged not only a holistic solutions provider to the Indian power sector but more importantly, have remained energized and motivated to raise the bar each year. 2012-13 was another such year of overcoming challenges and capitalizing upon hard-fetched opportunities.

2012-13 was a difficult year. After clocking in an average GDP growth rate of 8.5+ per cent in years 2006-11, the Indian economy has literally crawled in the past two years. In 2012-13, India is expected to have recorded its lowest GDP growth rate in the past decade. While the global financial turmoil circa 2008 has played a key role in this slowdown, many would argue that lack of capital creation in the past four years, policy indecisions and galloping inflation have also contributed immensely towards aggravating the impact upon the Indian economy. The power sector remained subdued in terms of new investments and projects. With the coal allocation hitting the roadblocks, the thermal power generation was hardest hit. With the government swung into action in the second half, the sector started gaining traction, thereby registered an overall satisfactory performance. However, the margins continued

to remain under pressure with the input costs remaining northward-bound and the receivables cycles witnessing some pressure on account of ailing SEBs.

Despite the troughs, India has managed to remain the third fastest growing economy in the world. This is the root of our belief in the tremendous potential that the power sector stands to offer in the coming years. India proposes to add close to 88 GW of energy in the 12th Plan. The focus towards transmission and distribution continues to be greater on account of increasing AT&C losses, which require urgent attention. Towards this, the government proposes to spend more than Rs. 1,100,000 crore by 2017. Being the most integrated power infrastructure player with presence in cables, conductors, transmission towers, transformers and EPC solutions, we would be vying to capitalize upon this opportunity in the coming years.

In pursuing our vision, we have not lost sight of the impending challenges. In fact, we believe that the roof should be repaired while the sun shines. Therefore, in 2012-13, we also focused on strengthening the basic pillars of our business model. We consolidated our presence to key businesses – thereby transferring our Transmission tower and EPC projects businesses to wholly owned subsidiaries. We strengthened our research and technology edge by commissioning the first of its kind UHV cable-testing lab. We invested into companies with complimenting products, thereby expanding our portfolio and relationships with existing and new clients. Most importantly, we continued to recruit experienced leaders, to ensure sustained growth of the organization in the coming years.

