

Company Information	01
Notice	02
Directors' Report	12
Auditors' Report	28
Standalone Financial Statement (Diamond Power Infrastructure Ltd.)	31
Notes on Accounts	42
Cash Flow Statement	47
Balance Sheet Abstract	48
Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company	49
Directors' Report (Subsidiary-Diamond Power Transformers Ltd.)	50
Auditors' Report (Subsidiary-Diamond Power Transformers Ltd.)	53
Financial Statement (Subsidiary-Diamond Power Transformers Ltd.)	56
Notes on Accounts (Subsidiary-Diamond Power Transformers Ltd.)	66
Cash Flow Statement (Subsidiary-Diamond Power Transformers Ltd.)	69
Auditors' Report (Consolidated Accounts)	70
Consolidated Financial Statement	71
Notes to Consolidated Accounts	81



**DIAMOND POWER INFRASTRUCTURE LIMITED
(FORMERLY KNOWN AS DIAMOND CABLES LIMITED)**

17TH ANNUAL GENERAL MEETING

Saturday, August 8, 2009
At the Regd. Office of the Company at
HT Cables Plant, Phase II,
Vil. Vadadala, Tal. Savli,
Dist. Vadodara 391 520.

BOARD OF DIRECTORS

S. N. Bhatnagar
Amit Bhatnagar
Sumit Bhatnagar
G. N. Verma
N. N. Bhatnagar
Prakash Sinha
TNC Rajagopalan
Amit Gupta
Jayshree Krishna (Ms.) (upto 30.06.09)
Aswini Sahoo (w.e.f. 30.06.09)

Chairman & Managing Director
Joint Managing Director
Joint Managing Director (O)
Director
Director
Director
Director
Nominee Director (CCP-Cyprus)
Nominee Director (CCP-India)
Nominee Director (CCP-India)

AUDITORS

Vijay N. Tewar & Co.
315-316, Panorama, R. C. Dutt Road
Vadodara 390 007

COMPANY SECRETARY & Head-Legal

Surendra U Tamboli

BANKERS

Bank of Baroda
ICICI Bank
Axis Bank
Bank of India

CORPORATE OFFICE

ESSEN HOUSE, 5/12, B.I.D.C. Gorwa,
Vadodara – 390 016

REGISTERED OFFICE & PLANTS

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

PLANTS

24-B, Nanji Industrial Estate, Vil. Khardapada,
Nani Naroli, Silvassa – UT of Daman & NH

REGISTRAR & TRANSFER AGENTS

Karvy Computershare Pvt. Ltd.
Plot No. 17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad 500 081
Phone no. 040 - 23420818 to 28
Fax No. 040 – 2342 1971
Email : ussingh@karvy.com



NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of the Company will be held on Saturday, August 8, 2009 at 10.30 a.m. at registered office of the Company at Phase II, Vil. Vadadala, Ta. Savli, dist. Vadodara -391520 to transact the following Business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account of the Company for the year ended on March 31, 2009 together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend for the financial year ended March 31, 2009.
3. To appoint Director in place of Mr. S.N. Bhatnagar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Director in place of Mr. Sumit Bhatnagar, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** Mr. N. N. Bhatnagar, 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 and who is eligible for the appointment to the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

7. 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 at the Annual General Meeting of the Company held on 21st February 2007 and pursuant to Section 293 (1) (d) of the Companies Act, 1956, and all other applicable provision, 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.1000.00 Crores (Rupees One Thousand Crores Only) as outstanding at anytime in excess of the aggregate of Paid Up Capital and Free Reserves of the Company from time to time.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act as amended and subject to such permissions, consents, and approvals from various authorities as may be required and subject to such conditions, if any, that may be imposed by any authority while granting their permissions, consents and approvals and which the Board of Directors is hereby authorized to accept, the Company accords its consent and approval to the re-appointment of Mr. S. N. Bhatnagar as Managing Director of the Company for a period of 3 (three years) with effect from November 1, 2009 on the terms and conditions as set out in the Explanatory Statement annexed to this notice.”

“**RESOLVED FURTHER THAT** pursuant to Section 198(4) of the Companies Act 1956, read with Schedule XIII, as amended, and subject to such approvals as may be necessary, the salary and the perquisites as are set out in the Explanatory Statement annexed to this notice, may be paid as the minimum remuneration to Mr. S.N. Bhatnagar in absence of or inadequacy of profit in any financial year.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or Remuneration Committee of Director be and is hereby authorized without any reference /approval of the Company in General Meeting to alter and vary the terms and conditions of the said re-appointment of Mr. S.N. Bhatnagar from time to time in such manner as may be agreed upon between the parties and within the limits prescribed under Schedule XIII or such other regulation prescribed by the Government in that behalf from time to time.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act as amended and subject to such permissions, consents, and approvals from various authorities as may be required and subject to such conditions, if any, that may be imposed by any authority while granting their permissions, consents and approvals and which the Board of Directors is hereby authorized to accept, the Company accords its consent and approval to the re-appointment of Mr. Amit Bhatnagar as Joint Managing Director of the Company for a period of 3 (three years) with effect from November 1, 2009 on the terms and conditions as set out in the Explanatory statement annexed to this notice.”



“RESOLVED FURTHER THAT pursuant to Section 198(4) of the Companies Act 1956, read with Schedule XIII, as amended, and subject to such approvals as may be necessary, the salary and the perquisites as are set out in the Explanatory Statement annexed to this notice, may be paid as the minimum remuneration to Mr. Amit Bhatnagar in absence of or inadequacy of profit in any financial year.”

“RESOLVED FURTHER THAT the Board of Directors of the Company and/or Remuneration Committee of Director be and is hereby authorized without any reference /approval of the Company in General Meeting to alter and vary the terms and conditions of the said re-appointment of Mr. Amit Bhatnagar from time to time in such manner as may be agreed upon between the parties and within the limits prescribed under Schedule XIII or such other regulation prescribed by the Government in that behalf from time to time.”

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

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act as amended and subject to such permissions, consents, and approvals from various authorities as may be required and subject to such conditions, if any, that may be imposed by any authority while granting their permissions, consents and approvals and which the Board of Directors is hereby authorized to accept, the Company accords its consent and approval to the re-appointment of Mr. Sumit Bhatnagar as Joint Managing Director (O) of the Company for a period of 3 (three years) with effect from November 1, 2009 on the terms and conditions as set out in the Explanatory statement annexed to this notice.”

“RESOLVED FURTHER THAT pursuant to Section 198(4) of the Companies Act 1956, read with Schedule XIII, as amended, and subject to such approvals as may be necessary, the salary and the perquisites as are set out in the Explanatory Statement annexed to this notice, may be paid as the minimum remuneration to Mr. Sumit Bhatnagar in absence of or inadequacy of profit in any financial year.”

“RESOLVED FURTHER THAT the Board of Directors of the Company and/or Remuneration Committee of Director be and is hereby authorized without any reference /approval of the Company in General Meeting to alter and vary the terms and conditions of the said re-appointment of Mr. Sumit Bhatnagar from time to time in such manner as may be agreed upon between the parties and within the limits prescribed under Schedule XIII or such other regulation prescribed by the Government in that behalf from time to time.”

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Act (including any amendments thereto or re-enactment thereof), the provisions of Chapter XII/A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 (the "SEBI DIP Guidelines") and in accordance with the rules, regulations, guidelines, notifications, circulars & clarifications issued thereon from time to time by the Government of India (the "GOI"), the Reserve Bank of India (the "RBI"), the Foreign Investment Promotion Board (the "FIPB") the SEBI and /or any other competent authorities and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreements entered into by the Company with the stock exchanges on which the Company's shares are listed and subject to necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard), the consent, authority and approval of the Company be, the Board may at their absolute discretion, issue, offer and allot, from time to time, in one or more tranches, equity shares ("Equity Shares") and/or, fully convertible debentures, partly convertible debentures or any securities which are convertible into or exchangeable with equity shares either at the option of the Board or holder thereof (hereinafter collectively referred to as "Specified Securities", within the meaning of SEBI (DIP) Guidelines) of an aggregate amount not exceeding Rs. 150.00 Crores (Rupees One Hundred and Fifty Crores only) (with an option to retain up to Rs 75.00 Crores (Rupees Seventy Five Crores) inclusive of such premium that may be finalized by the Board, to Qualified Institutional Buyers (as defined by the SEBI (DIP) Guidelines) pursuant to a qualified institutional placement, as provided under Chapter XIII-A of the SEBI (DIP) Guidelines and such Specified Securities shall be fully paid up and the allotment of such Specified Securities shall be completed within 12(twelve) months from the date of the shareholders resolution approving the proposed issue or such other time as may be allowed by the SEBI (DIP) Guidelines from time to time, at such price being not less than the price determined in accordance with the pricing formula of the aforementioned SEBI (DIP) Guidelines."

“RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions:



- a. the Specified Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- b. the relevant date for the determination of applicable price for the issue of the Specified Securities shall be as per the guidelines prescribed by SEBI, RBI, GOI through its various departments or any other regulator and the pricing of any equity shares issued upon the conversion of the Specified Securities shall be made subject to and in compliance with the applicable rules and regulations and such price shall be subject to appropriate adjustments in the applicable rules/guidelines/statutory provisions."

"RESOLVED FURTHER THAT the issue to the holders of the Specified Securities underlying the Specified Securities shall be, **inter alia**, subject to the following terms and conditions:

- a. in the event of the Company making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares on conversion of the Specified Securities, the pricing of Equity Shares on conversion to be determined in accordance to Clause 13A.3.2 of SEBI (DIP) Guidelines shall be subject to appropriate adjustments as may be decided by the Board ;
- b. in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares on conversion of the Specified Securities, the pricing of Equity Shares on conversion to be determined in accordance to Clause 13A.3.2 of SEBI (DIP) Guidelines shall be subject to appropriate adjustments as may be decided by the Board ; and
- c. in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action which in the opinion of the Stock Exchanges require adjustment, then the pricing of Equity Shares on conversion to be determined in accordance to Clause 13A.3.2 of SEBI (DIP) Guidelines shall be subject to appropriate adjustments as may be decided by the Board."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Specified Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability

thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Specified Securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Specified Securities that are not subscribed."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval for the preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of investors to whom the Specified Securities are to be issued and allotted, number of Specified Securities to be allotted, Issue price, face value, premium amount on issue/conversion of the Specified Securities, if any, rate of interest, execution of various transaction documents, creation of mortgage/charge in accordance with Section 293(1)(a) of the Act, in respect of any Specified Securities as may be required either on **pari-passu** basis or otherwise, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Specified Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board or Management Committee or any other Committee thereof be and is hereby authorized to engage / appoint the Lead Managers, Legal Advisors, Underwriters, Guarantors, Depositories, Custodians, Registrars, Stabilizing Agents, Trustees, Bankers, Advisors and all such agencies as may be involved or concerned in such offerings of Specified Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies and to seek the listing of such Specified Securities on one or more national and/or international stock exchange(s),"

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Specified Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking **pari passu** with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offering documents."



"RESOLVED FURTHER THAT the Board be and is hereby authorized to form a committee or delegate all or any of its powers to any Director(s) or Committee of Directors / Company Secretary / other persons authorized by the Board to give effect to the aforesaid resolutions and is authorised to take such steps and to do all such acts, deeds, matters and things and accept any alteration(s) or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of equity shares including but not limited to :

- a. Approving the offer document and filing the same with any other authority or persons as may be required ;
- b. Approving the opening of the offer ;
- c. Approving the issue price, the number of Specified Securities to be allotted, the basis of allocation and allotment of Specified Securities ;
- d. To affix the Common Seal of the Company on any agreement(s)/ document(s) as may be required to be executed in connection with the above, in the presence of any Director of the Company and any one of the above Authorized Persons, who shall sign the same in token thereof ;
- e. Arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of equity shares by the Company ;
- f. Opening such bank accounts and demat accounts as may be required for the transaction;
- g. To do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions;
- h. To make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
- i. Making applications for listing of the equity shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s); and
- j. To authorize or delegate all or any of the powers hereinabove conferred to anyone or more persons, if need be."

By Order of the Board,

Date : June 30, 2009 Surendra U Tamboli
Place : Vadodara Company Secretary & Head Legal

NOTES :

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of himself on poll, to vote instead of him. The Proxy need not be a member.**
2. **Proxy Instrument should be duly completed, stamped, signed and must be deposited at the Registered Office of the Company 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 body 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 Registered office of the Company not less than 48 hours before the date of the 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 8th August, 2009 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 Monday, August 3, 2009 to Saturday, August 8, 2009 (both days inclusive).
6. The Company has changed its Registrar and Transfer Agent (R & T) from M/s Link Intime India Pvt. Ltd. to M/s. Karvy Computershare Private Limited, Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081 as the Registrar and Share Transfer Agent. The Members are requested to kindly make further correspondence with them for any matter relating to Transfer or Dematerialization of Shares.
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. Members seeking any information on the Accounts of the Company are requested to write to the Company Secretary, Diamond Power Infrastructure Ltd, 5/12, Essen House, BIDD, Gorwa, Vadodara-390 016 which should reach to the Company at least one week before the date of Annual General Meeting, so as to enable the management to keep the information ready. Replies will be provided only at the Annual General Meeting.



9. 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 February 26, 2001. The Company has entered in to an agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as an issuer Company for the dematerialization of Company's Shares. Request for dematerialization of Shares may be sent through respective Depository Participants.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 6

Mr. N. N. Bhatnagar was co-opted as an Additional Director of the Company with effect from October 31, 2008 pursuant to Section 260 of the Companies Act 1956, read along with Article 128 of the Articles of Association of the Company. Mr. N.N. Bhatnagar holds office of Director up to the date of the ensuing Annual General Meeting. 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 Mr. N. N. Bhatnagar for the office of a Director.

None of the Directors of the Company other than Mr. N.N. Bhatnagar is interested or concerned in the resolution.

The Board recommends the resolution set forth above for approval of the Members.

Item No. 7

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 21st February, 2007, under Section 293 (1) (d) and all other applicable provisions of the Companies Act, 1956, to borrow monies in excess of the aggregate of Paid up Capital and Free Reserves of the Company up to Rs. 500.00 Crores (Rupees five hundred Crores only) as set out in the said resolution.

The Company has envisaged expansion /diversification plan in the line of the business in which the Company is having expertise, adding new range of products whereby the Company's top line in form of turnover and profitability will get substantially improved. In order to execute the said plan, resources through Term Loan/ Convertible Securities etc. and other borrowings that may be required in future would be raised by the Company. It is considered appropriate to increase the aforesaid limit from Rs.500.00 Crores (Rupees five hundred Crores only) to Rs.1000.00 Crores (Rupees one thousand Crores only). Your consent is sought to authorize the Board to borrow up to Rs.1000 Crores (Rupees one thousand 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 are interested or concerned in the proposed Resolutions.

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 21st February, 2007 had approved re-appointment of Mr. S. N. Bhatnagar as a Managing Director of the Company for a period of 3 years commencing from 1st November, 2006 on terms and conditions including salary and perquisites payable to him as per Section 309,310 and other applicable provisions and Schedule XIII of the Companies Act, 1956. The terms of office of Mr. S. N. Bhatnagar as a Managing Director of the Company thus expire on 31.10.2009.

As an outcome of dedicated effort, contribution and steadfast leadership of Mr. Bhatnagar, over a period of last three years, remarkable milestones in the form of turnover and profitability have been achieved by the Company. Mr. Bhatnagar has been devoting his full time and attention for the business and operations of the Company. He is a promoter director of the Company.

The Company is yet to be an out performer in terms of turnover and profitability during years to come and technical expertise, acumen of Mr. Bhatnagar and as a visionary for the Company will definitely add light on the road map of the Company.

Considering the overall contribution, dedication and leadership as provided by him, based on the recommendation of Remuneration Committee, your Directors at their meeting held on 30th June, 2009, subject to the approval of the Company in General Meeting and Central Government, if required, re-appointed Mr. S. N. Bhatnagar as Managing Director of the Company for a period of 3 years from 01-11-2009 on the following terms and conditions:

- A SALARY: - Rs.5,20,000/- (Rupees five lacs twenty thousand only) per month as basic salary. The Annual increment in basic salary will be minimum 15% every year.
- B PERQUISITIES:-
 - (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 24% of salary.
 - (III) The Managing Director shall be entitled for Special allowance maximum up to 25% of salary 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 under the Income Tax Act, 1961.
 - (B) Provision for 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.
- (VII) In absence of or inadequacy 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 Mr. 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 Mr. S. N. Bhatnagar and his relatives Mr. Amit Bhatnagar and Mr. 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 21st February, 2007 had approved re-appointment of Mr. Amit Bhatnagar as Joint Managing Director of the Company for a period of 3 years commencing from 1st November, 2006 on terms and conditions including salary & perquisites payable to him as per Section 309, 310 and other applicable provisions and Schedule XIII of the Companies Act, 1956. The terms of office of Mr. Amit Bhatnagar as a Joint Managing Director of the Company thus expire on 31.10.2009.

Mr. Amit Bhatnagar looks after the Human Resources Development, Marketing and Commercial Functions of the Company. He has brought systems and procedure be fitting to the size and the nature of the Company which resulted into substantial cost saving and overheads of the Company. Mr. Amit Bhatnagar has been devoting his full time and attention for the business and operations of the Company. He is a promoter director of the Company.

Considering the overall contribution, dedication and innovative ideas as provided by him, based on the recommendation of Remuneration Committee, your Directors at their meeting held on 30th June, 2009, subject to the approval of the Company in General Meeting and Central Government, if required, re-appointed Mr. Amit Bhatnagar as Joint Managing Director of the Company for a period of 3 years from 01-11-2009 on the following main terms & conditions:

- A SALARY: - Rs. 4,60,000/- (Rupees four lacs sixty thousand only) per month as basic salary. The Annual increment in basic salary will be minimum 15% every year.
- B. PERQUISITIES:-
 - (I) The Joint 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 Joint Managing Director shall be entitled for Medical Reimbursement, Leave Travel Concession for self and family, club fees - maximum up to 24% of salary.
 - (III) The Joint Managing Director shall be entitled for Special Allowance maximum up to 15% of salary to maintain office at residence, Subscription to various books and periodicals etc.
 - (IV) Annual Increment: The Joint 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 Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (B) Gratuity payable at a rate not exceeding half a month's salary for each completed year of services or as may be admissible as per the payment of Gratuity Act, 1972 or any amendments thereof, which is in force from time to time.
- (C) Provision for 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 Joint Managing Director.
- (D) The Joint 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 be allowed at the end of the tenure.
- (VI) The Joint Managing Director shall not be entitled to sitting fees for attending meeting of the Board of Directors or Committees thereof.
- (VII) In absence of or in-adequacy of profits in any financial year, the Joint 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 Mr. 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 Mr. Amit Bhatnagar and his relatives Mr. S. N. Bhatnagar and Mr. 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. 10

The Shareholders of the Company in their Annual General Meeting held on 21st February, 2007 had approved re-appointment of Mr. Sumit Bhatnagar as a Joint Managing Director (Operation) of the Company for a period of 3 years commencing from 1st November, 2006 on terms and conditions including salary & perquisites payable to him as per Section 309,310 and other applicable provisions and Schedule XIII of the Companies Act, 1956. The terms of office of Mr. Sumit Bhatnagar as a Joint Managing Director (Operations) of the Company thus expire on 31.10.2009.

Mr. Bhatnagar is looking after entire Accounts, Procurement, MIS and IT matter. With his involvement in Accounting Systems and Commercial/ Procurements, substantial improvement in inventory control / MIS which in turn resulted in to reduction in overhead expenses to a great extent. He is a promoter director of the Company.

Considering the overall involvement, contribution, dedication and based on the recommendation of Remuneration Committee, your Directors at their meeting held on 30th June, 2009, subject to the approval of the Company in General Meeting and Central Government, if required, re-appointed Mr. Sumit Bhatnagar as Joint Managing Director (Operations) of the Company for a period of 3 years from 01-11-2009 on the following terms and conditions :

- A SALARY: - Rs.4,60,000/- (Rupees four lacs sixty thousand only) per month as basic salary. The Annual increment in basic salary will be minimum 15% every year.
- B PERQUISITIES:-
 - (I) The Joint Managing Director (O) 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 Joint Managing Director (O) shall be entitled for Medical Reimbursement, Leave Travel Concession for self and family, club fees - maximum up to 24% of salary.
 - (III) The Joint Managing Director (O) shall be entitled for Special allowance maximum up to 15% of salary to maintain office at residence, Subscription to various books and periodicals etc.
 - (IV) Annual Increment : The Joint Managing Director (O) 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 Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (B) Gratuity payable at a rate not exceeding half a month's salary for each completed year of services or as may be admissible as per the payment of Gratuity Act, 1972 or any amendments thereof, which is in force from time to time.
- (C) Provision for 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.
- (D) The Joint Managing Director (O) 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 be allowed at the end of the tenure.
- (VI) The Joint Managing Director (O) shall not be entitled to sitting fees for attending meeting of the Board of Directors or Committees thereof.
- (VII) In absence of or in-adequacy of profits in any financial year, the Joint Managing Director (O) 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 Mr. 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 Mr. Sumit Bhatnagar and his relatives Mr. S. N. Bhatnagar and Mr. 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. 11

The Special Resolution seeks to empower the Board of Directors to undertake a qualified institutional placement with Qualified Institutional Buyers as defined by SEBI (DIP) Guidelines. The Board of Directors, may in their discretion adopt this mechanism, as prescribed under Chapter XIII-A of the SEBI (DIP) Guidelines in order to facilitate and meet its capital expenditure needs of the ongoing projects of the Company / its subsidiaries and to meet any exigencies including pursuing new opportunities, without the need for fresh approval from the shareholders. The pricing of the Securities to be issued to Qualified Institutional Buyers pursuant to Chapter XIII-A of the SEBI (DIP) Guidelines shall be freely determined subject to such price not being less than the price calculated in accordance with clause 13A.3 of the SEBI (DIP) Guidelines.

The Special Resolution seeks to give the Board powers to issue Securities in one or more trench or trenches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board in its absolute discretion deem fit. The detailed terms and conditions for the offer will be determined by the Board in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue/allotment/conversion would be subject to the availability of regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap.

As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges under the provisions of the Listing Agreement.

The consent of the shareholders is being sought pursuant to the provisions of Section 81 and other applicable provisions of the Companies Act, 1956 and in terms of the Listing Agreement entered into by the Company with respective Stock Exchanges in India where the Company's Equity Shares are listed. Since the resolution involves issue of Equity Shares to persons other than existing shareholders, special resolution in terms of Section 81 (1A) is proposed for your approval. The Special Resolution, if passed, will have effect of allowing the Board to issue and allot Specified Securities to QIBs, who may or may not be existing shareholders of the Company in the manner as set out in the resolution.

The Equity Shares, which would be allowed, shall rank pari passu in all respects including dividend with existing Equity Shares of the Company.



The Board of Directors believes that such issue is in the interest of the Company and therefore recommends the special resolution for your approval.

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

By Order of the Board,

Date : June 30, 2009 Surendra U Tamboli
Place : Vadodara Company Secretary & Head Legal



As per Clause 49 of the Listing Agreement

Information of directors who are proposed to be appointed / reappointed at the Annual General Meeting

Mr. S. N. Bhatnagar- Chairman Managing Director

Mr. S. N. Bhatnagar has over forty years of experience in the Electrical Engineering business. Mr. Bhatnagar is a Mechanical Engineer and has worked with the Kamani group for six years during the initial years of his career. Mr. Bhatnagar renowned technocrat and designer and has developed a number of machines used in the electrical/cable industry. His latest contribution is the HSHC conductor developed in the Company. Mr. Bhatnagar has received the 'Udyog Jyoti' and 'Udyog Patra' by the Govt. of India. In the past, he has been associated as a member with organizations like ETDC 37, which is a BIS committee for product specifications. He looks after the day-to-day production, Quality Control and Maintenance.

Dr. Sumit Suresh -Jt. Managing Director (Operations)

Mr. Sumit Suresh is Honorary Doctorate in Business Management, Executive MBA - Major in Finance (With Chancellors Medal & Scholarship at Swinburne University Melbourne, Australia for obtaining the highest grades in his course), Electronics and Telecommunication Engineer. He is also a professionally trained Materials Management, SAP Consultant, Master Certified on Microsoft Dynamics Navision and has over eleven years of experience in business development, business process study, mapping of business processes within an organization along with

practical implementation, experience of SAP R/3 and Microsoft Business Solutions. He headed the ERP-SAP R/3 implementation at DCL. Mr. Sumit Suresh has experience in the areas of systems implementation like ISO 9000; developing the in-house internal auditing team and putting in place the MIS for decision-making and control. He has been associated in the development of Software Solutions for Electrical Industry also. He looks after the entire accounts, procurements, MIS and IT matters of the organization. He is also the governing body member of Gujarat Employers Organization and Vice President of Savli Taluka Industries Association and Trustee of Bal Bhavan Society, Vadodara.

Mr. N. N. Bhatnagar - Additional Director

Mr. N. N. Bhatnagar is a Bachelor of Science & Master of Science in Botany, Jivaji University, Gwalior and Post Graduate Diploma in International Trade & Marketing from Punjab University. Mr. N. N. Bhatnagar was a Sr. Manger India Trade Promotion Organization, Ministry of Commerce (GoI) with extensive experience in International Marketing, Trade Regulations, Organization of trade fair participation, Seminars, Meetings with foreign missions in India and Indian missions abroad and B to B Meetings.

He has 35 years of experience with India Trade Promotion Organization, Ministry of Commerce and is an expert in Country Profiling, Project Report on Market Analysis, International Trade Requirement Analysis for different countries with India, product development and adaptation in domestic and international market, collection and dissemination of trade information related to international marketing, inter country protocol management.



DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the Seventeenth Annual Report along with the Audited Accounts for the year ended 31st March, 2009.

At the outset, I would like mention that your company has a tradition of doing always something remarkable. During the year, the company has progressed remarkably well in all the projects. During the year, it has undertaken EHV Cables, LT Cables and Transmission Line Project. The Company has tied up its entire finance in form of Term Loan from the Axis Bank through syndication mode.

FINANCIAL RESULTS

I am pleased to present before you the financial results of the Company for the year 2008-09. It is worth to note and mention that the year gone by was overall passed through under the global recessionary effect. In case of your industry segment, the price of mother raw-material- Aluminum had seen the downtrend drastically by more than 50% compared to previous year, which had affected the top line but, the Company was able to maintain the margin with a negligible effect.

The company has achieved a sales of 615.73 crores compared to Rs. 509.06 crores registering a growth of 20 % and a net profit of Rs. 52.76 crores in 2008-09 compared to Rs. 43.54 crores of 2007-08, registering a growth of 21 % .

Following Statement indicates the overall financial strengths of the Company:

(Rs. in lacs)

Sr. No.	Particulars	2008-09	2007-08
1	Income	66259.58	50473.81
2	Expenditure	57782.87	44003.67
3	Profit B I D T	8476.71	6470.14
4	Interest	2164.08	1429.75
5	Depreciation	488.23	286.44
6	Net Profit/(loss)	5276.83	4354.79
7	Share Capital	2104.70	1757.02
8	Reserves	19256.04	10859.01
9	EPS (Rs.)	25.07	24.78

Important performance parameters:

Sr. No.	Particulars	2008-09	2007-08
1	Gross Profit Margin (%)	12.79	12.81
2	Asset Turnover (times)	1.38	1.75
3	Interest Coverage (times)	3.91	4.52
4	Earning per Shares (diluted) (Rs.)	25.07	24.78

Dividend:

In view of substantial growth and good financial performance during the year, the Board has recommended dividend of Rs. 1.00 per share (i.e.10%), out of the profit of the financial year

ended on 31st March, 2009 on 2,10,47,070 equity shares of Rs. 10.00 each fully paid up aggregating to Rs. 2,10,47,070.



MARKET & FUTURE OUTLOOK**The Indian Power Industry:**

India's vibrant economy needs matching improvements in the infrastructure. Power sector will play important role in the economic development and hence need focused attention. Ministry of Power has taken number of legislative and policy initiatives to expedite power sector development. All these initiatives provide lots of investment opportunities to FIIs and other investors. The power sector reforms if implemented as scheduled will create large business for power sector equipment manufacturers and service providers. We can expect a continuous handsome growth for this sector for at least next ten years.

The rate of growth of generation capacities in public sector is in line with the additions to the installed capacity. During the last 50 years, the thermal generation registered a spectacular growth. However, the growth in hydro generation was very poor. Also on the nuclear front, 10 Nuclear power plants accounted for only around 2% of total utility generation. Owing to the decline in hydro development and prevailing peak power deficits, coal-fired thermal power units are often used for meeting peak loads. Poor performance of India's existing generating units has been a principal cause of worry. The average plant load factor (PLF) of thermal power stations in India is less than 60%, but varies considerably across the regions. In contrast, hydro power stations have far better track record due to the fact that their performance relies largely on water flow.

The Slogan of Govt. of India - POWER FOR ALL BY 2012 increase the per capita consumption to 1000 Kwh, our installed generation capacity is needed to increase to 2,00,000 MW by 2012 from the present capacity of 1,14,000 MW with an investment of about Rs.11,00,000 crores wherein Govt. policy envisage two routes for inviting private sector participation. One route through Joint Venture of Power grid and the private investor and the other route called IPTC (Independent Power Transmission Corporation) through 100% FDI. Further, the estimated demand for power generation in 2016-17 is about 3.06 lacs MW which in turn 50 % addition to the demand as envisaged in 2012.

Infrastructure Additions Transmission:

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

Transmission planning has moved away from the earlier generation evacuation system planning to integrate system planning. While the predominant technology for electricity transmission and distribution has been Alternating Current

(AC) technology, High Voltage Direct Current (HVDC) technology has also been used for interconnection of all regional grids across the country and for bulk transmission of power over long distances. Status of transmission sector up to Jan 2005 is given in Table 5.

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

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

Distribution Sector:

Due to lack of adequate investments on T & D networks, the T & D losses have been consistently on the higher side, and are presently in the range of 18% to 62% in various states. Reduction of these losses by undertaking distribution system improvement works has not been possible for want of adequate funds. The aggregate technical and commercial (AT&C) losses are in the range of 50%.

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

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

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

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



Accelerated Power Development Reform Program (APDRP)

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

Cable Industry In India:

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

There is a definite upward technological movement along with the growth rate in cables and wire industry in India. The demand for optical fiber cable is expected to grow at compounded annual growth rate of 17% to 1.8-2.4 million fiber kilometers over the next 3 years as producers are reporting healthy order book position on the back of increased demand for broadband deployment

A major worry of the cable manufacturers is exorbitant cost of raw material namely aluminium, copper, XLPE and PVC compounds accounting for close to 60% of the production cost. Due to this, Indian cable makers are left behind in global competitiveness.

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

Conductor Industry in India

Aluminum Conductors are used transmission and Distribution Systems to carry the general electrical energy from generating station to the end users. The net work is known as Transmission and Distribution Systems. The Transmission system delivers bulk power from power station to the load centers and large industrial consumers beyond the economical service range of the regular primary distribution lines, where as distribution system delivers power from power sector or sub stations to various consumers. This transmission and distribution can employ either overhead systems or underground systems.

Aluminum conductors are used for overhead systems. Aluminum conductors are of mainly three types :

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

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

Typically around 40% of the transmission projects cost accounts for conductors, 20% for Towers and balance 40% for others. There for, out of the planned investment of Rs. 125000 Crores during the 11th five year plan, potential demand for conductors is estimated at whopping Rs. 50000 Crores in the next five years. According to the survey done by AC Nielson during 2005-06, the total demand for aluminum conductor is expected to reach 1.2 mn MT in 2010 from 730000 mt pa, at a CAGR of 18%.

SUBSIDIARY'S PERFORMANCE:

M/s. Diamond Power Transformers Ltd., a wholly owned subsidiary of your company has performed well and achieved 100% growth in turnover. The Company has registered as one of the core supplier of transformer with client like BHEL. The Company expects to achieve higher growth with addition of varied size and rating of transformers.

CURRENT ACTIVITIES:

As mentioned in the foregoing discussion, the company is very aggressive in venturing out in the newer but related activities which provide all the synergies to achieve the Company's goal of making the Diamond Group as the real Power Infrastructure Company.

In this direction, your company has already commenced commercial operation of its HT Project. Futher, it gives me pleasure to announce that the entire term loan syndication of Rs.130.00 crores is finalized for the remaining projects of LT Cables, EHV Cables & Transmission Tower Line Project by the Axis Bank with other Banks and that the company will work with all its pace to complete the balance project as per the schedule of implementation.

It give me further pleasure in informing you that after deciding about going further in a strategic acquisition of M/s. Apex Electricals Limited , a registered sick unit with the Board for Industrial and Financial Reconstruction (BIFR) has made a logical investments of more than Rs. 10 crores to give a right push for revival of the unit. The Revised Scheme of Debt Rehabilitation as required by the BIFR is already submitted and the the approval of the same is awaited.



Conversion of Warrants:

The Company had issued and allotted 3,476,820 convertible warrants through private placement during 2007-08. In terms of the issue of said warrants, the Company has issued and allotted equal number of equity shares i.e. 3,476,820 of Rs. 10.00 each as fully paid and submitted an application for listing of the said shares to the Bombay Stock Exchange, against which the Company has received in-principal approval for 12,38,410 shares and for balance shares, the Company expects to get very soon.

Bonus Issue:

Subject to applicable SEBI guideline and approval of the shareholder, the Board of Directors at its meeting held on 6th March, 2009 has decided to give one bonus shares against every three shares of the Company by way of capitalization of reserve. The Company had initiated the required steps for completing the required formalities for bonus issue. However, in view of revised SEBI guidelines, the Board would reconsider the proposal of bonus shares without making any change in the ratio of bonus shares in compliance of SEBI guidelines.

Change of R & T:

During the year, the Company has changed the Registrar & Transfer Agent by appointing M/s Karvy Computershare Private Limited, Hyderabad. The shareholders are requested to address their queries, correspondence for all matters pertaining to shares to M/s Karvy Computershare Private limited at Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081.

SUBSIDIARIES

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

MANAGEMENT DISCUSSION AND REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

As per the requirement of Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Ltd., a detailed report on Corporate Governance is set out as Annexure B 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-C to this Report. A separate Management Discussion and analysis report on the company's performance is given as Annexure-D to this report.

The declaration given by the Joint Managing Director with regard to compliance of Company's code of conduct by the

Board members and senior management is furnished as Annexure E to this report.

Directors' Responsibility Statement

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

- a) 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.
- b) 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, 2009 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.

DIRECTORS

In accordance with the Companies Act, 1956 and the Articles of Association of the Diamond Power Infrastructure Ltd. Mr. S. N. Bhatnagar and Mr. Sumit Bhatnagar retire by rotation at the ensuing Annual General Meeting. They are eligible for re appointment.

Mr. N N. Bhatnagar, appointed as an Additional Director by the Board w.e.f. 31st October, 2008, retires at the ensuing Annual General Meeting and the Company has received notice under section 257 of the Companies Act, 1956 for his appointment as rotational Director.

The Clearwater Capital Partners India Private Limited has vide its letter dated 24th June 2009, changed their nominee Director and appointed Mr. Ashwini Sahoo in place of Ms. Jayshree Krishna.

All the necessary resolutions for appointment, re-appointment of the directors have been included in the notice calling the forthcoming Annual General Meeting.

AUDITORS

M/s. Vijay N. Tewar & Company, Chartered Accountants and Statutory Auditors of the Company, retire at the forthcoming annual general meeting and are eligible for re-appointment. A certificate has been obtained from them to effect that, the



appointment, if made, will be in accordance with the limits specified in sub-section (1B) of section 224 of the Companies Act, 1956.

FIXED DEPOSITS

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

CONSERVATIONS OF ENERGY, TECHNOLOGY ABSORPTIONS AND FOREIGN EXCHANGE

The particulars relating to Conservation of Energy , Technology Absorption , Foreign Exchange earning and outgo as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, is given in Annexure A. It may be noted that there was no expenditure on account of technology absorption during the year 2008-09.

PERSONNEL

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

ACKNOWLEDGEMENT

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

For and On Behalf of the Board of Directors

Sd/-

Date : June 30, 2009

S. N. Bhatnagar

Place : Vadodara Chairman and Managing Director



ANNEXURE A TO DIRECTORS' REPORT

Information under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 and forming part of the Director's Report.

The Company as per the new guideline by government has undergone a Complete Energy Audit of the manufacturing

plant done by Electrical Research and Development Association (ERDA), Baroda and the results and finding of the same were implemented in the benefit of company with motto of conservation of energy.

The R & D Department is concentrating on developing and improving the existing product line along with a detailed analysis of the manufacturing processes to enable the company to save cost.

FORM A Form for disclosure of particulars with respect to conservation of energy.

Sr. No.	Particulars	2008 - 09	2007 - 08
1	Power & Fuel Consumption Electricity 1.Purchased Unit (kwh) Lacs 2.Rate/Unit (RS.) 3.Total Amount (RS. Lacs) Own Generation 1.Through Diesel Generator Units 2.Rate/Unit (RS.) 3.Total Amount (RS. Lacs) 4.Through Steam Turbine/Unit		
		30.47	28.16
		6.26	5.53
		190.85	155.72
		107904	8880
		8.12	14.45
		4.87	1.28
		N.A.	N.A.
2	Coal (Specify Quality & where used)	N.A.	N.A.
3	Furnace Oil 1. Quantity (K. Liters) 2. Total Amount (Rs. Lacs)	995.645 227.00	941.374 141.66
4	Others / Internal Generation	N.A.	N.A.

FORM B

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

- Specific areas in which R & D carried out Related Products like H. T. cables.
- Benefits derived as a result of above R & D Company Planning for Expansion.
- Future plan of action To float a subsidiary to take care of H. T. Cable Business.
- Expenditure on R & D NA

Technology absorption, adaptation and innovation:

- Efforts in brief made towards technology, absorption, adaptation and innovation

The company has planned out the expenditure on the Technology adaptation with the approved budgets by the new investor and funds are allocated to the R & D

activities for the technology absorption and impact of which will be seen in the year to come.

Benefits derived as a result of above efforts, e.g. product improvement, cost reduction, production development, imports 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.

FROM - C

Foreign Earnings and Outgo:

(Rs. in Lacs)

	2008 - 09	2007 - 08
Earnings (Deemed Exports)	NIL	530.68
Outgo	1015.57	314.20



ANNEXURE B TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

(As required by Clause 49 of the Listing Agreement entered into with the Stock Exchange)

REPORT ON CORPORATE GOVERNANCE

Transparency, accountability and integrity form the cornerstone of effective governance. Today, almost every country has institutionalized a set of corporate governance codes, spells out best practices and has sought to impose appropriate board structures. Despite the corporate governance revolution, there exists no universal benchmark, for effective levels of disclosure and transparency. At a juncture when the concept of corporate governance is receiving unprecedented attention, it is ironic, if not disturbing that recent collapses in the corporate arena have been primarily on account of corporate governance failures.

The responsibility of effective corporate governance rests not with a single entity, but, is interplay of various people and organization performing different roles. The Board of Directors has the primary responsibility of ensuring that the fundamentals of corporate governance as expressed in law and regulations are complied with. Control and supervision of a company, on behalf of the shareholders is the areas of the Board. The other players, external to the Company also, responsible for corporate governance include auditors, analysts, rating agencies, regulators and the government, amongst others.

1. 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; Joint Managing Director and the Joint Managing Director (Operations). 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 are two nominee directors on the Board of Directors. The composition of the Board is in conformity with the listing agreement.

During the year Dr. T. N. Bhatnagar, non-executive director ceased to be director w.e.f. 31.10.08 and Mr. N. N. Bhatnagar has been appointed as an additional director, non-executive w.e.f. 31.10.08 in place of Dr. T. N. Bhatnagar.

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	No. of Board Meetings		AGM 29.09.08	No. of Other Directorship		No. of Other Board Committees	
		Held	Attended		Member	Chairman	Member	Chairman
Mr. S.N. Bhatnagar	Ex / CMD	8	7	Yes	-	3	-	-
Mr. Amit Bhatnagar	Ex / JMD	8	7	Yes	4	-	-	-
Mr. Sumit Bhatnagar	Ex / JMD(O)	8	8	Yes	3	-	-	-
Mr. Prakash Sinha	NE / Director	8	2	Yes	1	-	2	1
Mr. G.N. Verma	NE / Director	8	4	Yes	1	-	2	1
Dr. T.N. Bhatnagar*	NE / Director	4	2	No	1	-	2	-
Mr. N.N. Bhatnagar**	NE / Director	4	4	N.A.	-	-	1	-
Mr. TNC Rajagopalan	NE / Director	8	7	No	1	-	1	1
Mr. Amit Gupta	NE / Nominee Director	8	1	No	1	-	-	-
Ms. Jayshree Krishna	NE / Nominee Director	8	3	No	-	-	-	-

* Mr. T. N. Bhatnagar ceased to be a director w.e.f. 31.10.2008.

**Mr. N. N. Bhatnagar is appointed as an additional director w.e.f. 31.10.2008.

Ex = Executive Director, NE = Non-Executive Director, CMD = Chairman & Managing Director, JMD = Joint Managing Director, JMD(O)= Joint Managing Director (operations)

Eight Board Meetings were held during the year under review on 28.04.08, 28.07.08, 28.08.08, 31.10.08, 02.12.08, 18.12.08, 27.01.09 and 06.03.09. 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.



2. AUDIT COMMITTEE:

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

the process of checks and balances in the working of the Company.

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

Sr. No.	Names of Members	Position	Status	Meetings (2008-09)	
				Held	Attended
1	Mr. G.N. Verma	Independent Director	Chairman / Member	5	5
2	Mr. Prakash Sinha	Independent Director	Member	5	3
3	Dr. T. N. Bhatnagar*	Independent Director	Member*	4	2
4	Mr. TNC Rajagopalan**	Independent Director	Chairman**	1	1

* Dr. T. N. Bhatnagar ceased to be a director of the Company and member of the Audit Committee w.e.f. 31.10.08.

** Mr. TNC Rajagopalan is appointed as a Chairman of the Audit Committee in place of Mr. G. N. Verma w.e.f. 31.10.08

Five Audit Committee Meetings were held during the year under review on 28.04.08, 28.07.08, 28.08.08, 31.10..08 and 27.01.09.

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

1. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommend the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other service.
3. Discuss with auditors once every year the nature and scope of audit.
4. Review the Quarterly and annual financial statements before submission to the Board, primarily focusing on the following points and also ensure compliance of internal control systems:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualification in draft audit report.
 - Significant adjustments arising out of audit.
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.

3. REMUNERATION COMMITTEE:

The Remuneration Committee comprises of the following Directors:

Sr. No.	Name of the Director	Position	Category
1	Shri G. N. Verma	Chairman	Independent Director
2	Shri Prakash Sinha	Member	Independent Director
3	Shri T. N. Bhatnagar/Shri N. N. Bhatnagar*	Member	Independent Director

* Shri N. N. Bhatnagar was appointed as an additional director and member of the Remuneration Committee in place of Shri T. N. Bhatnagar w.e.f. 31.10.08



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

The details of remuneration and sitting fees paid to the Directors for attending Board and other Committee Meetings for the year ended March 31, 2009 are given below :

Name	Category / Position	Salary (Rs.)	Sitting Fees (Rs.)	Other Allowances (Rs.)
Mr. S. N. Bhatnagar	Ex. / CMD	31,05,000	NIL	26,58,192
Mr. Amit Bhatnagar	Ex. / JMD	27,60,000	NIL	19,87,200
Mr. Sumit Bhatnagar	Ex. / JMD(O)	27,60,000	NIL	19,87,200
Mr. Prakash Sinha	NE / Director	NIL	13,000	NIL
Mr. G.N. Verma	NE / Director	NIL	19,000	NIL
Dr. T.N. Bhatnagar	NE / Director	NIL	6,000	NIL
Mr. T N C Rajagopalan	NE / Director	NIL	23,000	NIL
Mr. N. N. Bhatnagar	NE / Director	NIL	19,000	NIL
Ms. Jayshree Krishna	NE / Nominee Director	NIL	4,500	NIL
Mr. Amit Gupta	NE / Nominee Director	NIL	1,500	NIL

During the year, the Board members has revised the sitting fees payable to the Non Executive Directors / Members of the Board / Committee for attending the Board / Committee Meeting to Rs.5,000/-.

4. Investor's Grievances Committee :

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

- I. Redressing of shareholders and investors complaints;
- II. To ensure expeditious share transfers;

III. To review status of legal cases involving the investors where the Company has been made a party.

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

Sr. No.	Names of Members	Position	Category	Meetings (08-09)	
				Held	Attended
1	Mr. Prakash Sinha	Chairman	Independent Director	4	4
2	Mr. G.N. Verma	Member	Independent Director	4	4
3	Dr. T N Bhatnagar / Mr. N N Bhatnagar*	Member	Independent Director	4	4

* Shri N. N. Bhatnagar was appointed as an additional director and member of the Investor Grievance Committee in place of Shri T. N. Bhatnagar w.e.f. 31.10.08

Four Investor Grievance Committee Meetings were held during the year on 28.04.08, 02.12.08, 05.01.09 and 06.03.09.

Name, designation & address of Compliance Officer:

Mr. Surendra Tamboli

Company Secretary & Head-Legal
 Diamond Power Infrastructure Limited,
 "ESSEN HOUSE", 5 / 12, BIDC,
 GORWA, BARODA - 390016.
 Phone : 91-265-2284328, 2283969
 Fax : 91-265-2280528
 E-mail : shares@dicabs.com;



Details of investors' complaints received during April 1, 2008 to March 31, 2009 are as follows:

Sr. No.	Nature of Complaint	Recd.	Disposed	Pending	Remarks
1	Non- receipt of dividend warrant	5	5	0	--
2	Non- receipt of share certificates after Transfer / Cons / Transposition / endorsement / etc.	26	26	0	--
3	Non-receipt of Interest Warrants	0	0	0	--
4	Non-receipt of Annual Reports	3	3	0	--

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

5. General Body Meetings:

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

Sr. No.	AGM Particulars & Date	Venue	Time
1	16th Annual General Meeting (2008-09) held on 29/09/2008	Registered Office	10:00 a.m.
2	15th Annual General Meeting (2007-08) held on 29/09/2007	Auditorium, Vanijya Bhawan, Race Course, Vadodara	10:30 a.m.
3	Extraordinary General Meeting held on 22/01/2008	Registered Office	10:30 a.m.
4	Extra-ordinary General Meeting held on 09/03/2007	Registered Office	10:00 a.m.
5	14th Annual General Meeting (2005 – 2006) [18 Months] held on 21/02/2007	Registered Office	10:30 a.m.

6. Material Disclosures:

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

As required under clause V of Clause 49 of the listing agreement with the stock exchanges, the Whole-time Directors, CFO & Company Secretary have certified to the Board the financial statements for the year ended March 31, 2009. They have further declared that all the Board members and senior personnel have affirmed compliance with the code of conduct for the year ended March 31, 2009.

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

7. Means of Communication:

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



8. General Shareholder Information:

I.	ADDRESS OF CORPORATE / HEADQUARTERS: DIAMOND POWER INFRASTRUCTURE LIMITED "ESSEN HOUSE", 5/12 BIDC, GORWA, VADODARA – 390016.
II.	CONTACT PERSON: MR. SURENDRA U TAMBOLI, COMPANY SECRETARY & HEAD – LEGAL
III.	ANNUAL GENERAL MEETING: 8th August, 2009
IV.	DATE OF BOOK CLOSURE : MONDAY, 03/08/2009 TO SATURDAY, 08/08/2009 (both days inclusive)
V.	LISTED ON: THE BOMBAY STOCK EXCHANGE LIMITED, MUMBAI SCRIP CODE : 522163

The Listing Fees to Bombay Stock Exchange Ltd. has already been paid for the year 2009- 2010. During the year the Company had issued equity shares on conversion of equity warrants issued to promoters bodies corporate and person acting in concert. The Company had applied for listing of additional equity shares and against this, the Company has received approval for first trench of allotment and for the balance, the Company expects to receive the approval shortly.

VI DEMAT STATUS:

The Company's shares were admitted for compulsory trading in electronic form. NSDL has allotted following ISIN for different Securities of the Company and they are detailed below:-

For Equity Shares -**INE 989C01012**
For Equity Warrants -**INE989C13025**

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 March 31, 2009 is as follows :

	Number of Shares	% of total Capital
Physical	45,57,162*	21.65%
Electronic	1,58,87,357	78.35%
Total	17,570,250	100.00

* The physical equity shares include 34,76,820 (16.52%) equity shares allotted on conversion of equity warrants to promoters bodies corporate and person acting in concert issued on preferential basis against which the Company has received in-principal approval for 12,38,410 equity shares from the Bombay Stock Exchange and for the balance equity shares, the Company expects to get very soon.

VII. Distribution of Shareholding and Shareholding Pattern

Shareholding pattern

CATEGORY	No. of Holders	Total Shares	% To Equity
Promoters Bodies Corporate	7	7429499	35.30%
Resident Individuals	10475	3289053	15.63%
Promoters	9	3090126	14.68%
Foreign Corporate Bodies	1	2012549	9.56%
Foreign Institutional Investors	6	1894368	9.00%
Mutual Funds	2	1242483	5.90%
Foreign Companies	2	1100000	5.23%
Non Resident Indians	293	446805	2.12%
Bodies Corporates	235	420643	2.00%
H U F	145	86656	0.41%
Trusts	1	30000	0.14%
Clearing Members	17	4088	0.02%
Banks	2	800	0.00%
Total	11195	21047070	100.00 %



Distribution Schedule - Consolidated as on 31/03/2009

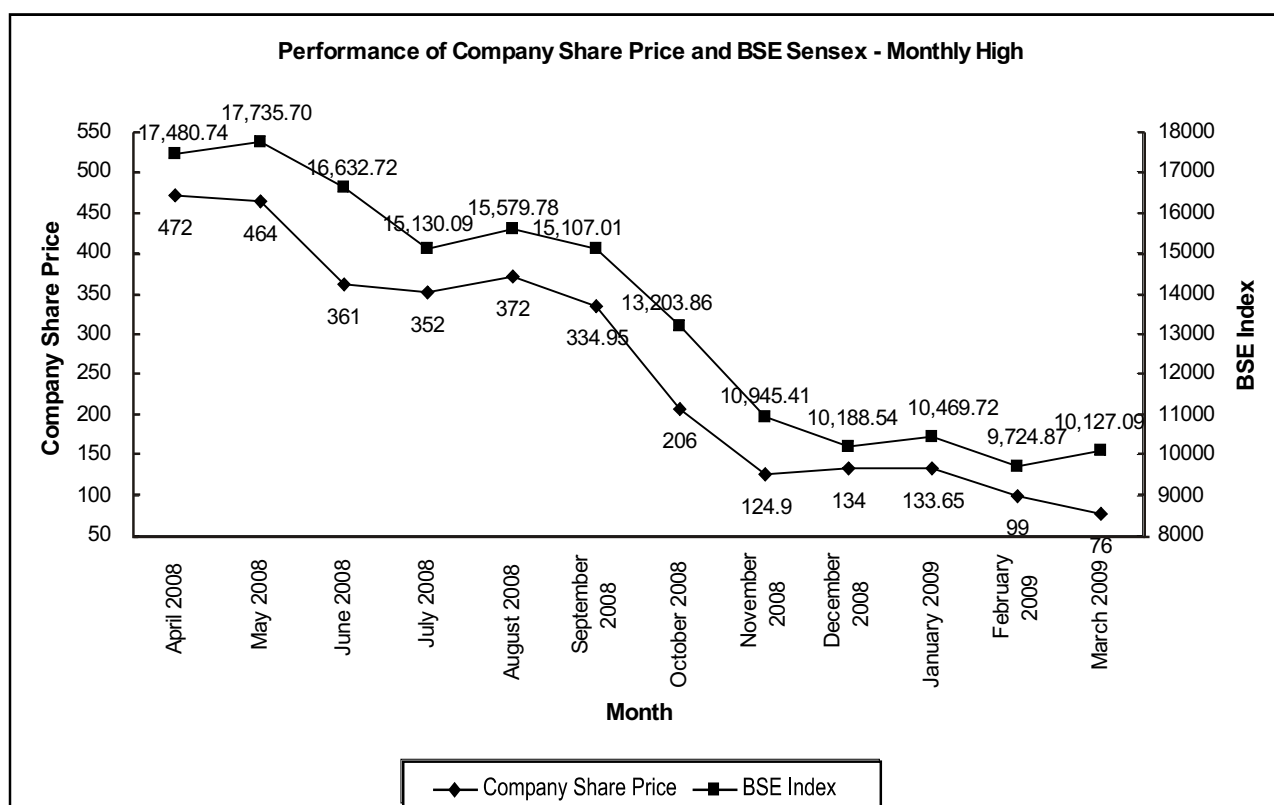
Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
0001- 5000	10171	90.85	1555654	15556540	7.39
5001 - 10000	609	5.44	467172	4671720	2.22
10001 - 20000	187	1.67	271895	2718950	1.29
20001 - 30000	49	0.44	126326	1263260	0.60
30001 - 40000	30	0.27	112191	1121910	0.53
40001 - 50000	31	0.28	149478	1494780	0.71
50001 - 100000	63	0.56	445740	4457400	2.12
100001 & Above	55	0.49	17918614	179186140	85.14
TOTAL	11195	100.00	21047070	210470700	100.00

STOCK MARKET DATA

The Market price data (Monthly High / Low) of the company's Equity shares traded on the Mumbai Stock Exchange during the period from 01/04/2008 to 31/03/2009 is given below :

Month & Year	Share Price Rs.		BSE Sensex	
	High	Low	High	Low
April 2008	472.00	292.00	17,480.74	15,297.96
May 2008	464.00	348.00	17,735.70	16,196.02
June 2008	361.00	276.75	16,632.72	13,405.54
July 2008	352.00	277.25	15,130.09	12,514.02
August 2008	372.00	305.50	15,579.78	14,002.43
September 2008	334.95	190.00	15,107.01	12,153.55
October 2008	206.00	81.50	13,203.86	7,697.39
November 2008	124.90	90.25	10,945.41	8,316.39
December 2008	134.00	91.15	10,188.54	8,467.43
January 2009	133.65	92.05	10,469.72	8,631.60
February 2009	99.40	72.55	9,724.87	8,619.22
March 2009	76.15	61.20	10,127.09	8,047.17





VIII. Registrar and Share Transfer Agents : Karvy Computershare Pvt. Ltd.
 PLOT NO. 17 TO 24, VITTALRAO NAGAR
 MADHAPUR, HYDERABAD - 500 081

TEL NO :040-23420818 to 28 EXT : 188
 FAX NO : 040-23421971

The Company has changed the Registrar & Share Transfer Agent from M/s. Link Intime India Pvt. Ltd. (formerly Intime Spectrum Registry Ltd.) to M/s. Karvy Computershare Pvt. Ltd.

IX. Share Transfer System :

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

- The Companies Amendment Act, 2000 has introduced the concept of postal ballot in respect of certain items. The Company will comply with these requirements as and when necessary.
- The announcement of Quarterly results carries information on important developments for the benefit of shareholders.

9. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

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

For and On Behalf of the Board of Directors

Sd/-
 Date : June 30, 2009
 Place : Vadodara S. N. Bhatnagar
 Chairman and Managing Director



ANNEXURE C TO DIRECTORS' REPORT

AUDITORS CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

**The Members
DIAMNOD POWER INFRASTRUCTURE LIMITED**

We have examined the compliance of conditions of Corporate Governance by Diamond Power Infrastructure Limited, Vadodara for the year ended March 31, 2009 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. It is neither an audit nor an expression of opinion on the financial statement of the Company.

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 for a period of one month against Company as per records maintained by the Company.

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

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

Sd/-
(Vijay N. Tewar)
Proprietor
MembershipNo.40676

Date : June 30, 2009
Place : Vadodara

ANNEXURE D TO DIRECTORS' REPORT

MANAGEMENT ANALYSIS OF COMPANY AND CONCERN AREAS

COMPANY STRENGTHS

Promoted by Technocrats possessing Quality domain expertise :

In its conductor business, DPIL pioneered introduction of Alloy aluminum Conductors and captive manufacturing of rods in India. The Company combines the expertise of electrical engineering technology (core business) and metallurgical and mechanical engineering manufacturing process, developed over the past 38 years. DPIL has excellent long standing supplier and customer relationships, vital to any business growth. The Companies Promoters having 40 years of Domain Experience in the Field of T&D EPC.

Ideally located in Gujarat in the vicinity of major power industry:

DPIL is ideally located at Vadodara in Gujarat with large power manufacturing units enabling a good source of skilled manpower and materials. DPIL has offices at all major cities in India and is well geared up to address national markets and exports with proximity to key markets and Ports.

Backward integration and saving cost :

With a focus on fully integrated player in the field, DPIL has undertaken expansions in Conductors, Transformers, Towers and Power Cables, their would be excellent synergies in having at least 60 to 70% of the inputs which go into a T&D Business.

Value added products A clear focus:

DPIL is moving up the value chain by focusing on High margin/high value products. To name a few, in Cables it intends to focus on Aerial Bunch cables(ABC), fire resistant cables and Control and Instrumentation cables, while in transformers, it intends to focus on 132-220 KVA power transformers and dry and resin cast transformers. This will enrich product-mix and improve profitability. The Extra High Voltage Cables shall be clearly the highest value added product.

Emerging as a vertically integrated player in T & D Sector:

With three critical businesses in its fold, namely Cables & conductors, Transformers and EPC Projects and proposed Transmission Towers Project, DPIL is the only fully integrated player in the power segment, having facilities to manufacture 80% of the T & D project requirement in-house. This gives the Company an advantage over other EPC Players, who outsource 60 to 75% of the project work.



Emerging as one of the top five power cable manufacturers in the Country:

The Company has commenced its HT Cables Production upto 132 KVA with a capacity of 2800 kms and its next HT cables line of 2500 km line along with an LT cables manufacturing Expansion of over 25000 km is about to start production. It is also putting up plant to manufacture Extra High Voltage Plant 132 KVAs to 400 KVAs with an installed capacity of 2000 KMs pa. Post expansion, DPIL would emerge as one of the top five manufacturers of power cables in India and the only company manufacturing Extra High Voltage Cables over 132 KVAs. It further intends to produce high margin high value added LT cables such as Aerial Bunch Cables and fire resistant, Control and Instrumentation Cables.

Balanced mix of customers, reducing dependence on any few:

In India traditionally, the industry has been dependent upon Government owned utilities SEBs. However, DPIL has the rare distinction of having more than 40% sales from the private companies and the ratio is likely to further improve to around 70% in the next couple of years, as large order book comes from private clients which include likes of L & T, ABB, Tata Power, Siemens and Suzlon to name a few. The Company is consortium partner for L & T and ABB for their turnkey solutions.

CONCERNS :

At Industrial level:

- Metal drawing Capacity is a limiting factor. Cables are sold in Kilometers. Factor such as thickness of the conductor, sheathing, number of wires in cables, etc. the value of the cables and quantity of cables produced (in Kilometers) would differ. However, the metal drawing capacity of the plant would not vary. Therefore, in case of a cable producer, the metal drawing capacity determines its capacity utilization.
- Pre-qualification and approvals act as entry barriers.
- Business is working capital intensive.

At the Investment level

- **Slowdown in Industrial capex** Industrial Investment takes place where strong economy supports it. Thus, if economic growth slows down, companies may delay or cancel the investment. A slow down in investment would be a big concern.
- **Change of stance in power sector policies** slow down in reform process, which encompasses distribution sector reforms, may slow down the demand for cables. It is pertinent to know that India has never achieved its power generation targets in the past and

underachievement would mean lower demand for cables. However, the current plan is the first of its kind where significant steps have already been taken up in the first year itself, to ramp up the sector.

- **Input cost** Inflation is a risk for down turn. Raw material accounts for 75 / 80% of the total cost and any upward move in prices of raw material can hurt Company's margins.
- **Imports** a large threat. As global players find Indian Markets attractive, they could pose a major threat to domestic players. This may intensify competition and bring pressure on margins.

Company's Concerns

- Any delay in the rural electrification program under five years plan or delay in creating additional power generation capacities as planned in the five year plans would effect severally Company's performance as they are heavily dependent on investments made in the power sector.
- Delays in implementation of expansion plans may effect the performance.
- As most of other players are ramping up capacities, competition in the industry in the near future is a key visible concern.

PROPOSED EXPANSION/DIVERSIFICATION PROJECTS

Continued high industrial growth and the thrust The Government of India and the State Governments are giving to the power sector for doubling the Power Generation Capacities and its transmission and distribution, the sector is set for a high end growth over the medium to long term. Addition of large power generation capacity, require further huge investment in Power Transmission and Distribution. Power Transmission and Distribution need equal amount of investment as needed for power generation. This has created tremendous opportunities for all the related industries including power equipment manufacturers.

For the present the Company has been operating in only one segment of making Power Cables and Distribution and Transmission Conductors. During the last couple of years, with a view to add to its product range the Company has acquired 2 companies in transformer space, with combined capacity of 15000 MVA. It has also ventured into EPC Contracts (Turnkey Contracts) under Government of India sponsored RGGVY to reach free electricity to the people below poverty line. Thus from purely Conductor and power cable manufacturer, DPIL is planning for complete transformation into a strong vertically integrated player in the Indian Power Transmission and Distribution (T & D) Sector.



The T & D business mainly comprises of erection and commissioning of substations. A typical T & D contract involves Conductors, Cables, Transformers and Transmission Towers and the rest in insulators, fasteners and labour. DPIL is already in manufacture of around 50 - 60% of the scope in the T & D space. Most of the large EPC Players in India outsource 60 to 75% of their requirement in the projects.

To take advantage of the present market scenario and to become a major EPC player in India, the Company has worked out an ambitious capital expenditure plan during the current/next year, which would not only enlarge its present product base, it will also create additional and newer capacities. It has already commissioned phase I of the HT Cable from 33 KVA to 132 KVA (Wet Type) project and the second phase of HT Cable (Dry Type) is likely to be completed by September 2009. It has also planned to put a plant for manufacture of **Extra High Voltage Cables 132 KVAs to 400 KVAs THE FIRST OF ITS KIND IN INDIA.** DPIL further proposes to put-up a Greenfield product for manufacture of Transmission Towers and expand the present capacity of LT cables. Thus DPIL is moving up the value chain by focusing on high margin / high value added products and enrich its product mix, as Aerial Bunched Cables, Fire resistant, control and instrumentation cables, 132-220 KV power transformers and dry and resin cast transformers.

With Commissioning of the proposed plants, DPIL would become fully vertically integrated player in T & D Space, manufacturing 80% of the scope of T & D Contracts in house. This will give great leverage to its EPC business and an advantage over other EPC Players (Pre-dominantly Transmission Towers or Sub station companies) who outsource 60 to 75% of the project work.

Proposed Capital Expenditure would create the following additional / new capacities :

Sr. No.	Particulars / Product	Capacity
01	H. T. Cables – up to 132 KVA	5000 KMs pa
02	Transmission Towers	48000 MT pa
03	L. T. Cables	25000 KMs pa
04	Extra High Voltage Cables up to 400 KVA	2000 KMs pa

Total Capital expenditure envisaged for creation of additional facilities as above works out at Rs. 274 kms.

Location:

The New facilities are proposed to be created at the Existing site located at Village Vadadala, Taluka Savli, Dist. Vadodara. The site is located on around 5 Kms from the National Highway joining Mumbai and Delhi around 20 Kms from Vadodara. Vadodara is an Important Industrial Estate of Gujarat and is well connected via Roads, Rails and Air to all the major cities of India. Gujarat and adjacent Maharashtra are India's most industrialized States, with huge demand for power infrastructure. Similarly other neighboring states of Rajasthan and Madhya Pradesh are developing ones, offering further potential for expansion to DPIL.

Large power equipments manufacturing unit are located in and around Vadodara, making availability of skilled manpower and material easy.

ANNEXURE E TO DIRECTORS' REPORT

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a code of conduct for the members of its Board and Senior Management Personnel. I confirm that the Company has, in respect of the Financial Year ended March 31, 2009, received from the members of the Board and senior management personnel of the Company, a declaration of compliance with the code of conduct as applicable to them.

For and On Behalf of the Board of Directors

Date : June 30, 2009
Place : Vadodara

Sd/-
Amit Bhatnagar
Joint Managing Director



AUDITORS' REPORT

To,
The Members of
Diamond Power Infrastructure Ltd.
Baroda, Gujarat

We have audited the attached Balance Sheet of **Diamond Power Infrastructure Ltd.** (Hereinafter referred to as the "Company") at 31st March, 2009 and also the annexed profit and loss Account (in which are incorporated the accounts of branch at B-24, Nanji Industrial Estate, Kharadpada, Silvassa) and the cash flow statement for the financial year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of Companies Act, 1956 and on the basis of such check of the books and records of the Company produced before us and as Considered appreciate 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 in paragraph (1) above, we report that

- 1) We have obtained all the information and explanation, which to the best of our Knowledge and belief wereneccessary for the purpose of our audit.
- 2) In our opinion, the Company has kept proper books of account as required by Law so, far as it appears from our examination of the books and proper returns Adequate for the purpose of our audit.
- 3) The Balance Sheet and Profit and loss Account dealt with by this Report are in Agreement with the aforesaid books of accounts.
- 4) In our Opinion, the Balance Sheet and Profit and Loss Accounts of the Company dealt with by this Report, generally comply with the Accounting Standards referred to in Section 211(3C) of

theCompanies Act, 1956, subject to note 2(K) regardingnon compliance with Accounting Standard 22(Accounting for Tax on Income)

- 5) On the basis of written representations received from the Directors, as on 31st March, 2009 and taken on record the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act,1956.
- 6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and notes thereon, give the information required by the Companies Act, 1956, in the manner so required the give a true and fair view in conformity with the accounting principles Generally accepted in India:
 - i) In the case of balance sheet of the State of affairs of the Company as at 31st March 2009
 - ii) In the case of Profit & Loss Account, of the Profit for the year ended on that date.
 - iii) In the case of Cash Flow Statement, of the Cash Flow as on that date.

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

Date : June 30, 2009
Place : Vadodara

Sd/-
(Vijay N. Tewar)
Proprietor
MembershipNo.40676

ANNEXURE TO THE AUDITORS' REPORT

- 1
 - (a) The Company has maintained proper records showing all particulars including quantitative details and situation of Fixed Assets.
 - (b) As explained to us, the physical verification of its fixed assets located at the plant has been conducted by the management at reasonable intervals. In our opinion, the frequency of the verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed between the book records and the physical inventory in respect of the assets.
 - (c) During the period under audit, the Company has not sold/disposed off substantial part of its Fixed Assets except reclassification of assets grouping in Land, building, plant and machineries and capital work in progress.



- 2
- (a) The inventory of finished goods, stores, spares parts and raw materials have been physically verified by the management, during the period. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of the business.
- (c) The discrepancies noticed on verification between the physical stocks and book records were not material in relation to the operations of the company and the same have been properly dealt with in the books of accounts.
- 3
- (a) The company has not granted any loans, secured to companies, firms or Other parties listed in the register maintained under section 301 of the Companies Act, 1956 during normal business transactions and also the company/firm under the same management and taking and giving payments as and when required.
- (b) In the absence of loan agreement we are unable to comment on this para, however as informed to us by the company such payment have been made by the company in the ordinary course of business and to the companies under the same management.
- (c) As stated above in the para (b) the loans have been granted to the Companies under the same management the repayments have been made as and when required.
- (d) As stated in the above Para (c) no overdue amount more than one lac can be worked out.
- (e) No formal terms and conditions for payment of the principal amount and interest, so we are not in position to give our opinion that instalment payments are regular or not.
- (f) As Stated in the Point no. (e) Above, we are unable to comment whether repayment of Principal and interest was regular or not.
- (g) The company has extended a Loan of Rs 1200 lacs to M/s Apex Power Equipment Pvt Ltd under Pledge of Promoters Shareholding of M/s Apex Power Equipments Pvt Ltd and loan agreements Dated. 30.06.2007.
- 4 In Our Opinion and according to the information and explanation given to us by the management, there is adequate internal control system commensurate with the size of the company and nature of its business with regards to purchase of stores, raw material including components, plant and machinery, equipment and other assets and for sales of goods and services. During the course of audit, we have not observed any continuing failure to correct major weakness in the internal control system.
- 5
- (a) The particulars of Contracts or arrangement referred to in Section 301 of the Act have been entered in the register maintained under that section. However, refer point 3(f) stated above.
- (b) In our opinion and according to the explanation given to us by the management, the transaction made in pursuance of contracts or arrangement entered in register maintained under section 301 of the companies Act 1956 and exceeding the value of Rs 5.00 Lacs in respect of any party have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.
- 6 The Company has not accepted any deposits from public the unsecured loans accepted do not fall within the provisions of Section 58A and 58AA of the Companies Act 1956 and rules framed there under to the extent applicable.
- 7 The Company has and Internal Audit system which, in our opinion, needs to be strengthened as regards its coverage to make it commensurate with its size and nature of business.
- 8 We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government for the maintenance of costs records under the section 201 (1) (d) of the companies act 1956 for the company's products to which the said rules are made applicable and are of the opinion on the basis of explanations given by the management that, prima facie, the prescribed accounts and records for the period under consideration are being updated and being verified by the Cost Auditor approved by the central Government up to 2006-07 report were under preparation stage. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- 9.
- (a) According to the records of the company, Provident Fund, Employee State Insurance, Investor Education & Protection Fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities save few instances, through the delays in deposits have not been serious



- (b) According to the information and explanation given to us, there are no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Investor Education & Protection Fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material statutory dues outstanding as on the last day of the financial year concerned for a period more than six months from the day they become payable.
- (c) According to the information and explanations given to us, there are no sales tax due payable as on date of balance sheet, and no dues payable for Income Tax, Wealth Tax, Custom duty, Excise duty, Service Tax and cess.
- 10 The Company has not incurred cash losses during the financial year as well as during the previous financial year net worth of the company has not eroded by more than fifty percent.
- 11 As explained to us, the company has not granted any loans or advances on the basis of security by way of pledge of share, debentures or any other securities.
- 12 The company does not fall within the category of Chit Fund/Nidhi/Mutual Benefit Fund/Society and hence the clauses 13 (a), (b), (c) and (d) of the companies (Auditor report) (Amendment) order,2003 are not applicable to the company.
- 13 The company is not dealing or trading in shares, securities, debentures and other investment and hence the related reporting requirements are not applicable.
- 14 The company has not given any guarantees against loans taken by others from banks and financial institution.
- 15 The company has raised a Term Loan of Rs. 70 crores for the repayment of Non convertible debentures from the Clearwater Capital Partners India Pvt. Ltd., The tenure of the load is 4 years with the moratorium period 24 month and payable in 8 equal quarterly instalments at the interest rate of 11% p.a. The company has created security by way of first charge by way of equitable mortgage on immovable properties along with an irrevocable power of attorney and first charges by way of hypothecation on all the movable properties of the company.
- 16 According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short terms basis have been used for long terms investment and no long term funds have been used to finance short terms assets except permanent working capital.
- 17 According to the information and explanations given to us, the company has made preferential allotment of share to parties and companies covered in the register maintained under section 301 of the companies Act. 1956, aggregating 25,00,000 shares at a Price valuing Rs 151 each per share for a total consideration of Rs 3775 lacs.
- 18 The Company had during the year 2007-2008, raised Short Term Working capital Load Aggregating to Rs. 90 crores (in the previous year raised to Rs. 60 Crores and the current year, additional Rs. 30 Crores) from the Clearwater Capital Partners India Pvt.Ltd., at 11% interest p.a. This loan has been secured against First charge on Current assets of the company. Out of this loan the company as repaid Rs 41 crores as on 31.03.2009, and the net outstanding is Rs 49 crores.The Company has raised the following Funds based and Non Fund based limits from Bankers as given below based on Security Documents created with Clearwater Capital Partners by Sharing pari passu 1st and 2nd Charge on Fixed Assets and current assets of the company with other Working Capital Banks.
- The Company has received sanction during the year a Term Loan of Rs. 132.00 crores, inclusive of Loan Equivalent Risk (L.E.R.) of Rs. 2.00 crores from the Axis Bank for Company's various expansion projects. The entire Term Loan is underwritten by the Axis bank under the syndication root. The said loan is secured by the first pari passu charge with Clearwater Capital Partners (India) Pvt. Ltd. on the fixed assets of the company, both present and future by way of Memorandum of Entry and the second pari passu charge ranking with Clearwater Capital Partners on the entire Current Assets of the company, both present and future. The company has taken a disbursement of Rs 16 crore only The company has availed the working capital facilities of Rs. 60.00 crores from the Axis Bank Ltd. ; Rs. 53.40 crores from the Bank of India ; Rs. 50.00 crores from the ICICI Bank Ltd. ; Rs. 18.90 crores from the Bank of Baroda & Rs. 90.00 crores from the Clearwater Capital Partners (India) Pvt. Ltd. (repaid Rs. 41.00 crores during the year) 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.
- 19 The Company has not raised any money by public issue during the F. Y. 2008-09. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of audit.

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

Sd/-
(Vijay N. Tewar)
Proprietor
MembershipNo.40676

Date : June 30, 2009
Place : Vadodara



DIAMOND POWER INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT MARCH 31, 2009

SOURCES OF FUNDS	SCHEDULE NO.	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Share Holder's Funds			
Share Capital	1	210,470,700.00	210,470,700.00
Reserves & Surplus	2	1,925,604,240.72	1,085,901,417.00
Total for Share Holder's Funds		2,136,074,940.72	1,296,372,117.00
Loan Funds			
Secured Loans	3	2,310,177,257.29	1,601,766,236.13
Unsecured Loans	4	-	-
Total for Loan Funds		2,310,177,257.29	1,601,766,236.13
Deffered Tax Liability			
Total of Source of Funds		4,446,252,198.01	2,898,138,353.13
Application of Funds			
Fixed Assets	5		
Gross Block		827,212,571.31	468,491,030.48
Less : Depreciation		298,601,177.37	249,777,939.37
Net Block		528,611,393.94	218,713,091.11
Add : Capital Work In Progress		872,092,899.35	398,306,613.61
Total Fixed Assets		1,400,704,293.29	617,019,704.72
Investments	6	50,690,427.00	50,690,427.00
Current Assets, Loans & Advances	7		
Inventories		1,406,906,830.59	793,255,660.41
Sundry Debtors		832,189,924.59	817,332,921.97
Cash & Bank Balances		152,632,032.34	93,730,840.38
EPC Final Bill Pending Approval		285,200,000.00	223,363,792.34
Loans & Advances		617,967,809.56	345,793,803.11
Other Current Assets		166,048,674.46	94,034,459.96
Total Current Assets		3,460,945,271.54	2,367,511,478.17
Less : Current Liabilities & Provisions			
Current Liabilities	8	481,984,040.04	132,567,520.73
Provisions		80,608,751.23	42,668,777.23
Total Current Liabilities		562,592,791.27	175,236,297.96
Net Current Assets		2,898,352,480.27	2,192,275,180.21
Miscellaneous Expenditure (To the Extent Not Written Off or Adjusted)	9	96,504,997.45	38,153,041.20
TOTAL APPLICATION OF FUNDS		4,446,252,198.01	2,898,138,353.13

SIGNATURE TO SCHEDULE 1 TO 17 FORMING PART OF THE ACCOUNTS.

AS PER OUR REPORT OF EVEN DATE

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Vijay N. Tewar & Co.

Chartered Accountants

Sd/-

V. N. Tewar.

Proprietor

Sd/-

Surendra Tamboli

Company Secretary &
Head-Legal

Sd/-

S. N. Bhatnagar

Chairman & M. D.

Sd/-

Amit Suresh

Jt. M. D.

Sd/-

Sumit Suresh

Jt. M. D (O)

Date : June 30, 2009

Place : Vadodara



DIAMOND POWER INFRASTRUCTURE LIMITED
PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED ON MARCH 31,2009

SOURCES OF FUNDS	SCHEDULE NO.	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Income			
Gross sales		6,157,316,058.53	5,090,694,112.00
Less: Excise Duty		149,466,725.40	231,898,781.00
Net Sales		6,007,849,333.13	4,858,795,330.00
Increase in Stocks	10	605,385,278.08	167,296,089.00
Other Income	11	12,723,721.51	21,290,024.00
Total Income		6,625,958,332.72	5,047,381,443.00
Expenditure			
Raw Material Consumed	12	5,527,701,271.51	4,191,437,561.00
Employees' Emoluments	13	56,244,820.79	40,528,023.00
Power and Fuel		48,518,507.68	30,410,726.00
Manufacturing Expenses	14	86,597,023.28	58,173,341.00
Administrative Expenses	15	41,188,835.98	55,999,991.00
Selling and Distribution Expenses	16	18,036,592.27	23,817,491.00
Expenditure-Total		5,778,287,051.51	4,400,367,132.00
Profit before Interest and Dep.		847,671,281.21	647,014,312.00
Less: Finance Charges		216,408,300.19	142,975,810.00
Less: Depreciation		48,823,238.00	28,643,719.00
Interest and Dep.-Total		265,231,538.19	171,619,529.00
Profit(Loss) before Tax		582,439,743.02	475,394,782.00
Income tax		54,000,000.00	39,234,000.00
Fringe Benefit Tax		577,612.00	666,567.00
Total Tax Provisions		54,577,612.00	39,900,567.00
Profit afterTax		527,862,131.02	435,494,215.00
Add: Prior Period Adjustments			-
Add: Extra Ordinary Items		178,983.00	14,900.00
Total Adjustments		178,983.00	14,900.00
Net Profit		527,683,148.02	435,479,315.00
LESS:			
Proposed Dividend		21,047,700.00	0
Tax on Proposed Dividend		3,578,109.00	0
Proposed Dividend(Including Tax)		24,625,809.00	0
Balance brought forward			
Surplus transfered to Balance Sheet		503,057,339	435,479,315.00

SIGNATURE TO SCHEDULE 1 TO 17 FORMING PART OF THE ACCOUNTS.

AS PER OUR REPORT OF EVEN DATE

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Vijay N. Tewar & Co.
Chartered Accountants

Sd/-
V. N. Tewar.
Proprietor

Sd/-
Surendra Tamboli
Company Secretary &
Head-Legal

Sd/-
S. N. Bhatnagar
Chairman & M. D.

Sd/-
Amit Suresh
Jt. M. D.

Sd/-
Sumit Suresh
Jt. M. D (O)

Date : June 30, 2009

Place : Vadodara



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31,2009

SCHEDULE - 1 : SHARE CAPITAL

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
AUTHORISED SHARE CAPITAL 30000000 EQUITY SHARES OF RS. 10 EACH	300,000,000	300,000,000
ISSUED & SUBSCRIBED SHARE CAPITAL 21726820 EQUITY SHARES OF RS. 10 EACH	217,268,200	182,500,000
PAID - UP SHARE CAPITAL 21047070 EQ.SHARES OF RS.10 EACH FULLY PAID - UP - IN RESPECT OF THE ABOVE, * 46,40,800 EQ.SH. WERE ALLOTTED ON PREFERENTIAL BASIS DURING 1999-2000 * 7,50,000 EQ.SH. WERE ALLOTTED ON PREFERENTIAL BASIS DURING 2005-2006 * 1250000 EQ. SHARES WERE ALLOTTED ON CONVERSION OF FULLY CONVERTIBLE DEBENTURES ON PREFERENTIAL BASIS DURING THE YEAR 2006 - 2007 & BALANCE 12,50,000 EQ. SHARES DURING THE YEAR 2007-2008 * ON CONVERSION OF EQUITY WARRANT DURING THE YEAR 2007-2008, 1,50,000 EQ. SHARES WERE ALLOTTED TO BRESCON CORPORATE ADVISORS LIMITED, 5,50,000 EQ. SHARES TO PROMOTERS & 1,00,000 EQ. SHARES TO CLEARWATER CAPITAL PARTNERS (CYPRUS) LIMITED. (THE COMPANY HAD FORFEITED 679750 EQUITY SHARES ON 29.4.2000 OUT OF ISSUED CAPITAL OF 18250000 EQ SH) 3476820 SHARE WARRANTS OF RS.10 EACH, CONVERTED IN TO EQUITY SHARE ON DEC 2008 SHARE WARRANT MONEY 3476820 SHARE WARRANTS OF RS. 10 EACH, RS. 15.10 PAID UP	210,470,700	175,702,500
TOTAL	210,470,700	210,470,700

SCHEDULE - 2 : RESERVES & SURPLUS

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
(A) CAPITAL RESERVE		
Reserve on Debt Restructuring	172,380,954.51	172,380,954.51
Reserve on Forfeited Shares	3,612,750.00	3,612,750.00
Total	175,993,704.51	175,993,704.51
(A-1) SECURITIES PREMIUM		
Shares Premium	867,681,020.00	377,449,400.00
Capital Redemption Reserve	-	-
Revaluation Reserve	-	-
Capital Gain on Sale of Asset	-	-
Premium on Debenture	-	-
Premium on Warrants	-	153,631,782.00
Securities Premium -- Total	867,681,020.00	531,081,182.00
(A-2) STATE GOVT SUBSIDY		
State Government Subsidy	2,500,000.00	2,500,000.00
State Government Subsidy	2,500,000.00	2,500,000.00
State Government Subsidy -- Total	2,500,000.00	2,500,000.00
(B) GENERAL RESERVE		
General Reserve	879,429,516.21	376,326,530.49
General Reserve -- Total	879,429,516.21	376,326,530.49
Reserves & Surplus -- Total	1,925,604,240.72	1,085,901,417.00



SCHEDULE - 3 : SECURED LOANS

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
SECURED LOANS		
(A) TERM LOANS		
IDBI		
Central Bank of India		
Interest Accrued & Due		
Axis Bank Term Loan	402,381,568.07	
Term Loans -- Total	402,381,568.07	
(B) Working Capital Demand Loan & Short Term Loans		
(B-1) Cash Credit		
Bank OCC Account	711,797,505.22	
Cash Credit Account -- Total	711,797,505.22	
(B-2) Working Capital Demand Loan		
Working Capital Demand Loan All	491,000,000.00	900,000,000.00
Working Capital Demand Loan -- Total	491,000,000.00	900,000,000.00
(B-3) Over Draft		
Bank of Baroda Atmayajyoti		
Over Draft Loan -- Total		
Other Loans		
Other Loans	4,998,184.00	1,766,236.00
Clear Water Capital Partners Loan	700,000,000.00	700,000,000.00
Other Loans -- Total	704,998,184.00	701,766,236.00
Working Capital Loans -- Total	1,907,795,689.22	1,601,766,236.00
(C) Non Convertible Debentures		
Non - Convertible Debentures		
Non - Convertible Debentures -- Total		
Secured Loans -- Total	2,310,177,257.29	1,601,766,236.00

SCHEDULE - 4 : UNSECURED LOANS

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
(1) Fixed Deposit	-	-
(2) Loans & Advance from Subsidiary	-	-
(3) Short Term Loan & Advances		
(a) From Banks	-	-
(b) From Others	-	-
(4) Other Loans & Advances		
(a) From Banks	-	-
(b) From Others	-	-



SCHEDULE - 6 : INVESTMENTS

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Long Term Investments		
(A) Investments in Quoted Shares		
Quoted Shares at Cost		
Additions to Quoted Shares		
Disposal of Quoted Shares		
Adjustments in the Shares (AS)	----	----
Investments in Quoted Shares -- Total		
(B) Investments in Unquoted Shares		
Unquoted shares at Cost	50,644,426.00	50,644,426.00
Additions to Unquoted Shares		
Disposal of Unquoted Shares		
Adjustments in the Shares (AS)		
Investments in Unquoted Shares -- Total	50,644,426.00	50,644,426.00
(C) Other Investments		
Other Investments	46,001.00	46,001.00
Additions to Other Investments		
Disposal of Other Investments		
Adjustments in Other Investments (AS)		
Accrued Interest in Other Investments	-	-
Other Investments -- Total	46,001.00	46,001.00
WESTERN TRANSFORMERS	-	-
Investments -- Total	50,690,427.00	50,690,427.00

SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
(A) CURRENT ASSETS		
(A-1) Inventories at Cost(As Certified by Management)		
Raw Materials	128,586,989.02	57,949,959.38
Work in Progress	485,558,230.59	220,907,775.31
Finished Goods	700,372,614.58	359,637,842.89
Packaging Material	866,594.21	1,506,225.86
Consumable Stores	3,996,873.46	1,906,625.76
Fuel & Gases	487,197.30	970,899.21
Goods in Transit	87,038,332.00	150,376,332.00
Inventories at Cost --- Total	1,406,906,831.16	793,255,660.41
(A-2) Sundry Debtors (Unsecured Considered Good)		
Dealer Network	23,583,319.25	16,996,197.25
Export		
Utility -- SEB's	386,740,952.36	609,980,160.34
Engineering Procurement Construction	279,617,589.99	63,779,640.73
Others	142,248,062.99	126,576,923.65
Sundry Debtors -- Total	832,189,924.59	817,332,921.97
(A-3) Cash & Bank Balance		
Cash in Hand	33,723.93	1,158,206.84
Bank Balance	35,123,495.46	17,064,316.68
Margin Money	117,474,812.95	50,028,733.78
Fixed Deposit		25,479,583.08
Cash & Bank Balance -- Total	152,632,032.34	93,730,840.38
(A-4) EPC Projects Pending Final Billing Approval		
EPC Projects Pending Billing Approval	285,200,000.00	223,363,792.34
EPC Projects Pending Final Billing Approval -- Total	285,200,000.00	223,363,792.34
Current Assets -- Total	2,676,928,788.09	1,927,683,215.10



SCHEDULE - 7 : Continued.....

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
(B) Loans & Advances (Unsecured Considered good)		
(B-1) Loans		
Cash or Kind		
Staff	805,831.00	958,752.00
Apex Power Equipment Pvt Ltd	104,262,792.89	-
Loans -- Total	105,068,623.89	958,752.00
(B-2) Government Advances		
PLA	613,966.00	613,966.00
Cenvat	55,800,877.05	29,478,468.45
Service Tax	20,317,582.24	6,372,235.37
Fringe Benifit Tax		
Tax Deducted at Source	3,800,924.60	3,688,999.60
Income Tax	3,335,923.67	264,419.00
Import Entitlement		
Electricity Duty Refund	230,416.11	230,416.11
Sales Tax Advance	37,163,123.90	
Government Advances -- Total	121,262,813.57	40,648,504.53
(B-3) Corporate Advances		
Deepan Vassa		
Diamond E.H.V. Conductors	4,000.00	4,000.00
Diamond Tele-Cabs Pvt Ltd.		
Enterprise Intelligent Systems Limited	-	2,105,464.90
Apex Equipments Pvt. Ltd	-	99,620,628.00
Western Transformers	35,637,311.79	45,027,126.79
Corporate Advances -- Total	35,641,311.79	146,757,219.69
(B-4) Business Advances		
Advance to Vendor for Expenses	1,045,927.98	2,195,807.98
Advance to Vendors for Goods	354,896,667.33	155,181,053.91
Advance to Branches		
Business Advances -- Total	355,942,595.31	157,376,861.89
(B-5) Other Advances		
Retention Money		
Other Advances	52,464.87	52,464.87
Other Advances -- Total	52,464.87	52,464.87
Loans & Advances -- Total	617,967,809.43	345,793,802.98
(C-1) Sundry Deposits		
Government Deposits	103,000.00	59,300.00
Security Deposit	132,682,959.00	40,550,392.00
Earnest Money Deposit	20,511,314.00	33,773,351.00
Lease Rent	6,440,400.00	6,110,400.00
Other Deposits	6,311,001.46	13,541,016.96
Sundry Deposits -- Total	166,048,674.46	94,034,459.96
Current Assets, Loans & Advances --- Total	3,460,945,271.98	2,367,511,478.04



SCHEDULE - 8 : CURRENT LIABILITIES & PROVISIONS

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
(A) CURRENT LIABILITIES		
(A-1) Sundry Creditors		
Creditors for Goods	360,903,013.22	49,008,665.24
Creditors for Expenses	56,686,001.31	68,627,774.71
Creditors for Goods in Transit		
Sundry Creditors -- Total	417,589,014.53	117,636,439.95
(A-2) Creditors for Others		
Duties & Taxes Payable	10,309,659.94	3,406,854.85
Statutory Liability Payable	13,990,751.01	6,538,182.37
Employee Dues Payable	2,798,116.28	1,262,395.28
Investor Education & Protection Fund	70,471.00	
Creditors for Others -- Total	26,950,504.23	11,207,432.50
(A-3) Other Liabilities Payable		
Other Liabilities Payable	37,444,521.28	3,723,648.28
Other Liabilities Payable -- Total	37,444,521.28	3,723,648.28
Current Liabilities -- Total	481,984,040.04	132,567,520.73
(B) PROVISIONS		
Provision for Taxation	54,627,946.23	41,769,113.23
Provision for Dividends	21,047,700.00	--
Provision for Tax on dividend	3,578,109.00	--
Provision for Expenses	1,354,996.00	899,664.00
Provision for Others		
Provisions -- Total	80,608,751.23	42,668,777.23
Current Liabilities & Provisions -- Total	562,592,791.27	175,236,297.96

SCHEDULE - 9 : MISCELLANEOUS EXPENDITURE

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
(A) MISCELLANEOUS EXPENDITURE		
(A-1) Preliminary Expenses		
Preliminary Expenses	20,137,319.00	30,205,979.00
Preliminary Expenses -- Total	20,137,319.00	30,205,979.00
(A-2) Pre-operative Expenses		
Pre-operative Expenses	-	
Pre-operative Others	-	
Pre-operative Expenses -- Total	-	
(A-3) Pre-Project Expenses		
Pre-project Expenses ABC Cable	3,919,825.20	7,839,639.20
Pre-project Expenses HSHC conductor		
Pre-project Expenses FRLS Cable		
Pre Project Expenses All	72,447,853.25	107,423.00
Pre- Project Expenses -- Total	76,367,678.45	7,947,062.20
(A-4) Deferred Revenue Expenditure		
Share Issue Expenses		
Deferred Revenue Expenditure -- Total		
Miscellaneous Expenditure -- Total	96,504,997.45	38,153,041.20
(B) Profit & Loss Debit Balance		
Profit & Loss Account - Balance Brought Forward	-	
Loss During the Year	-	
Profit During the Year -- Misc Expenditure	-	
Profit & Loss Credit Balance -- Total	-	
Miscellaneous Expenditure -- Total	96,504,997.45	38,153,041.20



SCHEDULE - 10 : INCREASE / DECREASE IN STOCK

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
(A) OPENING STOCK		
Work in Progress	220,907,775.31	242,515,800.00
Finished Goods	359,637,842.83	172,944,674.00
Opening Stock -- Total	580,545,618.14	415,460,474.00
(B) CLOSING STOCK		
Work in Progress	485,558,281.64	220,907,775.31
Finished Goods	700,372,614.58	359,637,842.83
Closing Stock -- Total	1,185,930,896.22	580,545,618.14
WIP Increase / Decrease Division wise		2,210,944.73
Increase / decrease in Stock	605,385,278.08	167,296,088.87

SCHEDULE - 11 : OTHER INCOME

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Provisions / Bad Debts Written Back/ Excess		
Discounts / Kasar Received	-6,908.00	2,454.00
Dividend Received	750.00	762.00
Income from Rent	-	
Interest Received	10,317,648.51	16,945,226.39
Notice Pay Recovered	255,471.00	91,287.00
Claim Received	65,000.00	1,407,019.00
Other Income	2,091,760.00	2,843,275.86
Other Income -- Total	12,723,721.51	21,290,024.25

SCHEDULE - 12 : NET RAW MATERIAL CONSUMED

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Opening Stock		
Add: Purchases	5,527,701,271.51	4,191,437,560.71
Less: Closing Stock		
Net Rawmaterial Consumed -- Total	5,527,701,271.51	4,191,437,560.71

SCHEDULE - 13 : EMPLOYEES EMOULMENTS

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Bonus	1,665,464.00	1,217,114.00
Director's Remuneration (Net)	13,862,346.00	14,205,683.50
House Rent Allowance	2,198,440.00	1,667,813.00
Leave wages / Salary	2,290,509.00	429,570.00
Medical Expenses	637.00	151.00
Medical Allowances	1,651,346.00	1,260,340.00
Providend Fund Expenses (P.F. & F.P.F)	1,696,835.00	1,615,824.00
Salary & Wages	27,336,520.00	15,763,072.00
Staff & Labour Welfare	2,526,742.00	1,651,787.30
Stipend	1,185,725.00	2,047,515.00
Telephone Allowance	1,830,256.79	669,151.74
Employees Emoulements -- Total	56,244,820.79	40,528,022.54



SCHEDULE - 14 : MANUFACTURING EXPENSES

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Cartage & Transport	7,778,255.00	4,936,884.50
Excise Duty Paid	----	-7,988,821.00
Calibration Expenses	60,782.00	35,926.00
Service Charges	26,893,167.67	22,785,879.43
Consumable Stores	14,235,347.68	13,163,640.19
Repair & Maintenance (Plant & Machinery)	1,080,018.00	2,008,206.53
Factory Expenses	1,510,303.25	1,154,197.89
Electrical Spares	----	74,723.18
Insurance Expenses	1,756,762.35	886,162.74
Packing Material	30,464,376.66	19,650,925.65
Detention & Demurrage Charges	2,000.00	----
Diesel for Generator	842,305.00	660,958.50
Srvvey Charges -- Infrastructure	1,973,705.00	804,657.00
Sales Tax (VAT)	----	----
Manufacturing Expenses -- Total	86,597,022.61	58,173,340.61

SCHEDULE - 15 : ADMINISTRATIVE EXPENSES

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Income Tax Assesment Dues	1,000.00	
Audit Fees	791,413.00	925,368.40
Consultancy Charges	637,823.00	693,144.00
Conveyance Expenses	179,589.00	471,031.00
Donation	104,906.00	383,001.00
Electricity Expenses	683,171.00	308,691.59
Exchange Fluctuation	----	----
Legal & Professional charges	8,101,641.00	4,710,502.84
Post, Tele. & Courier Charges	517,326.00	1,466,247.38
Rent, Rates & Taxes	4,440,816.00	3,809,431.00
Application Fees	----	----
Repairs & Maintenance Others	430,205.00	1,331,918.00
Printing & Stationary Expenses	1,147,191.00	1,126,918.38
Sundry Expenses	583,868.20	269,851.20
Travelling Expenses	5,205,552.00	3,731,500.01
Vehicles Expenses	2,916,482.00	2,778,403.50
Amortisation Expenses	13,988,474.00	14,053,267.00
Office Expenses	527,598.00	453,236.05
Software Expenses	525,139.73	638,910.25
Sub-Total	40,782,194.93	37,151,421.60
Service Tax Expenses	260,546.39	568,523.00
Documentation Charges	146,276.00	1,870,830.00
Penalty	123.00	1,510.00
ISO9002 Expenses	----	----
Loss on Sale of Fixed Assets	----	----
Sundry Balances Written of	-304.34	16,407,706.13
Sub - Total 2	406,641.05	18,848,569.13
Administrative Expenses -- Total	41,188,835.98	55,999,990.73



SCHEDULE - 16 : SELLING & DISTRIBUTION EXPENSES

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Advertising Expenses	3,979,357.00	6,045,077.05
Sales Promotion Expenses	2,152,962.56	2,824,886.15
Commission on Sales	583,814.00	504,966.00
Marketing Expenses	11,320,458.71	14,442,562.01
Sales Tax	----	----
Selling & Distribution Expenses -- Total	18,036,592.27	23,817,491.21



**SCHEDULE : 5
FIXED ASSETS as on 31.03.2009**

Particulars	Op. Bal. 01.04.2008	Gross Block			Depreciation			Net Block	
		Addition	Dedu.	31.03.2009	01.04.2008	For the year	31.03.2009	01.04.2008	31.03.2009
Gross Block									
Land & Site Development	9,297,227.17	266,000.00	-30,000.00	9,533,227.17	0.00	0.00	9,297,227.17	9,533,227.17	
Building	119,991,736.02	15,224,779.35		135,216,515.37	21,451,257.01	436,135.00	98,540,479.01	109,403,905.36	
Plant & Machinery	289,763,831.28	327,657,695.00		617,421,526.28	201,236,609.19	388,197,73.00	88,527,222.09	377,365,144.09	
Electrical Installation	14,320,793.56	7,412,342.00		21,733,135.56	9,170,081.21	145,389.00	5,150,712.35	11,109,163.35	
Furniture & Fixture / Equipments	23,970,482.77	2,539,755.48		26,510,238.25	12,476,861.14	300,173.00	11,493,621.63	11,031,647.11	
Vehicles	11,022,571.87	5,650,969.00		16,673,540.87	5,318,743.01	11,864,91.00	5,703,828.86	10,168,306.86	
Other Assets	124,387.81			124,387.81			0.00	0.00	
Total	468,491,030.48	358,751,540.83	-30,000.00	827,212,571.31	249,777,939.37	488,232,38.00	218,713,091.11	528,611,393.94	
Capital Work In Progress	398,306,613.61	924,394,266.08	-450,607,980.34	872,092,899.35	0.00	0.00	398,306,613.61	872,092,899.35	
PREVIOUS YEAR	450,015,713.00	421,094,180.00	4,312,248.00	866,797,645.00	221,134,220.00	28,643,719.00	617,019,706.00	173,558,724.00	



SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

17. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES

A. Statement of significant accounting policies:

1. **Method of Accounting:** The Financial Statements are prepared as a going-concern under historical cost convention on an accrual basis except those with significant uncertainty and in accordance with the Accounting Standards referred to in Section 211(3C) of Companies Act, 1956. Accounting Policies not stated explicitly otherwise are consistent with generally accepted accounting principles.
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 (net of cenvat) 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 monthly pro - rata basis.
5. **Expenditure during construction period:** All pre-operative project expenditure (net of income accrued), including interest on borrowings incurred up to the date of installation is capitalized and added pro-rata to the cost of fixed assets. Foundation costs are allocated as certified by management.
6. **Investment:** Long-term investments are valued at cost.
7. **Inventories:** Inventories of finished goods are valued at lower of costs or net realizable value inclusive of excise duty. Work in process (including finished stock pending QC inspection) is valued at cost representing material, labour and apportioned overheads as certified by the management. Other inventories are valued at cost. Materials related to Projects under implementation are valued at standard cost.

8. **Import Entitlements:** No Benefits for Import entitlement have been claimed during the period and the Company has no accrued import entitlement as on date.
9. **Retirement Benefits:** Contribution to Provident Fund is accounted on actual liability basis. Provision for Gratuity and Leave Encashment is made based on actuarial valuation.
10. **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.
11. **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 Ariel Bunch Cable Project (ABC Project) have been charged to the revenue for the financial period.
12. **Foreign Currency Conversion:** There were foreign currency transactions took place during the period.
13. **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 & during the year 2008-09, an amount of finance charges of Rs.4,79,46,683/- (Previous Year Rs.55,48,186/-) have been capitalized & included in work in progress.
14. **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.

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.

The tax liability on account of Fringe Benefits is provided as per the provision of Section 115WA of Income Tax Act 1961.



15. Impairment of Assets: The Company has examined carrying cost of its identified Cash Generating Units (CGU) by comparing present value of estimated future cash flows from such CGUs, in terms of Accounting Standard-28 on impairment of Assets, and in absence of any indication of being potential impairment of Assets, no provision for impairment is required as assets of none of CGUs are impaired during the financial year under consideration.

16. Contingent Liabilities : Contingent Liabilities are not provided in the accounts and are disclosed separately by way of notes forming parts of accounts

Part - B Notes to Accounts:

1. Contingent Liabilities:

- (a) Letter of Credit opened Rs.2355.69 lacs, materials under all letters of credit have been received and accounted for as Creditors,
- (b) Outstanding Bank Guarantees as of March 31, 2009 is Rs. 2850.00 lacs (Previous Year Rs.481.16Lacs).
- (c) Income tax demands being in appeal not provided for Rs. NIL (previous year Rs. Nil).
- (d) There are no outstanding Claims against the Company.

2. Share Capital:

During the current financial year, the share capital of the company underwent through various changes to Conversion of warrants into share capital by various warrant holders:

- Strategic Investor Clearwater Capital Partners Cyprus Ltd were allotted 10,00,000 Fully paid up warrants at a Face Value of Rs10 /- per and premium of Rs 141 per Shares, the same were converted into 10,00,000 equity Shares at Par in December 2008 .
- The promoters and Group companies were issued 2476820 numbers of Equity Warrants at a face value of Rs. 10/- per warrant with a premium of Rs. 141/-per warrant with a maturity of 18 months in 2007. The warrants since fully paid up have been converted into 2476820 Equity Share of Rs 10/- each with a Premium of Rs 141/- per share during the quarter ended on December 31, 2008.

3. Reserves & Surplus

- Capital Reserve includes the amount of Rs.25,00,000 added to it being the State Govt. Subsidy.
- Due to conversion of 3476820 warrants into equity shares, the share premium account is increased by Rs. 4902.32 Lacs.

4. Secured Loans:

- 1 The company has availed a Term Loan of Rs. 70.00 crores during the year 2007-08 from the Clearwater Capital Partners (India) Pvt. Ltd. @11% rate of interest per annum with variable GOI security Rate for the repayment of the entire term loan.
- 2 The Company has received sanction during the year a Term Loan of Rs. 132.00 crores , inclusive of Loan Equivalent Risk (L.E.R.) of Rs. 2.00 crores from the Axis Bank for company's various expansion projects. The entire term Loan is underwritten by the Axis bank under the syndication root. The said loan is secured by the first pari passu charge with Clearwater Capital Partners (India) Pvt. Ltd. on the fixed assets of the company , both present and future by way of Memorandum of Entry and the second pari passu charge ranking with Clearwater Capital Partners on the entire Current Assets of the company, both Present and future. The company has taken a disbursement of Rs 40 crore only .
- 3 The company has availed the working capital facilities of Rs. 60.00 crores from the Axis Bank Ltd.; Rs. 53.40 crores from the Bank of India ; Rs. 50.00 crores from the ICICI Bank Ltd.; Rs. 18.90 crores from the Bank of Baroda & Rs. 90.00 crores from the Clearwater Capital Partners (India) Pvt. Ltd. (repaid Rs. 41.00 crores during the year) against the security of first pari passu charge on the entire current assets of the company by way of Hypothecation agreement and the second pari passu charge on the entire fixed assets of the company.
5. Unsecured Loans:
The company has not availed any unsecured loans.
6. Balance confirmation letters were sent out to various debtors and creditors. The confirmation of most of the Debtors and creditors is received.
7. 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.
8. No provision has been made for certain debtors as all receivables are considered to be fully recoverable in the opinion of the management.
9. 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.



10. In view of the continued losses, the creation of deferred tax assets based on future profitability, in the opinion of the management at present not feasible and neither does virtual certainty exist regarding the same. Hence, no provision for deferred tax asset is created as required under the Accounting standard 22 issued by the Institute of Chartered Accountants of India on accounting for taxes on income and hence for the year under report the same has not been complied with. However, provision for Income tax for the period has been made on the basis of the estimated total income after setting off allowable under the Income tax Act, 1961.

11. 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 and the EPC is at a very nascent stage, it is not possible to directly attribute or allocate on a reasonable basis, the expenses, assets & liabilities and to Segregate the sales in Segments. However the company separately gives out the figures for its subsidiary Company Diamond Power Transformers Ltd

12. SHARE HOLDING IN VARIOUS COMPANIES:

The company holds 50% in Apex Electricals Ltd. It has made and 100% of the equity in the Diamond Power Transformers Ltd.

13. Related Party Disclosures:

A. List of Related Parties with whom transaction have taken place during the year

1. Associated Companies

- Diamond Projects Ltd
- Diamond Infosystems Ltd (Formerly known as Enterprise Intelligence Systems Ltd)

2. Subsidiary Companies :

- Diamond Power Transformers Ltd

3. Key Management Personnel:

Mr. S. N. Bhatnagar (Chairman & Managing Director)
 Mr. Amit Suresh (Joint Managing Director)
 Mr. Sumit Suresh (Joint managing Director-O)

4. Relatives of Key Management personnel:

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

5. Enterprise under significant influence of key management personnel:

None

B. Summary of the transactions with related parties is as under:

Particulars	Associate	Key Management Personnel	Relative of key Management Personnel	Ent. under significant Influence of key Mgt. Pesonnel & their relatives	Total
Purchase/ (sales) of Goods	Nil	Nil	Nil	435.45	435.45
Receipts/ Rendering of services	12.00	Nil	Nil	Nil	12.00
Rent (Paid)/ Recd.	5.62	8.39	7.30	Nil	21.31
Advances Recd/(Given)	Nil	Nil	Nil	2933.21	2933.21
Directors Remuneration	Nil	78.20	Nil	—	78.20
Outstanding Receivable as on 31.03.2009	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.



14. Earning per Share (EPS)

As required by Accounting Standard 20 issued by the ICAI, the reporting in respect of EPS is as follows:

	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Profit / (Loss) available to Equity Shareholders	5276.83Lacs	4354.79 lacs
Weighted average No. of equity share for Basic EPS	21047070	17570250
Normal value of equity shares	10.00	10.00
Basic earning per equity share	25.07	24.78

15.A) Details of the Small Scale Industries (SSI) units which has supplied the materials to the Company during the company owes a sum exceeding Rs 1.00 Lacs and which is outstanding for more than 30 days are as under :-

Sr. No.	Name of SSI Unit	Amount in Rs.
1	Shree Bhavani Timbers	279853
2	Jagdish Timbers	190638
3	Shree Durga Timber	693000
4	Shree Durga Timber	245615

Note:-The above information regarding small scale industrial undertaking has been determined to the extent such parties have been identified on the basis of information available with the Company .The same has been relied upon by the Auditors.

16. Sales include an amount of Rs 3323Lacs (Net of Duty) of inter- unit Transfer (Previous year Rs 4588 Lacs).

17. Aggregate director's remuneration Rs. 138.62 Lacs (previous year Rs.142.06 Lacs). The remuneration of reappointed directors are 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. This also includes payments made for other perquisites like gas, electricity etc and medical reimbursements.

18. Aggregate auditor's remuneration is fixed at Rs.8.74Lacs per annum (previous year Rs.8.74 Lacs) which includes Rs. 7.18 lacs as Audit Fees (Previous Year Rs.1.50 lacs) 0.46 lacs as Tax Audit fees (Previous Year Rs.0.18 lacs) and Rs. 1.09 lacs towards Out of Pocket Expenses (Previous year Rs. Nil).

19. As per Accounting Policy (10) on excise duty, the excise duty payable on finished goods in stocks at works amounting to Rs 137 Lacs (previous year Rs169.79 Lacs) has been included in the expenditure and in such stocks. However, the same has no impact on the profit for the year.

20. There are no amounts due and outstanding to be credited to investor Education and Protection Fund.

21. Details of Licensed, Installed Capacities and Production:

Goods Mfg.	Licensed Capacity	Installed Capacity Current Year	Prod. Current Year	Prod. Previous Year (6 Mnths)
All Aluminum Alloy Conductors & ACSR Conductor (Excluding Conductors used In Cables)	NA	50500 MTPA.	23,800 Mt	16588 Mt
LT Electric Power Cables & Control Cables	NA	9500 Kms.	8800 kms	6820 kms
HT Cables	NA	2800 Kms	238 kms	NA
Distribution	NA	5000 MVA	4200 MVA	-----

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,0 the production has been shown in Kms. The values are usually taken as per relevant IS standards.



**22. Details of Raw Materials Consumed
(including captive consumption)**

Description of Item	U.O.M	Quantity For the year 2008-09	Quantity For the year 2007-08
Aluminum	M.Ts.	28,900	22565
Copper	M.Ts.	1300	656

**23. Value of Imported and indigenous Raw Material Consumed and Percentage thereof:
(Rs. in lacs)**

Raw - Materials	Current year	Previous year	Current year %	Previous year %
Imported	234.10	No	0.34	Nil
Indigenous	65954.97	No	99.66	Nil

24. Particulars of Sales and Stocks:

Item	U.O.M	Opening Stock	Sales	Closing Stock
Conductor	Kms.	2900	72,600	2154
Power & Control Cables	Kms.	256	8856	200

25. Expenditure in Foreign Currency

Particulars	2008-09 Amount (Rs in Lacs)	2007-08 Amount (Rs in Lacs)
Import on CIF basis	558.57	313.19
Traveling Expense	7.00	Nil
Others	450.00	2.60

26. Income in Foreign currency

Particulars	FOB Value of exports
Deemed exports	Rs. Nil
Foreign exchange fluctuation	Rs. Nil

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

SIGNATURE TO SCHEDULE 1 TO 17 FORMING PART OF THE ACCOUNTS.

AS PER OUR REPORT OF EVEN DATE

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

**Vijay N. Tewar & Co.
Chartered Accountants**

Sd/-
V. N. Tewar.
Proprietor

Sd/-
Surendra Tamboli
Company Secretary &
Head-Legal

Sd/-
S. N. Bhatnagar
Chairman & M. D.

Sd/-
Amit Suresh
Jt. M. D.

Sd/-
Sumit Suresh
Jt. M. D (O)

Date : June 30, 2009

Place : Vadodara



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2009

Cash flow from operating activities.	2008-09 (Amount Rs.)		2007-08 (Amount Rs.)	
	(Rs in Lacs)	(Rs in Lacs)	(Rs in Lacs)	(Rs in Lacs)
Net profit before tax and extra ordinary item		5824.39		4753.80
Adjustment for:				
Depreciation	488.23		286.43	
Deffered Expenses				
Income Tax	-799.47		-399.00	
Interest expenses	2164.08		1429.75	
Loss on sale of Assets	0		0	
Extra Ordinary items	-583.52		139.55	
Interest Recived	-103.18		-169.46	
Interest \ Other income Received		1166.14		1287.27
Operating profit before working capital changes		6990.99		6041.07
Change in inventories	-6136.51		-2216.63	
Change in receivables	-148.57		-3905.27	
Changes in Loans and Advances	-2721.74		-2290.53	
Change in other current Assets	-1338.50		-2043.30	
Change in current liabilities	3494.17		1083.89	
Net change in working capital	-6851.15	-6851.15	-9371.84	-9371.84
Cash generated from operations				
Cash Flow from Investment Activities		139.84		-3330.77
Direct Taxes Paid	0	0	0	0
Cash flow before Extra Ordinary / prior period items				
Interst Recived	-103.18		-169.46	
Prior Period items (Restructuring)				
Net cash flow from operating activity				
Increase of fixed assets	-7836.84		-3996.99	
Decrease in Fixed Assets	0		0	
Increase of investment	0		-360.40	
Loss on Sale of Assets	0		0	
Net cash flow used in investing activities	-7836.84	-7836.84	-4357.39	-4357.39
Cash flow from financing activities				
Proceeds from issue of share capital(net)	0		476.68	
Proceeds from Debt Re-structuring	0		0	
Proceeds from Premium	3365.99		3278.82	
Decrease in Secured loans	7084.11		5160.90	
Decrease in Subsidy	0		0	
Interest paid	-2164.08		-1429.75	
Increase in long term & other borrowing (net)				
Increase in unsecured loans	0		-2113.64	
Net cash flow from financing activities	8286.02	8286.02	5373.01	5373.01
Net increase in cash & cash equivalents		589.02		-2315.15
Add: Cash & cash equivalents opening	937.30		3252.45	
Cash & cash equivalents closing	1526.32	-589.02	937.30	2315.15

Note : Figures in brackets indicate negative figure.

AS PER OUR REPORT OF EVEN DATE.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Vijay N. Tewar & Co.
Chartered Accountants

Sd/-
V. N. Tewar.
Proprietor

Sd/-
Surendra Tamboli
Company Secretary &
Head-Legal

Sd/-
S. N. Bhatnagar
Chairman & M. D.

Sd/-
Amit Suresh
Jt. M. D.

Sd/-
Sumit Suresh
Jt. M. D (O)

Date : June 30, 2009

Place : Vadodara



Additional information pursuant to part IV of the Companies Act, 1956.
BALANCE SHEET ABSTRACT & COMPANIES GENERAL BUSINESS PROFILE (Rs in Thousand)

Sr.No.	PARTICULARS	2008-09 (Rs in Thousand)	2007-08 (Rs in Thousand)
1	Registration Details Registration No. State Code No. Balance Sheet Date	18198 4 31/03/2009	18198 4 31/03/2008
2	Capital raised during the year Public issue (issue through the prospectus) Right issue Bonus issue Private Placement	Nil Nil Nil Nil	Nil Nil Nil Nil
3	Position of mobilisation and development of funds Total liabilities Total Assets Sources of Funds Paid up capital Reserve & surplus Secured loans Unsecured loans Applications of funds Net fixed assets Investments Net current assets Miscellaneous expenditure Accumulated Losses	444625.00 444625.00 21047.00 192560.00 231018.00 0 140070.00 5069.00 289835.00 9650.00	289814.00 289814.00 21047.00 108590.00 160177.00 0 61702.00 5069.00 219228.00 3815.00
4	Performance of company Turnover Total expenditure Profit before extra ordinary items & taxation Profit / (Loss) before tax Profit / (Loss) after tax Earning per share (Rs) Dividend rate %	600785.00 604352.00 58244.00 52786.00 52768.00 25.07 10 %	485880.00 457199.00 47539.00 43549.00 43548.00 24.79 -
5	Generic name of principal products, services of the company Item code (ITC Code) Product Description Item code (ITC Code) Product Description Item Code Product Description	AYFY,AYY,YWY,YY FRLS,XLPS Cables AAA,AAAC, ACSR Conductor Ec Alloy Wire Rods	AYFY,AYY,YWY,YY FRLS,XLPS Cables AAA,AAAC, ACSR Conductor Ec Alloy Wire Rods

AS PER OUR REPORT OF EVEN DATE.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Vijay N. Tewar & Co.
Chartered Accountants

Sd/-
V. N. Tewar.
Proprietor

Sd/-
Surendra Tamboli
Company Secretary &
Head-Legal

Sd/-
S. N. Bhatnagar
Chairman & M. D.

Sd/-
Amit Suresh
Jt. M. D.

Sd/-
Sumit Suresh
Jt. M. D (O)

Date : June 30, 2009

Place : Vadodara



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

1.	Name of the Subsidiary Company	Diamond Power Transformers Ltd.
2.	The financial year (period) of the subsidiary company ended on	March 31, 2009
3.	Extent of interest of Diamond Power Infrastructure Limited in the capital of the subsidiary at the end of the financial year of the subsidiary	48,60,000 equity shares of Rs. 10/- each fully paid up in total of 50,00,000 equity shares.
4.	<p>The net aggregate amount of Profit / Loss of the subsidiary so far as it concerns the members of Diamond Power Infrastructure Limited</p> <p>(a) Not dealt with in the company's accounts for the year ended March 31, 2009 amounted to</p> <p>i) For the subsidiary's financial year ended in (2) above.</p> <p>Rs. 3,60,10,952</p> <p>ii) For the previous financial years of the subsidiary since it became the holding company's subsidiary.</p> <p>Rs. 2,04,35,339</p> <p>(b) Dealt with in Company's accounts for the year ended March 31, 2009 amounted to</p> <p>i) For Subsidiary's financial year ended as in (2) above</p> <p>Not Applicable</p> <p>ii) For the previous financial years of the Subsidiary since it became the holding Company's Subsidiary.</p> <p>Note Applicable</p>	

For and on behalf of the Board of Directors

Sd/-
S. N. Bhatnagar
Chairman & Managing Director

Sd/-
Amit Bhatnagar
Jt. M. D.

Sd/-
Sumit Bhatnagar
Jt. M. D. (O)

Sd/-
Surendra U Tamboli
Company Secretary &
Head-Legal

Place : Vadodara
Date : June 30, 2009



DIRECTORS' REPORT

DEAR MEMBERS

Your directors have pleasure in presenting the Second Annual Report along with the Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

The Company has shown remarkable growth in its operations during the year.

Following Statement indicates the overall financial strengths of the Company :

(Rs. in Lacs)

Sr. No	Particulars	2008 - 09	2007 - 08
1	Income	9952.07	4557.32
2	Expenditure	9290.59	4182.89
3	Profit B I D T	661.48	374.43
4	Interest	53.10	41.93
5	Depreciation	20.42	13.32
6	Net Profit/(loss)	367.45	208.66
7	Share Capital	500.00	500.00
8	Reserves	575.98	208.66
9	EPS (Rs.)	7.35	4.17

The important performance ratios are as under :

Sr. No	Particulars	2008 - 09	2007 - 08
1	Fixed Asset Turnover (times)	31.42	19.23
2	Operating Profit Ratio	6.17	8.05
3	Return on Capital Employed	27.1	21.6
4	Return on Net Worth	34.3	29.7
5	Working Capital Turnover Ratio	12.31	4.85

OPERATIONS

Your Company is engaged in manufacturing and dealing in various types of Distribution and Power Transformers and allied items. Its products range consist of 10 KVA to 2000 KVA, single phase and three phase transformers conforming to IS:1180 (Part I & II) and relevant international standards. Your Company has also been able to procure orders for 2MVA, 5MVA and 10MVA Transformers for reputed clients.

Your Company can manufacture any specially designed Transformer for special purposes as per customer requirements and specifications.

The present setup of plant and machineries is in the position to manufacture 66/11 KV Power Transformers upto 10 MVA ratings.

Your Company has received repeat orders from Swaziland Electricity Company, Swaziland for supply of various types of Transformers amounting to Rs. 15.00 crores.

DIVIDEND

Your directors do not recommend any dividend.

DIRECTORS

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Amit Bhatnagar who retires at ensuing Annual General Meeting by rotation and being eligible, offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) 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.
- b) 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, 2009 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 to safeguard 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.

AUDITORS

M/s. R A Amin & Co., Chartered Accountants and Statutory Auditors were appointed as the Statutory Auditors of the Company, who will retire at ensuing annual general meeting. They being eligible, have shown their willingness for reappointment. 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.

FIXED DEPOSITS

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

CONSERVATIONS OF ENERGY, TECHNOLOGY ABSORPTIONS AND FOREIGN EXCHANGE

The particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange earning and outgo as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, is given in Annexure A. It may be noted that there was no expenditure on account of technology absorption during the year 2008-09.

PERSONNEL

There are no employees whose details are required to be circulated to the members in the Directors' Report as per Section 217(2A) of the Companies Act, 1956.

ACKNOWLEDGEMENT

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

**For and On Behalf of the
Board of Directors**

sd/-

**S.N. Bhatnagar
Chairman**

Date : June 29, 2009

Place : Vadodara

ANNEXURE –A TO DIRECTORS' REPORT

Information under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 and forming part of the Director's Report

The Company as per the new guideline by government has undergone a Complete Energy Audit of the manufacturing plant done by Electrical Research and Development Association (ERDA), Baroda and the results and finding of the same were implemented in the benefit of company with motto of conservation of energy.

The R & D department is concentrating on developing and improving the existing product line along with a detailed analysis of the manufacturing processes to enable the company to save cost.

FORM –A

Form for disclosure of particulars with respect to conservation of energy.



Sr. No	Particulars	2008 - 09	2007 - 08
1.	Power & Fuel Consumption		
	Electricity		
	1. Purchased		
	Unit (kwh) Lacs	0.91	1.72
	2. Rate/Unit (Rs.)	6.77	3.51
	3. Total Amount (Rs. Lacs)	6.38	6.19
	Own Generation		
	1. Through Diesel Generator Units	Nil	Nil
	2. Rate/Unit (Rs.)	Nil	Nil
	3. Total Amount (Rs. Lacs)	Nil	Nil
	4. Through Steam Turbine/Unit	Nil	Nil
2.	Coal (Specify Quality & where used)	Nil	Nil
3.	Furnace Oil		
	1. Quantity (K. Liters)	Nil	Nil
	2. Total Amount (Rs. Lacs)	Nil	Nil
4.	Others / Internal Generation	Nil	Nil

FORM – B

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

- Specific areas in which R & D carried out – Related Products / assembly in Transformers
- Benefits derived as a result of above R & D – Company has received good export orders.
- Future plan of action – Increase in production upto full utilization of installed capacity.
- Expenditure on R & D – Nil

Technology absorption, adaptation and innovation:

- Efforts in brief made towards technology, absorption, adaptation and innovation –

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

Benefits derived as a result of above efforts, e.g. product improvement, cost reduction, production development, imports substitution etc.

FROM – C

Foreign Earnings and Outgo:

(Rs. in Lacs)

	2008 - 09	2007 - 08
Earnings (Deemed Exports)	494.88	55.55
Outgo	51.45	Nil



DIAMOND POWER TRANSFORMERS LIMITED
AUDITORS' REPORT

We have audited the attached Balance Sheet of DIAMOND POWER TRANSFORMERS LIMITED as on 31st March, 2009 (formerly known as DIAMOND POWER TRANSFORMERS, a partnership firm registered under the Partnership Act, 1932) and also the profit and loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

We have obtained all information and explanations which, to the best of knowledge and belief, were necessary for the purpose of our audit.

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.

The Balance Sheet and Profit and loss account dealt with by this report are in agreement with the books of accounts.

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.

On the basis of the written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

Attention is invited to the following: NIL
Subject to the above, in our opinion and to the best of our

information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India.

- (a) In the case of Balance Sheet of the state of affairs of the company as at 31st March 2009 and,
- (b) In the case of the profit and loss account of the loss for the year ended on that date.

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

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

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

1. We have obtained all information and explanations which, to the best of knowledge and belief, were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts, as required by law, have been kept by the company so far as appears from our examination of these books.
3. The Balance Sheet and Profit and loss account dealt with by this report are in agreement with the books of accounts.
4. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Sub-section (3c) of Section 211 of the Companies Act, 1956.
5. On the basis of the written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
6. Attention is invited to the following: NIL Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said



accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India.

- (a) In the case of Balance Sheet of the state of affairs of the company as at 31st March 2009 and,
- (b) In the case of the profit and loss account of the loss for the year ended on that date.

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

sd/-
(Hiren R. Amin)
Proprietor
M.N.111009

Date: June 29, 2009
Place: Vadodara

**DIAMOND POWER TRANSFORMERS LIMITED
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 fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (d) The disclosure requirements as required by AS-10 are made in the necessary area.

02. INVENTORIES

- (A) As informed to us the stock of finished goods, stores and spare parts and raw material of the Company have been physically verified by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining

proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.

- (d) The disclosure requirements as required by AS-2 are made in the necessary area.

03. LOANS

The company has obtained loans from Share holders. In our opinion the rate of interest & the terms and conditions on which such loans are obtained are not prima facie prejudicial to the interest of the Company. The Company has not made any loans and advances to its staff in the nature of loans during the year under review.

04. INTERNAL CONTROL SYSTEM

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

05. CONTRACTS (OR) ARRANGEMENTS

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

06. PUBLIC DEPOSITS

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

07. INTERNAL AUDIT SYSTEM

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



08. COST AUDIT RECORDS

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

09. STATUTORY DUES

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to the Company were in arrears, as at March 31, 2009 for a period of more than six months from the date they became payable.

10. ACCUMULATED LOSSES

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

11. DUES TO FINANCIAL INSTITUTIONS / BANKS

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

12. LOANS BY PLEDGE OF SHARES

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

13. CHIT FUND COMPANY

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

14. TRADING IN SHARES

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

15. GUARANTEES

In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of clause (xv) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

16. TERM LOANS - APPLICATION

In our opinion and according to the information and explanations given to us, the Company has not raised any term loans during the year. The only secured Loan raised was for purchase of a Motor Car.

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**

sd/-
(Hiren R. Amin)
Proprietor
M.N. 111009

Date: 29.06.2009
Place: Vadodara



DIAMOND POWER TRANSFORMERS LIMITED
BALANCE SHEET AS AT MARCH 31, 2009

SOURCES OF FUNDS	SCHEDULE NO.	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Share Holder's Funds			
Share Capital	1	50,000,000 .00	50,000,000.00
Reserves & Surplus	2	57,598,256.00	20,852,387.00
Total for Share Holder's Funds		107,598,256.00	70,852,387.00
Loan Funds			
Secured Loans	3	2,683,560.00	-
Unsecured Loans	4	35,637,312.00	45,027,127.00
Total for Loan Funds		38,320,872.00	45,027,127.00
Deferred Tax Liability		125,000.00	-
Total of Source of Funds		146,044,127.00	115,879,514.00
Application of Funds			
Fixed Assets	5		
Gross Block		35,454,685.00	25,718,483.00
Less : Depreciation		4,540,133.00	2,497,991.00
Net Block		30,914,552.00	23,220,492.00
Add : Capital Work In Progress		30,185,635.00	-
Total Fixed Assets		61,100,187.00	23,220,492.00
Investments	6	5,557,592.00	-
Current Assets, Loans & Advances	7		
Inventories		40,104,937.00	36,461,622.00
Sundry Debtors		73,228,340.00	74,153,716.00
Cash & Bank Balances		2,746,729.00	14,598,884.00
EPC Final Bill Pending Approval		-	-
Loans & Advances		11,040,531.00	3,191,802.00
Other Current Assets		-	151,870.00
Total Current Assets		127,120,537.00	128,557,895.00
Less : Current Liabilities & Provisions	8		
Current Liabilities		25,183,081.00	22,399,703.00
Provisions		23,044,132.00	14,115,450.00
Total Current Liabilities		48,227,213.00	36,515,153.00
Net Current Assets		78,893,324.00	92,042,742.00
Miscellaneous Expenditure	9	493,024.00	616,280.00
(To the Extent Not Written Off or Adjusted)			
Total Application of Funds		146,044,127.00	115,879,514 .00

Significant Accounting Policies & Notes

17

SIGNATURES FOR SCHEDULE 1 to 17

As per our Report of even date

For R.A.Amin & Co.

(Chartered Accountants)

For & On behalf of Board of Directors

sd/-

(Hiren R. Amin)

Proprietor

M.N. 111009

sd/-

(Amit Bhatnagar)

Director

sd/-

(Sumit Bhatnagar)

Director

Date: 29.06.2009**Place: Vadodara**

DIAMOND POWER TRANSFORMERS LIMITED
PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2009

PARTICULARS	SCHEDULE No.	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Income			
Gross sales		979,036,307.00	446,593,648.00
Less: Excise Duty		7,846,194.00	
Net Sales		971,190,113.00	446,593,648.00
Increase in Stocks	10	19,788,950.00	8,972,806.00
Other Income	11	4,228,355.00	165,612.00
Total Income		995,207,418.00	455,732,066.00
Expenditure			
Raw Material Consumed	12	850,079,142.00	330,205,866.00
Employees' Emoluments	13	2,542,779.00	673,392.00
Power and Fuel		638,374.00	619,720.00
Manufacturing Expenses	14	63,813,195.00	82,944,379.00
Administrative Expenses	15	2,138,669.00	1,557,905.00
Selling and Distribution Expenses	16	9,722,203.00	2,288,275.00
Deferred Tax Liability		125,000.00	
Expenditure-Total		929,059,362.00	418,289,536.00
Profit before Interest and Dep.		66,148,056.00	37,442,531.00
Less: Finance Charges		5,310,045.00	4,193,518.00
Less: Depreciation		2,042,142.00	1,332,781.00
Interest and Dep.-Total		7,352,187.00	5,526,299.00
Profit(Loss) before Tax		58,795,869.00	31,916,231.00
Income tax		22,000,000.00	11,000,000.00
Fringe Benefit Tax		50,000.00	50,000.00
Total Tax Provisions		22,050,000.00	11,050,000.00
Profit after-tax		36,745,869.00	20,866,231.00
Add: Prior Period Adjustments		-	-
Add: Extra Ordinary Items		-	-
Total Adjustments		-	-
Net Profit		36,745,869.00	20,866,231.00
Balance brought forward		20,852,387.00	-
Surplus transferred to Balance Sheet		57,598,256.00	-

Significant Accounting Policies & Notes

17

SIGNATURES FOR SCHEDULE 1 to 17

As per our Report of even date

For R.A.Amin & Co.

(Chartered Accountants)

For & On behalf of Board of Directors

sd/-

(Hiren R. Amin)

Proprietor

M.N. 111009

sd/-

(Amit Bhatnagar)

Director

sd/-

(Sumit Bhatnagar)

Director

Date: 29.06.2009**Place: Vadodara**

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31,2009

SCHEDULE - 1 : PAID UP SHARE CAPITAL

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
AUTHORISED SHARE CAPITAL Equity Shares of Rs.10 each	50,000,000.00	50,000,000.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL Equity Shares of Rs.10 each	50,000,000.00	50,000,000.00
TOTAL SHARE CAPITAL	50,000,000.00	50,000,000.00

SCHEDULE - 2 : RESERVES & SURPLUS

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
(A) CAPITAL RESERVE		
Reserve on Debt Restructuring		
Reserve on Forfeited Shares		
Total	-	-
(A-1) SECURITIES PREMIUM		
Shares Premium	-	-
Capital Redemption Reserve		
Revaluation Reserve		
Capital Gain on Sale of Asset		
Premium on Debenture		
Premium on Warrants	-	-
Securities Premium -- Total	-	-
(A-2) STATE GOVT SUBSIDY		
State Government Subsidy		
State Government Subsidy	-	-
State Government Subsidy -- Total	-	-
(B) GENERAL RESERVE		
General Reserve	57,598,256.00	20,852,387.00
General Reserve -- Total	57,598,256.00	20,852,387.00
Reserves & Surplus -- Total	57,598,256.00	20,852,387.00



SCHEDULE - 3 : SECURED LOANS

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
SECURED LOANS		
(A) TERM LOANS		
IDBI		
Central Bank of India		
Interest Accrued & Due		
Term Loans -- Total		
(B) Working Capital Demand Loan & Short Term Loans		
(B-1) Cash Credit		
Bank OCC Account		
Cash Credit Account -- Total		
(B-2) Working Capital Demand Loan		
Working Capital Demand Loan All	-	-
Working Capital Demand Loan -- Total	-	-
(B-3) Over Draft		
Bank of Baroda Atmayajyoti		
Over Draft Loan -- Total		
(B-4) Other Loans		
Other Loans (Axis Bank Car Loan Account)	2,683,560.00	-
Clear Water Capital Partners Loan	-	-
Other Loans -- Total	-	-
Working Capital Loans -- Total	-	-
(C) Non Convertible Debentures		
Non - Convertible Debentures		
Non - Convertible Debentures -- Total		
Secured Loans -- Total	2,683,560.00	-

SCHEDULE - 4 : UNSECURED LOANS

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
From Relatives & Associates	-	-
From Body Corporates	35,637,312.00	45,027,127.00
Sales Tax Deferment Loan	-	-
Fully Convertible Debentures		
Unsecured Loan -- Total	35,637,312.00	45,027,127.00

SCHEDULE - 6 : INVESTMENTS

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Long Term Investments		
(A) Investments in Quoted Shares		
Quoted Shares at Cost		
Additions to Quoted Shares		
Disposal of Quoted Shares		
Adjustments in the Shares (AS)		
Investments in Quoted Shares -- Total		
(B) Investments in Unquoted Shares		
Unquoted shares at Cost	-	-
Addition to Unquoted Shares		
Disposal of Unquoted Shares		
Adjustments in the Shares (AS)		
Investments in Unquoted Shares -- Total	-	-
(C) Other Investments		
Other Investments (FDR for BG)	5,557,592.00	-
Additions to Other Investments		
Disposal of Other Investments		
Adjustments in Other Investments (AS)		
Accrued Interest in Other Investments		
Other Investments -- Total	5,557,592.00	-
Investments -- Total	5,557,592.00	-



SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
(A) CURRENT ASSETS		
(A-1) Inventories at Cost(As Certified by Management)		
Raw Materials	10,475,448.00	26,621,083.00
Work in Progress	29,390,618.00	9,679,207.00
Finished Goods	238,871.00	161,332.00
Packaging Material	-	-
Consumable Stores	-	-
Fuel & Gases	-	-
Goods in Transit	-	-
Inventories at Cost --- Total	40,104,937.00	36,461,622.00
(A-2) Sundry Debtors (Unsecured Considered Good)		
Dealer Network	-	-
Export	-	14,830,743.00
Utility -- SEB's	73,228,340.00	59,322,973.00
Engineering Procurement Construction	-	-
Others	-	-
Sundry Debtors -- Total	73,228,340.00	74,153,716.00
(A-3) Cash & Bank Balance		
Cash in Hand	682,084.00	711,022.00
Bank Balance	1,908,577.00	10,930,414.00
Margin Money	-	1,171,284.00
Fixed Deposit	156,068.00	1,786,164.00
Cash & Bank Balance -- Total	2,746,729.00	14,598,884.00
(A-4) EPC Projects Pending Final Billing Approval		
EPC Projects Pending Billing Approval	-	-
EPC Projects Pending Final Billing Approval -- Total		
Current Assets -- Total		
(B) Loans & Advances (Unsecured Considered good)		
(B-1) Loans		
Cash or Kind	-	-
Staff	-	-
Other Advances	350,000.00	-
Loans -- Total	350,000.00	
(B-2) Government Advances		
PLA	7,137.00	7,137.00
Cenvat	1,744,073.00	2,014,893.00
Service Tax	32,734.00	108,212.00
Fringe Benefit Tax	44,781.00	44,954.00
Tax Deducted at Source	62,011.00	16,606.00
Income Tax	1,180,000.00	1,000,000.00
Input Vat Receivable	224,225.00	-
Interest & Insurance Pre paid	455,538.00	-
Import Entitlement	-	-
Electricity Duty Refund	-	-
Sales Tax Advance	-	-
Government Advances -- Total	3,750,498.00	3,191,802.00
(B-3) Corporate Advances		
Deepan Vassa	-	-
Diamond E.H.V. Conductors	-	-
Diamond Tele-Cabs Pvt Ltd.	-	-
Enterprise Intelligent Systems Limited	-	-
India Electric market .. Mumbai	-	-
JEF Marketing	-	-
Sabar Cables	-	-
Shree Shyam Filaments (Dr) Silvasa	-	-
Diamond Power Infrastructure Division	-	-
Apex Equipments Pvt. Ltd	-	-
Western Transformers	-	-
Corporate Advances -- Total		



SCHEDULE - 7 : Continued....

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
(B-4) Business Advances		
Advance to Vendor for Expenses		-
Advance to Vendors for Goods	2,913,486.00	-
Advance to Branches		
Business Advances -- Total	2,913,486.00	-
(B-5) Other Advances		
Retention Money		
Other Advances	4,026,547.00	-
Other Advances -- Total	4,026,547.00	-
Loans & Advances -- Total	11,040,531.00	3,191,802.00
(C-1) Sundry Deposits		
Government Deposits		151,870.00
Security Deposit		
Earnest Money Deposit		
Lease Rent		
Other Deposits		
Sundry Deposits -- Total	-	151,870.00
Current Assets, Loans & Advances --- Total	11,040,531.00	3,343,672.00

SCHEDULE - 8 : CURRENT LIABILITIES & PROVISIONS

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
(A) CURRENT LIABILITIES		
(A-1) Sundry Creditors		
Creditors for Goods	23,086,272.00	22,399,703.00
Creditors for Expenses		
Creditors for Goods in Transit		
Sundry Creditors -- Total	23,086,272.00	22,399,703.00
(A-2) Creditors for Others		
Duties & Taxes Payable	2,096,809.00	
Statutory Liability Payable		
Employee Dues Payable		
Investor Education & Protection Fund		
Creditors for Others -- Total	25,183,081.00	-
(A-3) Other Liabilities Payable		
Other Liabilities Payable		
Other Liabilities Payable -- Total	-	
Current Liabilities -- Total		
(B) PROVISIONS		
Provision for Taxation	22,050,000.00	11,463,638.00
Provision for Dividends		
Provision for Expenses	364,959.00	1,063,876.00
Provision for Others	629,173.00	1,587,936.00
Provisions -- Total	23,044,132.00	14,115,450.00
Current Liabilities & Provisions -- Total	48,227,213.00	36,515,153.00



SCHEDULE - 9 : MISCELLANEOUS EXPENDITURE

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
(A) MISCELLANEOUS EXPENDITURE		
(A-1) Preliminary Expenses		
Preliminary Expenses		
Preliminary Expenses -- Total		
(A-2) Pre-operative Expenses		
Pre-operative Expenses	493,024.00	250,100.00
Pre-operative Others	-	366,180.00
Pre-operative Expenses -- Total	493,024.00	616,280.00
(A-3) Pre-Project Expenses		
Preproject Expenses ABC Cable		
Preproject Expenses HSHC conductor		
Preproject Expenses FRLS Cable		
Pre Project Expenses All		
Pre- Project Expenses -- Total		
(A-4) DEFFERED REVENUE EXPENDITURE		
Share Issue Expenses		
Deferred Revenue Expenditure -- Total		
Miscellaneous Expenditure -- Total	493,024.00	616,280.00
(B) Profit & Loss Debit Balance		
Profit & Loss Account - Balance Brought Forward		
Loss During the Year		
Profit During the Year -- Misc Expenditure		20,866,231.00
Profit & Loss Credit Balance -- Total	-	20,866,231.00
Miscellaneous Expenditure -- Total	493,024.00	616,280.00

SCHEDULE - 10 : INCREASE / DECREASE IN STOCK

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
(A) OPENING STOCK		
Work in Progress	9,679,207.00	577,180.00
Finished Goods	161,332.00	290,553.00
Opening Stock -- Total	9,840,539.00	867,733.00
(B) CLOSING STOCK		
Work in Progress	29,390,618.00	9,679,207.00
Finished Goods	238,871.00	161,332.00
Closing Stock -- Total	29,629,489.00	9,840,539.00
WIP Increase / Decrease Division wise		
Increase / decrease in Stock	19,788,950.00	8,972,806.00

SCHEDULE - 11 : OTHER INCOME

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Foreign Exchange Fluctuation	3,757,216.00	
Interest on FDR	440,807.00	
Other Income	30,332.00	165,612.00
Other Income -- Total	4,228,355.00	165,612.00

SCHEDULE - 12 : NET RAW MATERIAL CONSUMED

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Opening Stock	26,621,083.00	2,395,062.00
Add: Purchases	833,933,507.00	354,431,887.00
Less: Closing Stock	10,475,448.00	26,621,083.00
Net Raw material Consumed -- Total	850,079,142.00	330,205,866.00



SCHEDULE - 13 : EMPLOYEES EMOULMENTS

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Bonus		
Director's Remuneration (Net)		
House Rent Allowance		
Leave wages / Salary		
Medical Expenses		
Medical Allowances		
Provident Fund Expenses (P.F. & F.P.F)		
Salary & Wages	2,521,207.00	652,453.00
Staff & Labour Welfare	21,572.00	20,939.00
Stipend		
Telephone Allowance		
Employees Emoluments -- Total	2,542,779.00	673,392.00

SCHEDULE - 14 : MANUFACTURING EXPENSES

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Cartage & Transport	133,368.00	498,479.00
Excise Duty Paid	84,399.00	19,615,796.00
Calibration Expenses		418.00
Service Charges	315,941.00	214,236.00
Consumable Stores	12,167,940.00	37,715,398.00
Repair & Maintenance (Plant & Machinery)	71,285.00	41,972.00
Factory Expenses	6,252,824.00	7,632,223.00
Electrical Spares		
Insurance Expenses	69,619.00	83,481.00
Packing Material	8,756.00	187,320.00
Detention & Demurrage Charges		
Diesel for Generator		
Survey Charges -- Infrastructure		
Sales Tax (VAT)	44,709,063.00	16,955,056.00
Manufacturing Expenses -- Total	63,813,195.00	82,944,379.00



SCHEDULE - 15 : ADMINISTRATIVE EXPENSES

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Insurance Expenses (Car)	97,199.00	
Income Tax Assessment Dues		
Audit Fees	75,000.00	76,153.00
Consultancy Charges	557,250.00	495,000.00
Conveyance Expenses		
Donation	380,000.00	
Electricity Expenses		
Exchange Fluctuation	-	13,950.00
Legal & Professional charges	240,666.00	40,933.00
Post, Tele. & Courier Charges	46,443.00	31,090.00
Rent, Rates & Taxes	113,540.00	
Application Fees	59,972.00	111,801.00
Repairs & Maintenance Others	20,460.00	9,146.00
Printing & Stationary Expenses	65,431.00	75,480.00
Sundry Expenses	4,357.00	11,432.00
Travelling Expenses	227,846.00	561,195.00
Vehicles Expenses		
Amortization Expenses		
Office Expenses	46,571.00	73,989.00
Software Expenses		24,000.00
Sub-Total 1	1,934,735.00	1,524,169.00
Service Tax Expenses		
Documentation Charges		
Penalty	24,186.00	
ISO9002 Expenses	42,121.00	33,736.00
Loss on Sale of Fixed Assets		
Professional Tax	2,400.00	
FBT Paid	11,971.00	
Preliminary Expenses Written of	123,256.00	
Sub - Total 2	203,934.00	33,736.00
Administrative Expenses -- Total	2,138,669.00	1,557,905.00

SCHEDULE - 16 : SELLING & DISTRIBUTION EXPENSES

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Advertising Expenses		
Sales Promotion Expenses		
Commission on Sales	6,074,928.00	
Marketing Expenses	3,647,275.00	2,288,275.00
Sales Tax/ VAT		
Selling & Distribution Expenses -- Total	9,722,203.00	2,288,275.00



**SCHEDULE : 5
FIXED ASSETS as on 31.03.2009**

Particulars	Gross Block		Depreciation		Net Block	
	Op.Bal. 01.04.2008	Dedu.	01.04.2008	For the year	01.04.2008	31.03.2009
Land	9,250,240		0	0	9,250,240	9,250,240
Building	10,598,430	0	1,036,000	1,172,112	9,562,430	13,084,800
Plant & Machinery	3,930,309	0	1,072,721	452,340	2,857,588	3,802,560
Office equipments	176,316	0	43,649	23,359	132,667	151,506
Computer	497,086	0	157,143	135,977	339,943	236,966
Furniture & Fixtures	533,679	0	53,058	87,836	480,621	596,510
Testing Equipments	612,841	0	102,766	71,378	510,075	452,207
Electrical Installation	95,482	0	29,879	17,197	65,603	213,899
Air Condition	24,100	0	2,775	2,966	21,325	18,359
Vehicles	0	0	0	9,737	0	27,873
Car	0	0	0	69,240	0	3,079,632
	25,718,483	0	2,497,991	2,042,142	23,220,492	30,914,552
Capital Work In PROCESS	0	0	0	0	0	30,185,635
Grand Total	25,718,483	0	2,497,991	2,042,142	23,220,492	61,100,187
Previous Year	17,798,777	0	1,165,210	1,332,781	16,633,567	23,220,492



SCHEDULE - 17

SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial statements have been prepared under the accrual method of accounting on a going concern basis and statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP).

b. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

Capital Work in Progress comprises advances paid to acquire fixed assets and the cost of fixed assets not ready for their intended use.

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.

SCHEDULE - 17
NOTES ON ACCOUNTS

1. Corresponding figures of the previous year have been regrouped wherever necessary.
2. There are no Contingent liabilities as at the date of the Balance Sheet. The Bank Guarantees given by the Banks are against 100% margin.
3. The balance of advances, debtors and creditors are taken on the basis of book figures and are subject to confirmation. However, in the opinion of the Board, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. The provision made in the accounts for depreciation and for all other known liabilities is considered adequate and not in excess of the amounts reasonably necessary.
4. Under the Micro, Small and Medium Enterprise Development Act, 2006, which came into effect from October 2, 2006, certain disclosures are required to be made relating to Micro, Medium and Small Enterprises. Based on the information available with the Company, there are no Creditors as on 31st March 2009 registered under the MSMED Act, 2006.
5. Value of Imports on CIF Basis - NIL
6. Earnings in Foreign Exchange - Rs.4,94,88,650/-
7. Expenditure in Foreign Currency -Rs.51,44,928/-
(USD 1,15,779.25)



8. Related Party Disclosures

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

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

<u>Relatives of Key Management Personnel **</u>
Smt. Madhurilata Bhatnagar
Smt. Mona Bhatnagar
Smt. Richa Bhatnagar

<u>Associate Companies / Firm</u>
Diamond Power Infrastructure Limited
Diamond Projects Limited
Diamond Infosystems Limited

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

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

A. In respect of products manufactured	
(i) Licensed Capacity :	Not Applicable
(ii) Installed Capacity :	Not determinable being distribution transformer manufacturer of various ratings
B. Production	
	Numbers / Quantity
Opening Stock	04
Production	2249
Sales	2249
Closing Stock	04

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

I. Registration Details :		Balance Sheet Date 31-03-2009	
Registration No.: 052486/2007		State Code : Gujarat	
II. Capital raised during the year (Amount Rupees in Thousand)			
Public Issue :	NIL	Bonus Issue :	NIL
Right Issue :	NIL	Private Placement :	0
A) Total Issue :	0	B) Capital Raised :	0
III. Position of Mobilisation and Deployment of Funds (Amt Rs. in Thousand)			
Total Liabilities :	146044	Total Assets :	146044
		Sources of Funds	
Paid-up Capital :	50000	Reserves & Surplus :	57598
Secured Loans :	2684	Unsecured Loans :	35637
		Deferred Tax Liability :	125
		Application of Funds	
Net Fixed Assets :	61100	Net Current Assets :	78893
Misc. Expenditure :	493	Investment :	5558



Performance of Company			
Turnover :	990979	Total Expenditure :	936412
Other Income :	4228		
Profit Before Tax and prior period adjustments:	58795	Profit After Tax :	36746
Earning per Share:	Rs. 7.35	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

SIGNATURES FOR SCHEDULE 1 to 17

As per our Report of even date
For R.A.Amin & Co.
(Chartered Accountants)

For & On behalf of Board of Directors

sd/-
(Hiren R. Amin)
Proprietor
M.N. 111009

sd/-
(Amit Bhatnagar)
Director

sd/-
(Sumit Bhatnagar)
Director

Date: 29.06.2009
Place: Vadodara



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2009

	AS AT 31.03.2009 AMOUNT 12 Months	
	(Rs in Lacs)	(Rs in Lacs)
Cash flow from operating activities.		
Net profit before tax and extra ordinary item		587.96
Adjustment for:		
Depreciation	20.42	
Deffered Expenses		
Income Tax	-109.25	
Interest expenses	53.10	
Loss on sale of Assets	0	
Extra Ordinary items	1.23	
Interest Recived	-4.40	
Interest \ Other income Received	0	-38.90
Operating profit before working capital changes		439.06
Change in inventories	-36.57	
Change in receivables	9.25	
Changes in Loans and Advances	-78.49	
Change in other current Assets	1.52	
Change in current liabilities	117.12	
Net change in working capital	12.83	12.83
Cash generated from operations		561.89
Cash Flow from Investment Activities		
Direct Taxes Paid	0	0
Cash flow before Extra Ordinary / prior period items		
Interst Recived	0	
Prior Period items (Restructuring)		
Net cash flow from operating activity		
Increase of fixed assets	-378.79	
Decrease in Fixed Assets	0	
Increase of investment	-55.58	
Loss on Sale of Assets	0	
Net cash flow used in investing activities	-323.21	-323.21
Cash flow from financing activities		
Proceeds from issue of share capital(net)	0	
Proceeds from Debt Re-structuring	0	
Proceeds from Premium	0	
Decrease in Secured loans	26.84	
Decrease in Subsidy	0	
Interest paid	-53.10	
Increase in long term & other borrowing (net)		
Increase in unsecured loans	-93.90	
Net cash flow from financing activities	-120.16	-120.16
Net increase in cash & cash equivalents		118.52
Add: Cash & cash equivalents opening	145.98	
Cash & cash equivalents closing	27.46	-118.52

Note : Figures in brackets indicate negative figure.

As per our Report of even date

For R.A.Amin & Co.

(Chartered Accountants)

sd/-
(Hiren R. Amin)
Proprietor
M.N. 111009

Date: 29.06.2009

Place: Vadodara

For & On behalf of Board of Directors

sd/-
(Amit Bhatnagar)
Director

sd/-
(Sumit Bhatnagar)
Director



CONSOLIDATED AUDITORS' REPORT

We have examined the attached Consolidated Balance Sheet of the Diamond Power Infrastructure Limited (formerly known as Diamond Cables Limited) and its subsidiaries (Diamond Power Group) as at March 31, 2009, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended.

These financial statements are the responsibility of the Diamond Power Infrastructure Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit also includes, examining on 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 statements. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS) 21, consolidated Financial Statements, issued by the Institute of Chartered Accountants of India, and on the basis of the separate audited financial statements of the Diamond Power Infrastructure Limited included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Diamond Power group, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Diamond Power Group as at March 31, 2009;
- b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Diamond Power Group for the year then ended; and
- c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flow of the Diamond Power Group for the year then ended.

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

Date : June 30, 2009
Place : Vadodara

Sd/-
(Vijay N. Tewar)
Proprietor
Membership No.40676



**DIAMOND POWER INFRASTRUCTURE LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009**

SOURCES OF FUNDS	SCHEDULE NO.	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Share Holder's Funds			
Share Capital	1	210,470,700.00	260,470,700.00
Reserves & Surplus	2	1,983,202,496.72	1,106,753,804.00
Total for Share Holder's Funds		2,193,673,196.72	1,367,224,504.00
Loan Funds			
Secured Loans	3	2,312,860,817.29	1,601,766,236.13
Unsecured Loans	4	35,637,311.82	45,027,126.79
Total for Loan Funds		2,348,498,129.11	1,646,793,362.92
Deffered Tax Liability		125,000.00	0
Total of Source of Funds		4,542,296,325.83	3,014,017,866.92
Application of Funds			
Fixed Assets	5		
Gross Block		862,667,256.20	494,209,513.48
Less : Depreciation		303,141,310.37	252,275,930.37
Net Block		559,525,945.83	241,933,582.77
Add : Capital Work In Progress		902,278,534.35	398,306,613.61
Total Fixed Assets		1,461,804,480.18	640,240,196.66
Investments	6	6,248,019.00	50,690,427.00
Current Assets, Loans & Advances	7		
Inventories		1,447,011,767.59	829,717,282.25
Sundry Debtors		905,418,264.96	891,486,638.30
Cash & Bank Balances		155,378,761.23	108,329,724.29
EPC Final Bill Pending Approval		285,200,000.00	223,363,792.34
Loans & Advances		629,008,340.56	348,985,605.05
Other Current Assets		166,048,674.46	94,186,329.96
Total Current Assets		3,588,065,809.37	2,496,069,372.00
Less : Current Liabilities & Provisions			
Current Liabilities	8	507,167,121.49	154,967,224.00
Provisions		103,652,883.23	56,784,227.00
Total Current Liabilities		610,820,004.72	211,751,451.00
Net Current Assets		2,977,244,804.08	2,284,317,922.00
Miscellaneous Expenditure (To the Extent Not Written Off or Adjusted)	9	96,998,021.45	38,769,321.00
TOTAL APPLICATION OF FUNDS		4,542,296,325.83	3,014,017,867.00

SIGNATURE TO SCHEDULE 1 TO 17 FORMING PART OF THE ACCOUNTS.

AS PER OUR REPORT OF EVEN DATE

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Vijay N. Tewar & Co.
Chartered Accountants

Sd/-
V. N. Tewar.
Proprietor

Sd/-
Surendra Tamboli
Company Secretary &
Head-Legal

Sd/-
S. N. Bhatnagar
Chairman & M. D.

Sd/-
Amit Suresh
Jt. M. D.

Sd/-
Sumit Suresh
Jt. M. D (O)

Date : June 30, 2009

Place : Vadodara



DIAMOND POWER INFRASTRUCTURE LIMITED
CONSOLIDATED PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED ON MARCH 31,2009

SOURCES OF FUNDS	SCHEDULE NO.	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Income			
Gross sales		7,136,352,365.53	5,537,287,760.00
Less: Excise Duty		157,312,919.40	231,898,781.00
Net Sales		6,979,039,446.13	5,305,388,978.00
Increase in Stocks	10	625,174,228.08	176,268,895.00
Other Income	11	16,952,076.51	21,455,636.00
Total Income		7,621,165,750.72	5,503,113,510.00
Expenditure			
Raw Material Consumed	12	6,377,780,413.51	4,521,643,427.00
Employees' Emoluments	13	58,787,599.79	41,201,414.00
Power and Fuel		49,156,881.68	31,030,446.00
Manufacturing Expenses	14	150,410,218.28	141,117,720.00
Administrative Expenses	15	43,327,504.98	57,557,896.00
Selling and Distribution Expenses	16	27,883,795.27	26,105,766.00
Expenditure-Total		6,707,346,413.51	4,818,656,668.00
Profit before Interest and Dep.		913,819,337.21	684,456,842.00
Less: Finance Charges		221,718,345.19	147,169,328.00
Less: Depreciation		50,865,380.00	29,976,500.00
Interest and Dep.-Total		272,583,725.19	177,145,828.00
Profit(Loss) before Tax		641,235,612.02	507,311,014.00
Income tax		76,000,000.00	50,234,000.00
Fringe Benefit Tax		627,612.00	716,567.00
Total Tax Provisions		76,627,612.00	50,950,567.00
Profit afterTax		564,608,000.02	456,360,447.00
Add: Prior Period Adjustments			
Add: Extra Ordinary Items		178,983.00	14,900.00
Total Adjustments		178,983.00	14,900.00
Net Profit		564,429,017.02	456,345,547.00
LESS:			
Proposed Dividend		21,047,700.00	0
Tax on Proposed Dividend		3,578,109.00	0
Proposed Dividend(Including Tax)		24,625,809.00	0
Balance brought forward		20,852,387.00	-60,652,785.00
Surplus transfered to Balance Sheet		585,327,051.29	395,692,762.00

SIGNATURE TO SCHEDULE 1 TO 17 FORMING PART OF THE ACCOUNTS.

AS PER OUR REPORT OF EVEN DATE

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Vijay N. Tewar & Co.

Chartered Accountants

Sd/-

V. N. Tewar.

Proprietor

Sd/-

Surendra Tamboli

Company Secretary &
Head-Legal

Sd/-

S. N. Bhatnagar

Chairman & M. D.

Sd/-

Amit Suresh

Jt. M. D.

Sd/-

Sumit Suresh

Jt. M. D (O)

Date : June 30, 2009

Place : Vadodara



SCHEDULES TO BALANCE SHEET , 12 MONTHS PERIOD ENDED 31.03.2009

SCHEDULE - 1 : SHARE CAPITAL

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
AUTHORISED SHARE CAPITAL 35000000 EQUITY SHARES OF RS. 10 EACH	350,000,000	350,000,000
ISSUED & SUBSCRIBED SHARE CAPITAL 26726820 EQUITY SHARES OF RS. 10 EACH	267,268,200	232,500,000
PAID - UP SHARE CAPITAL 21047070 EQ.SHARES OF RS.10 EACH FULLY PAID - UP - IN RESPECT OF THE ABOVE, * 46,40,800 EQ.SH. WERE ALLOTTED ON PREFERENTIAL BASIS DURING 1999-2000 * 7,50,000 EQ.SH. WERE ALLOTTED ON PREFERENTIAL BASIS DURING 2005-2006 * 1250000 EQ. SHARES WERE ALLOTTED ON CONVERSION OF FULLY CONVERTIBLE DEBENTURES ON PREFERENTIAL BASIS DURING THE YEAR 2006 - 2007 & BALANCE 12,50,000 EQ. SHARES DURING THE YEAR 2007-2008 * ON CONVERSION OF EQUITY WARRANT DURING THE YEAR 2007-2008, 1,50,000 EQ. SHARES WERE ALLOTTED TO BRESCON CORPORATE ADVISORS LIMITED, 5,50,000 EQ. SHARES TO PROMOTERS & 1,00,000 EQ. SHARES TO CLEARWATER CAPITAL PARTNERS (CYPRUS) LIMITED. (THE COMPANY HAD FORFEITED 679750 EQUITY SHARES ON 29.4.2000 OUT OF ISSUED CAPITAL OF 18250000 EQ SH) 3476820 SHARE WARRANTS OF RS.10 EACH, CONVERTED IN TO EQUITY SHARE ON DEC 2008 SHARE WARRANT MONEY 3476820 SHARE WARRANTS OF RS. 10 EACH, RS. 15.10 PAID UP	210,470,700	225,702,500
TOTAL	210,470,700	260,470,700

SCHEDULE - 2 : RESERVES & SURPLUS

PARTICULAR	2008-2009 (Amount Rs.)	2007-2008 (Amount Rs.)
(A) CAPITAL RESERVE		
Reserve on Debt Restructuring	172,380,954.51	172,380,954.51
Reserve on Forfeited Shares	3,612,750.00	3,612,750.00
Total	175,993,704.51	175,993,704.51
(A-1) SECURITIES PREMIUM		
Shares Premium	867,681,020.00	377,449,400.00
Premium on Warrants	-	153,631,782.00
Securities Premium -- Total	867,681,020.00	531,081,182.00
(A-2) STATE GOVT SUBSIDY		
State Government Subsidy	2,500,000.00	2,500,000.00
State Government Subsidy -- Total	2,500,000.00	2,500,000.00
(B) GENERAL RESERVE		
General Reserve	937,027,772.21	397,178,917.49
General Reserve -- Total	937,027,772.21	397,178,917.49
Reserves & Surplus -- Total	1,983,020,496.72	1,106,753,804.00



SCHEDULE - 3 : SECURED LOANS

PARTICULAR	2008-2009 (Amount Rs.)	2007-2008 (Amount Rs.)
SECURED LOANS		
(A) TERM LOANS		
Axis Bank Ltd		
Total	402,381,568.07	
(B) Working Capital Demand Loan & Short Term Loans	402,381,568.07	
(B-1) Cash Credit		
Bank OCC Account		
Cash Credit Account -- Total	711,797,505.22	
(B-2) Working Capital Demand Loan	711,797,505.22	
Working Capital Demand Loan All		
Working Capital Demand Loan -- Total	491,000,000.00	900,000,000.00
Other Loans	491,000,000.00	900,000,000.00
Other Loans	4,998,184.00	1,766,236.00
Other Loans (Axis Bank Car Loan Account)	2,683,560.00	-
Clear Water Capital Partners Loan	700,000,000.00	700,000,000.00
Other Loans -- Total	707,681,744.00	701,766,236.00
Working Capital Loans -- Total	1,910,479,249.22	1,601,766,236.00
(C) Non Convertible Debentures		
Non - Convertible Debentures		
Non - Convertible Debentures -- Total		
Secured Loans -- Total	2,312,860,817.29	1,601,766,236.00

SCHEDULE - 4 : UNSECURED LOANS

PARTICULAR	2008-2009 (Amount Rs.)	2007-2008 (Amount Rs.)
From Relatives & Associates		
From Body Corporates	35,637,311.82	45,027,126.79
Sales Tax Defferment Loan	-	-
Fully Convertible Debentures		
Unsecured Loan -- Total	35,637,311.82	45,027,126.79

SCHEDULE - 6 : INVESTMENTS

PARTICULAR	2008-2009 (Amount Rs.)	2007-2008 (Amount Rs.)
Long Term Investments		
(B) Investments in Unquoted Shares		
Unquoted shares at Cost	644,426.00	50,644,426.00
Investments in Unquoted Shares -- Total	644,426.00	50,644,426.00
(C) Other Investments		
Other Investments	46,001.00	46,001.00
Other Investment (FDR of BG)	5,557,592.00	-
Other Investments -- Total	5,603,593.00	46,001.00
WESTERN TRANSFORMERS	-	-
Investments -- Total	6,248,019.00	50,690,427.00



SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES

PARTICULAR	2008-2009 (Amount Rs.)	2007-2008 (Amount Rs.)
(A) CURRENT ASSETS		
(A-1) Inventories at Cost(As Certified by Management)		
Raw Materials	139,062,437.02	84,571,042.38
Work in Progress	514,948,848.59	230,586,982.56
Finished Goods	700,611,485.58	359,799,174.89
Packaging Material	866,594.21	1,506,225.86
Consumable Stores	3,996,873.46	1,906,625.76
Fuel & Gases	487,197.30	970,899.21
Goods in Transit	87,038,332.00	150,376,332.00
Inventories at Cost --- Total	1,447,011,768.16	829,717,282.00
(A-2) Sundry Debtors (Unsecured Considered Good)		
Dealer Network	23,583,319.25	16,996,197.25
Export	-	14,830,743.33
Utility -- SEB's	459,969,292.73	669,303,133.34
Engineering Procurement Construction	279,617,589.99	63,779,640.73
Others	142,248,062.99	126,576,923.65
Sundry Debtors -- Total	905,418,264.96	891,486,638.30
(A-3) Cash & Bank Balance		
Cash in Hand	715,807.93	1,869,228.84
Bank Balance	37,032,072.35	27,994,730.67
Margin Money	117,474,812.95	51,200,017.78
Fixed Deposit	156,068.00	27,265,747.38
Cash & Bank Balance -- Total	155,378,761.23	108,329,724.00
(A-4) EPC Projects Pending Final Billing Approval		
EPC Projects Pending Billing Approval	285,200,000.00	223,363,792.34
EPC Projects Pending Final Billing Approval -- Total	285,200,000.00	223,363,792.34
Current Assets -- Total	2,793,008,794.35	2,052,897,436.64
(B) Loans & Advances (Unsecured Considered good)		
(B-1) Loans		
Cash or Kind		
Staff	805,831.00	958,752.00
Other Advances	350,000.00	-
Apex Power Equipment Pvt Ltd	104,262,792.89	
Loans -- Total	105,418,623.89	958,752.00
(B-2) Government Advances		
PLA	621,103.00	621,103.00
Cenvat	57,544,950.10	31,493,361.44
Service Tax	20,350,315.90	6,480,447.32
Fringe Benefit Tax	44,781.00	44,954.00
Tax Deducted at Source	3,862,935.60	3,705,605.60
Income Tax	4,515,923.67	1,264,419.00
Input Vat Receivable	224,225.00	
Interest & Insurance Pre paid	455,538.00	
Electricity Duty Refund	230,416.11	230,416.11
Sales Tax Advance	37,163,123.90	
Government Advances -- Total	125,013,311.97	43,840,306.47
(B-3) Corporate Advances		
Diamond E.H.V. Conductors	4,000.00	4,000.00
Diamond Tele-Cabs Pvt Ltd.		
Enterprise Intelligent Systems Limited	-	2,105,464.90
Apex Equipments Pvt. Ltd	-	99,620,628.00
Western Transformers	35,637,311.79	45,027,126.79
Corporate Advances -- Total	35,641,311.79	146,757,219.69



SCHEDULE - 7 : Continued.....

PARTICULAR	2008-2009 (Amount Rs.)	2007-2008 (Amount Rs.)
(B-4) Business Advances		
Advance to Vendor for Expenses	1,045,927.98	2,195,807.98
Advance to Vendors for Goods	357,810,152.93	155,181,053.91
Advance to Branches		
Business Advances -- Total	358,856,080.91	157,376,861.89
(B-5) Other Advances		
Other Advances	52,464.87	52,464.87
Other Advances	4,026,547.00	
Other Advances -- Total	4,079,011.87	52,464.87
Loans & Advances -- Total	629,008,340.43	348,985,604.92
(C-1) Sundry Deposits		
Government Deposits	103,000.00	211,170.00
Security Deposit	132,682,959.00	40,550,392.00
Earnest Money Deposit	20,511,314.00	33,773,351.00
Lease Rent	6,440,400.00	6,110,400.00
Other Deposits	6,311,001.46	13,541,016.96
Sundry Deposits -- Total	166,048,674.46	94,186,329.96
Current Assets, Loans & Advances --- Total	3,588,065,809.24	2,496,069,371.52

SCHEDULE - 8 : CURRENT LIABILITIES & PROVISIONS

PARTICULAR	2008-2009 (Amount Rs.)	2007-2008 (Amount Rs.)
(A) CURRENT LIABILITIES		
(A-1) Sundry Creditors		
Creditors for Goods	383,989,285.67	71,408,367.68
Creditors for Expenses	56,686,001.31	68,627,775.00
Sundry Creditors -- Total	440,675,286.98	140,036,142.68
(A-2) Creditors for Others		
Duties & Taxes Payable	12,187,974.94	3,406,855.00
Statutory Liability Payable	13,990,751.01	6,538,182.37
Employee Dues Payable	2,798,116.28	1,262,395.28
Creditors for Others -- Total	28,976,842.23	11,207,432.65
(A-3) Other Liabilities Payable		
Other Liabilities Payable	37,514,992.28	3,723,648.00
Other Liabilities Payable -- Total	37,514,992.28	3,723,648.00
Current Liabilities -- Total	507,167,121.49	154,967,223.33
(B) PROVISIONS		
Provision for Taxation	76,677,946.23	53,232,751.23
Provision for Dividends	21,047,700.00	
Provision for Tax on dividend	3,578,109.00	
Provision for Expenses	1,719,955.00	1,063,876.00
Provision for Others	629,173.00	2,487,600.00
Provisions -- Total	103,652,883.23	56,784,227.23
Current Liabilities & Provisions -- Total	610,820,004.72	211,751,450.56



SCHEDULE - 9 : MISCELLANEOUS EXPENDITURE

PARTICULAR	2008-2009 (Amount Rs.)	2007-2008 (Amount Rs.)
(A) MISCELLANEOUS EXPENDITURE		
(A-1) Preliminary Expenses		
Preliminary Expenses	20,137,319.00	30,205,979.00
Preliminary Expenses -- Total	20,137,319.00	30,205,979.00
(A-2) Pre-operative Expenses		
Pre-operative Expenses	493,024.00	250,100.00
Pre-operative Others	-	366,180.00
Pre-operative Expenses -- Total	493,024.00	616,280.00
(A-3) Pre-Project Expenses		
Preproject Expenses ABC Cable	3,919,825.20	7,839,639.20
Pre Project Expenses All	72,447,853.25	107,423.00
Pre-Project Expenses -- Total	76,367,678.45	7,947,062.20
(A-4) DEFERRED REVENUE EXPENDITURE		
Share Issue Expenses		
Deferred Revenue Expenditure -- Total		
Miscellaneous Expenditure -- Total	96,998,021.45	38,769,321.20
(B) Profit & Loss Debit Balance		
Profit & Loss Account - Balance Brought Forward	-	-
Loss During the Year	-	-
Profit During the Year -- Misc Expenditure	-	-
Profit & Loss Credit Balance -- Total		
Miscellaneous Expenditure -- Total	96,998,021.45	38,769,321.20

SCHEDULE - 10 : INCREASE / DECREASE IN STOCK

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
(A) OPENING STOCK		
Work in Progress	230,586,982.56	243,092,980.00
Finished Goods	359,799,174.83	173,235,227.00
Opening Stock -- Total	590,386,157.39	416,328,207.00
(B) CLOSING STOCK		
Work in Progress	514,948,899.64	230,586,982.56
Finished Goods	700,611,485.58	359,799,174.83
Closing Stock -- Total	1,215,560,385.22	590,386,157.39
WIP Increase / Decrease Division wise	-	2,210,944.73
Increase / decrease in Stock	625,174,227.83	176,268,895.12

SCHEDULE - 11 : OTHER INCOME

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Provisions / Bad Debts Written Back/ Excess		
Discounts / Kasar Received	-6,908.00	2,454.00
Dividend Received	750.00	762.00
Interest on FDR	440,807.00	
Interest Received	10,317,648.51	16,945,226.39
Notice Pay Recovered	255,471.00	91,287.00
Claim Received	65,000.00	1,407,019.00
Other Income	2,122,092.00	3,008,887.86
Foreign Exchange Flactuation	3,757,216.00	
Other Income -- Total	16,952,076.51	21,455,636.25



SCHEDULE - 12 : NET RAW MATERIAL CONSUMED

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Opening Stock	26,621,083.25	2,395,061.78
Add: Purchases	6,361,634,778.72	4,545,869,448.00
Less: Closing Stock	10,475,448.00	26,621,083.25
Net Rawmaterial Consumed -- Total	6,377,780,413.51	4,521,643,426.53

SCHEDULE - 13 : EMPLOYEES EMOULMENTS

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Bonus	1,665,464.00	1,217,114.00
Director's Remuneration (Net)	13,862,346.00	14,205,683.50
House Rent Allowance	2,198,440.00	1,667,813.00
Leave wages / Salary	2,290,509.00	429,570.00
Medical Expenses	637.00	151.00
Medical Allowances	1,651,346.00	1,260,340.00
Providend Fund Expenses (P.F. & F.P.F)	1,696,835.00	1,615,824.00
Salary & Wages	29,857,726.50	16,415,524.50
Staff & Labour Welfare	2,548,314.00	1,672,726.30
Stipend	1,185,725.00	2,047,515.00
Telephone Allowance	1,830,256.79	669,151.74
Employees Emoulments -- Total	58,787,599.29	41,201,413.04

SCHEDULE - 14 : MANUFACTURING EXPENSES

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Cartage & Transport	7,911,623.00	5,435,363.20
Excise Duty Paid	84,399.00	11,626,975.18
Calibration Expenses	60,782.00	36,343.61
Service Charges	27,209,108.38	23,000,115.76
Consumable Stores	26,403,287.48	50,879,038.19
Repair & Maintenance (Plant & Machinery)	1,151,303.00	2,050,178.53
Factory Expenses	7,763,127.25	8,786,420.89
Electrical Spares	-	74,723.18
Insurance Expenses	1,826,381.35	969,643.74
Packing Material	30,473,132.91	19,838,245.65
Detention & Demmorage Charges	2,000.00	
Diesel for Generator	842,305.00	660,958.50
Svrvey Charges -- Infrastructure	1,973,705.00	804,657.00
Sales Tax (VAT)	44,709,063.00	16,955,056.00
Manufacturing Expenses -- Total	150,410,217.37	141,117,719.43



SCHEDULE - 15 : ADMINISTRATIVE EXPENSES

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Income Tax Assesment Dues	1,000.00	---
Audit Fees	866,413.00	1,001,521.40
Consultancy Charges	1,195,073.00	1,188,144.00
Conveyance Expenses	179,589.00	471,031.00
Donation	484,906.00	383,001.00
Electricity Expenses	683,171.00	308,691.59
Exchange Fluctuation	-	13,950.00
Legal & Professional charges	8,342,307.00	4,751,435.84
Post, Tele. & Courier Charges	563,769.00	1,497,337.38
Rent, Rates & Taxes	4,554,356.00	3,809,431.00
Application Fees	59,972.00	111,801.00
Repairs & Maintenance Others	450,665.00	1,341,064.00
Printing & Stationary Expenses	1,212,622.00	1,202,398.38
Sundry Expenses	588,225.20	281,283.20
Travelling Expenses	5,433,398.00	4,292,695.01
Vehicles Expenses	2,916,482.00	2,778,403.50
Amortisation Expenses	13,988,474.00	14,053,267.00
Office Expenses	574,169.00	527,225.05
Software Expenses	525,139.73	662,910.25
Insurance Exp (Car)	97,199.00	---
Sub-Total	42,716,929.93	38,675,590.60
Service Tax Expenses	260,546.39	568,523.00
Documentation Charges	146,276.00	1,870,830.00
Penalty	24,309.00	1,510.00
ISO9002 Expenses	42,121.00	33,736.00
FBT Paid	11,971.00	-
Loss on Sale of Fixed Assets	-	-
Professional Tax	2,400.00	-
Preliminary Expenses Written of	123,256.00	-
Sundry Balances Written of	-304.34	16,407,706.13
Sub - Total 2	610,575.05	18,882,305.13
Administrative Expenses -- Total	43,327,504.98	57,557,895.73

SCHEDULE - 16 : SELLING & DISTRIBUTION EXPENSES

PARTICULAR	2008-09 (Amount Rs.)	2007-08 (Amount Rs.)
Advertising Expenses	3,979,357.00	6,045,077.05
Sales Promotion Expenses	2,152,962.56	2,824,886.15
Commission on Sales	6,658,742.01	504,966.00
Marketing Expenses	14,967,733.71	16,730,837.01
Sales Tax	-	-
Deffered Tax Liability	125,000.00	-
Selling & Distribution Expenses -- Total	27,883,795.28	26,105,766.21



**SCHEDULE : 5
FIXED ASSETS as on 31.03.2009**

Name of Assets	Op.Bal. 01.04.2008	Gross Block			Depreciation			Net Block	
		Addition	Dedu.	31.03.2009	01.04.2008	For the year	31.03.2009	01.04.2008	31.03.2009
LAND & LAND DEVELOPMENT	18547467	266,000	-30,000	18,783,467	0	0	0	18,547,467	18,783,467.17
FACTORY BUILDING	130590166	19,919,261.35	0	150,509,427.37	22,487,257.01	5,533,465.00	28,020,722.01	108,102,909	122,488,705.36
PLANT & MACHINERY	293694140	329,055,007	0	622,749,147	202,309,330	39,272,113	241,581,443	91,384,810	381,167,704.09
ELECTRIFICATION	15029117	7,591,345	0	22,620,462	9,302,726	1,542,466	10,845,192	5,726,391	11,775,269.35
FURNI FIXTURE & OFFICE EQUIP	24528262	2,818,678.48	0	28,020,342.25	12,733,486.14	3,251,868.00	15,985,354.14	11,794,776	12,034,988.11
VEHICLES	11022572	8,837,451	0	19,860,023	5,318,743	1,265,468	6,584,211	5,703,829	13,275,811.86
OTHER ASSETS	797789.5	0	0	124387.81	124387.81	0	124387.81	673,402	0.00
TOTAL	494,209,513.5	368,487,743	-30,000	862,667,256	252,275,930	50,865,380	303,141,310	241,933,583	559,525,945.94
CAPITAL WORK IN PROGRESS	398,306,613.61	954,579,901.08	-450,607,980.34	902,278,534.35	0	0	0	398,306,613.61	902,278,534.35
GRAND TOTAL	892,516,127.11	1,323,067,643.91	-450,637,980.34	1,764,945,790.68	252,275,930.37	50,865,380.00	303,141,310.37	640,240,196.74	1,461,804,480.29
PREVIOUS YEAR	467,814,490	429,013,886.00	4,312,248.00	892,516,127.50	222,299,430.00	29,976,500.00	252,275,929.85	640,240,197.65	190,192,290.65



NOTES TO CONSOLIDATED ACCOUNTS

a) Basis of Accounting :

The consolidated financial Statement relate to Diamond Power infrastructure Ltd (“DPIL” or “the Company”)and its subsidiary .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 Consolidations

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

Subsidiaries

The Financial Statements of the company and its subsidiary company 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 extend possible ,are made in the consolidated financial statements and are presented in the same manner as the company 's standalone financial statements

Schedule : Notes of Accounts

1. Following subsidiary company is considered in the consolidated financial Statements :

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

2. Contingent Liabilities :

Contingent Liabilities are not provided in the accounts and are disclosed separately by way of notes forming parts of accounts

(a) Letter of Credit opened Rs.2355.69 lacs, materials under all letters of credit have been received and accounted for as Creditors ,

(b) Outstanding Bank Guarantees as of March 31, 2009 is Rs. 2850.00 lacs (Previous Year Rs. 481.16 Lacs) .

(c) Income tax demands being in appeal not provided for Rs. NIL (previous year Rs Nil).

(d) There are no outstanding Claims against the Company.

(e) There are no Contingent liabilities of Subsidiary as at the date of the Balance Sheet. The Bank Guarantees given by the Banks are against 100% margin

- Balance confirmation letters were sent out to various debtors and creditors .The confirmation of most of the Debtors and creditors is received.
- The Financial Statements of Diamond Power Transformers Ltd reflect the total income of Rs 995,207,418 and the total expenditure of Rs 936,411,549 for the period ended March 31,2009 and total assets of Rs 146,044,128 and total Liabilities of Rs 38,445,872 as of March 2009 are prepared as per Indian Generally Accepted Accounting Principles (Indian GAAP”) . The proportion of Income ,Expenditure ,Assets and Liabilities are 15.05%,15.49%,3.28%,1.16% respectively to the Consolidated Financial Statements
- 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 2009 registered under the MSMED Act, 2006
- Method of Accounting: The Financial Statements are prepared as a going-concern under historical cost convention on an accrual basis except those with significant uncertainty and in accordance with the Accounting Standards referred to in Section 211(3C) of Companies Act, 1956. Accounting Policies not stated explicitly otherwise are consistent with generally accepted accounting principles.
- 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.
- Fixed Assets: Fixed Assets are stated at cost (net of cenvat) 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.



9. 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 monthly pro - rata basis. Subsidiary depreciation is charged on Written Down value method
10. Expenditure during construction period:
All pre-operative project expenditure (net of income accrued), including interest on borrowings incurred up to the date of installation is capitalized and added pro-rata to the cost of fixed assets. Foundation costs are allocated as certified by management.
11. Investment: Long-term investments are valued at cost.
12. 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. Inventories of Subsidiary are valued at lower of cost or net realizable value on FIFO basis. Raw materials, Stores and spares includes purchase price and freight. Work in progress Material cost plus appropriate share of manufacturing overheads. Finished Goods Absorption cost basis and includes material, labour and appropriate overheads.
13. Import Entitlements: No Benefits for Import entitlement have been claimed during the period and the Company has no accrued import entitlement as on date.
14. Retirement Benefits: Contribution to Provident Fund is accounted on actual liability basis. Provision for Gratuity and Leave Encashment is made based on actuarial valuation.
15. 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.
16. 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 Ariel Bunch Cable Project (ABC Project) have been charged to the revenue for the financial period.
17. 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.
18. Foreign Currency Conversion: There were foreign currency transactions took place during the period. During the year the Foreign exchange earning in subsidiary was to the tune of Rs 4,94,88,650 and Foreign Expenditure was to the tune of Rs 51,44,928
19. 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.
20. 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.
21. 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. The tax liability on account of Fringe Benefits is provided as per the provision of Section 115WA of Income Tax Act 1961.
22. 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

2. Segment 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 and the EPC is at a very nascent stage, it is not possible to directly attribute or allocate on a reasonable basis, the expenses, assets & liabilities and to Segregate the sales in Segments. However the company separately gives out the figures for its subsidiary Company Diamond Power Transformers Ltd



Inter Segment Transfer Pricing Policy

All Inter Segment Transfers are at market price

SEGMENT INFORMATION FOR THE YEAR ENDED ON March 31st 2009

INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

(Rs in Lacs)

Sr. No.	Segment Revenue	2008-09
1	Conductor & Cables	43573.16
2	Power Infrastructure Turnkey Project Service Connection	18000.00
3	Transformer	9790.36

3. Related Party Disclosure:

(A) Particulars of Associates of the Company:

Sr. No.	Name of the Related Party	Nature of Relationship
1	Enterprise Intelligent Systems Ltd.	Associate Company of DPIL
2	Diamond Projects Ltd.	Associate Company of DPIL

(B) Key Management Personnel and their

Sr. No.	Key Management Personnel and their Relatives	Nature of Relationship
1	Mr. S.N.Bhatnagar	Chairman & Managing Director
2	Mr.Amit Bhatnagar	Jt. Managing Director
3	Mr. Sumit Bhatnagar	Jt. Managing Director (Operations)

(C) Transaction with 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	Nil	Nil	Nil	435.45	435.45
Receipts/ Rendering of services	12.00	Nil	Nil	Nil	12.00
Rent (Paid)/ Recd.	5.62	8.39	7.30	Nil	21.31
Advances Recd/ (Given)	Nil	Nil	Nil	2933.21	2933.21
Directors Remuneration	Nil	78.2	Nil	Nil	78.2
Outstanding Receivable as on 31.03.2009	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 and Apex Power Equipments Pvt Ltd.

(D)	Transactions with Key Management Personnel Individuals and their Relatives	Unit of Measurement	Value of Transaction Current Year	Value of Transaction Prev. Year
	Remuneration	Rs. in lacs	138.62	142.06

4. Earnings Per Share (EPS)

March 31, 2009

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	5606.55 Lacs
II	Weighted average number of equity shares for Earnings per share computation	
	(A) For Basic Earnings per Share	21047070
	(B) For Diluted Earnings per Share	21047070
	No. of shares for Basic EPS as per II A	
	Add: Weighted Average outstanding Option / Shares deemed to be issued for no consideration	-
	No. of shares for Diluted Earnings per share	21047070
III	Earnings per Share (Weighted Average)	
	Basic	Rs.26.63
	Diluted	Rs.26.63

5. MANAGERIAL REMUNERATION (excluding contribution to Gratuity fund, Provision for Leave Encashment on retirement and other retirement benefits) paid / payable to Directors:

Managing / Whole-time Directors	March 31, 2009 Rs. Lacs
Salaries	99.31
Perquisites	38.99
Contributions to Provident and Superannuation Fund	0
Incentive / Commission	0
Directors other than Managing / Whole-time Directors – Sitting Fees	0.31
	138.62



6. Reserves & Surplus

•Capital Reserve includes the amount of Rs. 25,00,000 added to it being the State Govt. Subsidy.

•Due to conversion of 3476820 warrants into equity shares, the share premium account is increased by Rs. 4902.32 Lacs.

7. Secured Loans:

1 The company has availed a Term Loan of Rs. 70.00 crores during the year 2007-08 from the Clearwater Capital Partners (India) Pvt. Ltd. @11% rate of interest per annum with variable GOI security Rate for the repayment of the entire term loan.

2 The Company has received sanction during the year a Term Loan of Rs. 132.00 crores , inclusive of Loan Equivalent Risk (L.E.R.) of Rs. 2.00 crores from the Axis Bank for company's various expansion projects. The entire term Loan is underwritten by the Axis bank under the syndication root. The said loan is secured by the first pari passu charge with Clearwater Capital Partners (India) Pvt. Ltd. on the fixed assets of the company , both present and future by way of Memorandum of Entry and the second pari passu charge ranking with Clearwater Capital Partners on the entire Current Assets of the company, both Present and future. The company has taken a disbursement of Rs 16 crore only .

3 The company has availed the working capital facilities of Rs. 60.00 crores from the Axis Bank Ltd. ; Rs. 53.40 crores from the Bank of India ; Rs. 50.00 crores from the ICICI Bank Ltd.; Rs. 18.90 crores from the Bank of Baroda & Rs. 90.00 crores from the Clearwater Capital Partners (India) Pvt. Ltd. (repaid Rs. 41.00 crores during the year) 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.

8. Unsecured Loans:

The company has not availed any unsecured loans.

9. 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.

10. No provision has been made for certain debtors as all receivables are considered to be fully recoverable in the opinion of the management.

11. 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.

12. In view of the continued losses, the creation of deferred tax assets based on future profitability, in the opinion of the management at present not feasible and neither does virtual certainty exist regarding the same. Hence, no provision for deferred tax asset is created as required under the Accounting standard 22 issued by the Institute of Chartered Accountants of India on accounting for taxes on income and hence for the year under report the same has not been complied with. However, provision for Income tax for the period has been made on the basis of the estimated total income after setting off allowable under the Income tax Act, 1961.

13. Sales include an amount of Rs 3323Lacs (Net of Duty) of inter- unit Transfer (Previous year Rs 4588 Lacs).

14. Aggregate director's remuneration Rs. 138.62 Lacs (previous year Rs.142.06 Lacs). The remuneration of reappointed directors are 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. This also includes payments made for other perquisites like gas, electricity etc and medical reimbursements.

15. Aggregate auditor's remuneration is fixed at Rs.8.74Lacs per annum (previous year Rs.8.74 Lacs) which includes Rs. 7.18 lacs as Audit Fees (Previous Year Rs.1.50 lacs) 0.46 lacs as Tax Audit fees (Previous Year Rs.0.18 lacs) and Rs. 1.09 lacs towards Out of Pocket Expenses (Previous year Rs. Nil).

16. As per Accounting Policy (10) on excise duty, the excise duty payable on finished goods in stocks at works amounting to Rs 137 Lacs (previous year Rs169.79 Lacs) has been included in the expenditure and in such stocks. However, the same has no impact on the profit for the year.

17. There are no amounts due and outstanding to be credited to investor Education and Protection Fund.



18. Details of Licensed, Installed Capacities and Production

Goods Manufactured	Licensed Capacity	Installed Capacity Current Year	Production Current Year	Production Previous Year 12 Months
All Aluminum Alloy Conductors & ACSR Conductor (Excluding Conductors used In Cables)	NA	50500 MTPA.	23,800 Mt	16588 Mt
LT Electric Power Cables & Control Cables	NA	9500 Kms.	8800 kms	6820 kms
HT Cables	NA	2800 Kms	238 kms	NA
Distribution Transformer	NA	5000 MVA	4200 MVA	----- -----

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 be 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 values are usually taken as per relevant IS standards.

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

Description of Item	U.O.M	Quantity For the year 2008-09	Quantity For the year 2007-08
Aluminum	M.Ts.	28,900	22565
Copper	M.Ts.	1300	656
Transformer	Nos	2249	1876

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

(Rs. in lacs)

Raw Materials	Current year	Previous year	Current year %	Previous year %
Imported	234.10	No	0.34	No
Indigenous	65954.97	No	99.66	No

21. Particulars of Sales and Stocks:

Item	U.O.M	Opening Stock	Sales	Closing Stock
Conductors	Kms.	2900	72,600	2154
Power & Control Cables	Kms.	256	8856	200
Transformer	Nos	4	2249	4



22. Expenditure in Foreign Currency

Particulars	2008-09 Amount (Rs in Lacs)	2007-08 Amount (Rs in Lacs)
Import on CIF basis	558.57	313.19
Traveling Expense	7.00	Nil
Others	450.00	2.60

23. Income in Foreign currency

Particulars	FOB Value of exports
Deemed exports	Rs. nil
Foreign exchange fluctuation	Rs. nil

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

SIGNATURE TO SCHEDULE 1 TO 17 FORMING PART OF THE ACCOUNTS.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS
AS PER OUR REPORT OF EVEN DATE.

Vijay N.Tewar & Co.
Chartered Accountants

Sd/-
V.N.Tewar.
Proprietor

Sd/-
Surendra Tamboli
Company Secretary
& Head Legal

Sd/-
S.N.Bhatnagar
Chairman &M.D.

Sd/-
Amit Suresh
Jt.M.D.

Sd/-
Sumit Suresh
Jt.M.D(O)

Date : June 30,2009
Place : Vadodara



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2009

	AS AT 31.03.2009 AMOUNT 12 Months	
	(Rs in Lacs)	(Rs in Lacs)
Cash flow from operating activities.		
Net profit before tax and extra ordinary item		6412.81
Adjustment for:		
Depreciation	508.65	
Deferred Expenses		
Income Tax	-908.72	
Interest expenses	2217.18	
Loss on sale of Assets	0	
Extra Ordinary items	-582.29	
Interest Recived	-107.58	
Interest \ Other income Received	0	1127.24
Operating profit before working capital changes		7540.05
Change in inventories	-6173.08	
Change in receivables	-139.32	
Changes in Loans and Advances	-2800.23	
Change in other current Assets	-1336.98	
Change in current liabilities	3611.29	
Net change in working capital	-6838.32	-6838.32
Cash generated from operations		701.73
Cash Flow from Investment Activities		
Direct Taxes Paid	0	0
Cash flow before Extra Ordinary / prior period items		
Interst Recived	-103.18	
Prior Period items (Restructuring)		
Net cash flow from operating activity		
Increase of fixed assets	-8452.67	
Decrease in Fixed Assets	0	
Increase of investment	55.58	
Loss on Sale of Assets	0	
Net cash flow used in investing activities	-8397.09	-8397.09
Cash flow from financing activities		
Proceeds from issue of share capital(net)	0	
Proceeds from Debt Re-structuring	0	
Proceeds from Premium	3365.99	
Decrease in Secured loans	7110.95	
Decrease in Subsidy	0	
Interest paid	-2217.18	
Increase in long term & other borrowing (net)		
Increase in unsecured loans	-93.90	8165.86
Net cash flow from financing activities	8165.86	470.50
Net increase in cash & cash equivalents		
Add: Cash & cash equivalents opening	1083.28	-470.50
Cash & cash equivalents closing	1553.78	

Note : Figures in brackets indicate negative figure.
AS PER OUR REPORT OF EVEN DATE.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

Vijay N. Tewar & Co.
Chartered Accountants

Sd/-
V. N. Tewar.
Proprietor

Sd/-
Surendra Tamboli
Company Secretary &
Head-Legal

Sd/-
S. N. Bhatnagar
Chairman & M. D.

Sd/-
Amit Suresh
Jt. M. D.

Sd/-
Sumit Suresh
Jt. M. D (O)

Date : June 30, 2009

Place : Baroda



Diamond Power Infrastructure Limited
Registered Office: Vil. Vadadala, Tal. Savli, Dist. Vadodara - 391 520, Gujarat, India.

PROXY FORM

DP ID*:
Client ID*:
Folio No.:
No. of Shares:

I/We _____ of _____ being a member /members of the above named Company hereby appoint _____ or failing him / her _____ of _____ as my / our proxy to attend and vote on my / our behalf at the 17th Annual General Meeting of the Company to be held on Saturday, August 8, 2009 or at any adjournment thereof.

Signed this _____ day of _____ 2009.

* Applicable for investors holding Shares in Electronic Form Only.

Note : This instrument of proxy shall be deposited at the Registered Office of the Company.

Affix Revenue Stamp Here

Diamond Power Infrastructure Limited
Registered Office: Vil. Vadadala, Tal. Savli, Dist. Vadodara - 391 520, Gujarat, India.

DP ID*:
Client ID*:
Folio No.:
No. of Shares:

ATTENDANCE SLIP

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

1. Name of the attending Member _____

2. 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 17th Annual General Meeting of the Company to be held on Saturday, August 8, 2009 or at any adjournment thereof.

Member's / Proxy's Signature _____

* Applicable for investors holding Shares in Electronic Form Only.



