



Diamond Power Infrastructure Limited

**25th Annual Report
2016-2017**

Difficult Roads Often Lead to Beautiful Destination

FORWARD LOOKING STATEMENT

In this Report, we have disclosed forward-looking information to enable investors to fully appreciate 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 our anticipated results based on the Management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'project', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot, of course, guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our 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.

“Difficult Roads Often Lead to Beautiful Destination.”

The Company is passing through challenging phase and surely come out with the situation as hitches builds us robust for future, taking this phase optimistically we continued to do what we do best - think of possibilities that would help us cement the stakeholders’ trust and also help us protect the downside while strengthening our foundations to help us grow faster with the impending upturn. And we did just that. The year 2016-17 was a year of all sweat, focus, efforts and determination.

Sure, the impact of which is not visible on the financial results for the year but will surely be felt in the coming years. Our confidence stems from our integrated product and solutions profile, our management quality and long standing client relationships based on quality and service.

India is at a stage of overhauling its power infrastructure and the past three years albeit tough, have borne the testament of government’s intent of resolving long term structural bottlenecks. We believe while the slowdown is temporary, the positives will far outlast it in the coming years.

For us, it too has been a period of weighing in new relationships and partnerships which would unfold in the path that lies ahead.

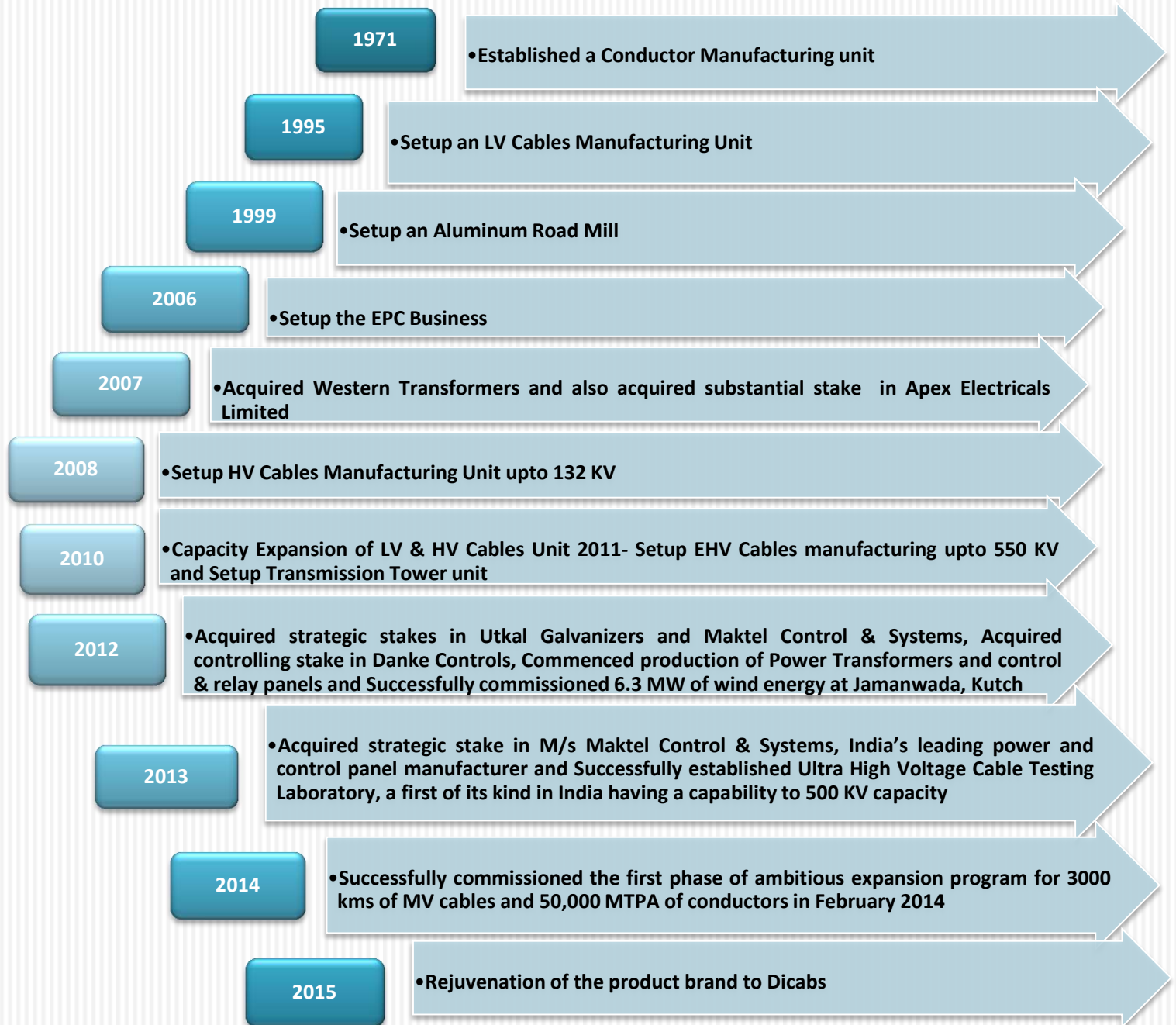
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KEY MILESTONES



From the desk of Managing Director...

Dear Shareholders,

Past years have been a test in no uncertain terms, Tough enough to test our mettle, Tough enough to make us stretch and keep us nimble footed and definitely tough enough to help us emerge tougher. With the Indian economy resuming the path of resurgence, the power sector reeled under several foundational issues. The overcapacity in the power generation sector built pre-2014 proved a challenge owing to withering demand from manufacturing sector in the country. This coupled with still high T&D losses, weak financial condition of state distribution companies and uneven demand supply across regions deferred order flows and at the same time, further improved the opportunity perception for future growth. As our Company's founder Shri S N Bhatnagar often said, silver lining is accentuated during the cloudy days. 2016-17 was one such cloudy year. The company's financial performance bore the brunt of high debt accumulated on account of capacity expansion as well as inorganic growth initiatives undertaken.



We remain confident that the country's power infrastructure sector is set for an accelerated growth especially in the transmission and distribution segment. With the present government going all out to promote the country as a global manufacturing hub, the uninterrupted availability of quality power will be the key to its success. The power ministry's move to infuse clarity on generation resources will lead to responsible execution. Indian power sector is now evolving and opening up to newer products and sustainable offerings. Government's thrust on smart cities, smart grids as well as ecologically sustainable sources is setting a chain of innovation in motion. Our ability to innovate and customize solutions has enabled us become a partner to various state power distribution companies and Powergrid to implement using innovative practices.

Be it efficiency management or controlling power theft or products designed to improve safety parameters – we are at the forefront of inspiring positive impact. Moreover, our foray into global markets is gaining traction with some improvement being achieved with export orders. We believe that the trend would continue in the coming years as well.

At the end I would like to reiterate, much of the stress in the present system will be relieved by December 2018. We will not only shape up our finances by controlling debt and introducing growth capital; but would also help us utilize our capacities with much more efficiency to improve revenues and profitability. I would like to thank every member of Team Diamond Power for being in sync with our vision for the company and working towards it. I would like to thank, all our shareholders, for your trust and your wholehearted support.

Amit Bhatnagar
Managing Director

From the desk of Jt. Managing Director...

Dear Shareholders,

We are not defined by the opportunities we convert but the challenges we overcome. 2016-17 proved to be a challenging year too like its predecessor. However, sometimes the best way to respond to any challenge is to focus on one's strengths. While the debt resolution topped our agendas for the year, we chose not to lose sight of the greater vision of the company. We are in a capital intensive business and the best way to ensure sustained growth is by tapping into more orders and executing them more efficiently. Towards this, we concentrated our efforts on cost controls, quality improvements and higher efficiency across our units. Small steps conquer long roads. And with each passing day, we chose to think small and continued to persevere.



The debt woes aside, it was business as usual with us. We continued to win orders. We continued to improve client experiences. We continued to further improve our value proposition. We continued to implement technology and automation across our business units. We continued to eliminate wastage. We continued to strengthen our green quotient.

We continued to do just that – unrelenting execution to help us shape up in more than one ways. The results are visible. Despite our financial challenges, none of our clients have walked away. Our stakeholders and investors stand beside us – together to contribute towards resolution. Our vendors continue to support us through thick and thin. In the past forty years, we have always believed that the quality of relationships often define the quality of business. To that count, we feel proud and humble. We have built strong foundations in the past four decades and are confident that this phase will not undo the hard work and determination put in by each and every member of the company. It's just a matter of time.

Dr. Sumit Bhatnagar
Jt. Managing Director

Product Range



**Conductors up to
765 KV**



Cables up to 550 KV



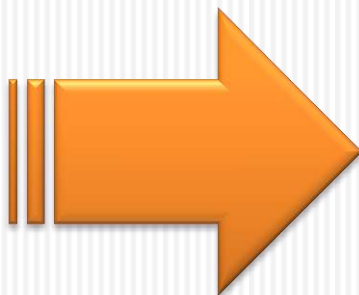
Product Range



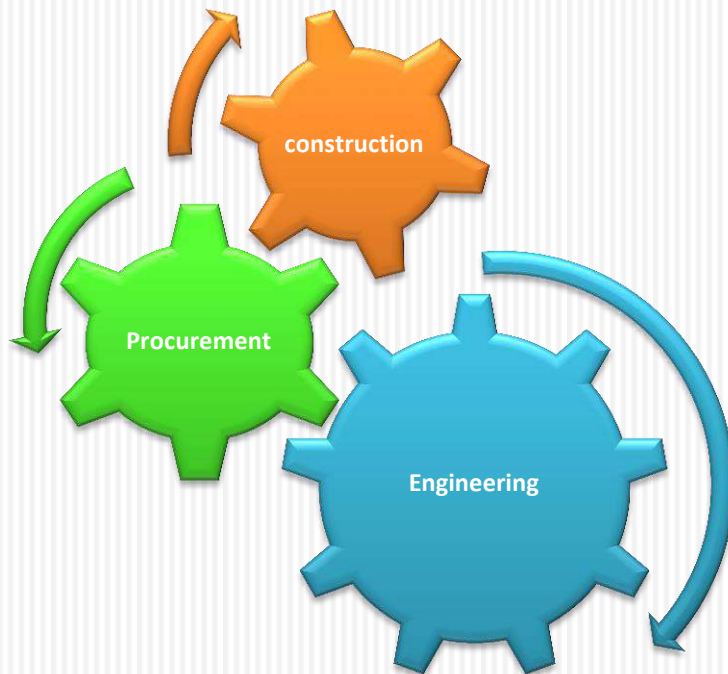
**Transformers (Power
and Distribution) up to
220 KV**



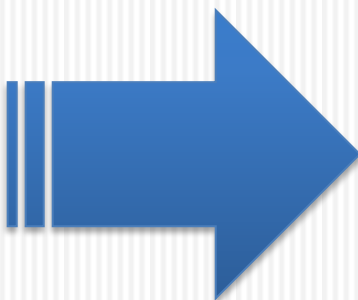
Transmission Tower



Product Range



Testing Equipment of Essen Ultra High Voltage Laboratory



Rods

**Aluminium 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 - 2,500
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**



**Existing
Capacities**