



DIAMOND POWER INFRASTRUCTURE LTD.  
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F : +91-265-2280528  
w : www.dicabs.com

21<sup>st</sup> December, 2017

To,  
Deputy General Manager,  
Dept. of Corporate Services,  
**BSE Limited**,  
P J Towers, Dalal Street,  
Mumbai – 400 021

To,  
Deputy General Manager,  
Dept. of Corporate Services,  
**National Stock Exchange of India Limited**,  
Exchange plaza, Bandra, Kurla Complex,  
Bandra (East) Mumbai-400 051

**Ref.: Scrip Code No.: 522163 (BSE) DIAPOWER (NSE)**

**Sub.: Annual Report and Notice for the Financial Year 2016-17**

Dear Sir/Madam,

In light of the above mention subject please find attached herewith the enclosed Annual Report of Diamond Power Infrastructure Limited, as per the regulation 71 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the Notice for the Financial Year 2016-17.

Please take note of the above and acknowledge the receipt of same.

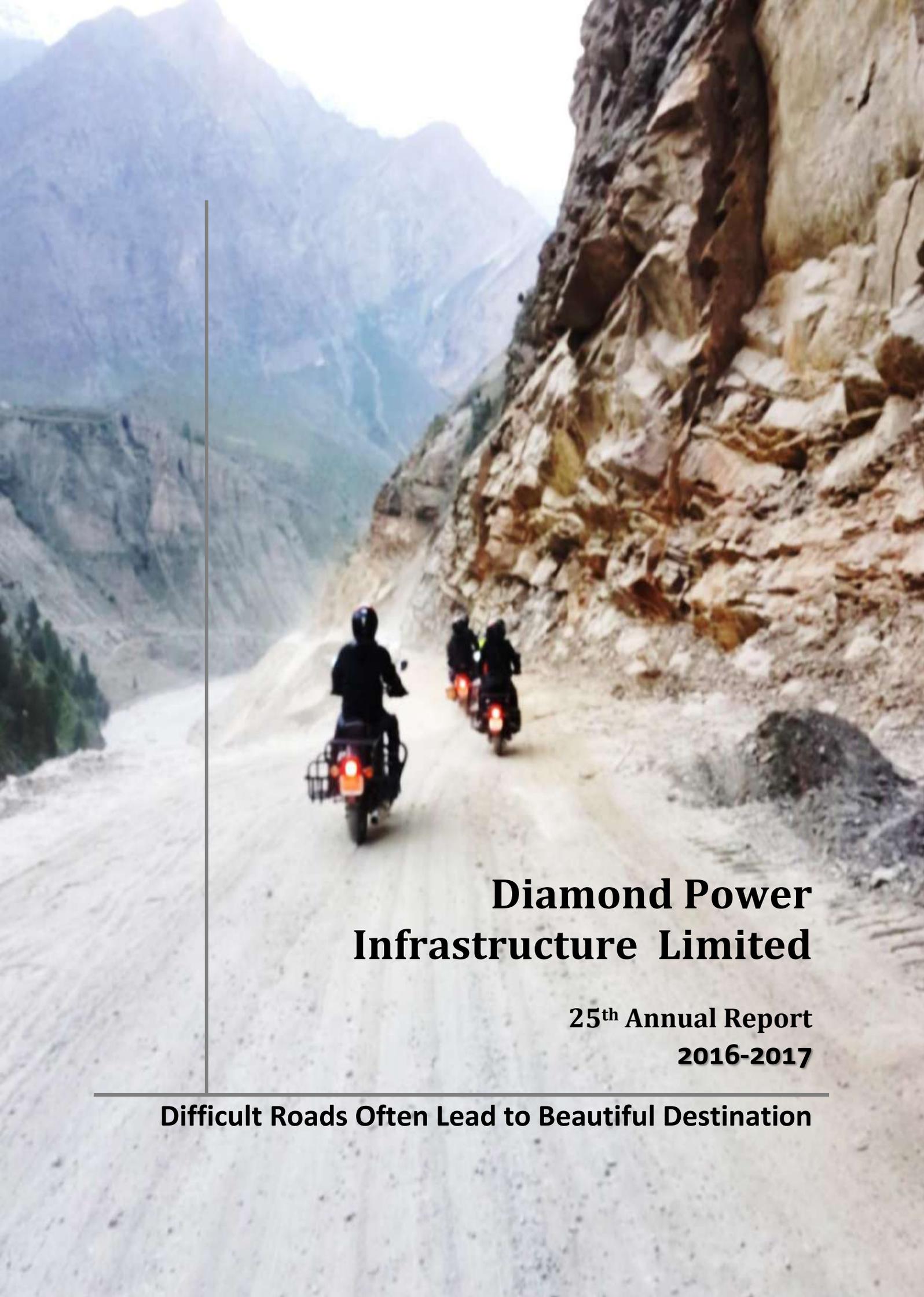
Thanking You,

Yours Faithfully,

For Diamond Power Infrastructure Limited

Authorised Signatory

Encl.: Annual Report and Notice for the financial year 2016-17.



# **Diamond Power Infrastructure Limited**

**25<sup>th</sup> Annual Report  
2016-2017**

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**Difficult Roads Often Lead to Beautiful Destination**

## **FORWARD LOOKING STATEMENT**

In this Report, we have disclosed forward-looking information to enable investors to fully appreciate our prospects and take informed investment decisions.

This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set our anticipated results based on the Management’s plan and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘project’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance.

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

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

**“Difficult Roads Often Lead to Beautiful Destination.”**

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

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

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

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

Diamond Power Infrastructure Limited....

**Diamond Power  
Infrastructure Limited**

25<sup>th</sup> Annual Report  
2016-2017

Difficult Roads Often Lead to Beautiful Destination

## KEY MILESTONES

1971

•Established a Conductor Manufacturing unit

1995

•Setup an LV Cables Manufacturing Unit

1999

•Setup an Aluminum Road Mill

2006

•Setup the EPC Business

2007

•Acquired Western Transformers and also acquired substantial stake in Apex Electricals Limited

2008

•Setup HV Cables Manufacturing Unit upto 132 KV

2010

•Capacity Expansion of LV & HV Cables Unit 2011- Setup EHV Cables manufacturing upto 550 KV and Setup Transmission Tower unit

2012

•Acquired strategic stakes in Utkal Galvanizers and Maktel Control & Systems, Acquired controlling stake in Danke Controls, Commenced production of Power Transformers and control & relay panels and Successfully commissioned 6.3 MW of wind energy at Jamanwada, Kutch

2013

•Acquired strategic stake in M/s Maktel Control & Systems, India's leading power and control panel manufacturer and Successfully established Ultra High Voltage Cable Testing Laboratory, a first of its kind in India having a capability to 500 KV capacity

2014

•Successfully commissioned the first phase of ambitious expansion program for 3000 kms of MV cables and 50,000 MTPA of conductors in February 2014

2015

•Rejuvenation of the product brand to Dicabs

## *From the desk of Managing Director...*

Dear Shareholders,

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



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

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

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

Amit Bhatnagar  
Managing Director

## *From the desk of Jt. Managing Director...*

Dear Shareholders,

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



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

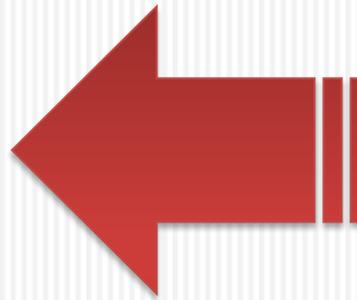
We continued to do just that – unrelenting execution to help us shape up in more than one ways. The results are visible. Despite our financial challenges, none of our clients have walked away. Our stakeholders and investors stand beside us – together to contribute towards resolution. Our vendors continue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

Dr. Sumit Bhatnagar  
Jt. Managing Director

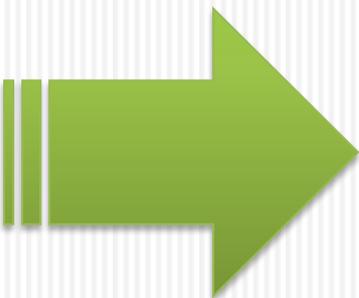
## Product Range



**Conductors up to  
765 KV**



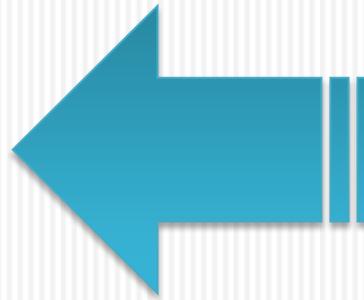
**Cables up to 550 KV**



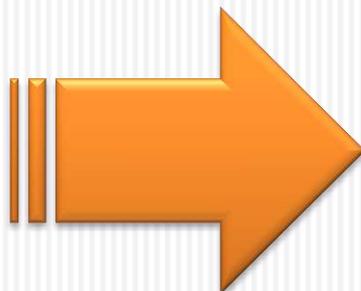
## Product Range



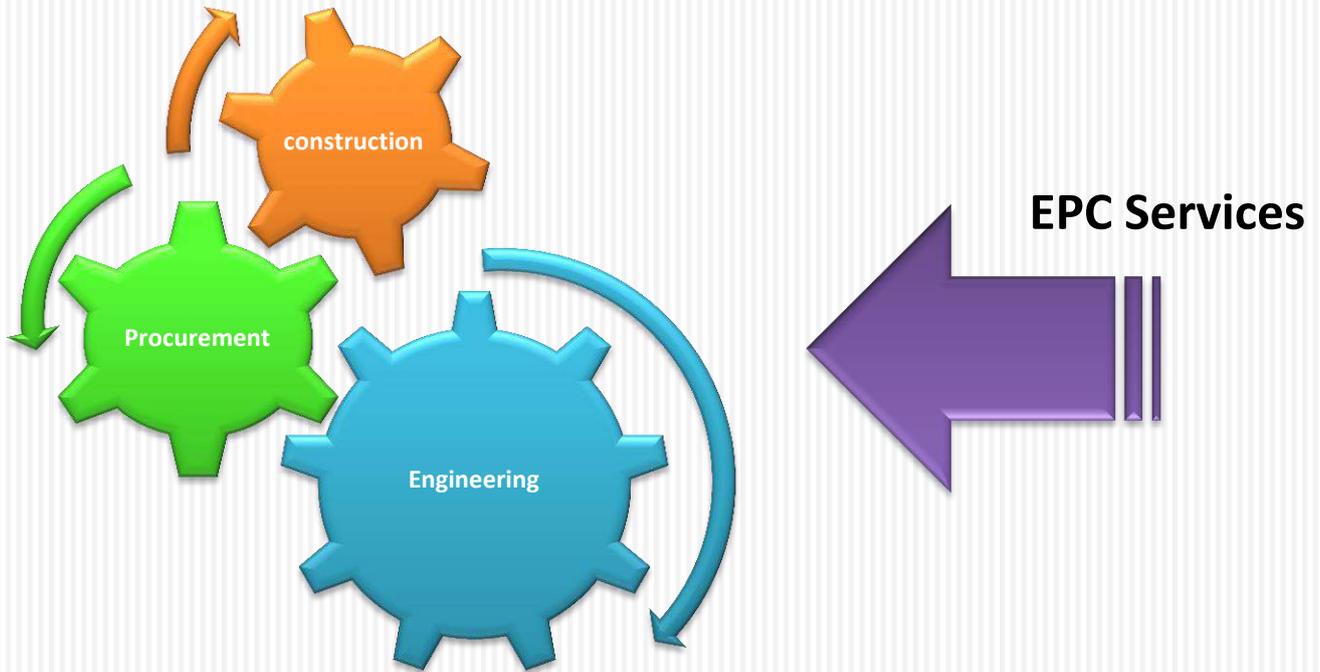
**Transformers (Power and Distribution) up to 220 KV**



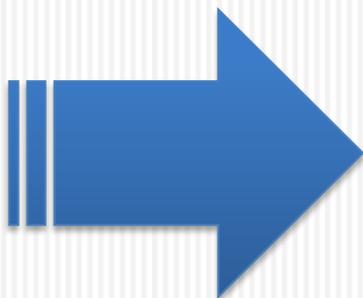
**Transmission Tower**



## Product Range



## Testing Equipment of Essen Ultra High Voltage Laboratory



**+ Rods**

**Aluminium and alloy rods -  
32,000 MT**

**+ Conductors**

**Alloy and ASCR conductors -  
50,500 MT**

**+ Power cables**

**LV XLPE Power & Control cables  
- 34,300 KMS**

**MV cables up to 66 KV - 5,600  
KMS**

**Specialty cables - 3,500 KMS**

**High tension cables up to 132  
KV - 2,800 KMS**

**EHV cables 220-550 KV - 2,500  
KMS**

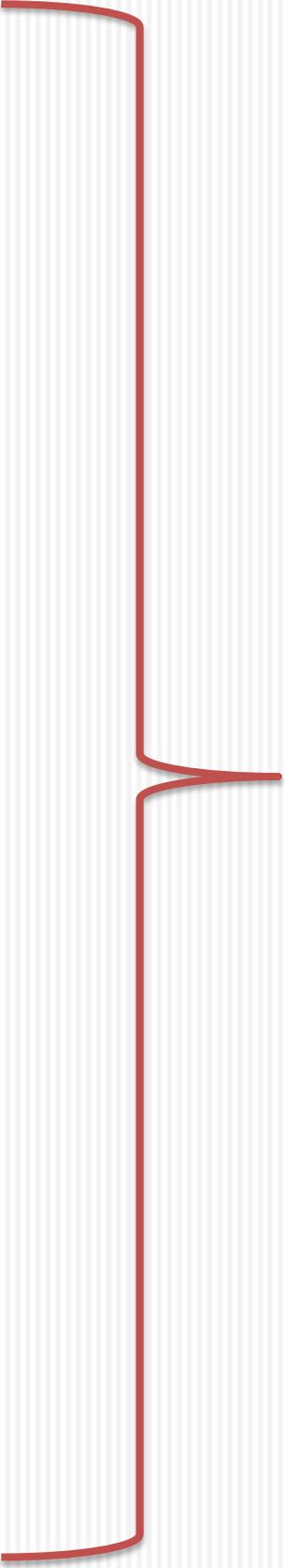
**+ Power transformers**

**40-315 MVA up to 220 KV -  
7500 MVA**

**5-40 MVA up to 220 KV - 2500  
MVA**

**+ Distribution transformers**

**Up to 5 MVA - 2500 MVA  
Transmission towers - 48,000  
MT**



**Existing  
Capacities**

## Approvals, Certifications and Testing

- Conductors
- ISO 9001-2008 certified
  - Products are type-tested at ERDA, NETFA, TAG and CPRI
  - India's first plant with in-house alloy manufacturing capabilities with type-testing facilities for rods
  - Products approved with Power grid, NTPC, NHPC and SEB's
  - First in India to develop and manufacture alloy conductors and proto-test HSHC (High Strength and High Conductivity) conductors
  - First BIS mark holder for alloy conductors in India having ISI licenses for all types of conductors

- |              |   |
|--------------|---|
| Cables       | <ul style="list-style-type: none"><li>- ISO 9001-2008 Certified</li><li>- Products type-tested at ERDA and CPRI</li><li>- BIS certification for all LV / HV cables, conductors</li><li>- Products approved and accepted by leading electrical consultants, EPC contractors and corporate houses</li><li>- Products approved by most of the power utilities viz. Power grid, NTPC, NHPC and State Electricity Boards</li></ul> |
| Transformers | <ul style="list-style-type: none"><li>- Captive type-testing facilities of up to 1000 KV already installed</li><li>- Over 500 type-tests of several sizes done in laboratories all over the world</li><li>- R&amp;D facilities have been certified by DSIR, Govt. of India and ISO 9001-2008</li></ul>  |

## Board of Directors



**Shri Amit Bhatnagar**  
Managing Director

Shri Amit Bhatnagar is the Managing Director of our Company since January 2010. Prior to that, he was the Joint Managing Director of our Company since 1992. He holds a Bachelor's degree in Industrial Engineering (gold medallist) from Saurashtra University and MBA in Finance & MOP with a gold medal from the Asian Institute of Management, Manila. Shri Bhatnagar has over 28 years of experience in Managing the Company. He also has a varied experience in the power equipment industry, which includes business to- business selling via the dealer and industrial marketing route. Shri Bhatnagar is also awarded by the 'Udyog Ratan' award for 2007-08 by the Government of India. He is honoured with the Title of Brand Ambassador of Hon Chief Minister of Gujarat for Swatch Bharat Abhiyan along with 6 other leading Personalities of Gujarat. He is also a Co-Founder/of Vadodara International Marathon, served as Chairman & Co-Founder of VADFEST, held the position as a President for Northern India Cultural Association (NICA). He is also a Chairman of Organizing Committee of SWITCH GLOBAL EXPO and won award for BEST PRESIDENT of ROUND TABLE INDIA.

Shri Sumit Bhatnagar is the Joint Managing Director of our Company since January 2010. Prior to that, he was director Technical of our company since 1992. He holds a Hon. Doctorate in Business Management, MBA in international finance from Swinburne University, Melbourne, Australia with chancellor's medal and scholarship for obtaining highest grades in his course and has pursued BE in Electronics from Pune University. He has been a guiding force in documenting business processes and procedures in various domains like procurement, sales, Quality, Logistics, production and human resources in the company. He is also a certified ERP Professional for Microsoft Dynamics, Oracle E Business Suite & SAP. Shri Sumit Bhatnagar has been associated with our Company for over 24 years. He has more than 20 years of experience in Business Process Analysis, re-engineering, System Study like ERP, ISO 9002, developing in-house internal audit system and putting in place the MIS for decision making and control. Shri Bhatnagar is also a Trustee on the Board of Balbhavan Society of Vadodara, Member Trustee in head of logistics and Hospitality of Vadodara Art & Culture Foundation under which they have successfully organised VADFEST and Vadodara Navratri Festival, Head Logistics and Hospitality Committee in the Federation Of Gujarat Industries "SWITCH GLOBAL EXPO" for the Electrical Exhibition, has also been felicitated with the National Business Leadership Award for Industrial Development given by IEDRA.

**Shri Sumit Bhatnagar**  
Jt. Managing Director



## Board of Directors



**Ms Nivedita Pandya**  
Woman Director

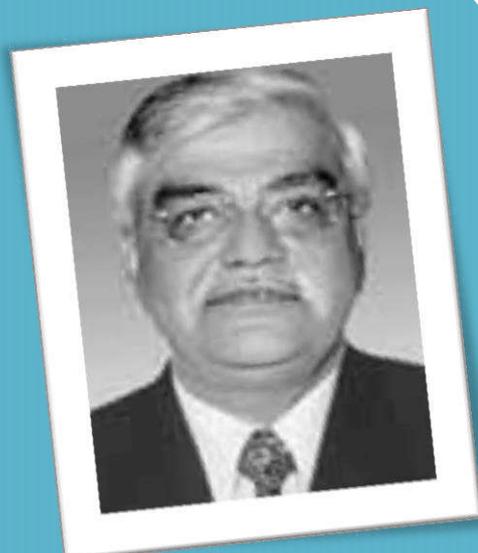
Ms. Nivedita Pandya - Is a Graduate in Mechanical Engineering from S.P University - V.V Nagar, with wide techno-commercial experience in industries majorly in cable industry. She has been Instrumental in the execution of several prestigious Green field projects including setting up of state of art HV-EHV cable plants , Tower manufacturing plant etc., UHV Laboratory & R & D centre etc.

Is also doing extensive work in the field of Machinery design & its Manufacturing since last over 20 years and travelled extensively to Europe & China for technology selection sourcing etc. “

Shri Shailendra Pal Singh was appointed by the Board of Directors of the Company as an Additional Director w.e.f. 8th November, 2015.

Shri Shailendra Pal Singh is B.E (Electrical). He carries a diverse & varied Industry experience with World top Brands/Big Groups, with an overall successful track record of 41 years. He was earlier with NTPC as Director (HR) and also has broad experience in Power Project Implementation. He also served as Chairman of KINESCO Power & Utilities Pvt. Ltd. He also holds personal/Business rapport with top business houses in India and abroad.

**Shri Shailendra Pal Singh**  
Independent Director



## Board of Directors



**Shri R S Shekhawat**  
Independent Director

Shri R S Shekhawat is a renowned name in Power, Communication & Special application Cable Industry. He is a technocrat having more than 50 years of rich experience in cable manufacturing and has worked at top positions in leading cable units. He has to his credit, setting up and operation of six large scale cable manufacturing plants including two for corporate giant, M P Birla Group. He has undergone training at world leaders like ABB cables & Ericsson cables of Sweden. He has also helped many, in product development and stream lining operations through his consulting".

Shri Ashok Kumar Gautam is one of the leading consultants for many Corporates. He has a vast experience in Tax administration and is presently one of the top professional in Tax Matters in the country. He was with Reserve Bank of India in 1976 and after Joining IRS (Income Tax) in 1977, served around 36 years in Indian Revenue Service in 6 different states in the country.

**Shri Ashok Kumar Gautam**  
Independent Director



Shri Ashok Kumar Singh is having massive experience of over 37 years with Government of Uttar Pradesh and Government of India, he is retired I.A.S Officer and served with many prestigious government organizations, he also served as Magistrate and Dy. Labour Commissioner. He was Secretary for Planning Department, U. P. Government. Other than above, he was awarded for the best performance as Dist. Magistrate and honoured with President of India's Silver Medal for the best work on census operation as Dist. Magistrate Basti.

**Shri Ashok Kumar Singh**

Independent Director



## DIRECTORS' REPORT

To,  
The Members,

Your Directors are pleased to present the Twenty Fifth Annual Report together with the Audited Financial Accounts of the Company for the year ended on 31<sup>st</sup> March, 2017.

### FINANCIAL RESULTS

(Rs. In Lacs)

Particular	Standalone		Consolidated	
	Year ended on 2017	Year ended on 2016	Year ended on 2017	Year ended on 2016
Income	1,16,348.78	2,08,980.68	1,16,355.24	2,28,729.48
Expenditure	1,80,733.30	2,13,172.65	1,80,735.99	2,31,884.04
<b>Gross Profit / (Loss) before Interest , Depreciation &amp; Tax</b>	<b>(64,384.52)</b>	<b>(4,191.97)</b>	<b>(64,380.75)</b>	<b>(3,154.56)</b>
Finance Cost	18,402.52	18,459.54	18,403.11	19,591.33
Depreciation	9,394.60	5,746.06	9,394.60	5,815.84
Exceptional items	(11,396.72)	-	(11,396.72)	10.86
<b>Net Profit / (Loss) after Depreciation &amp; Financial Cost</b>	<b>(80,784.92)</b>	<b>(28,397.57)</b>	<b>(80,781.74)</b>	<b>(28,572.59)</b>
<b>Income Tax:</b>				
Current Tax	(1,312.12)	-	(1,312.11)	-
Deferred tax	-	(1,462.00)	-	(1,462.00)
<b>Profit after tax</b>	<b>(79,472.80)</b>	<b>(26,935.57)</b>	<b>(79,469.63)</b>	<b>(27,110.59)</b>
Consolidated Share in the Profit / (Loss) of Associate	-	-	(1,006.44)	(170.49)
<b>Profit/(Loss) for the year</b>	<b>(79,472.80)</b>	<b>(26,935.57)</b>	<b>(80,476.06)</b>	<b>(27,281.08)</b>
Share Capital	26,971.07	5,700.05	26,971.07	5,700.05
Other Equity	38,691.40	56,390.95	38,511.35	56,492.23
EPS	(71.89)	(48.13)	(72.79)	(48.75)

### IMPORTANT PERFORMANCE PARAMETERS

Particular	Standalone		Consolidated	
	Year ended on 2017	Year ended on 2016	Year ended on 2017	Year ended on 2016
Gross Profit Margin (%)	(55.34)	(2.01)	(55.33)	(1.38)
Asset Turnover (times)	0.81	1.43	0.83	1.54
Interest Coverage (times)	(3.39)	(0.54)	(3.39)	(0.46)
Earning per Shares (diluted) (Rs.)	(71.89)	(48.13)	(72.79)	(48.75)

### RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The year under review continued to be challenging one for your Company. The Company underwent through debt restructuring process with its lenders under JLF Mechanism. However, due to various factors coupled with the economic slowdown of the country and more so in the Power Sector and delay on procedural parts with the lenders, the restructuring package could not be implemented as

envisaged. For the long term solutions it was felt necessary to work out a mechanism to address the infusion of fund and sustainable debt in to the system. For infusion of funds, the Company has identified a prospective investor who has shared the terms sheet which is based on the sustainable debt. The same is being shared with the lenders and it is under their considerations. Based on the development and the future scenario, the lenders have decided to adopt the strategic debt restructuring mechanism (SDR) which the Company believes that the same will protect the interest of the esteemed investors and stakeholders. The Company is also working on various alternatives to come out from the situation.

Our total income on a standalone basis decreased to Rs. 1,16,348.78 Lacs from Rs. 2,08,980.68 Lacs in the previous year. Our total Profit/Loss for the financial year 2016-17 is Rs. (79,472.80) Lacs Compared to previous year loss Rs. (26,935.57) Lacs.

#### **BOARDS' EXPLANATION ON AUDIT QUALIFICATION (STAND ALONE)**

With respect to the qualifications marked by M/s. A Yadav & Associates, Chartered Accountants vide there Independent Statutory Auditor's Report on standalone basis annexed with this Annual Report, your board would like to clarify that the Company does not have adequate details of cost of each assets, its significant component and capital work in progress capitalized during the year and in earlier years. As a result of which, the Company is unable to calculate the correct depreciation and hence the management is unable to estimate the impact on the profit for the year, reserves at the year end and the value of the net assets carried forward in the standalone financial statements. The Company is in process of updating its fixed assets register having all the required details to calculate the impact of depreciation which will be adjusted in the books of accounts on completion.

The Company has noted the Auditor's observations with respect to internal control over financials reporting. The Company has taken the cognition of the control aspect and is in the process of evaluating suitable measures to be adopted to implement the internal control system wherever it is lacking and needs improvement for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **CONSOLIDATED ACCOUNTS**

The consolidated financial statements of your Company for the financial year 2016-17, are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standards (IND AS) and Listing Agreement as prescribed by the Securities and Exchange Board of India (SEBI). The consolidated financial statements have been prepared on the basis of audited financial statements of the Company, its subsidiary and associate companies, as approved by their respective Board of Directors.

#### **BOARDS' EXPLANATION ON AUDIT QUALIFICATION (CONSOLIDATED)**

With respect to the qualifications marked by M/s. A Yadav & Associates, Chartered Accountants vide there Independent Statutory Auditor's Report on consolidated basis annexed with this Annual Report, your board would like to clarify that the Company does not have adequate details of cost of each assets, its significant component and capital work in progress capitalized during the year and in earlier years. As a result of which, the Company is unable to calculate the correct depreciation and

hence the management is unable to estimate the impact on the profit for the year, reserves at the year end and the value of the net assets carried forward in the consolidated financial statements. The Company is in process of updating its fixed assets register having all the required details to calculate the impact of depreciation which will be adjusted in the books of accounts on completion.

The Company has also noted the Auditor's observations with respect to internal control over financials reporting. The Company has taken the cognition of the control aspect and is in the process of evaluating suitable measures to be adopted to implement the internal control system wherever it is lacking and needs improvement for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **SUBSIDIARIES & ASSOCIATE COMPANIES**

Separate financial statements of all subsidiaries and associate Companies of your Company are provided in this report and said financials forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013.

M/s. Diamond Power Global Holdings Limited is wholly owned subsidiary of your company. However, M/s. Diamond Power Transformers Limited is an associate company of your Company.

*Please refer Annexure [A] to the Board Report.*

### **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's Discussion and analysis is set out in this Annual Report.

### **DIVIDEND**

Looking into the long term interest of the Company, your Directors have not recommended any dividend for the financial year ended on 31<sup>st</sup> March, 2017.

### **TRANSFER TO RESERVES**

Since company incurred negative profit during the financial year under review, there is no amount transfer to general reserve.

### **PUBLIC DEPOSITS**

During the financial year 2016-17, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

### **CORPORATE GOVERNANCE REPORT**

A separate report on Corporate Governance along with a certificate from the Auditors on its compliance forms an integral part of this Report.

## **INDUSTRIAL RELATIONS**

The Company is having its presence in medal east countries and planning to expand its business in overseas countries too. Further Company has strong dealer network to accelerate growth of the Company.

## **DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of your Company is set out in “*Annexure [B]*”.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **Appointments:**

During the financial year 2016-17, in compliance with the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Shri Sumit Bhatnagar (DIN 00776129) was re-appointed on 19<sup>th</sup> August, 2016, Shri Shailendra Pal Singh (DIN 02296585) was regularize from Additional Director on 19<sup>th</sup> August, 2016 and Shri S K Negi (DIN 00533049) was appointed as an Additional Director of the Company on 4<sup>th</sup> March, 2017.

### **Resignations/Retirements:**

During the year Shri Jaideep Nigam (DIN 07253279) was heavenly aborted due to his bad health. Shri Nigam was one of the core members of the Board and during his tenure Company nailed down many great opportunities. The Board places on record its appreciation for his valuable contribution during his association with the Company. Shri S K Negi (DIN 00533049) also resigned due to his pre-obligation on 24<sup>th</sup> April, 2017.

## **DIRECTORS RETIRE BY ROTATION**

Shri Amit Bhatnagar is liable to retire by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and being eligible have offered himself for the re-appointment.

Appropriate resolution for his re-appointment is being placed for your approval at the ensuing AGM. The brief resume of the Director and other related information has been detailed in the Notice convening the 25<sup>th</sup> AGM of your Company. Your Directors recommend his re-appointment.

### **Evaluation of Board's Performance:**

In terms of the provisions of the Companies Act, 2013 read with Rules issued thereunder and Listing Obligations, the Board of Directors on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board/Director(s) at their meeting held on 14<sup>th</sup> February, 2017.

## **NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE**

The details of the number of Board and Audit Committee meetings of your Company are set out in the Corporate Governance Report which forms part of this Report.

## **DECLARATION OF INDEPENDENCE**

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as SEBI (LODR) Regulation 2015.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2017 and of the profit and loss of the Company for the financial year ended 31st March, 2017;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding 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;
- e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## **AUDITORS AND AUDITORS' REPORT**

### **Auditors**

The Company at its 23<sup>rd</sup> Annual General Meeting held on 30<sup>th</sup> September, 2015 has appointed M/s. B S R & Co., LLP, Chartered Accountants (Firm Registration Number 101248W/W-100022) and M/s. A Yadav & Associates (earlier known as ABCJPR & Company), Chartered Accountants (Firm Registration No.: 129725W) as Joint Independent Statutory Auditors of the Company which was also rectified by the Members at their 24<sup>th</sup> Annual General Meeting held on 19<sup>th</sup> August, 2016. However, due to pre-obligations of M/s. B S R & Co. they have resigned as Auditors from 14<sup>th</sup> December, 2016 and M/s. A Yadav & Associates continued as Independent Statutory Auditors of the Company, accordingly the appointment of M/s. A Yadav & Associates, Chartered Accountants (Firm Registration Number 129725W), as Independent Statutory Auditor of the Company has been placed before the Shareholders of the Company for ratification.

The Auditors' Report for is enclosed with the financial statements in this Annual Report.

### **Cost Auditor**

As per Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of your Company has appointed M/s. S. S. Puranik & Associates., Cost Accountants (Firm Registration No. 100133) as the Cost Auditor for the financial year 2017-18 on the recommendations made by the Audit Committee. The remuneration proposed to be paid to the Cost Auditor, subject to the ratification by the members at the ensuing AGM, would be not exceeding Rs. 90,000 (Rupees Ninety Thousand only) excluding taxes and out of pocket expenses, if any.

Your Company has received consent from M/s. S. S. Puranik & Associates., Cost Accountants, to act as the Cost Auditor of your Company for the financial year 2017-18 along with a certificate confirming their independence.

## Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Devesh Vimal & Co., Practicing Company Secretaries to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is annexed herewith as “**Annexure - [C]**” to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as “**Annexure [D]**” to this Report.

## RELATED PARTY TRANSACTIONS

During the financial year 2016-17, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arms’ length basis and in accordance with the provisions of the Companies Act, 2013, Rules issued thereunder and SEBI (LODR) Regulations 2015. During the financial year 2016-17, there were no transactions with related parties which qualify as material transactions.

The details of the related party transactions as required under Accounting Standard - 18 are set out in Notes to the financial statements forming part of this Annual Report.

The Form AOC- 2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as “**Annexure [E]**” to this Report.

## LOANS AND INVESTMENTS

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

A. Details of investments made by the Company as on 31st March, 2017 (including investments made in the previous years):

i. Investments in equity shares:

(Rs. In Lacs)

Name of entity	Amount as at 31st March, 2017
Diamond Power Transformers Ltd	1,006.44
Diamond Power Global Holdings Ltd	12.88

ii. Investment in debt instrument:

Amount in Rs.

Name of entity	Amount as at 31st March, 2017
Not Applicable	

iii. Details of loan given by the Company are as follow:

Rs. In Lacs

Name of entity	Amount as at 31st March, 2017	Amount as at 31st March, 2016
Apex Power Equipments Private Limited	1229.45	1229.45
Diamond E.H.V. Conductors	-	-
Maktel Power Limited	54.55	54.55
Diamond Power Transformers Limited	1265.70	1265.70
Diamond Global Holdings Limited	70.77	58.94
Madhuri Finserve Pvt ltd	166.15	166.15

B. There are no guarantees issued by your Company in accordance with Section 186 of the Companies Act, 2013 read with the Rules issued there under except for subsidiary Company.

### **RISK MANAGEMENT**

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans.

Your Company, through its risk management process, strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors.

### **VIGIL MECHANISM**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and SEBI (LODR) Reg. 2015. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this report.

### **CORPORATE SOCIAL RESPONSIBILITY**

In accordance with Section 135 of the Companies Act, 2013 the Board of Directors of the Company at their meeting held on 30<sup>th</sup> May, 2014 framed CSR Committee, on the recommendations of the CSR Committee. The CSR Policy outlines the CSR vision of your Company which is based on embedded tenets of trust, fairness and care.

The initiatives undertaken by your Company during the financial year 2016-17 in CSR have been detailed in this Annual Report. However, the Company has occurred loss in the year under review and henceforth, your company is unable to spend amount for the CSR activities. The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, is set out herewith as "**Annexure [F]**" to this Report.

### **SHARE CAPITAL DURING THE YEAR UNDER REVIEW**

Your Company in the financial year 2016-17 has increased its Authorized Share Capital to Rs. 4,50,00,00,000 (Rupees Four Hundred Fifty Crores Only) divided into 38,58,58,500 (Thirty Eight

Crores Fifty Eight Lacs Fifty Eight Thousand Five Hundred Only) Equity Shares of Rs.10/- (Rupees Ten) each, 41,41,500 (Forty One Lacs Forty One Thousand Five Hundred Only) 0.01% Cumulative Non-Convertible Preference Shares of Rs. 10/- (Rupees Ten) Each and 6,00,00,000 (Six Crore only) 0.01% optionally convertible redeemable preference shares of Rs. 10/- Each.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out herewith as "*Annexure [G]*" to this Report.

**DETAILS OF INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS**

Your Company has put in place adequate internal financial controls with reference to the financial statements.

**SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

**GENERAL**

- a) Your Company has not issued equity shares with differential rights as to dividend, voting or otherwise; and
- b) Your Company does not have any ESOP scheme for its employees/Directors.

**APPRECIATION**

Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. Your Directors sincerely convey their appreciation to customers, shareholders, debenture holders, vendors, bankers, institutions, business associates, regulatory and government authorities for their continued support.

**For & on Behalf of the Board**

**Shri Amit Bhatnagar  
Chairman & Managing Director of the Meeting**

**Date: 10<sup>th</sup> August, 2017**

**Place: Vadodara**

## Annexure [A] to Board' Report

The financial performance of each of the subsidiary and associate companies included in the consolidated financial statement are detailed below:

Sr. No.	Particular	Turnover		Profit (Loss) Before Tax		Profit (Loss) Before Tax	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>1</b>	<b>Subsidiary Companies:**</b>						
	Diamond Power Global Holdings Ltd. (Foreign Subsidiary)*	-	-	18,053.82	-	18,053.82	-
<b>2</b>	<b>Associate Companies:***</b>						
	Diamond Power Transformers Ltd.	24802.44	20111.50	(6655.29)	(847.99)	(6655.29)	(568.96)

\* Commencing from 1<sup>st</sup> January, 2016 to 31<sup>st</sup> December, 2016

\*\* Amount in AED \*\*\* Amount in Rs in Lacs

### AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129) read with rule 5 of Companies (Accounts) Rule, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### PART A: Subsidiaries

(Information with respect to each subsidiary to be presented)

Sr. No.	Particulars	Name of the Subsidiary
1	Name of the Subsidiary	Diamond Power Global Holdings Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 <sup>st</sup> December, 2016
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR As on 31 <sup>st</sup> March, 2017 @ Rs. 17.65896
4	Share Capital	AED 3,67,0000
5	Total Assets	AED 34,62,737
6	Total Liabilities	AED 34,62,737
7	Investments	NIL
8	Turnover	NIL
9	Profit before taxation	AED 18,053.82
10	Deferred Tax(Asset)	NIL
11	Profit after taxation	AED 18,053.82
12	Proposed dividend	NIL
13	% of shareholding	100%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operation.
- Names of subsidiaries which have been liquidated or sold during the year.

**PART B: Associates and Joint Ventures****Statement Pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Sr. No.	Particulars	Name of the Associates Company
	Name of Associates/ <del>Joint Ventures</del>	Diamond Power Transformers Limited
1	Latest audited Balance Sheet Date	31 <sup>st</sup> March, 2017
2	Shares of Associate/ <del>Joint Ventures</del> held by the company on the year end	
	No of Shares	Eq. Shares 99,60,000
	Amount of Investment in Associates/ <del>Joint Venture</del>	Rs. 9,96,00,000
	Extent of Holding %	45.32%
3	Description of how there is significant influence	Share Purchase Agreement
4	Reason why the associate/ <del>joint venture</del> is not consolidated	NA
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs. (37,46,43,681.00)
6	Profit/Loss for the year	
	i. Considered in Consolidation	Rs. (13,87,12,164.00)
	ii. Not Considered in Consolidation	

\*associate Company of Diamond Power Transformers Ltd.

1. Names of associates and joint ventures which are yet to commence operations.

2. Names of associates and joint ventures which have been liquidated or sold during the year.

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

**Annexure [B] to Board' Report**

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**A. Ratio of remuneration of each Director to the median remuneration of all the employees of your Company for the financial year 2016-17 is as follow:**

(Amount in Rs.)

Sr. No.	Name of the Director	Designation	Total Remuneration	Ratio of remuneration of Director to the Median remuneration
1	Shri Amit Bhatnagar	Managing Director	2,54,49,996	12.33
2	Dr. Sumit Bhatnagar	Jt. Managing Director	2,54,49,996	12.33
3	Shri Ranvir Singh Shekhawat	Independent Director	NIL	NIL
4	Ms. Nivedita Pandya	Women Director	NIL	NIL
5	Shri Ashok Kumar Gautam	Independent Director	NIL	NIL
6	Shri Ashok Kumar Singh	Independent Director	NIL	NIL
7	Shri Shailendra Pal Singh	Independent Director	NIL	NIL
8	Surender Kumar Negi*	Additional Director*	NIL	NIL

\*Resigned on 24<sup>th</sup> April, 2017

Median remuneration of the Company for all its employees is Rs. 20,64,79,754 for the financial year 2016-17.

**B. Details of percentage increase in the remuneration of each Director and Company Secretary in the Financial Year 2016-17 are as follow:**

(Amount in Rs.)

Sr. No.	Name of the Director	Designation	Remuneration		Increase %
			2016-17	2015-16	
1	Shri Amit Bhatnagar	Managing Director	2,54,49,996	60,00,000	324.17
2	Dr. Sumit Bhatnagar	Jt. Managing Director	2,54,49,996	60,00,000	324.17
3	Shri Ranvir Singh Shekhawat	Independent Director	NIL	NIL	NIL
4	Ms. Nivedita Pandya	Women Director	NIL	NIL	NIL
5	Shri Ashok Kumar Gautam	Independent Director	NIL	NIL	NIL
6	Shri Ashok Kumar Singh	Independent Director	NIL	NIL	NIL
7	Shri Shailendra Pal Singh	Independent Director	NIL	NIL	NIL
8	Surender Kumar Negi*	Additional Director*	NIL	NIL	NIL
9	Shri Nishant Javlekar	AGM – Secretarial & Company Secretary	8,69,170	6,47,833	34.17

\*Resigned on 24<sup>th</sup> April, 2017

**C. Percentage increase in the median remuneration of all employees in the financial year 2016-17:**

(Amount in Rs.)

Particulars	2016-17	2015-16	Increase in %
Median Remuneration of all employees per annum	22,19,08,213	22,40,34,416	(0.95%)

**D. Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2017:**

Particulars	Numbers
Executive/Manager Cadre	34
Staff	219
Operators/Workmen	44
<b>Total</b>	<b>297</b>

**E. Explanation on the relationship between average increase in remuneration and Company Performance:**

The decrease in average remuneration of all employees in the financial year 2016-17 as compared to the financial year 2015-16 was 0.95%.

The key indices of Company's performance are:

(Rs. in Lacs)

Sr. No	Particular	2016-17	2015-16
1	Net Revenue From Operation	1,16,348.78	2,08,980.68
2	Profit Before Tax and Exceptional Item	(92,181.64)	(28,397.57)
3	Profit After Tax	(79,472.80)	(26,935.57)

Your Company is committed in ensuring fair pay and a healthy work environment for all its employees. Your Company offers competitive compensation to its employees. The pay also incorporates external factors like cost of living to maintain concurrence with the environment. Your Company maintains a simple compensation structure which allows the employees to have flexibility

in the way in which they realize their salaries. Internal equity is ensured by appropriate fitment at the time of the employee joining a particular cadre and grade. The fixed pay for an employee depends on his/ her performance against the objectives set for the year. The variable pay is paid out to the employee on the basis of the performance of your Company and the corresponding business unit or function. Regular communication on methods adopted by your Company is made and published throughout the year to ensure transparency and a better understanding of the applicable compensation policy and practices.

Thus, there will be a positive correlation in the increase in remuneration of employees and your Company's performance; however, a perfect correlation will not be visible given the dependency on the other factors stated above.

**F. Comparison of the remuneration of the Key Managerial Personnel against the performance of your Company:**

The remuneration of Key Managerial Personnel increased by around Rs. 16,20,833 in 2016-17, Rs. 6,47,833 compared to 2015-16, whereas the Profit Before Tax and exceptional items increased/decreased by (224.61)% in 2016-17, compared to 2015-16.

**G. Details of Share price and market capitalization:**

The details of variation in the market capitalization and price earnings ratio as at the closing date of the current and previous financial years are as follows:

Sr. No.	Particulars	As on 31 <sup>st</sup> March 2017	As on 31 <sup>st</sup> March 2016	Growth in %
1	Price Earnings Ratio	(0.48)	(0.53)	9.43%
2	Market Capitalization	933.20 Crore	141.93 Crore	557.51%

Comparison of share price at the time of first public offer and market price of the share of 31<sup>st</sup> March, 2017:

Sr. No.	Particulars	Amount in Rs.
1	Market Price as on 31st March, 2017	34.60
2	Price at the time of Initial Public offer	10
3	% increase of Market Price over the price at the time of IPO	340.60%

**Note:**

1. Closing share price on National Stock Exchange of India Limited (NSE) has been used for the above tables. The above does not consider the various bonus share issues made after the initial public offer.

**H. Comparison of average percentage increase in salary of employees other than the key managerial personnel and the percentage increase in the key managerial remuneration:**

Sr. No.	Particulars	2016-17	2015-16	Growth in %
1	Average Salary of all Employees (Other than Key Managerial Personnel)	10,20,53,390	2,05,59,558	396.28%
2	Salary of MD & JMD	5,08,99,992	1,20,00,000	324.17%
3	Salary of CFO	56,88,144	-	-
4	Salary of CS	8,69,170	6,47,833	34.17%

The increase in remuneration of employees other than the managerial personnel is in line with the increase in remuneration of managerial personnel.

**I. Key parameters for the variable component of remuneration paid to the Directors:**

The key parameters for the variable component of remuneration to the Directors are decided by the Nomination and Remuneration Committee. However, No variable component of remuneration paid by the Company to any Director of the Company.

**J. There are no employees of the Company who receive remuneration in excess of the highest paid Director of the Company.**

**K. Affirmation:**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Policy of your Company.

**L. Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

**1. List of employees of the Company employed throughout the financial year 2016-17 and was paid remuneration not less than Rs. 60 Lacs per annum:**

Sr.	Name	Designation	Remuneration in Rs.	Qualification	Experience	Joining	Age	Last Employment
	NA	NA	NA	NA	NA	NA	NA	NA

**2. Employees employed for the part of the year and were paid remuneration during the financial year 2016-17 at a rate which in aggregate was not less than Rs. 5 Lacs per month:**

Sr.	Name	Designation	Remuneration in Rs.	Qualification	Experience	Joining	Age	Last Employment
	NA	NA	NA	NA	NA	NA	NA	NA

**Annexure [C] to Board's Report**  
**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED**  
**31<sup>st</sup> MARCH 2017**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**Form No. MR-3**

To,  
The Members,  
Diamond Power Infrastructure Limited  
Phase-II, Village-Vadadala, Ta. Savli,  
Baroda, Gujarat.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DIAMOND POWER INFRASTRUCTURE LIMITED (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the DIAMOND POWER INFRASTRUCTURE LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 materially complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; [ Presently: The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ]

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [ Presently: The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 ]
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- iv. Having regard to the products, processes and locations of the Company as also having regard to the Compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, we further report that laws specifically applicable to the Company are:
- a) The Electricity Act, 2003
  - b) The Environment (Protection) Act, 1986
  - c) The water (Prevention and Control of Pollution) Act, 1981
  - d) Indian Boiler Regulations Act, 1950
  - e) The Hazardous Wastes (Management and Handling) Rules, 1989 .

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange Ltd (BSE). and National Stock Exchange of India Ltd. (NSE) [including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

The Company has not appointed Chief Financial Officer (CFO) required under Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the year under review. However, we have been given to understand that the Company is in process of appointment of CFO.

- iii. The Company has approved with delay
  - A. Annual Audited Financial results for the year ended 31st March, 2016 at the meeting of its Board of Directors held on 21st July, 2016 instead of within 60 days from the close of the Financial Year ended on 31st March, 2016.
  - B. Ind AS Compliant Unaudited financial results for the quarter ended 30th June, 2016 at the meeting of its Board of Directors held on 15th November, 2016 instead of by 15th September, 2016

However, we have been informed by the Company that the Company had made application in advance to the stock exchanges for seeking extension of time for holding meetings for the aforesaid purpose.

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report (by way of information) that during the audit period:

- a. The Company has not issued and offered any debt securities to the public during the period under review and accordingly, The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 were not applicable during the period under review.
- b. The Company has neither got delisted its Equity Shares nor bought back any security of the Company and accordingly,
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 were not applicable during the audit period.
- c. The Board of Directors of the Company at its meeting held on 21st July, 2016 and subsequently members of the Company at their Annual General Meeting held on 19th August, 2016 approved SDR proposal authorizing the Board of Directors to exercise certain powers inter alia to convert all or part of the outstanding loans/ financial assistance granted to the Company from time to time by lenders into fully paid up equity shares.
- d. The members of the Company approval increase in the Authorized Capital of the Company.
  - from Rs.80 Crores to Rs.200 Crores at their Annual General Meeting held on 19th August, 2016.
  - from Rs.200 Crores to 450Crores at their Extraordinary General Meeting held on 12th December, 2016.

- e. The members of Company at their Extraordinary General Meeting held on 12th December, 2016 approved
- authority to the Board (including the Committee) to issue, offer and allot upto 20,70,77,847 Equity Share of Rs 10/- each to the lenders at an exercise price of Rs 41.28 per share in conversion of their loans aggregating Rs.8,54,81,73,524 under SDR scheme.
  - authority to the Board (including the Committee) to issue, offer and allot 5,28,49,025 optionally convertible Redeemable Preference Shares(OCRPS) to the lenders in conversion of their loans aggregating to Rs. 15,43,24,07,769 and subsequently conversion of each OCRPS into One Equity Share of Rs 10/- each at an exercise price of Rs.292.01 per share.
- f. Share/ Warrant Allotment Committee of the Company
- allotted 1,20,25,454 Equity Shares of Rs.10/- each at a premium of Rs.45/- per share to the promoter group Companies in conversion of all 1,20,25,454 Equity Warrants on 28th April, 2016.
  - allotted 19,97,61,297 Equity Shares of Rs.10/- each at a premium of Rs.31.28 per share to the lenders in conversion of their loans aggregating to Rs.8,24,61,46,340 under SDR scheme on 23rd January, 2017.
  - allotted 9,23,433 Equity Shares of Rs.10/- each at a premium of Rs.31.28 per share to the lenders in conversion of their loans aggregating to Rs.3,81,19,314 under SDR scheme on 24th January, 2017.
- g. The members of the Company at their Extraordinary General Meeting held on 8th March, 2017 approved authority to the Board of Directors to create offer, issue and allot such member of equity shares of Rs.10/- each not exceeding Rs.500 Crores to the Qualified Institutional Buyers through Qualified Institutional Placement.
- h. The Board of Directors of the Company at its meeting held on 14th February, 2017, subject to approval of shareholders, has approved Preferential Issue of 5,10,07,000 fully convertible warrants, convertible into Equity Shares of Rs.10/- each at an exercise price of Rs.45/- per warrant aggregating to Rs. 2,29,53,15,000 to the independent investors. However, we have been given to understand by the Company that the Company has not proceeded with this business.

**For Devesh Vimal & Co.  
Practising Company Secretaries**

**Date: 9<sup>th</sup> August, 2017**  
**Place: Vadodara**

**CS Devesh A. Pathak**  
**Partner**  
**FCS: 4559**  
**CP No. 2306**

Note: This report is to be read with our letter of even date which is enclosed as per Annexure forming integral part of this report.

To,  
The Members,  
Diamond Power Infrastructure Limited  
Phase-II, Village-Vadadala,  
Ta.Savli,  
Baroda, Gujarat.

**Ref: Secretarial Audit Report dated 09<sup>th</sup> August, 2017 pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and the practices we followed provided reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company and have relied upon the reports of designated professionals including Statutory Auditors for the purpose.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happenings of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards, is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Devesh Vimal & Co.  
Practising Company Secretaries**

**Date: 9<sup>th</sup> August, 2017  
Place: Vadodara**

**CS Devesh A. Pathak  
Partner  
FCS: 4559  
CP No. 2306**

**Annexure [D] to Board's Report**  
**Extract of Annual Return as on 31<sup>st</sup> March, 2017 Form No. MGT-9**  
**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies**  
**(Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS**

1	CIN	L31300GJ1992PLC018198
2	Registration Date	26/08/1992
3	Name of the Company	Diamond Power Infrastructure Limited
4	Category / Sub-Category of the Company	Public Company
5	Address of the Registered office	Phase-II, Village-Vadadala, Ta. Savli, Dist.: Vadodara 391520 Contact details: Ph. No.: 02667- 251516,251354, Fax No.: 02667-251202
6	Address of the Corporate office	5/9-10, "Essen House", BIDC, Gorwa, Vadodara - 390016 Contact Details: 0265-2284328, 2283969, Fax No.: 0265-2280528
7	Whether listed company Yes / No:-	YES BSE: 522163 NSE:DIAPOWER
8	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032 Ph: 040 - 6716 1565

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

**All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-**

Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
Transmission & distribution of power	3610	99.09%
<b>TOTAL</b>		<b>99.09%</b>

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY COMPANIES**

Sr. No	Name and address of the Company	Company Identification Number / Global Location Number	Holding/S subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
1	Diamond Power Global Holdings Limited P.O.Box 17398, Dubai U.A.E	NA	Subsidiary	100.00 %	2 (87)
2	Diamond Power Transformers Limited 101/B/7, G I D C Estate, Ranoli, Baroda- 390350. Gujarat	U31102GJ2007PL C052486	Associate	45.32 %	2 (6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i. Category-wise Share Holding**

	Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2016)				No. of shares held at the end of the year (As on 31.03.2017)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A</b>	<b>Promoters</b>									
<b>1)</b>	<b>Indian</b>									
a.	Individuals/ HUF	5483393	-	5483393	9.62	5483393	-	5483393	2.03	(7.59)
b.	Central Government	-	-	-	-	-	-	-	-	-
c.	State Government	-	-	-	-	-	-	-	-	-
d.	Bodies Corporate	13261955	-	13261955	23.27	25287409	-	25287409	9.38	(13.89)
e.	Bank/FI	-	-	-	-	-	-	-	-	-
f.	Any Other(Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A1</b>	<b>18745348</b>	<b>-</b>	<b>18745348</b>	<b>32.89</b>	<b>30770802</b>	<b>-</b>	<b>30770802</b>	<b>11.41</b>	<b>(21.48)</b>
<b>2)</b>	<b>Foreign</b>									
a.	NRI Individuals	-	-	-	-	-	-	-	-	-
b.	Other Individuals	-	-	-	-	-	-	-	-	-
c.	Bodies Corporate	-	-	-	-	-	-	-	-	-
d.	Banks/ FI	-	-	-	-	-	-	-	-	-
e.	Any other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter(s) A1+A2=A</b>	<b>18745348</b>	<b>-</b>	<b>18745348</b>	<b>32.89</b>	<b>30770802</b>	<b>-</b>	<b>30770802</b>	<b>11.41</b>	<b>(21.48)</b>

<b>B</b>	<b>Public Shareholding</b>									
<b>1)</b>	<b>Institutions</b>									
a.	Mutual Fund	-	-	-	-	-	-	-	-	-
b.	Bank/FI	36000	888	36888	0.06	190801146	888	190802034	70.74	70.68
c.	Central Government	-	-	-	-	-	-	-	-	-
d.	State Government	-	-	-	-	-	-	-	-	-
e.	Venture Capital Fund	-	-	-	-	-	-	-	-	-
f.	Insurance Companies	-	-	-	-	-	-	-	-	-
g.	FII's Foreign Portfolio Investor	3002602	-	3002602	5.27	8046061	-	8046061	2.98	(2.29)
h.	Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
i.	Any other NBFCs Registered with RBI	854582	-	854582	1.50	158333	-	158333	0.06	(1.44)
	<b>Sub-Total B1</b>	<b>3893184</b>	<b>888</b>	<b>3894072</b>	<b>6.83</b>	<b>199005540</b>	<b>888</b>	<b>199006428</b>	<b>73.78</b>	<b>66.95</b>
<b>2)</b>	<b>Non-Institutions</b>									
<b>a.</b>	<b>Body Corporate</b>									
	i. Indian	10100861	738362	10839223	19.02	17623170	6362	17629532	6.54	(12.48)
	ii. Overseas	-	-	-	-	-	-	-	-	-
<b>b.</b>	<b>Individuals</b>									
	i. Individual Shareholders holding nominal share capital upto Rs.2 lakh	9840971	1348167	11189138	19.63	11452670	1334458	12787128	4.74	(14.89)

	ii. Individual Shareholders holding nominal share capital in excess of Rs.2 lakh	4864687	-	4864687	8.53	7199551	-	7199551	2.67	(5.86)
<b>c.</b>	<b>Others (specify)</b>									
	i. Non-Resident Indian	1083960	147610	1231570	2.16	1006955	147400	1154355	0.43	(1.73)
	ii. Foreign Bodies	472776	-	472776	0.83	-	-	-	-	(0.83)
	iii. Clearing Members	4395093	-	4395093	7.71	539408	-	539408	0.20	(7.51)
	iv. Trust	1368588	-	1368588	2.40	623475	-	623475	0.23	(2.17)
	<b>Sub-Total B2</b>	<b>32126936</b>	<b>2234139</b>	<b>34361075</b>	<b>60.28</b>	<b>38445229</b>	<b>1488220</b>	<b>39933449</b>	<b>14.81</b>	<b>(45.47)</b>
	<b>Total Public Shareholding B1+B2=B</b>	<b>36020120</b>	<b>-</b>	<b>38255147</b>	<b>67.11</b>	<b>237450769</b>	<b>1489108</b>	<b>238939877</b>	<b>88.59</b>	<b>21.48</b>
<b>C</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Grand Total (A+B+C)</b>	<b>54765468</b>	<b>2235027</b>	<b>57000495</b>	<b>100</b>	<b>268221571</b>	<b>1489108</b>	<b>269710679</b>	<b>100</b>	<b>-</b>

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	No. of shares held at the beginning of the year (As on 01.04.2016)			No. of shares held at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1.	S N Bhatnagar	444444	0.78	100	444444	0.16	100	(0.62)
2.	Suresh N Bhatnagar	2064116	3.62	100	2064116	0.77	100	(2.85)
3.	Amit Suresh Bhatnagar	998483	1.75	100	998483	0.37	100	(1.38)
4.	Sumit Suresh	1039998	1.82	100	1039998	0.39	100	(1.43)
5.	Mona Bhatnagar	206221	0.36	100	206221	0.08	100	(0.28)
6.	Madhurilata Bhatnagar	523021	0.92	100	523021	0.19	100	(0.73)
7.	Richa Bhatnagar	207110	0.36	100	207110	0.08	100	(0.28)
8.	Diamond Projects Limited	1868673	3.28	100	7881400	2.92	100	(0.36)
9.	Diamond Infosystems Limited	3704732	6.50	100	3704732	1.37	100	(5.13)
10.	Madhuri Finserve Private Limited	6224550	10.92	100	6224550	2.31	100	(8.61)
11.	Diamond Power Transmission Pvt Ltd	-	-	-	6012727	2.23	100	(2.23)
12.	Pinnacle Cables Private Limited	732000	1.28	100	732000	0.27	100	(1.01)
13.	Signature Electricals Private Limited	732000	1.28	100	732000	0.27	100	(1.01)

iii. Change in Promoters' shareholding:

Sr. No	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease ) In shareholding	Reason	Cumulative Shareholding	
		No. of Shares at the beginning (01.04.2016)/ end of the year (31.03.2017)	% of total Shares of the Company				No. of Shares at the beginning (01.04.2016)/ end of the year (31.03.2017)	% of total Shares of the Company
1.	S N Bhatnagar	444444	0.78	01.04.2016	-	-	444444	0.16
		444444	0.16	31.03.2017				
2.	Suresh N Bhatnagar	2064116	3.62	01.04.2016	-	-	2064116	0.77
		2064116	0.77	31.03.2017				
3.	Amit Suresh Bhatnagar	998483	1.75	01.04.2016	-	-	998483	0.37
		998483	0.37	31.03.2017				
4.	Sumit Suresh	1039998	1.82	01.04.2016	-	-	1039998	0.39
		1039998	0.39	31.03.2017				
5	Mona Bhatnagar	206221	0.36	01.04.2016	-	-	206221	0.08
		206221	0.08	31.03.2017				
6	Madhurilata Bhatnagar	523021	0.92	01.04.2016	-	-	523021	0.19
		523021	0.19	31.03.2017				
7	Richa Bhatnagar	207110	0.36	01.04.2016	-	-	207110	0.08
		207110	0.08	31.03.2017				
8	Diamond Projects Limited	1868673	3.28	01.04.2016	6012727	Allotment of Share	7881400	2.92
		7881400	2.92	31.03.2017				
9	Diamond Infosystems Limited	3704732	6.50	01.04.2016	-	-	3704732	1.37
		3704732	1.37	31.03.2017				
10	Madhuri Finserve Private Limited	6224550	10.92	01.04.2016	-	-	6224550	2.31
		6224550	2.31	31.03.2017				

11	Diamond Power Transmission Pvt Ltd	NIL 6012727	NIL 2.23	01.04.2016 31.03.2017	6012727	Allotment of Share	6012727	2.23
12	Pinnacle Cables Private Limited	732000 732000	1.28 0.27	01.04.2016 31.03.2017	-	-	732000	0.27
13	Signature Electricals Private Limited	732000 732000	1.28 0.27	01.04.2016 31.03.2017	-	-	732000	0.27

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Name of Share Holder	No. of Shares on 01.04.2016	% of total Shares of the Company	No. of Shares on 31.03.2017	% of total Shares of the Company
1	Citibank N.A.	3868606	6.79	NIL	NIL
2	Vikas Coating Private Limited	2232000	3.92	NIL	NIL
3	Vikas Ferro Private Limited	2232000	3.92	NIL	NIL
4	Orange Mauritius Investments Limited	1975000	3.46	NIL	NIL
5	Kotak Mahindra Trusteeship Services Limited AC Kotak India Growth Fund II	1368134	2.40	NIL	NIL
6	Nirmal Bang Securities Pvt. Ltd.	949999	1.67	NIL	NIL
7	Antique Finance Private Limited	851000	1.49	NIL	NIL
8	Manacles Enterprise Private Limited	732000	1.28	NIL	NIL
9	Rhombus Cables Pvt. Ltd	732000	1.28	NIL	NIL
10	Emerging India Focus Funds	475179	0.83	NIL	NIL
11	Bank of India	NIL	NIL	54346232	20.15
12	Bank of Baroda	NIL	NIL	27108739	10.05
13	ICICI Bank Ltd	NIL	NIL	22219391	8.24
14	Axis Bank Limited	NIL	NIL	19595118	7.27

15	Allahabad Bank		NIL	NIL	18517442	6.87
16	Dena Bank		NIL	NIL	12138082	4.50
17	SBICAP Securities Limited		NIL	NIL	11127737	4.13
18	State Bank of Mysore		NIL	NIL	8671961	3.22
19	Export- Import Bank of India		NIL	NIL	6717896	2.49
20	IFCI Ltd		NIL	NIL	4800365	1.78

**v. Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name	Shareholding		Date@	Increase/ (Decrease) In shareholding	Reason	Cumulative Shareholding	
		No. of shares at the beginning of the year (01.04.16)/end of the year (31.03.17)	% of total shares of the Company				No. of shares at the beginning of the year(01.04.16)/end of the year (31.03.17)	% of total Shares of the Company
<b>Directors</b>								
1	Amit Bhatnagar	998483 998483	1.75 0.37	01.04.2016 31.03.2017	-	-	998483	0.37
2	Sumit Bhatnagar	1039998 1039998	1.82 0.39	01.04.2016 31.03.2017	-	-	1039998	0.39
<b>Key Managerial Personnel</b>								
3	Nishant Javlekar AGM – Secretarial & Company Secretary	-	-	-	-	-	-	-

**vi. INDEBTEDNESS**

	(Rs. In crores)			
	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the financial year (As on 01.04.2016)</b>				
i. Principal Amount	1187.01	113.46	-	1300.47
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1187.01</b>	<b>113.46</b>	<b>-</b>	<b>1300.47</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition				
• Reduction	321.59	66.14	-	387.73
<b>Net Change</b>	<b>321.59</b>	<b>66.14</b>	<b>-</b>	<b>387.73</b>
<b>Indebtedness at the end of the financial year (As on 31.03.2017)</b>				
i. Principal Amount	865.42	47.32	-	912.74
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>865.42</b>	<b>47.32</b>	<b>-</b>	<b>912.74</b>

**vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Managing Director	Jt. Managing Director
		Amit Bhatnagar	Sumit Bhatnagar
1.	Gross salary	2,54,49,996	2,54,49,996
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	2,54,49,996	2,54,49,996
	Ceiling as per the Act	-	-

## B. Remuneration to other Directors:

<b>1. Independent Directors:</b>				
<b>Name of Director</b>	<b>Fee for attending Board/committee meetings</b>	<b>Commission</b>	<b>Others#</b>	<b>Total</b>
Mr. Ranvir Singh Shekhawat	1,00,000	-	40,000	1,50,000
Mr. Ashokkumar Singh Gautam	45,000	-	10,000	55,000
Shri Ashok Kumar Singh	70,000	-	30,000	1,00,000
Ms. Nivedita Pandya	-	-	-	-
Mr. Shailendra Pal	1,05,000	-	50,000	1,55,000
<b>Total (1)</b>	<b>3,20,000</b>	<b>-</b>	<b>1,30,000</b>	<b>4,50,000</b>
<b>2. Other Non-Executive:</b>				
	-	-	-	-
<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (1+2)</b>	<b>3,20,000</b>	<b>-</b>	<b>1,30,000</b>	<b>4,50,000</b>
<b>Ceiling as per the Act</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Name of the Company Secretary</b>
		<b>Shri Nishant Javlekar</b>
<b>1.</b>	Gross salary	<b>8,69,170</b>
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
<b>2.</b>	Stock Option	-
<b>3.</b>	Sweat Equity	-
<b>4.</b>	Commission - as % of profit - others, specify...	-
<b>5.</b>	Others, please specify	-
	<b>Total (A)</b>	<b>8,69,170</b>
	<b>Ceiling as per the Act</b>	

**viii. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT /COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty *	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS N.A</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT N.A</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

\* The Company, vide its letter dated 12th May, 2016 addressing to SEBI, NSE & BSE, has applied for extension of time for making compliance of submission of quarterly/yearly audited financial results for the quarter and year ended on 31st March, 2016 and quarter ended on 30th June, 2016 due to reason of restructuring with its lenders. However, the same application was not considered by the authorities and NSE & BSE inflicted penalty on the Company.

**For and on behalf of the Board**

**Date: 10.08.2017**  
**Place: Vadodara**

**Shri Amit Bhatnagar**  
**Managing Director & Chairman of the Board**

**Annexure [E] to Board's Report  
FORM AOC - 2**

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

Sr. No.	Particulars	Amount in Rs.
1	Name(s) of the related party and nature of relationship	<b>Nil</b>
2	Nature of contracts/arrangements/transactions	
3	Duration of the contracts / arrangements/transactions	
4	Salient terms of the contracts or arrangements or transactions including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions	
6	date(s) of approval by the Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed	
9	Amount paid as advances, if any	
10	Date on which (a) the special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013	

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Sr. No.	Particulars	Amount in Lakhs.
1	Name(s) of the related party and nature of relationship Diamond Projects Ltd. * Diamond Infosystems Ltd.* Diamond Power Transformers Limited	41.77 64.50 144.77
2	Nature of contracts/arrangements/transactions Diamond Projects Ltd. Diamond Infosystems Ltd. Diamond Power Transformers Limited	Supply of Machinery for projects ERP Service Contract Supply of transformers
3	Duration of the contracts/arrangements/transactions	Every 5 Year
4	Salient terms of the contracts or arrangements or transactions including the value, if any Diamond Projects Ltd Diamond Infosystems Ltd. Diamond Power Transformers Limited	Supply of Machinery for Projects. Provides ERP Services Supply of transformers
5	Date(s) of approval by the Board, if any	Not Applicable
6	Amount paid as advances, if any	Not Applicable

\*promoter group company

**For and on behalf of the Board**

**Date: 10.08.2017  
Place: Vadodara**

**Shri Amit Bhatnagar  
Managing Director & Chairman of the Board**

**Annexure [F] to Board's Report**  
**CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

**1. Brief outline of the Company's CSR Policy:**

The primary focus of CSR activities of the Company has been Environmental Sustainability, Education, Health and supporting missions like "Swacha Bharat Abhiyan". The intention of integrating these objectives with the operations and growth of each entity in Diamond Group is to pursue a higher level of performance in the CSR, which will create sound systems for purposeful contribution to societal causes.

**2. The Composition of the CSR Committee:**

The composition of the CSR Committee as on 31st March, 2017 is as follows:

<b>Name of Director</b>	<b>Member of Committee</b>
Ms. Nivedita Pandya	Chairman & Independent Director
Shri Amit Bhatnagar	Managing Director
Shri Sumit Bhatnagar	Jt. Managing Director

**3. Average Net Profit of the company for the last 3 financial years: Rs.(40064.92)Lacs**

**4. Prescribed CSR expenditure (2% of this amount as in Sr. No. 3 above): NA**

**5. Details of CSR spend for the financial year:**

(a) Total amount spent for the financial year: Nil

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project/activities	Sector in which the project covered	Location where project is undertaken: State (Local Area/District)	Amount outlay (budget) project/progr am wise	Amount spent on the projects or programs	Cumulative Expenditure upto the reporting period	Amount spent: District or through implementi ng agency
	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's report:**

The Company is having negative profit and not being able to promote CSR activities for the period under review. However, The Company is committed towards CSR Activities, in smaller proportion Company has made few efforts towards plantation activities and promoted "Swatch Bharat Abhiyan" campaign.

**Date: 10.08.2017**  
**Place: Vadodara**

**Amit Bhatnagar**  
**Managing Director**

**Nivedita Pandya**  
**Chairman of the Committee**

**Annexure [G] to Board's Report**  
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS**  
**AND OUTGO**

**Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014**

**CONSERVATION OF ENERGY**

**(i) Steps taken for Conservation of Energy :**

DPIL is very much conscious about conducting all its production operations very efficiently keeping in view the major contribution and importance of Energy Conservation in achieving optimum and best possible performance levels in operations.

Energy Conservation is a continuous ongoing process. The company is having regular control & monitoring through its well established QMS within organization , over energy consumption and identification of areas wherever still further better can be done for saving over energy consumption and thereby reducing the emission of hazardous gases e.g CO<sub>2</sub> in environment.

Global Warming is the burning problem and biggest challenge worldwide nowadays and how to minimize or overcome the foreseen risks of the same remains the main subject for actions for all industries.

DPIL is committed to follow operational practices & production process technologies which are energy efficient.

To have continual improvement in energy conservation efforts , internal & external audits are being conducted at regular intervals. Specific roles and responsibilities are defined & assigned to various level employees for control and monitoring of energy consumption & conservation.

**➔ Major Energy Conservation initiatives taken during FY- 2016-17 :-**

- Replacing Air conditioners by AHU systems for Battery bank rooms of UPSs for saving over power consumption.
- Installation of Heat recovery wheels in Dehumidifiers of Clean rooms for maximum possible heat recovery.
- Replacing the Gland seals of pumps by mechanical seals.
- Installation of Oil filtration machines for periodic filtration of oils to keep the oil clean, to increase its life with better viscosity parameters and thus in turn reducing power consumption for its pumping.
- Replacing conventional drive pulleys & belts by Poly V type pulleys & power efficient belts for better Power transmission without slippage losses.
- Installation of VFD type Compressors to optimize & fine tune its running Hrs as per actual requirement of Air at use point.
- Clariflocculator is replaced by sludge filter in Transmission Tower plant to improve the sludge filtration and its time cycle without use of extra pumps.
- Diverting the bypass/ overflow steam condensate of steam boiler to hot water curing tank to heat the water used for curing.
- Replacement of fluid coupling type conventional drive systems to energy efficient AC variable frequency drives.
- Enhancement of APFC panel for further improvement in power factor.

- Installation of exclusive lighting transformer for individual unit to achieve better control & monitoring of plant lighting loads & with better control of voltage etc. to get enhanced life of spares of lighting accessories & equipment.

The capital investment on energy conservation equipment:

Sr. No.	Division or Manufacturing unit	Capital Investment on energy conservation Equipments / activities (in INR lacs)	Energy savings ( in Gcal/ Hr)	Financial savings in INR lacs/ Annum
	NIL	NIL	NIL	NIL

## TECHNOLOGY ABSORPTION

### A. The efforts made by the Company towards technology absorption

A State- Of- Art , “ESSEN ULTRA HIGH VOLTAGE RESEARCH AND DEVELOPMENT CENTRE AND TEST LABORATORY “ at DPIL is NABL accredited & is accelerating internal product development & process improvement requirement programmes by its continual efforts with the use of its highly accurate and ultra modern facilities to perform various trials & tests.

DPIL is all time active in –

- Innovations and absorption of upcoming latest technologies related to various products & its ultimate usages.
- Innovations and improvements in area of processing technologies to make it productive, qualitative and cost efficient.

Thus enhancing strength of existing business and upcoming expansion projects

### Major efforts made towards Technology Absorption:-

- Installation of online, automatic dryers and compound gradual conveying / feeding system on PVC extruders.
- Installation of High speed Double line – multipurpose RBD machines.
- In – House production of color master batch for PVC with properties of reduced consumption ratio .
- Indigenous design & development of EHV cables.
- Revamping plan put up in action for existing conductor plant machines for productivity enhancement and introduction of automation in their operations.
- Design & Development of specialty conductors for overhead transmission lines.
- Study, analysis and comparative evaluation of various processing techniques for HV- EHV cables.

**(i) Information regarding imported technology ( imported during last four years)**

<b>Details of technology Imported</b>	<b>Technology imported from</b>	<b>Year of Import</b>	<b>Current status</b>
Triple extrusion DCDC process for EHV cables upto 500 KV on CCV line	Mallefer – Finland	2010- 11	Commissioned
Continuous – Horizontal lead extrusion for HV- EHV cables	HFSAB - Sweden	2010-11	Commissioned
Project for setting up R&D centre & Multipurpose test set up for electrical testing upto 765 KV of various electrical products	Hong Kong Hippo - China	2011-12	Commissioned

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign exchange earned in terms of actual inflows during the year 2016-17 was Rs. 855.92 lacs.

Foreign exchange outgo in terms of actual outflows during the year 2016-17 was Rs. 158.04 Lacs.

## **CORPORATE GOVERNANCE**

Your Company is committed towards observance of best governance practices in its letters and spirit and is proud to belong to a Group whose visionary founders paved the way for path breaking governance over a century ago and made it an integral element of the business. Corporate governance in the Company is a value-based framework to manage the Company affairs in a fair and transparent manner, which has assisted in evolving guidelines and best practices over the years to ensure timely and accurate disclosure of information.

Diamond's philosophy is to view Corporate Governance from the viewpoint of business strategy rather than mere compliance norms. Strong governance practices of the Company have been rewarded in terms of improved share valuations, stakeholder's confidence, market capitalization, high credit ratings and environmental protection, etc. The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfil its overall responsibilities and to provide the management with the strategic direction catering to exigency of long term shareholders value.

It's initiatives towards adhering to highest standards of governance include self-governance, professionalization of the Board, fair and transparent processes and reporting systems and going beyond the mandated Corporate Governance Code requirements of SEBI. Being a value driven organization the Company envisages attainment of the highest level of transparency, accountability and equity in all facets of its operations including everyone it works with, the community it is in touch with and the environment it has an impact on.

The Securities and Exchange Board of India (SEBI) has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) on September 2, 2015, replacing the earlier listing agreement (w.e.f. December 1, 2015) and is aimed to consolidate and streamline the provisions of earlier listing agreements for different segments of the capital market viz. equity, debentures, debt instruments, etc. The LODR regulations have incorporated the principles for corporate governance in line with the Organisation for Economic Co-operation and Development (OECD) principles and provide broad principles for periodic disclosures by listed entities in line with the International Organization of Securities Commissions (IOSCO) principles.

### **BOARD OF DIRECTORS**

The Diamond's Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company; ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

#### **A. COMPOSITION OF BOARD OF DIRECTORS**

As on March 31, 2017, Diamond's Board consists of 8 members. Besides the Chairman of the Meeting, who is an Executive Promoter Director, the Board comprises of Two Executive Directors and five Non-Executive Independent Directors. The composition of the Board is in conformity with the Listing regulations, which stipulates that at least fifty percent of the Board should consist of Non-Executive Directors, Provided that where the Non-Executive Chairman is a promoter of the Company or is related to any promoter or person occupying management positions at the Board level or at one level below the Board, at least one-half of the Board of the Company shall consist of Independent Directors.

## Composition of Board of Directors as on 31<sup>st</sup> March 2017

NAME OF THE DIRECTORS	EXECUTIVE / NON EXECUTIVE DIRECTORS	INDEPENDENT / NON-INDEPENDENT DIRECTOR
Shri Amit Bhatnagar	Executive	Non-Independent
Shri Sumit Bhatnagar	Executive	Non-Independent
Shri Ranvir Singh Shekhawat	Non-Executive	Independent
Shri Shailendra Pal Singh	Non-Executive	Independent
Shri Ashok Kumar Singh	Non-Executive	Independent
Shri Ashok Kumar Gautam	Non-Executive	Independent
Ms. Nivedita Pandya	Non-Executive	Independent
Shri Surinder Kumar Negi*	Executive	Non- Independent

\*Resigned

### **Chairman of the Board**

Shri Amit Bhatnagar, Managing Director of the Company is the Chairman of the Meeting since 1<sup>st</sup> April, 2015.

### **Information Flow to the Board Members**

Information is provided to the Board Members on a continuous basis for their review, inputs and approval from time to time. More specifically, we present our annual Strategic Plan and Operating Plans of our business to the Board for their review, inputs and approval. Likewise, our quarterly financial statements and annual financial statements are represented to the Audit Committee and subsequently to the Board of Directors for their approval. In addition, special cases of acquisitions, important managerial decisions, material positive/negative developments and statutory matters are presented to the Committees of the Board and later with the recommendation of Committee to the Board of Directors for their approval.

As a system, in most cases, information to Directors is submitted along with the agenda papers well in advance of the Board meeting. Inputs and feedback of Board Members are taken and considered while preparation of agenda and documents for the Board meeting.

We regularly schedule meetings of our business heads and functional heads with the Directors. These meetings facilitate Directors to provide their inputs and suggestions on various strategic and operational matters directly to the business and functional heads. The following information, as may be applicable and required, is provided to the Board as a part of the agenda papers.

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the listed entity and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board of directors.
- The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

- Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

#### **NUMBER OF BOARD MEETINGS**

We decide about the Board meeting dates in consultation with Board Members based on the practices of earlier years. Once approved by the Board Members the schedule of the Board meeting and Board Committee meetings is communicated in advance to the Directors to enable them attend the meetings. Our Board meetings are normally scheduled over one or two days.

In addition, every quarter, Independent Directors meet amongst themselves exclusively.

Minimum 4 prescheduled Board Meetings are held every year. During the financial year 2016-17 the Board of Directors met 5 times on 16<sup>th</sup> May, 2016, 21<sup>st</sup> July, 2016, 15<sup>th</sup> November, 2016, 03<sup>rd</sup> February, 2017 and 04<sup>th</sup> March, 2017. The maximum gap between any two meetings was less than four months, except between 21<sup>st</sup> July, 2016 and 15<sup>th</sup> November, 2016 this is due to the reason of non-preparation of Financials on account of SDR invocation by the lenders on 29<sup>th</sup> June, 2016, the same has also been represented to the Exchanges.

The Board Meetings held on 15<sup>th</sup> November, 2016 and 03<sup>rd</sup> February, 2017 adjourned and held on 14<sup>th</sup> December, 2016 and 14<sup>th</sup> February, 2017 respectively due to non-availability of quorum.

#### **DIRECTORS' ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIPS/ COMMITTEE MEMBERSHIPS**

As mandated by Listing Obligations none of the Directors is a member of more than ten Board level Committees or chairman of more than five Committees across companies in which he is a details of the Board as on March 31, 2017 are given as follows:

Name	Category / Position/relationship with other director	No. of Board Meetings		AGM 19.08. 2016	No. of other Directorship		No. of other Board Committees		Whether having any pecuniary or business relation with the Company.
		Held	Attended		Member	Chairman	Member	Chairman	
Shri Amit Bhatnagar	Promoter/Executive Director/ Relative of Shri Sumit Bhatnagar	5	5	Yes	8	1	4	1	Managing Director
Shri Sumit Bhatnagar	Promoter/Executive Director/ Relative of Shri Amit Bhatnagar	5	5	Yes	8	-	4	-	Jt. Managing Director
Shri Ranvir Singh Shekhawat	Independent Director	5	4	Yes	1	-	3	2	No
Shri Ashok Kumar Gautam	Independent Director	5	3	No	2	-	4	2	No
Shri Ashok Kumar Singh	Independent Director	5	3	No	3	-	5	1	No
Shri Shailendra Pal Singh	Independent Director	5	5	No	2	-	-	-	No
Ms. Nivedita Pandya	Independent Woman Director	5	5	Yes	4	-	7	1	No
Shri Surinder Kumar Negi*	Executive Director /Non-Promoter Professional Director	5	-	No	1	-	-	-	Executive Director

### **POST-MEETING FOLLOW-UP SYSTEM**

After the Board meeting, we have formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and sub - committees of the Board.

### **APPOINTMENT OF DIRECTORS**

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect from April 1, 2014. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of maximum of 5 years each and shall not be liable to retire by rotation.

Your Board has adopted the provisions with respect to appointment and tenure of Independent Directors consistent with the Companies Act, 2013 and the Listing Regulations.

Details of Directors proposed for re-appointment/ appointment at the ensuing Annual General Meeting is forming part of the Board's Report and the notice of the 25<sup>th</sup> Annual General Meeting.

### **POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

Nomination and Remuneration Committee has adopted a charter which, inter alia, deals with the manner of selection of Board of Directors and payment of their remuneration.

### **CRITERIA OF SELECTION OF INDEPENDENT DIRECTORS**

The Nomination and Remuneration Committee considers the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Independent Director:

- Qualification, expertise and experience of the Directors in their respective fields such as expertise or experience in Information Technology Business, Scientific Research & Development, International Markets, Leadership, Risk Management and Strategic Planning etc.
- Personal, professional or business standing
- Diversity of the Board.

In case of appointment of Independent Directors, the Board Governance, Nomination and Remuneration Committee satisfies itself with regard to the independence of the Directors vis-à-vis the Company so as to enable the Board to discharge its functions and duties effectively.

The Nomination and Remuneration Committee ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013.

In case of re-appointment of Independent Directors, the Board takes into consideration the performance evaluation of the Independent Directors and their engagement level.

### **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Board is responsible for overall supervision of the Company. To achieve this, Board undertakes periodic review of various matters including business wise performance, risk management, borrowings, internal audit/external audit reports etc. In order to enable the Directors to fulfil the governance role, comprehensive presentations are made on the various businesses, business models, risk minimization procedures and new initiatives of the Company. Changes in domestic/overseas corporate and industry scenario including their effect on the Company, statutory and legal matters are also presented to the Directors on a periodic basis, the link is [www.dicabs.com](http://www.dicabs.com)

### **INDEPENDENT DIRECTOR'S MEETING**

In accordance with the provisions of Schedule IV (code for Independent Directors) of the Companies Act, 2013 and Listing Obligations, a meeting of the Independent Directors of the Company was held on 14<sup>th</sup> February, 2017 without the attendance of Non Independent Directors and members of the Management.

### **EVALUATION OF BOARD EFFECTIVENESS**

In terms of provisions of the Companies Act, 2013 read with Rules issued there under and Listing Obligations, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31<sup>st</sup> March, 2017. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution.

### **CODE OF CONDUCT**

In line with the listing obligations, the Company's Board of Directors has laid down a 'Code of Conduct and Ethics for the Board of Directors and Senior Executives of the Company'.

The purpose of this 'Code of Conduct' is to promote conduct of business ethically in an efficient and transparent manner and to meet its obligations to shareholders and all other stakeholders.

The 'Code of Conduct' is also a tool in carrying out the Company's Business and Social responsibility in a more effective manner. The Code sets out a broad policy for one's conduct in dealing with the Company, fellow directors and employees and the external environment in which the Company operates.

Besides this, every employee of the Company is committed to 'Diamond Code of Ethics', as applicable to all Diamond Group Companies, Senior Management Confirms the Compliance with the Code of Conduct of the Company.

Ethic's is the responsibility of every employee, and that includes all levels of management. Your Company is committed to conduct its business fairly, impartially, in an ethical and proper manner and in full compliance with all applicable laws and regulations. In conducting its business, integrity underlines in all Company relationships, including those with customers, suppliers and among employees. Your Company adapts to the highest standards of ethical business conduct and do not engage in any activity that may raise questions as to the Company's honesty, impartiality or reputation or otherwise cause embarrassment to the Company. Each employee is committed to high ethical standards.

Your Company strives to act with high ethical standards specifically, to:

- Obey all applicable laws, regulations, and professional standards that govern its business;
- Maintain an environment of honesty, trust, and integrity;
- Safeguard its ethics and never compromise or alter them for any reason; and
- Recognise and value high ethical standards and report any unethical or illegal behaviour.

Compliance with the 'Code of Ethics' is regularly monitored by the Legal and Compliance Department of the Company.

## **COMMITTEES OF THE BOARD**

The committees constituted by the Board play an important role on the governance structure of the Company. The committees are in line with the Listing Obligations and Companies Act, 2013. The minutes of the Committee meetings are tabled at the Board Meetings and the chairperson of each Committee brief the members about the important deliberations and discussion.

The Minutes of Board Meeting and other committees are captured in accordance with the provisions of the Companies Act, 2013.

## **COMPOSITION OF COMMITTEES OF DIRECTORS AND THEIR ATTENDANCE AT THE MEETINGS**

Diamond has the following Board Level Committees:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders Grievances and Relationship Committee
- D. Corporate Social Responsibility Committee
- E. Share Transfer Committee

Various Committees of Directors have been appointed by the Board for taking informed decisions in the best interest of the Company. These Committees monitor the activities falling within their respective terms of reference. The Board's Committees are as follows:

### **A. AUDIT COMMITTEE**

The Audit Committee has played an important role in ensuring the financial integrity of the Company. The Audit Committee's role includes the financial reporting process, Audit process, Related Party Transactions and other applicable laws.

The Composition of the Audit Committee is in line with the provisions of section 177 of Companies Act, 2013 and Listing Obligations. Further the Committee invites the Managing Director, COO, VP – Accounts, Statutory and Internal Auditor and various departmental heads of the Company to attend the Audit Committee Meetings.

Shri Nishant Javlekar, Company Secretary acts as Secretary to the Committee.

The Composition of the Board of Directors along with the details of the meetings held and attended during the financial year as on March 31, 2017, are given below the Audit Committee comprises of three Directors.

## **MEMBERS, MEETINGS AND ATTENDANCE**

### **Members of the Audit Committee**

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Position</b>	<b>Category</b>
1	Shri Ranvir Singh Shekhawat	Chairman	Independent Director
2	Shri Ashok Kumar Singh	Member	Independent Director
3	Shri Amit Bhatnagar	Member	Managing Director
4	Ms. Nivedita Pandya	Member	Women Director

### **Meetings & Attendance**

During the financial year 2016-17 the Audit Committee held four meetings on 16<sup>th</sup> May, 2016, 21<sup>st</sup> July, 2016, 15<sup>th</sup> November, 2016 and 03<sup>rd</sup> February, 2017. The meetings held on 15<sup>th</sup> November,

2016 and 03<sup>rd</sup> February, 2017 adjourned and held on 14<sup>th</sup> December, 2016 and 14<sup>th</sup> February, 2017 respectively.

The details of attendance of Audit Committee meetings are as under:

Name of Member	Category	Status	No. of Meeting	
			held	attended
Shri Ranvir Singh Shekhawat	Independent Director	Chairman	4	3
Shri Amit Bhatnagar	Managing Director	Member	4	4
Shri Ashok Kumar Singh	Independent Director	Member	4	2
Shri Sumit Bhatnagar	Jt. Managing Director	Member	1	1
Ms. Nivedita Pandya	Women Director	Member	4	4
Shri Shailendra Pal Singh*	Independent Director	Member	4	2

\* *Shri Shailendra Pal Singh, alternate Director in the absence of Shri Ashok Kumar Singh*

The Chairman of the Audit Committee was present at the last 24<sup>th</sup> AGM held on 19<sup>th</sup> August, 2016.

**THE ROLE OF THE AUDIT COMMITTEE INCLUDES THE FOLLOWING:**

**A. The role of the audit committee shall include the following:**

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;

9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

**B. The audit committee shall mandatorily review the following information:**

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**B. NOMINATION AND REMUNERATION COMMITTEE (FORMERLY TERMED AS REMUNERATION COMMITTEE)**

In accordance with Section 178 of the Companies Act, 2013 and as per the requirements of SEBI Circular dated 17th April, 2014 for amendment to Equity Listing Agreement (which is effective from 1st October, 2014), the Board of Directors of the Company at their meeting held on 30th May, 2014, have approved the change in nomenclature of the Remuneration Committee to Nomination and Remuneration Committee and have revised their role as under:

The revised role of the Nomination and Remuneration Committee, inter-alia, includes the following:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Devising a policy on Board diversity;

The Nomination and Remuneration Committee comprises of the following Directors:

Sr. No.	Name of the Director	Position	Category
1	Shri Ranvir Singh Shekhawat	Chairman	Independent Director
2	Shri Ashok Kumar Singh	Member	Independent Director
3	Ms. Nivedita Pandya	Member	Women Director

The objectives of the Remuneration policy are to motivate employees to excel in their performance, recognize their contribution and retain talent in the organization and record merit, based on the performance of the employees as well as based on recommendations of the Head of Departments in case of sub-ordinate and in case of Head of Departments Managing and Joint Managing Directors of the Company the Remuneration Committee take its decisions.

#### REMUNERATION TO DIRECTORS

The Table below gives the details of remuneration paid to Directors for the year ended on March 31<sup>st</sup>, 2017.

The Company has not given any advances and loans to any of its Directors during year 2016-17.

The Details of remuneration and sitting fees for Board and other committee meetings paid to the Directors for the year ended 31<sup>st</sup> March, 2017:

Name	Category / Position	Salary (Rs.)	Sitting Fees (Rs.)	Other Allowances (Rs.)	No. of Shares/convertible securities held
Shri Amit Bhatnagar	MD/ED	2,54,49,996	-	-	9,98,483
Shri Sumit Bhatnagar	JMD/ED	2,54,49,996	-	-	10,39,998
Shri Ranvir Singh Shekhawat	Independent Director	-	1,00,000	40,000	NIL
Shri Ashok Kumar Gautam	Independent Director	-	45,000	10,000	NIL
Shri Ashok Kumar Singh	Independent Director	-	70,000	30,000	NIL
Shri Shailendra Pal Singh	Independent Director	-	1,05,000	50,000	NIL
Ms. Nivedita Pandya	Independent Director	-	-	-	NIL
Shri Surinder Kumar Negi*	ED	-	-	-	NIL

#### REMUNERATION POLICY

## **Non-Executive Independent Directors**

The Non-Executive Directors (NEDs) are paid remuneration by way of sitting fees only. The Board of Directors of the Company, pursuant to the relevant provisions of the Companies Act, 2013 and by virtue of Article No. 132 (3) of the Articles of Association of the Company, revised their sitting fees from Rs. 5,000 to Rs. 20,000 per each board meeting with effect from 9<sup>th</sup> November, 2011.

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

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

For each committee the fees paid to Non – Executive Independent Directors is Rs. 5,000 per meeting.

## **Executive Directors**

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

Annual increments recommended by the Remuneration Committee, are placed before the Board for approval. The ceiling on perquisites and allowances as a percentage of salary is fixed by the Board. Within the prescribed ceiling, the perquisite package is recommended by the Remuneration Committee and approved by the Board. The Commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board on the recommendation of the Remuneration Committee at the end of the financial year, subject to overall ceilings stipulated in Sections 197 of the Companies Act 2013. Specific amount payable to such Directors is based on the performance criteria laid down by the Board which broadly takes into account the profits earned by the Company for the year.

## **Management Staff**

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

## **C. STAKEHOLDERS GRIEVANCES AND RELATIONSHIP COMMITTEE**

The Composition of the Stakeholders Relationship Committee is in compliance with the provision of section 178 of Companies Act, 2013 and Listing Obligations.

The Committee meets 4 times during the financial year ended on 31<sup>st</sup> March, 2017. The constitution of the Stakeholders Grievances and Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the committee during the financial year ended 31<sup>st</sup> March, 2017 is detailed below.

Shri Nishant Javlekar, Company Secretary acts as Secretary to the Committee.

## MEMBERS, MEETINGS AND ATTENDANCE

### MEMBERS OF THE STAKE HOLDER GRIEVANCES AND RELATIONSHIP COMMITTEE

Sr. No.	Name of the Director	Position	Category
1	Shri Ashok Kumar Gautam	Chairman	Independent Director
2	Shri Ranvir Singh Shekhawat	Member	Independent Director
3	Shri Sumit Bhatnagar	Member	Jt. Managing Director

The details of attendance of Stake Grievances and Relationship Committee Meetings are as under:

Name of Member	Category	Status	No. of Meeting	
			held	attended
Shri Ashok Kumar Gautam	Independent Director	Chairman	4	1
Shri Ranvir Singh Shekhawat	Independent Director	Member	4	4
Shri Sumit Bhatnagar	Jt. Managing Director	Member	4	4

### D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with Section 135 of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on 30<sup>th</sup> May, 2014, has approved the Constitution of the CSR Committee.

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

Sr. No.	Names of Members	Position	Category
1	Ms. Nivedita Pandya	Chairperson	Women Director
2	Shri Amit Bhatnagar	Member	Managing Director
3	Shri Sumit Bhatnagar	Member	Jt. Managing Director

The Board also defined the role of the Committee, which is as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy
- Monitor the CSR Policy of the Company and its implementation from time to time
- Such other functions as the Board may deem fit.

Apart from the above Committees Board of Directors also constituted Shares Allotment Committee and Preferential Issue Committee

### E. SHARE TRANSFER COMMITTEE

The reference is mandate by our Board in Line with the review of Share Transfer and transmission process and its approval a separate committee was formed.

The Composition, name of members, Chairman and particulars of the meetings and attendance of the members during the year are as follows:

SR.NO	NAME OF MEMBERS	POSITION	CATEGORY	NO. OF MEETINGS	
				Held	Attended
1.	Shri Amit Bhatnagar	Chairman	Executive Director	6	6
2.	Shri Sumit Bhatnagar	Member	Executive Director	6	6
3.	Ms. Nivedita Pandya	Member	Non-Executive Director	6	6

Numbers of meetings were held by Share Transfer Committee during the year, as per Memorandum of Transfer provided by M/s Karvy Computershare Private Limited i.e Independent Share Transfer Agent. The following meetings given were held during the year 30<sup>th</sup> April, 2016, 02<sup>nd</sup> May, 2016, 20<sup>th</sup> October, 2016, 31<sup>st</sup> January, 2017, 20<sup>th</sup> March, 2017 and 30<sup>th</sup> March, 2017.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis is given in a separate section forming part of the Directors' Report in this Annual Report.

### **SUBSIDIARY COMPANIES**

The Subsidiary of the Company functions independently, with an adequately empowered Board of Directors and necessary management resources.

For effective governance, the Company overview the performance of its subsidiaries, inter alia, in the following manner:

- The financial statements, in particular, the investments made by the unlisted subsidiary companies, are reviewed by the Audit Committee and the Board of Directors of the Company.
- The Minutes of the Board Meetings of the subsidiary companies are placed before the Board of Directors of the Company for their review.

Details of all significant transactions and arrangements entered into by the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

### **DISCLOSURES**

#### **a) Related Party Transactions**

Details of materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors or the management, their subsidiaries or relatives, etc. are presented under Notes of the Balance Sheet. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters. During 2016-17, there were no related party transactions of material nature that may have a potential conflict with the interests of the Company.

#### **b) Accounting Treatment in Preparation of Financial Statements**

The Company has followed the Accounting standards notified by The Companies (Accounting Standards) Rules, 2006, as amended from time to time, in preparation of its financial statements.

#### **c) Risk Management**

The Company has established a well-documented and robust risk management framework. Under this framework, risks are identified across all business processes of the Company on continuous basis. Once identified, these risks are systematically categorised as strategic risks, business risks or reporting risks.

The former looks at all risks associated with the longer term interests of the Company. The latter look at risks associated with the regular functioning of each of the processes and the risks associated with incorrect or untimely financial and non-financial reporting.

To address these risks in a comprehensive manner, each risk is mapped to the concerned department for further action. Based on this framework, Company has set in place various procedures for Risk Management.

**d) Code for Prevention of Insider Trading Practices**

The Company has instituted a comprehensive code for prevention of Insider Trading, for its Directors and designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

**e) CEO/CFO Certification**

As required under listing obligations, the Managing Director and Jt. Managing Director of the Company have certified to the Board regarding the Financial Statements for the year ended on 31<sup>st</sup> March, 2017 which is annexed to this Report.

**f) Disclosure Regarding The Board of Directors**

**General Body Meetings:**

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

<b>AGM Particulars &amp; Date</b>	<b>24<sup>th</sup> Annual General Meeting (2015-16) held on 19th August, 2017</b>
<b>Venue</b>	<b>Registered office</b>
<b>Time</b>	<b>10.00 a.m.</b>

**Special Resolution Passed In The AGM:**

**Special Resolutions for**

1. **“RESOLVED THAT** Shri Shailendra Pal Singh (DIN : 02296585), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 8th November, 2015 under Section 161 (1) of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act signifying his intention to propose the candidature of Shri Shailendra Pal Singh for the office of Director be and is hereby appointed as a Directors of the Company.”

**“RESOLVED THAT** pursuant to the provisions of Section 149,152 read with Schedule IV and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification or re-enactment(s) thereof for the time being in force) and Listing Obligations, Shri Shailendra Pal Singh (DIN : 02296585), who has submitted a declaration that he meets criteria of independence under Section 149 (6) of the Act and who is eligible for appointment as an Independent Director of the Company to hold the office for a team of Five (5) consecutive years upto 29<sup>th</sup> Annual General Meeting.”

2. **“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 {including any statutory modification(s) or re-enactment(s) thereof, for the time being in force}, the remuneration payable to M/s. S S Puranik & Associates, Cost Accountants (Firm Registration No. 100133) appointed by the Board to conduct Audit of the cost records of the Company for the Financial Year 2016-17, be paid remuneration of Rs. 90,000 (Rupees Ninety Thousand Only) plus service tax and out of pocket expenses.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this Resolution and to do all acts and take all such steps as may be deemed necessary, proper

and expedient to implement this Resolution.”

3. **RESOLVED THAT** pursuant to the provisions of Section 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, the Authorized Share Capital of the Company be and is hereby to be increased from Rs. 80,00,00,000 (Rupees Eighty Crores Only) divided into 7,58,58,500 (Seven Crores Fifty Eight Lacs Fifty Eight Thousand Five Hundred Only) Equity Shares of Rs.10/- (Rupees Ten) each and 41,41,500 (Forty One Lacs Forty One Thousand Five Hundred Only) Preference Shares of Rs. 10/- (Rupees Ten) Each to Rs. 2,00,00,00,000 (Rupees Two Hundred Crores Only) divided into 19,58,58,500 (Nineteen Crores Fifty Eight Lacs Fifty Eight Thousand Five Hundred Only) Equity Shares of Rs.10/- (Rupees Ten) each and 41,41,500 (Forty One Lacs Forty One Thousand Five Hundred Only) Preference Shares of Rs. 10/- (Rupees Ten) Each ranking paripassu in all respect with the existing Shares.

4. **RESOLVED THAT** pursuant to the provisions of Section 13 and 61 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder the consent of the Members be and is hereby accorded for substituting Clause V of the Memorandum of Association of the Company with the following clause.

*“The Authorised Share Capital of the Company is Rs. 2,00,00,00,000 (Rupees Two Hundred Crores Only) divided into 19,58,58,500 (Nineteen Crores Fifty Eight Lacs Fifty Eight Thousand Five Hundred Only) Equity Shares of Rs.10/- (Rupees Ten) each and 41,41,500 (Forty One Lacs Forty One Thousand Five Hundred Only) Preference Shares of Rs. 10/- (Rupees Ten) each.”*

5. **“RESOLVED THAT** pursuant to the provisions of Section 62 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 1956 / Companies Act, 2013 (the “Act”) and the rules made thereunder, and in accordance with the Memorandum of Association and Articles of Association of the Company, the Reserve Bank of India’s (the “RBI”) circular on the “Strategic Debt Restructuring Scheme” vide circular numbered RBI/2014-15/627, dated June 8, 2015 amendments thereto and/ or “Scheme of Sustainable Structuring of Stressed Assets” vide circular numbered RBI/2015-16/422 dated June 13, 2016 and/ or any other Scheme(s) issued by RBI from time to time (the “Circular”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations (as amended from time to time), and subject to all such approval(s), consent(s), permission(s), sanction(s), if any, of appropriate authorities and subject to such condition(s) and modification(s) as may be prescribed or imposed while granting such approval(s), permission(s) etc., consent of the Members be and is hereby granted to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include committee(s) of the Board, constituted or to be constituted, to exercise certain powers of the Board, including the powers accorded by this Resolution), to the extent permitted by law to convert all or part of the outstanding loans / financial assistance granted to the Company from time to time by banks / financial including but not limited to JLF lenders led by Bank of India (as more particularly described under MRA dated May 29, 2015) (hereinafter referred to as the “Lenders”, which word shall be deemed to include their successors and assigns, and any such Lenders acting through any authorized representative, agent, trust etc. appointed by such Lender(s) or any assignee of such Lender(s)), whether disbursed on, after or prior to the date of this Resolution and whether then due or payable or not, as already stipulated or as may be stipulated by such Lenders under the financing documents executed or to be executed in respect of the loans / financial assistance which has already been availed or which may be availed, whether existing or future, whether such loans / financial assistance are designated in foreign currency or in Indian Rupees, into fully paid-up equity shares of the Company (“Equity Shares”), on such terms and conditions as may be

stipulated in the financing documents and in the manner specified in notice(s) in writing (the "Notice(s) of Conversion") given by the Lenders (or lead bank acting on behalf of a consortium of lenders), subject to the provisions of applicable laws and specifically in accordance with the conditions given below:

- a. The conversion of debt of the Company into Equity Shares shall be carried out by issuing and allotting to the Lenders, such number of Equity Shares at a price as determined in accordance with the Circular, in one or more tranches, as is required to ensure that the Lenders acquire not less than 51% of the total Equity share capital of the Company post such conversion. The "Reference Date" for the aforesaid purpose is 29th June, 2016;
- b. The conversion right as aforesaid may be exercised by the Lenders on one or more occasions during the tenor of the loans / financial assistance and each loan / financial assistance shall be converted as separate and distinct from the other for the purpose of conversion;
- c. On receipt of any Notice of Conversion, the Company shall immediately, subject to the provisions of the finance documents, the Notice of Conversion and applicable laws, issue and allot the requisite number of Equity Shares to the Lenders on such date as specified in such Notice of Conversion ("Date of Conversion"), and the Lenders may accept the same in satisfaction of the part of the loans / financial assistance so converted;
- d. The Equity Shares so issued and allotted to the Lenders shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. The said Equity Shares allotted to the Lenders shall rank paripassu with the existing Equity Shares of the Company in all respects; and
- e. In the event that the Lenders exercise the conversion right as aforesaid, the Company shall get the Equity Shares issued to the Lenders as a result of the conversion, listed with such stock exchanges where the existing Equity Shares of the Company are listed.

**RESOLVED FURTHER THAT** the Board of Directors/Committee of the Board, be and are hereby authorized to issue and allot to the Lenders, such number of Shares as may be desired by the Lenders in conversion of all or part of the facilities provided by the Lenders and to ensure that the combined total Equity Shares held by the Lenders at all times is not less than 51% of the total equity share capital of the Company. If any Lender ("Non-Converting Lender") does not convert its outstanding amount to equity as, mentioned under Circular, the remaining Lenders have an option to increase their conversion amount subject to the maximum of the non-converted amount of the Non-Converting Lender to achieve their aggregate holding not less than 51% of the total equity share capital of the company."

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board/Committee of Board, be and is hereby authorized to do all such acts, matters and things and execute all such deeds and documents as may be necessary, including, but not limited to, accepting such terms and conditions as may be imposed or required by the Lenders which may arise from or are incidental to the aforesaid terms providing for such option to convert; to issue, offer and allot requisite number of fully paid up equity shares of the Company upon conversion of the outstanding portion of the loans / financial assistance, as may be desired by the Lenders; resolve or settle any question, difficulty, dispute or doubt; further delegate the powers / authorities expressly or impliedly granted under this Resolution to any of it's committees, employees / officers of the Company, authorized representative(s) etc.; hiring any consultants, agents, advisors etc. and generally to do or undertake such activities and execute such documents as the Board may in it's absolute discretion deem fit, without the necessity of seeking any further consent or approval from members unless, obtaining of such further consent / approval is mandatory under the provisions of any law."

**RESOLVED FURTHER THAT** the Board/ Committee of Board be and is hereby authorized to accept such modifications and to accept such terms and conditions as may be imposed or required by the banks / financial institutions arising from or incidental to the aforesaid terms providing for such options and to do all such acts and things as may be necessary to give effect to the above resolution(s).”

<b>AGM Particulars &amp; Date</b>	<b>23<sup>rd</sup> Annual General Meeting (2014-15) held on 30<sup>th</sup> September, 2015</b>
<b>Venue</b>	<b>Registered office</b>
<b>Time</b>	<b>10.00 a.m.</b>

**Special Resolution Passed In The AGM:  
Special Resolutions for**

1. **“RESOLVED THAT** Ms. Nivedita Pandya (DIN 02992638), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 31st March, 2015 under Section 161 (1) of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act signifying his intention to propose the candidature of Ms. Nivedita Pandya for the office of Director be and is hereby appointed as a Director of the Company.”

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification or re-enactment(s) thereof for the time being in force), Clause 49 of Listing Agreement Ms. Nivedita Pandya (DIN 02992638), who has submitted a declaration that she meets criteria of independence under Section 149 (6) of the Act and who is eligible for appointment as an Independent Director of the Company to hold the office for a term of Five (5) consecutive years for a term upto 28th Annual General Meeting.”

2. **“RESOLVED THAT** Shri Jaideep Nigam (DIN - 07253279), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th May, 2015 under Section 161 (1) of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act signifying his intention to propose the candidature of Shri Jaideep Nigam for the office of Director be and is hereby appointed as a Director of the Company.”

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification or re-enactment(s) thereof for the time being in force), Clause 49 of Listing Agreement Shri Jaideep Nigam (DIN - 07253279) who has submitted a declaration that he meets criteria of independence under Section 149 (6) of the Act and who is eligible for appointment as an Independent Director of the Company to hold the office for a term of Five (5) consecutive years for a term upto 28th Annual General Meeting.”

3. **“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 {including any statutory modification(s) or re-enactment(s) thereof, for the time being in force}, the remuneration payable to M/s. S S Puranik & Associates, Cost Accountants (Firm Registration No. 100133) appointed by the Board to conduct Audit of the cost records of the Company for the Financial Year 2015-16, be paid remuneration of Rs. 90,000 (Rupees Ninety Thousand Only) plus service tax and out of pocket expenses.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this Resolution and to do all acts and take all such steps as may be deemed necessary, proper and expedient to implement this Resolution.”

4. **“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the said Act as amended from time to time and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the shareholders of the Company be and is hereby accorded to re-appoint Shri Amit Bhatnagar as Managing Director of the Company for a period of three years with effect from February 1st, 2016 with a remuneration of Rs. 21,78,723/- (Rupees Twenty One Lacs Seventy Eighty Thousand Seven Hundred Twenty Three Only) per month and on such other terms and conditions as mentioned in the explanatory statement to this notice.”

**“RESOLVED FURTHER THAT** subject to the approval of the Central Government and notwithstanding anything contain in the provisions of Part II of Schedule V to the Act, if in any financial year during the tenure of Shri Amit Bhatnagar as Managing Director, the Company has no profits or its profits are inadequate, he shall be entitled to receive and be paid the same remuneration in that year as set out in this Resolution.”

**“FURTHER RESOLVED THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government, as may be required in this regard.”

5. **“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the said Act as amended from time to time and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the shareholders of the Company be and is hereby accorded to re-appoint Shri Sumit Bhatnagar as Jt. Managing Director of the Company for a period of three years with effect from February 01, 2016 with a remuneration of Rs. 21,78,723/- (Rupees Twenty One Lacs Seventy Eighty Thousand Seven Hundred Twenty Three Only) per month and on such other terms and conditions as mentioned in the explanatory statement to this notice.

**“RESOLVED FURTHER THAT** subject to the approval of the Central Government and notwithstanding anything contain in the provisions of Part II of Schedule V to the Act, if in any financial year during the tenure of Shri Sumit Bhatnagar as Jt. Managing Director, the Company has no profits or its profits are inadequate, he shall be entitled to receive and be paid the same remuneration in that year as set out in this Resolution.”

**“FURTHER RESOLVED THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.”

<b>AGM Particulars &amp; Date</b>	<b>22<sup>nd</sup> Annual General Meeting (2013-14) held on 30<sup>th</sup> September, 2014</b>
<b>Venue</b>	<b>Registered office</b>
<b>Time</b>	<b>10.00 a.m.</b>
<b>Special Resolution Passed In The AGM:</b>	
<b>Special Resolutions for</b>	
<p>1. <b>“RESOLVED THAT</b> in supersession of the ordinary resolution passed at the Extraordinary General Meeting held on 21<sup>st</sup> November, 2009 under section 293(1)(a) of the Companies Act, 1956 and pursuant to the provisions of section 180(1)(a) of the Companies Act 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company for mortgaging / charging all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans / borrowings obtained or as may be obtained, which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding 3500 Crores (Rupees Three Thousand Five Hundred Crores only) at any one time.”</p> <p><b>“RESOLVED FURTHER THAT</b> for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”</p>	
<p>2. <b>“RESOLVED THAT</b> in supersession of the Ordinary Resolution approved at the Annual General Meeting held on 28<sup>th</sup> September, 2012 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to borrow monies in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of 3500 Crores (Rupees Three Thousand Five Hundred Crores only).</p> <p><b>“RESOLVED FURTHER THAT</b> the Board of the Company be and is hereby authorised to do or cause to be done all such acts, matters, deeds and other things as it may in its absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution.”</p>	

## Resolution through Postal Ballot in past 3 years

Date & Time	30.06.2014
Person Who Conducted The Postal Ballot	M/s Devesh Vimal & Co., Practicing Company Secretaries

### RESOLUTION PASSED THROUGH POSTAL BALLOT:

#### Special Business:

#### 1. INCREASE IN AUTHORISED CAPITAL OF THE COMPANY

**RESOLVED THAT** pursuant to the provisions of Section 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, the Authorized Share Capital of the Company be and is hereby authorized to be increased from Rs.60,00,00,000 (Rupees Sixty Crores Only) divided into 5,58,58,500 (Five Crores Fifty Eight Lacs Fifty Eight Thousand Five Hundred Only) Equity Shares of Rs.10/- (Rupees Ten) each and 41,41,500 (Forty One Lacs Forty One Thousand Five Hundred Only) Preference Shares of Rs. 10/- (Rupees Ten) Each to Rs. 80,00,00,000 (Rupees Eighty Crores Only) divided into 7,58,58,500 (Seven Crores Fifty Eight Lacs Fifty Eight Thousand Five Hundred Only) Equity Shares of Rs.10/- (Rupees Ten) each and 41,41,500 (Forty One Lacs Forty One Thousand Five Hundred Only) Preference Shares of Rs. 10/- (Rupees Ten) Each ranking pari passu in all respect with the existing Shares .

#### 2. ALTERATION OF CAPITAL CLAUSE CONTAINED IN THE MEMORANDUM OF ASSOCIATION:

**“RESOLVED THAT** pursuant to the provisions of Section 13 and 61 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder the consent of the Members be and is hereby accorded for substituting Clause V a) of the Memorandum of Association of the Company with the following clause.

V. “The Authorised Share Capital of the Company is Rs. 80,00,00,000 (Rupees Eighty Crores Only) divided into 7,58,58,500 (Seven Crores Fifty Eight Lacs Fifty Eight Thousand Five Hundred Only) Equity Shares of Rs.10/- (Rupees Ten) each and 41,41,500 (Forty One Lacs Forty One Thousand Five Hundred Only) Preference Shares of Rs. 10/- (Rupees Ten) each.”

#### 3. ISSUANCE OF WARRANTS CONVERTIBLE IN TO EQUITY SHARES ON PREFERENTIAL ALLOTMENT BASIS

**“RESOLVED THAT** pursuant to the provisions of Section 42, 62 of Companies Act, 2013, notified till date, (“New Act”)and all other applicable provisions of the Companies act, 1956, effective till date (“Old Act”) (including any statutory modification(s) or re-enactment thereof, for the time being in force), and Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable rules, circulars, press notes, clarifications issued by Foreign Investment Promotion Board, the provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed there under and subject to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (“SEBI ICDR Regulations”), and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), or any other statutory authorities, institutions and bodies, enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into between the Company and National Stock Exchange of India Limited & BSE Limited (together “Stock Exchanges”), where the shares of the Company are listed and subject to requisite approvals, consents, permissions and/ or sanctions if any, of SEBI, the Stock Exchanges, RBI, Foreign Investment Promotion Board (FIPB), Central Government,

Registrar of Companies and other appropriate authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/ or 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 which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred hereunder) the consent, authority and approval of the members of the Company be and is hereby accorded to the Board to offer, issue and allot upto an aggregate of 55,00,000 fully convertible warrants (“Warrants”), convertible into equity shares of Rs. 10 each of the Company, at any time within 18 months from the date of allotment of the Warrants, in one or more tranches, for cash, at an exercise price of Rs. 94 per Warrant aggregating upto Rs. 51,70,00,000 (Rupees Fifty One Crores Seventy Lacs Only) to following independent investors of the Company (“Allottees”) on preferential allotment basis, in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations, at such time or times and on such terms and conditions and in such manner as may be decided by the Board in this regards:

Sr. No.	Name of Proposed Allottees	Number of Warrants	Category
1.	Fidelity Multitrade Pvt. Ltd	5,00,000	Independent
2.	Gyanmay Investment Advisors LLP	16,65,000	Independent
3.	Smt. Usha H Parekh	3,35,000	Independent
4.	Vikash Ferro Pvt Ltd.	15,00,000	Independent
5.	Vikash Coating Pvt. Ltd	15,00,000	Independent

**RESOLVED FURTHER THAT** the Exercise Price of the Warrants has been calculated in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations. The “Relevant Date” for the determination of issue price of the Warrants issued on preferential issue, is 30th May, 2014. The Relevant Date is 30 days prior to the date of the Extraordinary General Meeting which is proposed to be held on 30th June, 2014. As the 30th day prior to date of the proposed Extraordinary General Meeting falls on a weekend, the day preceding the weekend has been reckoned to be the relevant date. Thus, the Relevant Date for the purposes of calculating the price of issue of Warrants is 30th May, 2014.

**RESOLVED FURTHER THAT** the issue of Warrants shall be subject to the following terms and conditions:

- a. The Warrants shall be allotted within a period of 15 days from the date of receipt of shareholders approval for the preferential issue of Warrants, provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within a period of 15 days from the date of such approval;
- b. The equity shares allotted pursuant to conversion of Warrants allotted to independent investors will be subject to lock-in for a period of 1 year from the date of trading approval or as required under SEBI ICDR;
- c. The Warrants to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company. The equity shares arising on conversion of Warrants shall rank pari passu with the existing equity shares of the Company in all respects; and
- d. Each Warrant shall be convertible into 1 (one) equity share of nominal value of Rs. 10/- each at the Exercise Price of Rs. 94 per Warrant which is not less than the price calculated in accordance with the SEBI ICDR Regulations. The total number of equity shares to be allotted on conversion of the Warrants shall not exceed 55,00,000 equity shares. The Warrants are convertible into the equity shares at any time after allotment at the option of the Allottees, in one or more tranches, subject to a maximum period of 18 months from the date of their allotment.

- e. If the entitlement against the Warrants to apply for the equity shares is not exercised within the specified period of 18 months, such entitlement shall lapse and the amount paid on such Warrants shall stand forfeited;
- f. The warrant holder(s) shall, on or before the date of allotment of Warrants, pay an amount equivalent to atleast 25% of the total consideration per Warrant.
- g. The warrant holder(s) shall, on or before the date of allotment of equity shares pursuant to the exercise of option against each such Warrant, pay the balance 75% or any other amount, as may be remaining unpaid, of the consideration per Warrant.
- h. The amount referred to in (d) above shall be non-interest bearing.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of the Warrants or equity shares arising on conversion of Warrants, the Board be and are hereby authorised to take necessary steps to give effect to this resolution and to do all such acts, deeds, matters and things as it may in their absolute discretion, deem necessary and desirable for such purpose, including without limitation, issuing clarifications on the issue and allotment of the Warrants, resolving any difficulties, effecting any modification to the foregoing (including any modifications to the terms of the issue), preparing, signing and filing applications with the appropriate authorities for obtaining requisite approvals, liaison with appropriate authorities to obtain the requisite approvals, entering into contracts, arrangements, agreements, memoranda, documents for appointment of agencies for managing, listing and trading of equity shares arising on conversion of Warrants, to appoint such consultants, legal advisors, advisors and all such agencies as may be required for the issuance of the Warrants.

**RESOLVED FURTHER THAT** all actions taken by the Board or a Committee duly constituted for this purpose in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and they are hereby approved, ratified and confirmed in all respects.”

#### **4. ISSUANCE OF EQUITY SHARES TO QUALIFIED INSTITUTIONAL BUYERS THROUGH QUALIFIED INSTITUTIONAL PLACEMENT**

“RESOLVED THAT pursuant to the provisions of Section 42, 62 of Companies Act, 2013, notified till date, (“New Act”) and all other applicable provisions of the Companies act, 1956, effective till date (“Old Act”) (including any statutory modification(s) or re-enactment thereof, for the time being in force), and Companies (Share Capital and Debentures) Rules, 2014, Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable rules, regulations and guidelines of the Securities and Exchange Board of India (“SEBI”), the applicable provisions of the Foreign Exchange Management Act, 1999 (“FEMA”), Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, Issue of QIP (Qualified Institutions Placement) under Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (“ICDR Regulations”), the enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into between the Company and National Stock Exchange of India Limited & BSE Limited (together “Stock Exchanges”) where the shares of the Company are listed, and subject to all requisite approvals, consents, permissions and/or sanctions of SEBI, the Stock Exchanges, Reserve Bank of India (“RBI”), the Department of Industrial Policy and Promotion, Ministry of Commerce (“DIPP”), the Foreign Investment Promotion Board (“FIPB”), and all other authorities as may be required, whether in India or outside India, (hereinafter collectively referred to as “Appropriate Authorities”), and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as “Requisite Approvals”) and as 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 thereof which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this resolution), the consent, authority and approval of the members of the Company be and is hereby accorded to the Board to create, offer prior to date of the proposed Extraordinary General Meeting falls on a weekend, the day preceding the weekend has been reckoned to be the relevant date. Thus, the Relevant Date for the purposes of calculating the price of issue of Warrants is May 30, 2014.

- g) Undertaking that the Company shall re-compute the price of the specified securities in terms of the provisions of SEBI ICDR Regulations, where it is required to do so As the equity shares of the Company have been listed on the stock exchanges for more than six months, the conditions relating to re computing the price and other matters connected therewith referred to in the SEBI ICDR Regulations are not applicable to the Company.
- h) Undertaking that if the amount payable on account of re-computation of price is not paid within the time stipulated in SEBI ICDR Regulations, the specified securities shall continue to be locked in till the time such amount is paid by the allottee – Not applicable.
- i) Lock in - The equity shares allotted pursuant to conversion of Warrants to independent Investor will be subject to lock-in for a period of one year from the date of trading approval or as required under SEBI ICDR Regulations. The entire pre preferential allotment shareholding of the Allottees, if any, shall be locked-in from the relevant date up to a period of six months from the date of trading approval.
- j) Auditor’s Certificate

As required under the SEBI (ICDR) Regulations, a certificate from the statutory auditors of the Company, certifying that the proposed preferential issue is being made in accordance with the SEBI ICDR Regulations will be available for inspection at the Registered Office of the Company after the relevant date on all working days except Saturdays and Sundays and public holidays between 10.00 a.m. and 5.00 p.m. until 15 days after the date of EGM.

Further, under section 62 of the Companies Act, 2013, approval of the members is required for allotment of securities on preferential basis. Accordingly, the consent of the shareholders is being sought, pursuant to the applicable provisions of the Companies Act, 2013, and SEBI ICDR Regulations to issue and allot equity shares on preferential basis as stated in the resolutions.

<b>Date &amp; Time</b>	<b>03.08.2015</b>
<b>Person Who Conducted The Postal Ballot</b>	
<b>RESOLUTION PASSED THROUGH POSTAL BALLOT:</b>	
<b>Special Business:</b>	
<b>7. ADOPTION OF NEWLY SUBSTITUTED SET OF ARTICLES OF ASSOCIATION AS CONTAINING REGULATIONS IN LINE WITH COMPANIES ACT,2013.</b>	
<p><b>“RESOLVED THAT</b> pursuant to the provisions of Section 14 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, the Articles of Association of the Company be and are hereby altered by replacing all the existing articles with the new set of articles in consonance with the Companies Act, 2013.</p> <p><b>FURTHER RESOLVED THAT</b> for the purpose of giving effect to this resolution, Shri Amit Bhatnagar (DIN 00775880)Managing Director or Shri Sumit Bhatnagar (DIN 00776129) Jt. Managing Director of the Company be and are hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies Gujarat.</p>	

**8. TO CONSIDER TO ISSUE EQUITY WARRANTS ON PREFERENTIAL BASIS TO THE PROMOTERS OF THE COMPANY.**

**“RESOLVED THAT** Pursuant section 62 of the Companies Act, 2013 and all other applicable provisions, if any of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Security and Exchange Board of India (SEBI) (Issue of Capital and Disclosure Requirements) Regulations 2009 as Amended (ICDR Regulations) the SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 2011, as Amended (the “Takeover Regulation”) and any other Rules/ Regulations/ Guidelines if any prescribed by the SEBI, Reserve Bank of India, Stock Exchanges and/ or any other Statutory /Regulatory Authority, the Listing Agreement entered into by the Company with the Stock Exchanges where the Securities of the Company are listed and subject to the approval(s), if any, of the appropriate authorities, institutions, or bodies as may be required and subject to such other conditions as may prescribed by any of them while granting any such approval(s) and which may be agreed to by the Board of Directors of the Company (hereinafter refer to as ‘the Board’ which terms shall deem to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by the Resolutions) and in terms of furtherance to, the restructuring scheme approved by the Lenders of the Company under the Joint Lender Forum Mechanism (JLF Mechanism) the Board be and is hereby authorized to create, offer, issue and allot such number of warrants, convertible into equity shares of face value of Rs. 10/- each, fully paid up, at such price (including premium) being not less than the price determined in accordance with Chapter VII of SEBI ICDR Regulations, on a preferential basis, so that the total value of the number of shares so issued at a price determined in accordance with Chapter VII of SEBI ICDR Regulations aggregates to not more Rs. 66,14,00,000 (Rupees Sixty Six Crores and Fourteen Lacs Only) to Diamond Power Transmission Pvt. Ltd. and Diamond Projects Ltd., Promoter & Associate Companies.

**RESOLVED FURTHER THAT**

- a) the Relevant Date, as per the SEBI ICDR Regulations for the determination of issue price of the Warrants to be allotted pursuant to the preferential allotment is fixed as 3rd July, 2015 i.e. 30 days prior to the date of declaration of result of postal ballot which is 3rd August, 2015, to approve the proposed preferential issue, in terms of the provisions of the Companies Act, 2013
- b) The offer, issue and allotment of the aforesaid warrants shall be made at such time or times as the Board/Committee may in its absolute discretion decide.
- c) The warrants, convertible into equity shares of face value of Rs. 10/- each, fully paid up, at such price (including premium) being not less than the price determined in accordance with Chapter VII of SEBI ICDR Regulations, on a preferential basis, so that the total value of the number of shares so issued at a price determined in accordance with Chapter VII of SEBI ICDR Regulations aggregates to not more Rs. 66,14,00,000 (Rupees Sixty Six Crores and Fourteen Lacs Only).
- e) The warrants shall be convertible into Equity Shares of the Company at the discretion of the holders, without any further approval of the shareholders prior to or at the time of conversion.
- f) The tenure of the Warrants shall not exceed 18 months from the date of its allotment.
- g) The warrants by itself do not give to the holder thereof any rights of the shareholders of the Company.
- h) The allotment of Warrants is proposed to be completed within a maximum period of 15 days from the date of passing of the resolution at Postal Ballot. In case the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority including SEBI or Stock Exchanges where the shares of the Company are listed or the Central Government then the allotment shall be completed within 15 days from the date of

receipt of such approval.

- l) In the event of the company making a bonus issue of shares or marking rights issue of shares/ convertible debentures or any other securities or any other corporate restructuring or arrangement including merger/demerger/acquisitions, in whatever proportion prior to the exercise of the rights attached to the Warrants, the entitlement of the holders shall stand augmented in the same proportion in which the equity share capital of the company increases as a consequences of such bonus/rights issues/corporate restructuring and that the exercise price of the Warrants be adjusted accordingly, subject to such approvals as may be required.
- j) The Equity Shares allotted, pursuant to conversion of Warrants allotted to Promoters & Associates will be subject to lock-in for a period of 3 years from the date of trading approval or as required under SEBI ICDR.
- k) The Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of the Warrants and also shall be entitled to vary, modify or alter any of the terms and conditions, including the size of the issue, as it may deem expedient.
- l) The Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of directors or any other officer or officers of the Company to give effect to the aforesaid resolution.
- m) The Equity Shares allotted on conversion of Warrants in terms of this resolution shall rank *pari passu* in all respects including as to dividend with the existing fully paid Equity Shares of the face value of Rs.10/- each of the Company subject to the relevant provisions contained in Articles of Association, as amended, of the Company.
- n) The Warrant holder(s) shall, on or before the date of allotment of Warrant, pay an amount equivalent to atleast 25% of the total consideration per Warrant.
- o) The Warrant holder(s) shall, on or before the date of allotment of Equity Shares pursuant to the exercise of option against each such warrant, pay the balance 75% or any other amount, as may be remaining unpaid, of the consideration of warrant.
- p) The amount so paid shall be non-interest bearing.

**RESOLVED FURTHER THAT** for giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time in relation to the offer, issue and allotment of the Warrants against the Unsecured loan of Promoters & Associates.”

## **9. TO PROVIDE OPTION TO LENDERS TO CONVERT LOANS INTO EQUITY SHARES.**

**“RESOLVED THAT** pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 , (including any statutory modification(s) or re-enactment thereof for the time being in force), and any modifications thereto, which the Board of Directors of Diamond Power Limited (“the Company”), (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof), be and is hereby authorized to accept, and the consent of the Company be and is hereby accorded to the Board for the allotment, on the terms and conditions contained in Master Restructuring Agreement (MRA), of such number of Equity Shares of the face value of Rs. 10/- (Rupees Ten) each to the Lender(s) which shall not exceed the amount of principal and interest outstanding as on the date of conversion, at a price determined as per the SEBI rules and regulations and the applicable provisions of the Companies Act, 2013 as amended from time to time.

The conversion by the Lender(s) shall be in accordance with the following conditions:

- i. On receipt of the Notice of Conversion, the Company shall issue and allot the requisite number of fully paid-up Equity Shares to the Lender(s) or such other person identified by the them as from the date of conversion and such Lender(s) shall accept the same in satisfaction of the loans of the lenders so converted, as envisaged under the Restructuring Scheme;
- ii. The part of the said loans so converted shall cease to carry interest from the date of conversion and the said loans shall stand accordingly reduced. Upon such conversion, the repayment

instalments payable after the date of conversion as per the Restructuring Scheme shall stand reduced proportionately by the amounts of the said loan so converted or as decided by the Lender(s);

- iii. The Equity Shares so issued and allotted to the Lenders or such other person identified by the Lenders shall rank *pari passu* with the existing Equity Shares of the Company in all respects, *inter alia*, the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. The Company shall, at all times, maintain sufficient un-issued equity share capital for the above purpose; and
- iv. In the event of exercising the aforesaid conversion right by the Lenders or such other person identified by the Lenders, the Company shall, at its cost, immediately apply to the stock exchanges where the shares of the Company are listed for the listing of the Equity Shares issued to the Lenders or such other person identified by the Lenders as a result of the conversion and for the said purpose the Company shall take all such steps as may be necessary to the satisfaction of the Lenders or such other persons identified by the Lenders.

**RESOLVED FURTHER THAT** the Board be and are hereby authorized to issue and allot to the lenders such number of Equity Shares for conversion of the said portion of the Convertible Facilities, as may be desired by the Lenders.

**RESOLVED FURTHER THAT** the Board shall comply with the provisions of the Companies Act, 2013, SEBI and all other laws as applicable thereon including rules and other regulation framed thereunder.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or expedient for giving effect to the above resolution.”

The details of the voting pattern, name of the scrutinizer and the procedure adopted for postal ballot is available on the Company's website [www.dicabs.com](http://www.dicabs.com)

#### **MATERIAL DISCLOSURES:**

- There are no matters pertaining to non-compliance by the company, penalties imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- The Company strongly believes in Corporate Governance and advocates vigil mechanism, affirmation is hereby given that no personnel has been denied access to the audit committee.

#### **MEANS OF COMMUNICATION**

##### **1. Publication of quarterly financial results:**

Quarterly, half-yearly, nine-monthly and annual financial results of the Company were published in leading English and vernacular language newspaper.

##### **2. Website and News Releases:**

A separate dedicated section under 'Investors' on the Company's website [www.dicabs.com](http://www.dicabs.com) gives information on various announcements made by the Company, status of unclaimed dividend, stock quotes, Annual Report, Quarterly/Half yearly/ Nine-monthly and Annual financial results along with the applicable policies of the Company. The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website.

### 3. Stock Exchange:

Your Company makes timely disclosures of necessary information to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the Listing Agreement(s) and other rules and regulations issued by SEBI.

### 4. NEAPS (NSE Electronic Application Processing System):

NEAPS are a web-based application designed by NSE for corporates. All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are also filed electronically through NEAPS.

### 5. BSE Corporate Compliance & Listing Centre:

BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, Shareholding pattern, Corporate Governance Report, Corporate announcements, amongst others are also filed electronically on the Listing Centre.

## A. GENERAL SHAREHOLDER INFORMATION:

i.	25 <sup>th</sup> Annual General Meeting	Date: 30 <sup>th</sup> September, 2017 Time: 10:00 A.M. Venue: Registered Office of the Company Phase II, Village Vadadala, Taluka: Savli, Dist. Vadodara, Gujarat, India
ii.	Financial Year	Commencing from 1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017
iii.	Date of Book Closure	23 <sup>rd</sup> September, 2017 to 29 <sup>th</sup> September, 2017
iv.	Dividend Payment Date	N.A.
v.	Listed on:	BSE Limited Address: P J Towers, Dalal Street, Mumbai – 400 021 National Stock Exchange of India Limited Address: Exchange plaza, Bandra, Kurla Complex, Bandra (East) Mumbai-400 051

The Listing Fees to National Stock Exchange of India Ltd and BSE Limited has already been paid for the year 2017-18.

vi.	Stock Code	BSE: - 522163 NSE: - DIAPOWER
vii.	<b>A. Market Price Data</b>	The Market price data (Monthly High / Low) of the company's Equity shares traded on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) during the period from 01.04.2016 to 31.03.2017 are given below:

Stock Exchange	BSE			NSE		
	High (Rs)	Low (Rs)	No of Shares traded during the month	High (Rs)	Low (Rs)	No of Shares traded during the month
April, 2016	45.40	23.30	5238146	45.15	23.20	13330870
May, 2016	62.65	38.00	7853987	62.20	37.35	22816926
June, 2016	48.55	38.45	2159768	48.40	38.45	6078594
July, 2016	49.05	37.60	1517289	48.80	37.55	4488782
August, 2016	43.95	34.70	2647889	43.50	35.00	5679448
September, 2016	39.20	32.20	768179	39.20	32.25	2343672
October, 2016	63.15	33.10	9994773	63.05	32.80	16472239

November, 2016	58.85	27.30	4769222	58.45	27.10	14108334
December, 2016	36.80	28.05	1859256	36.65	27.80	4299747
January, 2017	50.50	28.85	4110678	50.50	28.75	6987454
February, 2017	46.00	37.55	885751	45.65	37.80	3014981
March, 2017	44.50	34.20	1837934	44.55	34.10	5781731

## B. PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES:



viii.	Registrar and Transfer Agent	<b>M/s Karvy Computershare Private Limited</b> Address: Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032
ix.	Share Transfer System	Share Transfers in physical form can be lodged with Karvy Computershare Private Limited, Independent Share Transfer Agent, at the above mentioned address. Transfers are normally processed within 15 days from the date of receipt. If the documents are complete in all respects, Registrar, in consultation with Share Transfer Committee, is empowered to approve transfers, in addition to the powers with the Members of the Stakeholders' Grievance & Relationship Committee.

Details of investors' complaints received during 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 are as follows:

Sr. No.	Nature of Complaint*	Receipt	Disposed	Pending	Remarks
1	Non- receipt of dividend warrant	10	10	0	-
2	Excess/ Short payment of Dividend Warrant	0	0	0	-
3	Non-receipt of Annual Reports	2	2	0	-
4	Legal Notice	2	2	0	-
5	Non- receipt of refund order	0	0	0	-
6	Correction of name on securities	1	1	0	-
7	Non Receipt of Security- Complaint relating to transfer of Shares	9	9	0	-
8	Clarification regarding shares	20	20	0	-

\* Information is based on reports prepared by Independent Share Transfer Agent.

**x. Shareholding Pattern and Distribution of Shareholding**

**Shareholding pattern as on 31st March, 2017**

Category	No. of Holders	Total Shares	% of Equity
Banks	18	190802034	70.74
Clearing members	66	539408	0.20
Foreign institutional investor	2	1478000	0.55
Foreign portfolio investors	5	6568061	2.44
H U F	565	1518386	0.56
Bodies corporates	502	17629532	6.54
NBFC	3	158333	0.06
Non Resident Indians	379	810270	0.30
NRI non-repatriation	74	344085	0.13
Promoters bodies corporate	9	25287409	9.38
Company promoters	8	5483393	2.03
Resident individuals	21013	18468293	6.85
Trusts	4	623475	0.23
<b>Total</b>	<b>22648</b>	<b>269710679</b>	<b>100.00</b>

**Distribution Schedule - Consolidated as on 31.03.2017**

Sr. No.	Category	Cases	% of Cases	Total Shares	Amount	% of Amount
1	upto 1 - 5000	17032	75.20	3008545	30085450.00	1.12
2	5001 - 10000	2815	12.43	2148384	21483840.00	0.80
3	10001 - 20000	1234	5.45	1890815	18908150.00	0.70
4	20001 - 30000	446	1.97	1145678	11456780.00	0.42
5	30001 - 40000	206	0.91	740967	7409670.00	0.27
6	40001 - 50000	192	0.85	905055	9050550.00	0.34
7	50001 - 100000	297	1.31	2201354	22013540.00	0.82
8	100001 & ABOVE	426	1.88	257669881	2576698810.00	95.54
	<b>Total</b>	<b>22648</b>	<b>100.00</b>	<b>269710679</b>	<b>2697106790.00</b>	<b>100.00</b>

The Shareholders are requested to follow exact ISIN for the purpose of dealing in the respected securities. Presently the Equity Shares and Preference Shares of the Company are held in electronic and physical mode. The status of Equity Shares of the Company as of 31st March, 2017 is as follows:

**Particulars Number of Shares % of total Equity Share**

<b>Control Report As On 31/03/2017</b>				
Sr. No.	Description	No of Holders	Shares	% To Equity
1	PHYSICAL	4520	1489108	0.55
2	NSDL	11039	254854067	94.49
3	CDSL	7089	13367504	4.96
	<b>Total:</b>	<b>22648</b>	<b>269710679</b>	<b>100.00</b>

<b>Name, designation &amp; address of Compliance Officer</b>	<b>Shri Nishant Javlekar</b> <i>AGM-Secretarial &amp; Company Secretary</i> <b>Diamond Power Infrastructure Limited</b> "ESSEN HOUSE" 5/12, BIDD, Gorwa, Baroda - 390016 Phone : 91-265-2284328, 2283969 Fax : 91-265-2280528 E-mail : <a href="mailto:cs@dicabs.com">cs@dicabs.com</a>
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<b>Plant Location</b>	<b>Registered Office:</b> <b>Diamond Power Infrastructure Limited</b> Address: Phase II, Village Vadadala, Tal. Savli, Dist. Vadodara, Gujarat
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## **COMPLIANCE WITH NON-MANDATORY REQUIREMENTS**

- i. The Board**  
The Company is not maintaining a separate office for the Chairman.
- ii. Shareholder Rights**  
The Company is planning to provide a half-yearly declaration of financial performance including summary of the significant events in last six months.
- iii. Audit qualifications**  
During the year under review, there were audit qualifications in the Company's financial statements.
- iv. Training of Board Members**  
The Company's Board of Directors comprises of professionals with expertise in their respective fields and industry. They endeavor to keep themselves updated with changes in the economy, legislation and technologies.
- v. Evaluation of Non-Executive Board Members**  
Mechanism for evaluation of Non-Executive Board Members Performance evaluation of Non-Executive Board Members is done by the Board of Directors of the Company.
- vi. Vigil Mechanism/Whistle Blower Policy**  
The Company has adopted a Vigil Mechanism (i.e. Whistle Blower Policy).

## **OTHER SHAREHOLDER INFORMATION**

- i. Corporate Identity Number (CIN)**  
The CIN allotted to the Company by the Ministry of Corporate Affairs, Government of India is **L31300GJ1992PLC018198**.
- ii. Shareholders' Queries**  
All the queries pertaining to the shareholders shall be referred to Share Transfer Agent of the Company.
- iii. Transfer of unclaimed dividend to Investor Education and Protection Fund**  
Pursuant to the provisions of Companies Act, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

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

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

**iv. Shares Held in Electronic Form**

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

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

**v. Bank Details**

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

- Any change in their address/mandate/bank details, and particulars of the bank in which they wish their dividend to be credited, in case they have not been furnished earlier.
- Members are advised that respective bank details and address as furnished by them or by NSDL/CDSL to the Company, for shares holding physical form and in electronic form respectively, will be printed on their dividend warrants as a measure of protection against fraudulent encashment.

**vi. National Electronic Clearing Service (NECS) Facility**

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

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

**vii. Demat Initiative**

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

**viii. Green Initiative**

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

**ix. Depository Services**

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

**National Securities Depository Limited**

Trade World, 4th Floor  
Kamala Mills Compound  
Senapati BapatMarg, Lower Parel  
Mumbai 400 013  
Tel: 022-2499 4200  
Fax: 022-2497 6351  
E-mail: [info@nsdl.co.in](mailto:info@nsdl.co.in)  
Website: [www.nsdl.co.in](http://www.nsdl.co.in)

**Central Depository Services (India) Limited**

Phiroze Jeejeebhoy Towers  
17th Floor, Dalal Street  
Mumbai 400 023  
Tel: 022-2272 3333  
Fax: 022-2272 3199  
E-mail: [investor@cdslindia.com](mailto:investor@cdslindia.com)  
Website: [www.cdslindia.com](http://www.cdslindia.com)

**x. Nomination Facility**

Members are entitled to make nominations in respect of shares held by them. Members holding shares in physical form and intending to make/change the nomination in respect of their shares in the Company may submit their requests in Form No. SH-13 to Share Transfer Agent. Members holding shares in electronic form are requested to give the nomination request to their respective DPs directly.

**xi. Reconciliation of Share Capital Audit**

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

**xii. E-Voting Facility To Members**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

Pursuant to the amendments made in clause 35B of the Listing Agreement by SEBI, the company has sent assent/dissent forms to the members to enable those who do not have access to e-Voting facility to cast their vote on the shareholders resolution to be passed at the ensuing Annual General Meeting, by sending their assent or dissent in writing.

**xiii. Update Address/ E-Mail Address/Bank Details**

To receive all communications/corporate actions promptly, members holding shares in dematerialized form are requested to please update their address/email address/bank details with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

**xiv. Electronic Service Of Documents To Members At The Registered Email Address**

As a responsible corporate citizen, your Company has been continuously supporting the “Green Initiatives“ taken by the Ministry of Corporate Affairs, Government of India (MCA) and Securities and Exchange Board of India (SEBI).

Accordingly, in respect of Members / Members who have registered their email addresses, the Company have been dispatching all documents vide electronic form since May 2011.

In accordance with Rule 18 of the Companies (Management and Administration) Rules, 2014 notified under the Companies Act, 2013, the Companies may give Notice of the General Meetings through electronic mode. Further, the said Rule provides that advance opportunity should be given at least once in a financial year to the Members / Members for registering their email address and changes therein, as may be applicable. Further Rule 11 of the Companies (Accounts) Rules, 2014 notified under the Companies Act, 2013 provides that in case of listed companies, financial statements may be sent by electronic mode to such members / members whose shareholding is in dematerialized form and whose email Ids are registered with the Depository for communication purposes. As regards Members / Members whose shareholding is held in physical form, the financial statements may be sent in electronic mode to those members who have positively consented in writing for receiving by electronic mode.

In view of the above, the Company shall send all documents to Members like General Meeting Notices (including AGM), Annual Reports comprising Audited Financial Statements, Directors’ Report, Auditors’ Report and any other future communication (hereinafter referred as “documents”) in electronic form, in lieu of physical form, to all those members, whose email address is registered with Depository Participant (DP)/Registrars & Share Transfer Agents (RTA) (hereinafter “registered email address”) and made available to us, which has been deemed to be The member’s registered email address for serving the aforesaid documents. To enable the servicing of documents electronically to the registered email address, we request the members to keep their email addresses validated/ updated from time to time. We wish to reiterate that Members holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and Members holding shares in physical form have to write to our RTA, M/s Karvy Computer shares Private Limited at their specified address, so as to update their registered email address from time to time.

Please note that the Annual Report of the Company will also be available on the Company's website [www.dicabs.com](http://www.dicabs.com) for ready reference. Members are also requested to take note that they will be entitled to be furnished, free of cost, the aforesaid documents, upon receipt of requisition from the member, any time, as a member of the Company.

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

**Date: 10th August, 2017**  
**Place: Vadodara**

**Shri Amit Bhatnagar**  
**Managing Director & Chairman of the Board**

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

**Corporate Identity No: L31300GJ1992PLC018198**

**Nominal Capital: Rs. 450 Crores**

**To  
The Members of  
Diamond Power Infrastructure Limited,  
Phase II, Village- Vadadala,  
Tal. Savli, Dist. Vadodara,  
Gujarat**

We have examined all the relevant records of Diamond Power Infrastructure Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from April 1<sup>st</sup>, 2016 up to March 31, 2017. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the accuracy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in Schedule II of the said Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has complied with items C and E.

**For D Patel & Associates  
Company Secretary in Practice**

**Date: 10<sup>th</sup> August, 2017  
Place: Vadodara**

**Sd/-  
Divyesh Patel  
ACS: 33921  
CP No.: 15027**

## CEO AND CFO CERTIFICATION

**To,  
The Board of Directors  
Diamond Power Infrastructure Limited  
Phase II, Village- Vadadala,  
Tal. Savli, Dist. Vadodara,  
Gujarat**

We Amit Bhatnagar, Managing Director and Sumit Bhatnagar Jt. Managing Director to the best of our knowledge and belief, certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2016 and based on our knowledge and belief, we state that:
  - These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
  - These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
4. We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee
  - significant changes, if any, in the internal control over financial reporting during the year;
  - significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**For Diamond Power Infrastructure Limited**

**Date: 10<sup>th</sup> August, 2017  
Place: Vadodara**

**Shri Amit Bhatnagar  
Managing Director**

**Dr. Sumit Bhatnagar  
Jt. Managing Director**

# MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

## GLOBAL ECONOMY OVERVIEW

As per International Monetary Fund Economic activity gained some momentum in the second half of 2016, especially in advanced economies. Growth picked up in the United States as firms grew more confident about future demand, and inventories started contributing positively to growth (after five quarters of drag). Growth also remained solid in the United Kingdom, where spending proved resilient in the aftermath of the June 2016 referendum in favor of leaving the European Union (Brexit).

Activity surprised on the upside in Japan thanks to strong net exports, as well as in euro area countries, such as Germany and Spain, as a result of strong domestic demand.

Economic performance across emerging market and developing economies has remained mixed. Whereas China's growth remained strong, reflecting continued policy support, activity has slowed in India because of the impact of the currency exchange initiative, as well as in Brazil, which has been mired in a deep recession.

Activity remained weak in fuel and nonfuel commodity exporters more generally, while geopolitical factors held back growth in parts of the Middle East and Turkey.

World growth, estimated as in the October 2016 World Economic Outlook (WEO), at 3.1 percent in 2016, is projected to increase to 3.5 percent in 2017 and 3.6 percent in 2018—an upward revision of 0.1 percentage point for 2017 relative to October. Together with the modest change in the forecast for the overall global growth rate, projections of the strength of economic activity across country groups have also shifted. In line with the stronger-than-expected pickup in growth in advanced economies and weaker-than-expected activity in some emerging market economies in the latter half of 2016, the forecast for 2017–18 envisions a rebound in activity in advanced economies that is faster than previously expected, while growth in 2017 is forecast to be marginally weaker in emerging market and developing economies relative to the October 2016 WEO. These revisions notwithstanding, the broad story remains unchanged: over the near and medium term, most of the projected pickup in global growth will stem from stronger activity in emerging market and developing economies.

Economic activity in advanced economies as a group is now forecast to grow by 2.0 percent in 2017 and 2018, 0.2 percentage point higher than expected in October 2016. The stronger outlook in advanced economies reflects a projected cyclical recovery in global manufacturing, signs of which were already visible at the end of 2016, and an uptick in confidence, especially after the U.S. elections, which are expected to fuel the cyclical momentum. As also noted in the January 2017 WEO Update, this forecast is particularly uncertain in light of potential changes in the policy stance of the new U.S. administration and their global spillovers.

Growth in the group of emerging market and developing economies is forecast to rise to 4.5 percent and 4.8 percent, respectively, in 2017 and 2018, from an estimated outturn of 4.1 percent in 2016. This projected upturn reflects, to an important extent, a stabilization or recovery in a number of commodity exporters, some of which underwent painful adjustments following the drop in commodity prices, and strengthening growth in India, partially offset by a gradual slowdown of the Chinese economy. Nevertheless, as emphasized in previous WEOs, the outlook for emerging market and developing economies remains uneven and generally below these economies' average performance in 2000–15. A variety of factors weigh on their outlooks, including China's transition to a more sustainable pattern of growth that is less reliant on investment and commodity imports; a protracted adjustment to structurally lower commodity revenues in some commodity exporters; high debt levels everywhere; sluggish medium-term growth prospects in advanced economies; and domestic strife, political discord, and geopolitical tensions in a number of countries.

#### Overview of the World Economic Outlook Projections (Percent Change, unless noted otherwise)

Sr. No	Particulars	Projections	
		2017	2018
<b>1</b>	<b>World Output</b>	3.5	3.6
	Advance Economies	2	0
	Emerging Market & Developing Economies	4.5	4.8
<b>2</b>	<b>World Trade Volume (Goods and Services)</b>	3.8	3.9
	<b>Imports</b>		
	Advance Economies	4	4
	Emerging Market & Developing Economies	4.5	4.3
	<b>Exports</b>		
	Advance Economies	3.5	3.2
	Emerging Market & Developing Economies	3.6	4.3
<b>3</b>	<b>Commodity Prices (U.S. Dollars)</b>		
	Oil	28.9	-0.3
	Nonfuel (average based on world commodity export weights)	8.5	-1.3
<b>4</b>	<b>Consumer Prices</b>		
	Advance Economies	2	1.9
	Emerging Market & Developing Economies	4.7	4.4

\*Based on IMF Report April - 2017

#### INDIAN ECONOMY REVIEW

Indian economy was considered to be the beacon of hope in an otherwise gloom global economy. As per the advance estimates report of IMF April, 2017 World Economic Outlook projected growth in the percentage terms of 7.7 in 2018 compared 7.2 in 2018 which is higher than China. The Government of India has been making efforts and addressing issues to improve the business environment in the country and boost manufacturing. The improvements in terms of the

perspectives of various rating agencies and multilateral organizations towards India are indicative of the progress made so far. If this continues, the country is well poised to become the world's fifth largest manufacturer by 2020.

However, the manufacturing sector is yet to achieve sustainable growth, as is evident from the growth figures of the last few months. Growth remains fragile for the sector due to various factors that impact its competitiveness. At the same time, one cannot ignore the rapid technological advancements that are changing the manufacturing landscape across the globe. This is perfectly exemplified by what is called the fourth industrial revolution or Industry 4.0, which is going to shape the future of manufacturing technology. This pinnacle of innovation in the physical and digital worlds, which can render real-time control over the entire value chain, is leading to a plethora of both opportunities and challenges for the entire industry.

According to India Brand Equity Foundation Manufacturing has the potential to emerge as one of the high growth sectors in India. The Prime Minister's 'Make in India' programme focuses on placing India on the world map as a manufacturing hub and gaining global recognition for the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of 2020, and the government has set an ambitious target of increasing the contribution of manufacturing output to 25% of gross domestic product (GDP) by 2025—this would be a 9% point increase from the current level of 16%.<sup>3</sup> GDP from manufacturing in India reached an all-time high of 5,010 billion INR in the second quarter of 2016–17. This happened due to an enormous push by the government to open up the economy. The foreign direct investment (FDI) limit has been increased in 15 sectors, and a push to increase ease of doing business, along with a rapidly growing consumer base, has boosted investor confidence.

Further, the implementation of goods and services tax (GST) will create a pan-India common market of 2 trillion USD GDP with 1.2 billion people, which again will be a big draw for investors.

## **OUTLOOK**

According to India Brand Equity Foundation with the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power.

Foreign Direct Investment (FDI) inflows in India's manufacturing sector grew by 82 per cent year-on-year to US\$ 16.13 billion during April-November 2016.

India has become one of the most attractive destinations for investments in the manufacturing sector. India has the fifth largest power generation capacity in the world. The country ranks third globally in terms of electricity production. Electricity production in India reached 584.22 Billion Units (BU) during April-September 2016. As per the 12th Five Year Plan, India is targeting a total of

88.5 GW of power capacity addition by 2017, of which, 72.3 GW constitutes thermal power, 10.8 GW hydro and 5.3 GW nuclear.

Renewable energy is fast emerging as a major source of power in India. Wind energy is the largest source of renewable energy in India. It accounts for an estimated 60 per cent of total installed capacity (21.1GW). There are plans to double wind power generation capacity to 20GW by 2022. India has also raised the solar power generation capacity addition target by five times to 100GW by 2022.

The Government of India has been supportive to growth in the power sector. It has de-licensed the electrical machinery industry and also allowed 100 per cent Foreign Direct Investment (FDI) in the sector. With many bilateral nuclear agreements in place, India is expected to become a major hub for manufacturing nuclear reactors and associated components. Foreign participation in the development and financing of generation and transmission assets, engineering services, equipment supply and technology collaboration in nuclear and clean coal technologies is also expected to increase

## **INDUSTRY OVERVIEW**

The Government of India (GOI) emphasizes vital role of distribution and transmission for the electrification. Accordingly Electricity sector in India is growing at rapid pace. During the current year 2017-18 (Upto 30.06.2017), the Peak Demand is about 159.8 GW and the Installed Capacity is 330.2 GW with generation mix of Thermal (66.8%), Hydro (13.5%), Renewable (17.7%) and Nuclear (2.1%). Likewise, distribution is the most important link in the entire power sector value chain. As the only interface between utilities and consumers, it is the cash register for the entire sector. Under the Indian Constitution, power is a Concurrent subject and the responsibility for distribution and supply of power to rural and urban consumers rests with the states.

Government of India provides assistance to states through various Central Sector / centrally sponsored schemes for improving the distribution sector. GOI also launched various schemes like Integrated Power Development Scheme (IPDS) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) which ultimately promotes strengthening of sub-transmission and distribution networks in the urban areas, metering of distribution transformers / feeders / consumers in the urban area, IT enablement of distribution sector and strengthening of distribution network, separation of agriculture and non-agriculture feeders and strengthening of sub-transmission and distribution networks in the rural areas.

Government also promoted National Electricity Fund (NEF) to strengthen investment in the distribution sector, GoI has set up National Electricity Fund (Interest Subsidy Scheme) in March 2012 to provide interest subsidy on loans disbursed to the Distribution Companies (DISCOMS) – both in public and private sector, to improve the distribution network for areas not covered by RGGVY and R-APDRP project areas. The preconditions for eligibility are linked to certain reform measures taken by the States and the amount of interest subsidy is linked to the progress achieved in reforms linked parameters. GoI has notified the scheme for Financial Restructuring of State Distribution Companies

(Discoms) in October 2012 for achieving their financial turnaround by restructuring their short term liabilities with support through a Transitional Finance Mechanism from Central Govt.

## **COMPANY OVERVIEW**

### **About the Company**

Diamond Power infrastructure Limited is an integrated solutions provider in Power T&D space in India. Established in 1970 by Mr. SN Bhatnagar, a first generation technocrat, Diamond Power long stood as a leading conductor manufacturer. In 2010-11, the company underwent an expansion and ventured towards an integrated product portfolio. Presently, Diamond Power commands presence across the value chain – in the last mile from substation to home. The company manufactures conductors, cables (LT, HT&EHV), transformers (power and distribution), transmission towers and also offers EPC services. The company has 9 manufacturing units – all along with its headquarters, situated in Vadodara, Gujarat. The company's products are available across India through 100+ distributors across 16 states. Besides it also exports its products and solutions to 20+ countries across the globe. The Company sells its products under 'Dicabs' brand. In 2015-16, the company received the Make in India award for its EHV Cables from Govt. of India.

### **Performance review**

Despite of positive steps of GOI towards promotion of power sector it's still not taking its real speed to achieve desired goals, 2016-17 remained a challenging year for the company like the previous years. The power sector still reeling under overcapacity, low industrial demand and transition phase for the policies implemented and awaiting to set in, having increased our capacities at the time of low demand was both a challenge and an opportunity for us. The challenge being the management of the cost of debt with the topline receding due to lower demand; and the opportunity in terms of utilising the downturn to improve implementation dynamics – both in terms of savings in project costs as well as expediting execution time. The trade-off had a cost but when looked from a long term perspective will lead to significant value addition to the stakeholders. However, sensing the need to urgently resolve the debt conundrum, the company proposed to undergo the debt restructuring process in the previous year. However, the under review witnessed delays in implementation owing to procedural issues. The company overcame that and proposed a strategic debt restructuring while taking the lenders into full confidence. To ensure an effective transition, the company has also identified a strategic investor who would play a pivotal role in strengthening the financial condition as well as ensuring faster resolution of lender dues. The company's management continues to be fully invested and attuned to the current process of resolution.

In 2016-17, the company registered a total income on a standalone basis of Rs. 1,16,348.78 Lacs, as compared to Rs. 2,08,980.68 Lacs in 2015-16. The company registered a negative EBIDTA at Rs. (64,384.52) Lacs in 2016-17 compared to Rs. (4,191.97) Lacs in 2015-16. The company net loss increased to Rs. (79,472.80) Lacs in 2016-17 from Rs. (26,935.57) Lacs in 2015-16. However amidst the financial constraints, the company chose to once again focus on the possibilities rather than the visible challenges. The company improved its efficiencies by rationalizing resources as well as exploring exports markets. Having used the downturn to strengthen our products, processes and firming our insights, the company is confident of growing faster in the coming years.

## **SWOT ANALYSIS**

### **Strengths**

- An integrated EPC player, having product mix covering 80 per cent of the average project cost
- Two decades of proven expertise and focus
- Access to educated and credible intellectual capital
- Proven expertise in product innovation, quality and customization
- Evolved from a single product company to an EPC company; presently scaling up the value chain
- A well-defined and scalable organisation structure lead by an experienced and qualified management team
- Preferred supplier to a world-renowned clientele
- Established reputation as a Value added products company
- Scalable businesses having state of the art technology and machinery
- Diversified product mix resulting in derisked revenue growth.

### **Weakness**

- Operates in capital-intensive segments
- Key raw materials are prone to volatility
- Directly prone to economic cycles

### **Opportunities**

- Indian economy is expected to wake up from slumber in the next two years with the current Government's relentless focus
- Power sector is going to be among the first ones to see capital investments
- Up gradation of existing T&D network

### **Threats**

- Increasing competition from global players
- Volatility in input cost

## **HUMAN RESOURCES**

At Diamond, employees are not only considered to be the stakeholders in the corporate growth but also are the key drivers of its performance. The Company always endeavours to provide an environment that encourages talented professionals to perform to their fullest potential. The Company owes its success to its loyal and efficient human asset. The Company believes that, by effectively managing and developing human resources, it can achieve its vision. It imparts specialized and technical training to its employees at regular intervals, which enrich their knowledge, skill and competency to perform their job effectively and efficiently. This also encourages employees to shoulder more responsibilities and take part in the growth of the Company's business. The Human Resource strategies aim at attracting, developing and retaining talent pool in the Company. As on 31.03.2017 the number of employees were 500+ The industrial relations were also cordial during the period under review.

## **INTERNAL CONTROL SYSTEM**

The Company has an adequate system of internal controls to safeguard and protect from loss, unauthorised use or disposition of its assets. All transactions are properly authorised, recorded and reported to the management. The Company is following all the Accounting Standards for properly maintaining the books of accounts and reporting of financial statements. The Company has an Internal Audit department and has also appointed external Internal Auditors to review various areas of the operations of the Company. The audit reports are reviewed by the management and the Audit Committee of the Board periodically.

## **RISKS AND CONCERNS**

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

**STANDALONE  
FINANCIAL  
STATEMENT**

**2016-17**

# **Independents Auditors' Report on Standalone Financial Statement for the Year ended March 31<sup>st</sup>, 2017.**

**To,**

**The Members of  
Diamond Power Infrastructure Limited  
Vadodara**

## **REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying standalone audited Financial Statement of **Diamond Power Infrastructure Limited** ('the Company') which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (Including other comprehensive income), the Statement of Cash Flows and the Statement of Change in Equity for the year ended on that date and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

## **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

## **BASIS FOR QUALIFIED OPINION**

1) As stated in note 26 to the standalone financial statements, the Company does not have system of maintaining material wise details of sales, purchase and consumption. Accordingly, breakup of amount of major sales, purchases and major raw materials consumed under broad heads is not disclosed in the standalone financial statements as required by Schedule III of the Act. Further, as stated in note 39 to the standalone financial statement, the company does not have system of maintaining listing of purchase order for capital goods. Accordingly, the details of capital commitment is not disclosed in the standalone financial statements and the impact of which is not ascertainable at this stage.

2) "the company" does not have a cost of each if the assets, its significant component and capital work in progress capitalized during the year and in earlier years. Further, the company has adopted fair market value based on the Chartered Engineer reports in line with requirements of Ind -AS and provided depreciation accordingly. As the company has provided the depreciation on the fair market value of the Block of assets, it could have been different if the company would have provided it on the fair market value of each individual asset with its corresponding impact on value of reserves and surplus and Property, Plant and Equipment, carried forward in the standalone financial statements."

## **QUALIFIED OPINION**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis of Qualified Opinion paragraph which is unascertainable at this stage, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act, we enclose in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by sub-section 3 of Section 143 of the Act, we report that:

- a) except for the possible effects of the matter described in paragraph 1 and 2 of Basis for Qualified Opinion, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) except for the possible effects of the matter described in paragraph 1 and 2 of Basis for Qualified Opinion, In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) except for the possible effects of the matter described in paragraph 1 and 2 of Basis for Qualified Opinion, The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
- e) the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse impact on the functioning of the Company;
- f) On the basis of the written representations received from the Directors as on 31 March 2017 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2017 from being appointed as a Director in terms of subsection 2 of Section 164 of the Act;
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

1. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 35 to the standalone Ind AS financial statements;
  2. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2017.
  4. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 41 to the standalone Ind AS financial statements.
3. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For :A Yadav & Associates**  
*Chartered Accountants*  
Firm’s Registration No: 129725W

**CA Arvind Yadav**  
*Partner*  
Membership No: 047422  
Vadodara  
20<sup>th</sup> April, 2017

**“Annexure A” – to the Independent Auditor’s Report – 31 March 2017 on Standalone Ind AS Financial Statements (Referred to our report of even date)**

- i) (a) The Company is in the process of updating the fixed assets register showing full particulars of its fixed assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually in a phased manner. In accordance with this programme, land, building and significant plant and machinery has been physically verified by the management along with an independent valuer during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancy between the physical verification and book record, if any, would be dealt with on updation of fixed assets register.
- (c) As informed to us, the title deeds of all lands owned by the company are deposited with debentures trustee. We have received confirmations from the debenture trustee confirming of holding of title deeds. With respect to building, we have verified the same with the property tax payment challans. The company would reconcile the title deeds of all immovable properties which are lying with debenture trustee with the fixed asset register.
- ii) The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventory lying with third parties at some of the location, the management has performed joint physical verification with such third parties as at the year end and these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in books of account.
- iii) The company has granted unsecured interest free loans and advances to associate companies covered in the register maintained under section 189 of the Act.
- (a) In our opinion, the terms and conditions of such loans considering the purpose for which it was given except not recovering the interest till the transaction fructifies is not prejudicial to the interest of the company.
- (b) The terms and conditions of these loans are without any stipulation for repayment as such loans are given for specific purpose.
- (c) According to the information and explanation given to us, the company has not demanded any amount for repayment of principal or interest for loans granted. Hence, there are no overdue amounts.
- iv) In our opinion and according to the information and explanation given to us, the company has not granted any loan, made any investment or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- v) In our opinion and according to the information and explanation given to us, the company has not accepted deposits as per the directives issued by the Reserve Bank of India and provisions of Section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi) We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii) (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee’s State Insurance, Income-tax, Sales-tax, Service-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year with the appropriate authorities though there have been few delays in case of tax deducted at source, professional tax, employee state insurance corporation, provident fund.

According to the information and explanation given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, duty of customs, duty of excise as at 31 March 2017, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

**(Rs. In Lakh)**

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Amount Demanded</b>	<b>Amount unpaid</b>	<b>Period to which amount relates</b>	<b>Forum where dispute is pending</b>
Central Excise Act, 1944	Excise Duty	10.08	10.08	2015-16	Commissioner of Excise and Customs
Central Excise Act, 1944	Excise Duty	12.82	11.41	2014-15	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	8.80	8.14	2014-15	Commissioner of Excise and Customs
Central Excise Act, 1944	Excise Duty	86.25	78.82	2013-14	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	8.33	8.33	2012-13	Commissioner of Excise and Customs
Central Excise Act, 1944	Excise Duty	11.21	11.21	2012-13	Custom Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	39.29	21.88	2011-12	Custom Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	45.04	45.04	2008-09	Custom Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	11.85	0	2008-09	Custom Excise & Service Tax Appellate Tribunal

- viii) In our opinion and according to the information and explanation given to us pursuant to approval of restructuring with respective banks as per master re-structuring agreement, the Company has not defaulted in repayment of dues of any banks or financial institutions or its debenture holders. The company does not have any loans or borrowings from government.
- ix) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. As the Company has not provided the information correlating the funds raised to the end use of term loan, we are unable to comment whether the money raised through term loans have been applied for the purpose for which they were raised.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties and the details of such related party transactions have been disclosed in the standalone Ind AS financial statement as required by applicable accounting standards. However, in absence of adequate documentations, we are unable to comment whether transactions with related parties are in compliance with the provisions of section 177 and 188 of the Act where applicable.
- xiv) According to the information and explanations given to us and based on our examination of the records, the Company has Converted Warrants into Equity Shares to Promoter and Promoters Group and also made allotment on preferential Basis to the Lenders under SDR Scheme approved by the lender as on 29<sup>th</sup> June, 2016.
- xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For : **A Yadav & Associates**

*Chartered Accountants*

Firm's Registration No: 129725W

**CA Arvind Yadav**

*Partner*

Membership No: 047422

Vadodara

20<sup>th</sup> April, 2017

## **“Annexure B” – to the Independent Auditor’s Report – 31<sup>st</sup> March 2017 on Standalone Ind AS Financial Statements (Referred to our report of even date)**

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT**

We have audited the internal financial controls over financial reporting of the Company as of 31<sup>st</sup> March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (“the Act”).

#### **AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial control system over financial reporting.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company’s internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

## **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **QUALIFIED OPINION**

According to the information and explanation given to us and based on our audit, the following material weaknesses have been identified as at 31 March 2017:

- a.) *The Company has not updated fixed asset register giving breakup of cost of each class of assets and its component and Capital Work in Progress, so as to enable reconciliation of physical verification with financial records and ascertainment of depreciation/impairment. This may have an effect on incorrect reporting of profit/loss, net fixed assets, including Capital Work in Progress and the reserves at the end of the year.*
- b.) *The Company needs to maintain records of movement of inventories at third party site to ensure control over the same. This may have an effect of incorrect reporting to banks and internal MIS to the management.*
- c.) *The Company needs to strengthen its documentation over purchase and sales of bought out components to ensure adequate internal checks and correct accounting of the transaction.*
- d.) *The Company needs to maintain material wise details of sales, purchase and consumption. Further, the Company needs to maintain listing of purchase order for capital goods to determine capital commitment. This will ensure compliance with the disclosure requirement of the Act.*

A material weaknesses is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statement will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our report of the 31 March 2017 financial statements of the Company, and these material weaknesses except to the extent as reported in our opinion of even date not affect our opinion on the financial statements of the Company.

**For :A Yadav & Associates**

*Chartered Accountants*

Firm's Registration No: 129725W

**CA Arvind Yadav**

*Partner*

Membership No: 047422

Vadodara

April 20<sup>th</sup>, 2017

**Diamond Power Infrastructure Limited**  
**Balance Sheet as at March 31, 2017**

Particulars	Note	( Rs. in Lacs)		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
a) Property, Plant and Equipment	1	1,24,567.99	1,33,938.43	59,981.37
b) Capital work-in-progress	1	12,839.16	12,494.52	84,510.73
c) Financial Assets				
i. Investments	2	1,670.23	1,670.23	1,670.69
ii. Loans	3	70.77	58.64	341.25
iii. Other financial assets	4	932.72	1,064.29	1,315.57
d) Other non-current assets	5	1,163.26	1,892.47	641.87
		<b>1,41,244.13</b>	<b>1,51,118.58</b>	<b>1,48,461.48</b>
<b>(2) Current assets</b>				
a) Inventories	6	48,127.11	80,542.67	1,07,639.41
b) Financial Assets				
i. Investments	7	43.35	33.40	50.00
ii. Trade receivables	8	35,114.16	78,590.83	15,319.91
iii. Cash and Cash Equivalents	9	1,587.46	1,447.12	476.88
iv. Other Bank Balances	10	3,476.24	8,018.16	5,716.99
v. Loans	11	1,670.86	1596.16	1,420.09
vi. Other Financial Assets	12	13.32	213.01	-
c) Other current assets	13	14,005.65	15,510.59	14,507.62
d) Current Tax Asset (Net)		333.82	-	-
		<b>1,04,371.97</b>	<b>1,85,951.93</b>	<b>1,45,130.90</b>
<b>Total Assets</b>		<b>2,45,616.10</b>	<b>3,37,070.51</b>	<b>2,93,592.38</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
a) Equity Share capital	14	26,971.07	5,700.05	5,400.05
b) Other Equity	15	38,691.40	56,390.95	80,248.87
		<b>65,662.46</b>	<b>62,091.00</b>	<b>85,648.92</b>
<b>LIABILITIES</b>				
<b>(1) Non-current liabilities</b>				
a) Financial liabilities				
i. Borrowings	16	86,542.06	1,18,701.27	98,720.77
ii. Other financial liabilities	17	6,777.91	6,529.41	3,538.74
b) Provisions	18	465.93	694.78	238.97
c) Deferred tax liabilities (net)	19	-	-	1,462.00
d) Other non-current liabilities	20	67.19	331.65	-
		<b>93,853.09</b>	<b>1,26,257.11</b>	<b>1,03,960.48</b>
<b>(2) Current liabilities</b>				
a) Financial liabilities				
i. Borrowings	22	74,002.94	1,01,894.44	82,476.40
ii. Trade payables	22	4,825.88	40,638.93	19,167.18
iii. Other financial liabilities	23	5,721.25	894.03	0.49
b) Other current liabilities	24	1,412.15	3,904.07	886.14
c) Provisions	25	138.33	155.41	26.07
d) Current Tax Liabilities (Net)		-	1,235.52	1,426.71
		<b>86,100.55</b>	<b>1,48,722.39</b>	<b>1,03,982.99</b>
<b>Total Equity and Liabilities</b>		<b>2,45,616.10</b>	<b>3,37,070.51</b>	<b>2,93,592.38</b>
Contingent Liability and Commitments	35			
Significant accounting policies	B			
Accompanying Notes to the Financial Statements	34-44			

As per our report attached  
**A Yadav & Associates**  
Chartered Accountants  
FRN:- 129725W

For and on behalf of the Board  
**Diamond Power Infrastructure Limited**

**CA Arvind Yadav**  
Partner  
Membership No.: 047422  
Place: Vadodara  
Date: 20<sup>th</sup> April, 2017

**Amit Bhatnagar**  
Managing Director & CFO  
Din:- 00775880

**Sumit Bhatnagar**  
Joint Managing Director  
Din:- 00776129

**Nishant Javlekar**  
Company Secretary

**Diamond Power Infrastructure Limited**  
**Statement of Profit & loss for the year ended March 31, 2017**

		(Rs. in Lacs)	
Particulars	Note	2016-17	2015-16
<b>REVENUE</b>			
Revenue from Operations	26	1,15,286.31	2,08,240.46
Other income	27	1,062.47	740.21
<b>Total Revenue</b>		<b>1,16,348.78</b>	<b>2,08,980.68</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	28	1,05,610.52	1,63,732.35
Changes in Inventory of Work-in -Progress, Stock-in-Trade & Finished Goods	29	32,712.69	28,500.03
Excise Duty		2,112.93	3,757.66
Employee benefit expenses	30	2,219.08	2,240.34
Finance costs	31	18,402.52	18,459.54
Depreciation and amortisation		9,394.60	5,746.06
Administration and other expenses	32	38,078.08	14,942.25
<b>Total Expenses</b>		<b>2,08,530.42</b>	<b>2,37,378.25</b>
<b>Profit before Exceptional items &amp; Tax</b>		(92,181.64)	(28,397.57)
Exceptional items			
- Reversal of Finance Cost		(11,396.72)	-
<b>Profit Before Tax from continuing Operations</b>		(80,784.92)	(28,397.57)
<b>Tax Expense :</b>			
Current tax		(1,312.12)	-
Deferred tax		-	(1,462.00)
<b>Profit/(Loss) for the year</b>		<b>(79,472.80)</b>	<b>(26,935.57)</b>
<b>Other Comprehensive Income</b>			
i) Not declassifiable to profit or loss in subsequent periods including income tax on the same		202.09	(388.85)
Income tax relating to items that will not be reclassified to profit & loss		-	-
<b>Total Comprehensive Income for the year</b>		<b>(79,270.71)</b>	<b>(27,324.42)</b>
Earnings per equity share of Face Value of Rs. 10 Each			
Basic & Diluted (In Rs.)	33	(71.89)	(48.13)
Significant accounting policies	B		
Significant accounting policies Accompanying Notes to the Financial Statements	34-44		

As per our report attached  
**A Yadav & Associates**  
Chartered Accountants  
FRN:- 129725W

For and on behalf of the Board  
**Diamond Power Infrastructure Limited**

**CA Arvind Yadav**  
Partner  
Membership No.: 047422  
Place: Vadodara  
Date: 20<sup>th</sup> April, 2017

**Amit Bhatnagar**  
Managing Director & CFO  
Din:- 00775880

**Sumit Bhatnagar**  
Joint Managing Director  
Din:- 00776129

**Nishant Javlekar**  
Company Secretary

**Diamond Power Infrastructure Limited**  
**Cash flow Statement for the year ended March 31, 2017**

S. No.	Particulars	2016-17	(Rs. in Lacs) 2015-16
<b>A</b>	<b>Net profit / (loss) before tax</b>	(80,784.92)	(28,397.57)
	<b>Adjustment for</b>		
	Depreciation and amortisation expense	9,394.60	5,746.06
	Finance Cost	7005.80	18459.54
	Interest income	(350.06)	(596.50)
	CWIP written off	-	569.84
	Amortisation of premium on forward exchange contracts	698.54	753.36
	Provision for diminution in value of investment	(9.95)	16.60
	Provision for Doubtful debts	31,113.33	129.02
	Provision for Doubtful Loans & Advances	-	1,453.52
	<b>Operating profit before working capital changes</b>	<b>(32,932.67)</b>	<b>(1,866.13)</b>
	<b>Adjustments for:</b>		
	(Increase) / Decrease in Trade and Other Receivables	14,155.60	(67,488.15)
	(Increase) / Decrease in Inventories	32,415.56	27,096.74
	Increase / (Decrease) in Trade and Other Payables	(38,779.86)	27,633.55
	<b>Net cash generated from/(used in) operating activities</b>	<b>(25,141.46)</b>	<b>(14,623.99)</b>
	Direct taxes paid (net of refunds)	(257.23)	(191.19)
	<b>Net Cash(used in)/generated from Operating Activities</b>	<b>(25,398.68)</b>	<b>(14,815.18)</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of fixed assets	(368.80)	(8,256.75)
	Sale of Investments	-	0.46
	(Investment) / proceeds from fixed deposits with banks	4,541.92	(2,301.76)
	Loan / Advances given	(12.13)	(227.42)
	Interest received	350.06	596.50
	<b>Net cash (used in)/generated from investing activities</b>	<b>4,511.05</b>	<b>(10,188.98)</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds from issue of capital (Refer Note No.: 3)	82,842.66	-
	Proceed / (Repayment) from new Disbursement from Bank	(29,328.29)	19,503.38
	Proceeds / (Repayment) of Short term borrowings	(27,891.49)	19,418.03
	Receipt from Promoters Contribution	-	3,767.00
	Repayment of loan to related parties	-	(219.34)
	Repayment of Debentures	(1,784.51)	(50.00)
	Interest paid	(2,810.39)	(16,445.28)
	<b>Net cash (used in)/generated from financing activities</b>	<b>21,027.98</b>	<b>25,973.79</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>140.34</b>	<b>969.64</b>
	<b>Cash and cash equivalents as at the beginning of the year</b>	<b>1,447.12</b>	<b>477.48</b>
	<b>Cash and cash equivalents as at the end of the year</b>	<b>1,587.46</b>	<b>1,447.12</b>

Notes:

- Cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Cash Flow statements
- Cash and cash equivalents represent cash and bank balances.
- Shares have been allotted pursuant to a contract without payment being received in cash. Under "Strategic Debt Restructuring" (SDR) on 29th June 2016 under the extant of RBI guidelines. As a part of the SDR, the lenders have converted part of their dues amounting Rs. 828.43 Crores representing 74.42% into equity Shares of Rs. 10/- each at a premium of Rs. 31.28/- per equity shares and accordingly the new equity shares of the company are issued to them in January 2017 in proportion of their outstanding dues..
- Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report attached  
**A Yadav & Associates**  
Chartered Accountants  
FRN:- 129725W

For and on behalf of the Board  
**Diamond Power Infrastructure Limited**

**CA Arvind Yadav**  
Partner  
Membership No.: 047422  
Place: Vadodara  
Date: 20<sup>th</sup> April, 2017

**Amit Bhatnagar**  
Managing Director & CFO  
Din:- 00775880

**Sumit Bhatnagar**  
Joint Managing Director  
Din:- 00776129

**Nishant Javlekar**  
Company Secretary

**Diamond Power Infrastructure Limited**  
**Statement of Changes in Equity for the year ended March 31, 2017**

**A. Equity Share Capital**

Balance at the beginning of the reporting period (i.e. 1 <sup>st</sup> April, 2015)		Changes in equity share capital during the year 2015-2016		Balance at the end of the reporting period (i.e. 31 <sup>st</sup> March, 2016)		Changes in equity share capital during the year 2016-2017		Balance at the end of the reporting period (i.e. 31 <sup>st</sup> March, 2017)	
No of shares	Rs.	No of shares	Rs.	No of shares	Rs.	No of shares	Rs.	No of shares	Rs.
5,40,00,495	5,400.05	30,00,000	300.00	5,70,00,495	5,700.05	21,27,10,184	21,271.02	26,97,10,679	26,971.07

**B. Other Equity**  
**As on 31<sup>st</sup> March, 2017**

Particulars	Money Received against Share Warrants	Capital Reserve	Reserves & Surplus				Retained Earnings	Other Comprehensive Income	Equity Component of Unsecured Loan	Total
			Securities Premium Reserve	General Reserve	Debenture Redemption Reserve					
Balance as at 1st April, 2016	-	2,372.44	32,580.33	15.00	2,347.50	8,118.69	(388.85)	11,345.85	56,390.95	
Issue of Equity Shares	-	-	68,185.64	-	-	-	-	(6,613.00)	61,571.64	
Profit for the Year	-	-	-	-	-	(79,472.80)	-	-	(79,472.80)	
Reimbursement of the net defined benefit liability \ asset, net of tax effect	-	-	-	-	-	-	202.09	-	202.09	
Preference Share Dividend (Including Dividend Distribution Tax)	-	-	-	-	-	(0.48)	-	-	(0.48)	
<b>Balance as at 31st March, 2017</b>	-	<b>2,372.44</b>	<b>10,0765.97</b>	<b>15.00</b>	<b>2,347.50</b>	<b>(71,354.60)</b>	<b>(186.76)</b>	<b>4,731.85</b>	<b>38,691.40</b>	

**As on 31<sup>st</sup> March, 2016**

Particulars	Money Received against Share Warrants	Capital Reserve	Reserves & Surplus				Retained Earnings	Other Comprehensive Income	Equity Component of Unsecured Loan	Total
			Securities Premium Reserve	General Reserve	Debenture Redemption Reserve					
Balance as at 1st April, 2015	3,407.50	1,784.94	30,060.33	15.00	6,940.00	30,462.26	-	7,578.85	80,248.87	
Forfeiture of Application Money Received on Issue of Warrants	(587.50)	587.50	-	-	-	-	-	-	-	
Interest Free Unsecured Loan from Promoters & Group Companies	-	-	-	-	-	-	-	3,767.00	3,767.00	
Issue of Equity Shares	(2,820.00)	-	2,520.00	-	-	-	-	-	(300.00)	

Profit for the Year	-	-	-	-	-	(26,935.57)	-	-	(26,935.57)
Reimbursement of the net defined benefit liability \ asset, net of tax effect	-	-	-	-	-	-	(388.85)	-	(388.85)
Preference Share Dividend (Including Dividend Distribution Tax)	-	-	-	-	-	(0.50)	-	-	(0.50)
Transfer from \ (to) debenture redemption reserve	-	-	-	-	(4,592.50)	4,592.50	-	-	-
<b>Balance as at 31st March, 2016</b>	-	<b>2,372.44</b>	<b>32,580.33</b>	<b>15.00</b>	<b>2,347.50</b>	<b>8,118.69</b>	<b>(388.85)</b>	<b>11,345.84</b>	<b>56,390.95</b>

As per our report attached  
**A Yadav & Associates**  
Chartered Accountants  
FRN:- 129725W

**CA Arvind Yadav**  
Partner  
Membership No.: 047422  
Place: Vadodara  
Date: 20<sup>th</sup> April, 2017

For and on behalf of the Board  
**Diamond Power Infrastructure Limited**

**Amit Bhatnagar**  
Managing Director & CFO  
Din:- 00775880

**Sumit Bhatnagar**  
Joint Managing Director  
Din:- 00776129

**Nishant Javlekar**  
Company Secretary

## **Diamond Power Infrastructure Limited**

### **Notes accompanying the Financial Statements for the year ended 31<sup>st</sup> March 2017**

#### **A. CORPORATE INFORMATION**

Diamond Power Infrastructure Limited is a public limited company domiciled and headquarters in India & incorporated on 26 August 1992, under the provisions of Companies Act, 1956. Its Shares are listed on two stock exchanges in India. The company is engaged in manufacturing & selling of conductor, cables and transmission towers.

#### **B. SIGNIFICANT ACCOUNTING POLICIES**

##### **B.1 BASIS OF PREPARATION & PRESENTATION**

The Financial Statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- i) Certain financial assets and liabilities (including derivative instruments)
- ii) Defined benefit plans - Plan assets and

The Financial Statements of the company have been prepared to comply with the Indian Accounting standards ('IND AS'), including the rules notified under the relevant provisions of the companies Act, 2013.

Upto the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS standalone financial statements.

Company's financial statements are presented in Indian Rupees, which is also its functional currency.

#### **Standards issued but not effective until the date of authorisation for issuance of the said financial statements**

The new Standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Company has not early adopted these amendments and intends to adopt when they become effective.

##### **IND AS 115 Revenue from Contracts with Customers**

IND AS 115 was issued in February 2015 and establishes a five-step model to account for revenue arising from contracts with customers. Under IND AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IND AS. This standard will come in to force from accounting period commencing on or after 1st April, 2018. The Company will adopt the new standard on the required effective date. During the current year, the Company performed a preliminary assessment of IND AS 115, which is subject to changes arising from a more detailed ongoing analysis.

##### **Ind AS 7, 'Statement of cash flows'**

In March 2017, MCA issued amendments to Ind AS 7, which requires certain additional disclosures to be made for changes in liabilities / assets arising from financial activities on account of non-cash transaction such as effect of changes in foreign exchange rates, fair values and others. The amendments are applicable to annual periods beginning on or after April 1, 2017 with early adoption permitted. The Company is evaluating the requirement of the amendment and its effect on the financial statements.

##### **Ind AS 102, 'Share based payments'**

The amendments to Ind AS 102 pertaining to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

Currently Ind AS 102 is not applicable to the company and hence there is no impact.

## **B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **(a) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Asset under installation or under construction as at the Balance Sheet date are shown as capital work in progress.

Subsequent costs are included in the assets carrying amount or recognized as a separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the entity and the cost can be measured reliably.

Assets costing up to Rupees five thousand are fully depreciated in the year of purchase.

### **(b) Depreciation**

Depreciation on property, plant and equipment is provided Straight Line Method based on useful life of the assets as prescribed in Schedule II of Companies Act, 2013, which were considered reasonable by the management.

### **(c) Leases**

The Company has taken office premises at various locations under cancellable operating lease. These are recognized as operating lease. The period of such lease ranges from less than one year to four years.

### **(d) Finance Cost**

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### **(e) Inventories**

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, stores and spares are carried at lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The Company follows weighted average cost method for its valuation purpose.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on item-by-item basis.

### **(f) Impairment of non-financial Assets - property, plant, and equipment and intangible assets**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**(g) Provisions**

A provision is recognised if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable

**(h) Employee Benefits Expense**

**Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**Post-Employment Benefits**

**Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to a separate entity. The company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**Defined Benefit Plans**

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employee's services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

**(i) Tax Expenses**

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

**Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

## **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient profit will be available.

## **(j) Foreign currencies transactions**

Foreign exchange transactions are recorded into Indian rupees using the average of the opening and closing spot rates on the dates of the respective transactions.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian rupees at the closing exchange rates on that date. The resultant exchange differences are recognised in the statement of profit and loss except that :

- a. exchange differences pertaining to long term foreign currency monetary items are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA), and are amortised over the balance period of the relevant foreign currency item.
- b. exchange differences arising on other long-term foreign currency monetary items are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA), and are amortised over the balance period of the relevant foreign currency item.

A foreign currency monetary item is classified as long-term if it has original maturity of one year or more.

Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve until the disposal of the net investment, at which time the accumulated amount is recognised as income or expense.

The premium or discount on a forward exchange contract taken to hedge foreign currency risk of an existing asset / liability is recognised over the period of the contract. The amount so recognised in respect of forward exchange contracts which are taken to hedge long-term foreign currency monetary items is added to / deducted from the carrying amounts of depreciable assets or accumulated in FCMITDA as discussed above. In respect of other forward exchange contracts, it is recognised in the Statement of Profit and Loss.

The forward exchange contracts taken to hedge existing assets or liabilities are translated at the closing exchange rates and resultant exchange differences are recognised in the same manner as those on the underlying foreign currency asset or liability.

## **Derivative Instruments**

Apart from forward exchange contracts are taken to hedge existing assets or liabilities, the Company also uses derivatives to hedge its foreign currency risk exposure relating to firm commitments and highly probable transactions. In accordance with the relevant announcement of the Institute of Chartered Accountants of India, the company provides for losses in respect of such outstanding derivative contracts at the balance sheet date by marking them to market. Net gain, if any, is not recognised. The contracts are aggregated category-wise, to determine net gain/loss.

**(k) Revenue recognition**

Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. Revenue from sale of goods is measured at the fair value of the consideration received/receivable, taking into account contractually defined terms of the payment.

Revenue from services is recognised under the proportionate completion method provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection of the consideration.

The amount recognised as revenue is exclusive of sales tax, value added taxes (VAT) and service tax, and is net of returns, trade discounts and quantity discounts.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Discount or premium on debt securities held is accrued over the period to maturity.

**(l) Operating Cycle**

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**(m) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i) Financial Assets**

**A. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

**B. Subsequent measurement**

**a) Financial Assets Carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**b) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**C. Investment in subsidiaries and Associates**

The Company has accounted for its investments in subsidiaries and associates at cost.

**D. Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'

**E. Impairment of financial assets**

In accordance with IND AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**F. DE recognition of financial assets**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**ii) Financial Liabilities**

**A. Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**B. Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**iii) Derivative financial instruments and Hedge Accounting**

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps, forwards & options and commodity contracts to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

**(n) Segment Reporting**

In accordance with its business and organization structure and internal financial reporting, the company has concluded that Transmission and Distribution of Power (T&D) related business is its primary business segment. As the Company's revenue is mainly from T&D business, no separate information in line with IND AS 108 "Operating Segments" is required.

**(o) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring and non – recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**a) Depreciation and useful lives of property plant and equipment**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

**b) Recoverability of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**c) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**d) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**e) Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**D. FIRST TIME ADOPTION OF IND AS**

The Company has adopted Ind AS with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2015. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III. (Refer Note 44)

**a) Exemptions from retrospective application**

**i) Business combination exemption**

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2015 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries / associates / joint ventures consummated prior to the Transition Date.

**ii) Fair value as deemed cost exemption**

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets which are measured at fair value as deemed cost.

**iii) Cumulative translation differences**

The Company has elected to apply Ind AS 21 - The Effects of changes in Foreign Exchange Rate prospectively. Accordingly all cumulative gains and losses recognised are reset to zero by transferring it to retained earnings.

**iv) Investments in subsidiaries and associates**

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

## Diamond Power Infrastructure Limited

### Notes forming part of Accounts

#### 1) PROPERTY, PLANT AND EQUIPMENT

As at March 31, 2017

Particulars	As at April 01, 2016	Impact on IND AS Transition	Gross Block		As at March 31, 2017	As at April 01, 2016	Depreciation		Net Block		
			Additions	Deductions			Adjustments / Additions	Adjustments / Deductions	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
<b>Tangible Assets</b>											
Land	10,312.14	-	-	-	10,312.14	-	-	-	-	10,312.14	10,312.14
Building	18,544.91	-	-	-	18,544.91	1,411.48	623.92	-	2,035.40	16,509.51	17,133.43
Plant and Equipment	1,21,397.55	-	24.12	-	1,21,421.67	20,481.46	7,939.60	-	28,421.07	93,000.61	1,00,916.09
Furniture and fixtures	118.51	-	-	-	118.51	58.96	8.42	0.97	66.41	52.10	59.56
Vehicles	509.69	-	-	-	509.69	290.80	45.29	10.28	325.81	183.88	218.89
Office equipment	136.98	-	-	-	136.98	127.71	9.27	6.91	130.07	6.91	9.27
Electrical installations	6,224.22	-	-	-	6,224.22	961.47	772.23	-	1,733.70	4,490.52	5,262.75
Computers, laptops and printers	239.52	-	0.04	-	239.56	213.21	14.03	-	227.24	12.31	26.30
Other Assets	1.24	-	33.06	33.06	1.24	1.24	-	-	1.24	-	-
<b>Total</b>	<b>1,57,484.77</b>	<b>-</b>	<b>57.22</b>	<b>33.06</b>	<b>1,57,508.93</b>	<b>23,546.33</b>	<b>9,412.77</b>	<b>18.16</b>	<b>32,940.94</b>	<b>1,24,567.99</b>	<b>1,33,938.43</b>
<b>Capital Work-in-Progress</b>										<b>12,839.16</b>	<b>12,494.52</b>

As at March 31, 2016

Particulars	As at April 01, 2015	Impact on IND AS Transition	Gross Block		As at March 31, 2016	As at April 01, 2015	Depreciation		As at March 31, 2016	Net Block	
			Additions	Deductions			Adjustments / Additions	Adjustments / Deductions		As at March 31, 2016	As at April 01, 2015
<b>Tangible Assets</b>											
Land	796.68	8,873.59	641.87	-	10,312.14	-	-	-	-	10,312.14	9,670.27
Building	6,275.33	736.53	11,533.05	-	18,544.91	1,044.81	366.67	-	1,411.48	17,133.43	5,967.05
Plant and Equipment	51,499.47	6,420.87	63,477.21	-	1,21,397.55	15,554.28	4,927.18	-	20,481.46	1,00,916.09	42,366.06
Furniture and fixtures	118.05	-	0.58	0.12	118.51	50.02	8.94	-	58.96	59.56	68.04
Vehicles	508.34	-	1.35	-	509.69	246.74	59.82	15.76	290.80	218.89	261.60
Office equipment	136.88	-	0.10	-	136.98	124.53	16.65	13.47	127.71	9.27	12.35
Electrical installations	1,960.68	244.45	4,019.21	0.13	6,224.22	569.14	392.33	-	961.47	5,262.75	1,636.00
Computers, laptops and printers	209.52	-	30.00	-	239.52	209.52	3.70	-	213.21	26.30	-
Other Assets	1.24	-	216.32	216.32	1.24	1.24	-	-	1.24	-	-
<b>Total</b>	<b>61,506.20</b>	<b>16,275.44</b>	<b>79,919.70</b>	<b>216.57</b>	<b>1,57,484.77</b>	<b>17,800.27</b>	<b>5,775.29</b>	<b>29.23</b>	<b>23,546.33</b>	<b>1,33,938.43</b>	<b>59,981.37</b>
<b>Capital Work-in-Progress</b>										<b>12,494.52</b>	<b>84,510.73</b>

**Note:** The Company has considered fair value of Property, Plant & Equipment situated in India, viz, land admeasuring over 68 acres with impact of Rs. 88.74 Crores, Building with impact of Rs. 22.87 Crores and Plant & Equipment with impact of Rs. 217.50 Crores in accordance with the stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves. The consequential impact on depreciation is reflected in the Profit and Loss account.

**Diamond Power Infrastructure Limited**  
**Notes forming part of Accounts**

**2) NON-CURRENT INVESTMENTS**

Particular	As at March 31,2017		As at March 31,2016		(Rs. in Lacs) As at March 31,2015	
	Units	Amount	Units	Amount	Units	Amount
<b>Investments measured at Cost</b>						
<b>Unquoted Investments</b>						
Equity shares of Rs.10 each fully paid up of Diamond Power Global Holdings Limited	1,00,000	12.88	1,00,000	12.88	1,00,000	12.88
Equity shares of Rs.10 each fully paid up of Diamond Power Transformers Limited	-	-	-	-	99,60,000	1,006.44
<b>In Equity Shares of Associates</b>						
Equity shares of Rs.10 each fully paid up of Diamond Power Transformers Limited	99,60,000	1,006.44	99,60,000	1,006.44	-	-
Equity shares of Rs.10 each fully paid up of Apex Electricals Limited (Refer Note a)	6444265	650.90	6444265	650.90	6444265	650.90
Other investments	-	-	-	-	-	0.46
<b>Total</b>		<b>1,670.23</b>		<b>1,670.23</b>		<b>1,670.69</b>

**Note a:** Company has applied for structuring under BIFR since 2011. The financial statement of the Company are not prepared post the date of filing. Considering that the Company is in possession of huge land reserves, management is of the view that no diminution in the value of investments is required.

**3) LOANS**

Particulars	As at		(Rs. in Lacs)	
	March 31, 2017	March 31, 2016	As at April 1, 2015	As at April 1, 2015
<b>Unsecured</b>				
To related parties				
Considered Good	70.77	58.64		341.25
Considered Doubtful	510.03	510.03		-
Less : Provision on Doubtful	(510.03)	(510.03)		-
<b>Total</b>	<b>70.77</b>	<b>58.64</b>		<b>341.25</b>

**4) OTHER FINANCIAL ASSET**

Particulars	As at		(Rs. in Lacs)	
	March 31, 2017	March 31, 2016	As at April 1, 2015	As at April 1, 2015
<b>Unsecured Consider Good</b>				
Deposits	932.72	1064.29		1315.57
<b>Total</b>	<b>932.72</b>	<b>1064.29</b>		<b>1315.57</b>

**5) OTHER NON-CURRENT ASSETS**

Particulars	As at		(Rs. in lacs)	
	March 31, 2017	March 31, 2016	As at April 1, 2015	As at April 1, 2015
Deffered forward Premium Account	1163.26	1861.80		-
Capital Advances	-	30.67		641.87
<b>Total</b>	<b>1163.26</b>	<b>1892.47</b>		<b>641.87</b>

**6) INVENTORIES**

Particulars	As at		(Rs. in Lacs)	
	March 31, 2017	March 31, 2016	As at April 1, 2015	As at April 1, 2015
Raw Materials (Including Material In Transit)	5794.03	5406.12		3669.17
Work-in-Progress	37296.68	38555.03		85643.21
Finished Goods	4668.80	36123.14		17535.00
Packing Material	-	69.76		11.41
Fuel & Gas	7.67	6.12		19.09
Stores and Spares	359.92	382.49		761.53
<b>Total</b>	<b>48127.11</b>	<b>80542.67</b>		<b>107639.41</b>

**Note :** During the F.Y 2016-17 an amount of Rs. 26123 lakhs was charged to the statement of Profit and Loss on account of obsolete inventory laying at EPC sites.

## 7) CURRENT INVESTMENTS

Particular	As at March 31,2017		As at March 31,2016		(Rs. in Lacs) As at March 31,2015	
	Units	Amount	Units	Amount	Units	Amount
<b>Quoted</b>						
<b>Measured at Fair Value Through P&amp;L</b>						
<b>In Mutual Funds</b>						
Baroda Pioneer PSU Equity Fund	500000	43.35	500000	33.40	500000	50.00
<b>Total</b>	<b>500000</b>	<b>43.35</b>	<b>500000</b>	<b>33.40</b>	<b>500000</b>	<b>50.00</b>
Aggregate amount of Quoted Investments		50.00		50.00		50.00
<b>Aggregate amount of market value of above</b>		<b>43.35</b>		<b>33.40</b>		<b>41.65</b>

## 8) TRADE RECEIVABLES

Particulars	As at		(Rs. in Lacs) As at	
	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015
<b>Unsecured</b>				
Considered Good	35114.16	78590.83		15319.91
Considered Doubtful	66963.39	35850.06		35721.04
<b>Less: Provision for doubtful receivables</b>	<b>(66963.39)</b>	<b>(35850.06)</b>		<b>(35721.04)</b>
<b>Total</b>	<b>35114.16</b>	<b>78590.83</b>		<b>15319.91</b>

**Note:** During the F.Y 2016-17 companies has provided provision for doubtful debts for unpaid debts above 12 months as per management view.

### Allowance for Credit loss

### Movement in allowance for doubtful debts

Particulars	As at		As at	
	March 31, 2017	March 31, 2016	March 31, 2016	March 31, 2015
<b>Balance at beginning of the year</b>		35850.06		35721.04
Add : Allowance for the year		31113.32		1582.54
Less: Write off / Reversal		-		(1453.52)
<b>Balance at the end of the year</b>		<b>66963.39</b>		<b>35850.06</b>

## 9) CASH AND CASH EQUIVALENTS

Particulars	As at		(Rs. in Lacs) As at	
	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015
a) Cash on hand	6.88	0.76		1.92
b) Balances with banks (Current account)	1580.58	1446.36		474.96
<b>Total</b>	<b>1587.46</b>	<b>1447.12</b>		<b>476.88</b>

**Note:** - Note:- Refer Note 41 for details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016

## 10) OTHER BANK BALANCES

Particulars	As at		(Rs. in Lacs) As at	
	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015
Bank Balance as Margin Money*	3476.24	8018.16		5716.39
Bank Balance in Fixed Deposit	-	-		0.60
<b>Total</b>	<b>3476.24</b>	<b>8018.16</b>		<b>5716.99</b>

\*Fixed deposits in terms of margin money aggregating to Rs 3,476.24 lakhs (Previous year: Rs 8,018.16 lakhs) represents fixed deposit placed with the Company's bankers as securities against letter of credit and bank guarantee. The physical custody of the fixed deposit receipts is with the banks.

## 11) LOANS

Particulars	As at		(Rs. in Lacs) As at	
	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015
Loan to related Parties	1283.41	1283.41		1283.41
Loan to Others	387.45	312.76		136.68
<b>Total</b>	<b>1,670.86</b>	<b>1,596.16</b>		<b>1,420.09</b>

**Note:** The Company has given interest free loan to subsidiary, Associates Company and enterprises over which directors and their relatives exercise significant control for operational purpose.

## 12) OTHER FINANCIAL ASSETS

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Managerial Remuneration Receivable	13.32	213.01	-
<b>Total</b>	<b>13.32</b>	<b>213.01</b>	<b>-</b>

## 13) OTHER CURRENT ASSETS

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advances to related parties	765.70	765.70	688.77
Advance against purchase of material / services (others)	8329.59	9718.82	7695.51
Prepaid expenses	39.44	63.84	245.92
Balances with Customs, VAT & Central Excise Authorities	5814.40	5899.28	5870.99
Other Advances	-	6.44	6.44
	<b>14949.13</b>	<b>16454.07</b>	<b>14507.62</b>
Provision for doubtful advances	(943.48)	(943.48)	-
<b>Total</b>	<b>14,005.65</b>	<b>15510.59</b>	<b>14507.62</b>

## 14) SHARE CAPITAL

### (i) Authorised, issued, subscribed and paid up

Particular	(Rs. in Lacs)					
	As at March 31,2017		As at March 31,2016		As at March 31,2015	
	No. of Share	Amount	No. of Share	Amount	No. of Share	Amount
<b>Authorised:</b>						
Equity shares of Rs.10 each	385858500	3,85,85.85	8,00,00,000	8,000.00	8,00,00,000	8,000.00
Preference shares of Rs. 10 each	4141500	414.15	4141500	414.15	4141500	414.15
0.01% Optionally Convertible Redeemable Preference Shares of Rs.10 each	60000000	6000.00	-	-	-	-
<b>Issued, subscribed:</b>						
Equity shares of Rs. 10 each	270390429	27,039.04	57680245	5,768.02	54680245	5,468.02
Preference shares of Rs. 10 each	4141500	414.15	4141500	414.15	4141500	414.15
<b>Paid Up:</b>						
Equity shares of Rs. 10 each	269710679	26,971.07	57000495	5,700.05	54000495	5,400.05
<b>TOTAL</b>		<b>26,971.07</b>		<b>5,700.05</b>		<b>5,400.05</b>

### (ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:

Particular	As at March 31,2017		As at March 31,2016		As at March 31,2015	
	No. of Share	Amount	No. of Share	Amount	No. of Share	Amount
At the beginning of the year	57000495	5700.05	54000495	5400.05	54000495	5400.05
Issued during the year as fully paid	212710184	21271.02	3000000	300.00	-	-
<b>At the end of the year</b>	<b>269710679</b>	<b>26971.07</b>	<b>57000495</b>	<b>5700.05</b>	<b>54000495</b>	<b>5400.05</b>

### (iii) Details of Shareholders holding more than 5% shares in the company:

Particular	As at March 31,2017		As at March 31,2016		As at March 31,2015	
	No. of Share	%	No. of Share	%	No. of Share	%
Madhuri Finserve Private Limited	-	-	6168413	10.82	6224550	11.52
Diamond Infosystems Limited	-	-	3293739	5.78	3704732	6.86
Macquarie Bank Limited	-	-	-	-	3868606	7.16
Citibank N.A.	-	-	3868606	6.79	-	-
Kotak Mahindra Trusteeship Services	-	-	1368134	2.40	2944066	5.45
Bank of India	54346232	20.15	-	-	-	-
Bank of Baroda	27108739	10.05	-	-	-	-
ICICI Bank Ltd	22219391	8.24	-	-	-	-
Axis Bank Ltd	19635568	7.27	-	-	-	-
Allahabad Bank	18517442	6.87	-	-	-	-

#### 14.1 Rights, preferences and restrictions attached to equity shares:

- i. The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of shareholders are in proportion to its share of paid up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.
- ii. Failure to pay any amount called up on shares may lead to forfeiture of shares
- iii. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.
- iv. Each holder of Equity share is entitled to one vote for share.

#### 14.2 Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

##### During the five year period ended 31<sup>st</sup> March 2017

- a) 12,402,124 equity shares of Rs. 10 each, fully paid up have been allotted as bonus shares in financial year 2013-14.
- b) Shares have been allotted pursuant to a contract without payment being received in cash. Under "Strategic Debt Restructuring" (SDR) on 29<sup>th</sup> June 2016 under the extant of RBI guidelines. As a part of the SDR, the lenders have converted part of their dues amounting Rs. 828.43 Crores representing 74.42% into equity Shares of Rs. 10/- each at a premium of Rs. 31.28/- per equity shares and accordingly the new equity shares of the company are issued to them in January 2017 in proportion of their outstanding dues.
- c) No shares have been bought back

#### 14.3 Forfeited shares

During the previous year, Out of total 5,500,000 share warrants, the Company has issued equity shares against 3,000,000 share warrants and the balance 2,500,000 share warrants are forfeited due to unpaid call.

#### 14.4 Shares pledged

3,07,70,802 (previous year 18,745,449) unencumbered equity shares and 4,141,500 (previous year 4,141,500) preference shares of the Company are pledged in favour of all existing lenders by directors, relatives of directors and enterprises over which such directors and their relatives exercise significant influence.

#### 16) BORROWINGS-NON CURRENT

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Secured borrowings</b>			
a) Non-Convertible Debentures	7649.77	10480.69	9784.24
b) Term loans			
i. From banks	78869.23	108188.06	88476.89
ii. From others	23.06	32.51	40.30
<b>Unsecured borrowings</b>			
a) Loans from related parties	-	-	219.34
b) Loans from Other parties			200.00
<b>Total</b>	<b>86542.06</b>	<b>118701.27</b>	<b>98720.77</b>

#### 16.1

- a) First pari-passu charge in favour of term lenders by way of mortgage on all immovable properties and hypothecation of movable fixed assets of the Company.
- b) Second pari-passu charge by way of hypothecation and/or pledge of current assets including all receivables.
- c) Personal guarantee of Mr. Suresh Bhatnagar (relative of Directors), Mr. Amit Bhatnagar (Managing Director) and Mr. Sumit Bhatnagar (Joint Managing Director) jointly and severally.
- d) Corporate Guarantee of Madhuri Finserve Private Limited and Diamond Projects Limited (enterprises over which the above key managerial personnel and their relatives exercise significant control)
- e) **Additional collateral for all facilities -**  
Unencumbered 3,07,70,802 equity shares of directors, relatives of directors and enterprises over which the above key managerial personnel and their relatives exercise significant control are pledged in favour of all existing lenders.

## 17) OTHER FINANCIAL LIABILITIES

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Deposits	54.53	56.09	55.35
b) Others			
i. Forward premium payable	2450.14	2615.15	-
ii. Preference share liability	4273.25	3858.16	3483.40
<b>Total</b>	<b>6777.92</b>	<b>6529.41</b>	<b>3538.74</b>

## 18) NON-CURRENT PROVISIONS

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Provision for employee benefits</b>			
Gratuity payable	302.23	454.12	115.58
Leave balance payable	163.70	240.67	123.38
<b>Total</b>	<b>465.93</b>	<b>694.78</b>	<b>238.96</b>

## 19) DEFERRED TAX LIABILITY (NET)

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(A) Deferred tax liabilities</b>			
Excess of depreciation allowable under books over depreciation as per income tax laws	-	1462.00	5205.00
Charge/(credit) to Statement of Profit and Loss	-	(1462.00)	-
<b>Total (A)</b>	<b>-</b>	<b>-</b>	<b>5205.00</b>
<b>(B) Deferred tax assets</b>			
Excess of depreciation as per income tax laws over depreciation allowable under books	757.09	3560.49	-
Carried forward business loss	38976.54	11517.76	3743.00
Unabsorbed Depreciation	8931.19	4980.83	-
Provision for employee benefits	(69.63)	317.02	-
Provision for expenses under section 40 (a)	-	303.55	-
Provision for doubtful trade receivables	10575.42	2217.84	-
Provision for diminution in value of investments	-	5.64	-
Provision for doubtful advances	-	494.05	-
<b>Total (B)</b>	<b>59170.61</b>	<b>23397.18</b>	<b>3743.00</b>
<b>Net deferred tax (assets) / liability [A - B]</b>	<b>(59170.61)</b>	<b>(23397.19)</b>	<b>1462.00</b>

**Net deferred tax (assets) / liability recognised \*** - - **1462.00**

\*The deferred tax assets of Rs. 59170.61 lakhs for the current year are not recognised as they are not considered to be virtually certain of realisation. Deferred tax liability recognised till 31<sup>st</sup> March 2015 has been re-evaluated and charged off during the previous year 2015-16.

## 20) OTHER NON CURRENT LIABILITY

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for mark to market on forward contract	67.19	331.65	-
<b>Total</b>	<b>67.19</b>	<b>331.65</b>	<b>-</b>

## 21) BORROWINGS-CURRENT

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Secured Working Capital Loans From Banks</b>			
Cash Credit	74002.94	101894.44	82476.40
<b>Total</b>	<b>74002.94</b>	<b>101894.44</b>	<b>82476.40</b>

## 21.1

1. First pari-passu charge by way of hypothecation and / or pledge of Current Assets of the borrower including all receivables.
2. Second pari-passu charge by way of mortgage over all immovable properties and hypothecation over movable fixed assets.
3. Unencumbered Redeemable cumulative preference shares of Diamond Power Infrastructure Limited aggregating to Rs. 74.96 Crore (41,41,500 Preference shares of Rs.10 each share with premium of Rs.171 per share available with promoters' group companies) pledged in favour all existing lenders.
4. First pari-passu charge on factory land and industrial shed admeasuring 15,100 Sq. Mts. and construction of 3,000 Sq. mts. owned by Diamond Projects Limited at Village Gardia, Taluka Savli, District Vadodara.
5. First pari-passu charge by way of residential properties of Flat. No. 102 and 103 owned by Mr. Amit Bhatnagar and Mr. Sumit Bhatnagar respectively.
6. Personal guarantee of Mr. Suresh Bhatnagar (relative of Directors), Mr. Amit Bhatnagar (Managing Director) and Mr. Sumit Bhatnagar (Joint Managing Director) jointly and severally.
7. Corporate Guarantee of Madhuri Finserve Private Limited and Diamond Projects Limited

## 22) TRADE PAYABLES

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Micro, Small and Medium Enterprises (Note – 21.2)	0.32	37.15	11.57
Others	4024.66	11027.99	6606.45
Acceptances	800.90	29573.78	12549.16
<b>Total</b>	<b>4825.88</b>	<b>40638.93</b>	<b>19167.18</b>

The Company had sought confirmation from its vendors on their status under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from 2 October 2006.

**22.1** The amount due to Micro & Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the company.

**22.2** The disclosure relating to Micro, Small and Medium Enterprises as at 31<sup>st</sup> March, 2017 are as under:

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Principal amount remaining unpaid	0.32	37.15	11.57
Interest due on above and the unpaid interest	-	-	-
Interest paid	-	-	-
Payment made beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-
<b>Total</b>	<b>0.32</b>	<b>37.15</b>	<b>11.57</b>

## 23) OTHER FINANCIAL LIABILITIES

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Interest accrued	5719.78	893.04	-
b) Other liabilities			
i. Provision for Tax on Dividend	0.23	0.16	0.07
ii. Proposed Dividend on Preference Share	1.24	0.82	0.41
<b>Total</b>	<b>5721.25</b>	<b>894.03</b>	<b>0.48</b>

## 24) OTHER CURRENT LIABILITIES

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance from Customer	49.66	236.76	488.52
Statutory payables	833.12	3280.57	79.26
Employee Benefit Expenses	99.96	297.04	235.74
Other liabilities	2.41	2.42	38.64
Provision for expenses	427.00	87.27	43.96
<b>Total</b>	<b>1412.15</b>	<b>3904.07</b>	<b>886.14</b>

## 25) PROVISIONS - CURRENT

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Provision for employee benefits</b>			
Gratuity payable	75.98	86.07	-
Leave balance payable	62.35	69.33	26.06
<b>Total</b>	<b>138.33</b>	<b>155.41</b>	<b>26.06</b>

## 26) REVENUE FROM OPERATIONS

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
<b>Sales *#</b>	1,15,286.31	2,08,240.46
<b>Total</b>	<b>1,15,286.31</b>	<b>2,08,240.46</b>

\*Sale of products includes bought-out materials sold to customers.

#Note A: - The Company does not have system of maintaining material wise details of sales, purchases and consumption. Accordingly, breakup of amount of major sales, purchases and major raw materials consumed under broad heads is not disclosed in the financial statements as required by Schedule III of the Companies Act, 2013.

## 27) OTHER INCOME

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
Interest Income from Bank deposits	350.06	596.50
Profit/Loss on Foreign Exchange Fluctuation	655.22	-
Insurance Claim	24.94	73.98
Dividend Income	-	-
Excess Provision Written Back	9.95	-
Other income	22.29	69.73
<b>Total</b>	<b>1,062.47</b>	<b>740.21</b>

## 28) COST OF MATERIAL CONSUMED \* #

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
Raw Material at the beginning of the year	5475.88	3680.58
Add : Purchases	105928.67	165527.65
Less : Raw material at the end of the year	5794.03	5475.88
<b>Total Cost of Materials consumed</b>	<b>1,05,610.52</b>	<b>1,63,732.35</b>

\* Cost of materials consumed includes bought-out materials purchased for supplies to customers.

# Refer note A above

## 29) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROGRESS & STOCK-IN-TRADE.

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
<b>Opening Balance</b>		
Work-in progress	38,555.03	85,643.21
Finished Goods	36,123.14	17,535.00
<b>Total Opening Balance</b>	<b>74,678.17</b>	<b>1,03,178.21</b>
<b>Closing Balance</b>		
Work-in progress	37,296.68	38,555.03
Finished Goods	4,668.80	36,123.14
<b>Total Closing Balance</b>	<b>41,965.49</b>	<b>74,678.17</b>
<b>Total Changes in inventories of Finished Goods, Work-in Progress &amp; Stock-in-Trade</b>	<b>32,712.69</b>	<b>28,500.03</b>

### 30) EMPLOYEE BENEFIT EXPENSE

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
Salaries and Wages	2,071.98	1,891.53
Contribution to Provident Fund and Other Funds	127.94	344.71
Staff Welfare Expenses	19.16	4.11
<b>Total</b>	<b>2,219.08</b>	<b>2,240.34</b>

**30.1** As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below:

#### Defined Contribution Plans

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
Employer's Contribution to Provident Fund	139.98	86.56
Employer's Contribution to ESIC	1.10	0.94
<b>Total</b>	<b>141.08</b>	<b>87.50</b>

#### Defined Benefit Plan

##### i) Reconciliation of opening and closing balances of Defined Benefit Obligation

Particulars	(Rs.in Lacs)	
	Gratuity (Unfunded)	
	2016-17	2015-16
Defined benefit obligation at beginning of the year	540.19	115.58
Current service cost	32.35	60.86
Interest on Defined benefit obligation	41.03	9.22
<b>Actuarial losses/(gains)</b>		
a) From changes in demographic assumptions	(7.03)	(25.89)
b) From changes in financial assumptions	15.45	(91.84)
Experience Variance (i.e. Actual experience V/S assumption)	(211.28)	506.59
Benefits Paid	(33.34)	(34.32)
Defined benefit obligation at year end	377.38	540.19

##### ii) Reconciliation of fair value of Assets and Obligations

Particulars	(Rs. in Lacs)	
	Gratuity (Unfunded)	
	2016-17	2015-16
Fair Value of Plan Assets	-	-
Present Value of Obligations	377.38	540.19
<b>Amount recognised in Balance sheet [Surplus/(Deficit)]</b>	<b>(377.38)</b>	<b>(540.19)</b>

##### iii) Expense recognised during the year

Particulars	(Rs. in lacs)	
	Gratuity (Unfunded)	
	2016-17	2015-16
<b>In Income Statement</b>		
Current Service Cost	32.35	60.86
Interest Cost	41.03	9.22
<b>Net Cost</b>	<b>73.38</b>	<b>70.08</b>
<b>In Other Comprehensive Income</b>		
<b>Actuarial losses/(gains):-</b>		
a) From changes in demographic assumptions	(7.03)	(25.89)
b) From changes in financial assumptions	15.45	(91.85)
Experience Variance (i.e. Actual experience V/S assumption)	(211.28)	506.59
<b>Net (Income) / Expense for the period Recognised in OCI</b>	<b>(202.86)</b>	<b>388.85</b>

##### iv) Actuarial assumptions

Particulars	(Rs. in Lacs)	
	Gratuity (Unfunded)	
	2016-17 2006-08(Ultimate)	2015-16 2006-08(Ultimate)
Mortality Table (IALM)	6.85%	7.60%
Discount Rate (per annum)	20.00%	15.00%
Attrition Rate (per annum)	8.33%	8.33%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**v) The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2016-17.**

**vi) Sensitivity Analysis**

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 1%)	4.60%	(4.30)%	5.80%	(5.30)%
Change in rate of salary increase (delta effect of +/- 1%)	(4.30)%	4.50%	(5.30)%	5.70%
Change in rate of employee turnover (delta effect of +/- 50%)	4.40%	(2.50)%	2.30%	(1.50)%

The Plan typically expose the Company to actuarial risks such as : interest rate risk, liquidity risk, salary escalation risk, and regulatory risk

**Interest Rate risk:**

The plan exposes the Company to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity Risk:**

This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk:**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Regulatory Risk:**

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of Rs. 10,00,000).

**31) FINANCE COST**

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
Interest on borrowings	17,804.20	16,678.93
Bank charges & other finance cost	306.75	999.66
Other borrowing cost	291.57	780.95
<b>Total</b>	<b>18,402.52</b>	<b>18,459.54</b>

**Note:** As per the proposed scheme of SDR package post invocation of SDR on 29/06/16, there would be no application of interest on the outstanding loan amount w.e.f. 29/06/16. The company has provided interest from 01/07/16 to 31/03/17 totalling to Rs. 11,396.72 Lakhs and the same has been reversed by showing the same as exceptional item in this financial statement for the year ended on March 31, 2017.

**32) OTHER EXPENSES**

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
Consumption of stores and spare parts	0.91	28.78
Power and fuel	415.07	738.24
Freight, clearing and forwarding	1,891.67	1,534.35
Rent	109.71	134.72
<b>Repairs and maintenance</b>		
a) Building	13.40	0.20
b) Machinery	0.29	15.66
c) Others	140.20	119.21

Insurance	166.01	226.62
Travelling expenses	197.12	209.21
Legal and professional fees	761.41	765.59
Auditors' remuneration (Refer note below)	27.88	50.84
Contract labour cost	715.78	1,804.16
Advertising and sales promotion	257.31	410.70
Allowance for credit loss	31113.32	1582.54
Capital work-in-progress written off	-	569.84
Preliminary \ Pre-operative Expenses W\off	-	180.66
Transmission charges	73.76	76.79
Membership and subscription	193.96	99.79
Bank charges	729.57	3874.09
Brokerage Expense	-	0.14
Foreign exchange fluctuations (net)	83.37	303.37
Service Tax Expense	57.62	27.50
Provision for diminution in value of investments	-	16.60
Amortisation of premium on forward contracts	698.54	753.34
Miscellaneous expenses	431.17	1419.30
<b>Total</b>	<b>38,078.08</b>	<b>14,942.25</b>

### 32.1 Payment to Auditor as:

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
a) Statutory audit	25.00	50.00
b) Other services	2.00	0.71
c) Reimbursement of expenses	0.88	0.14
<b>Total</b>	<b>27.88</b>	<b>50.85</b>

### 32.2 Details of CSR expenditure

The provisions under section 135 and the rules thereof pertaining to corporate social responsibility are not applicable to the Company during the year.

### 33) EARNING PER SHARE (EPS)

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
i. Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	(79,472.80)	(26,935.57)
ii. Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	110553532	55959511
iii. Weighted Average Potential Equity Shares	-	-
iv. Total Weighted Average number of Equity shares used as denominator for calculating Diluted EPS	110553532	55959511
v. Basic Earnings per Share (Rs.)	(71.89)	(48.13)
vi. Diluted Earnings per Share (Rs.)	(71.89)	(48.13)
vii. Face Value per Equity Share (Rs.)	10.00	10.00

### 34) RELATED PARTIES DISCLOSURES

#### A. List of related parties

- i. **Subsidiaries :**
  - Diamond Power Global Holdings Limited
  - Diamond Power Transformers Limited (up to 10 January 2016)
- ii. **Associate Companies :**
  - Apex Electricals Limited
  - Diamond Power Transformers Limited (w.e.f. 11 January 2016)
- iii. **Key managerial Personnel (KMP)**
  - Mr. Amit Bhatnagar (Managing Director)
  - Dr. Sumit Bhatnagar (Joint Managing Director)

**iv. Enterprises over which KMP and their relatives exercise significant influence**

Mayfair Spaces Limited  
 Mayfair Leisure Limited  
 Diamond Projects Limited  
 Diamond Infosystems Limited  
 Madhuri Finserve Private Limited  
 Maktel Power Limited  
 Maktel Control & Systems Private Limited  
 Diamond Power Transmission Private Limited  
 Ruby Cables Limited

Shri. Naba Mukherjee (Chief Financial Officer) (from 1 July 2015 Upto 15 February 2016)

**v. Relatives of KMP**

Mrs. Madhurilata Bhatnagar (wife of Mr. Suresh Bhatnagar)  
 Mrs. Mona Bhatnagar (wife of Mr. Amit Bhatnagar)  
 Mrs. Richa Bhatnagar (wife of Mr. Sumit Bhatnagar)  
 Mr. Suresh Bhatnagar (father of Mr. Amit Bhatnagar and Mr. Sumit Bhatnagar)

**B. Transactions during the year with related parties :**

Particulars	Subsidiary	Associates Companies/ Enterprises over which KMP & their Relatives exercise significant influence	KMP	(Rs. in Lacs)	
				Relatives of KMP	Total
Purchase/Sales of goods and services incl. taxes (Net)	-	655.15	-	-	655.15
Purchase of assets	-	239.68	-	-	239.68
Professional Fees	-	1.14	-	-	1.14
Rent Paid	-	2.24	-	-	2.24
Remuneration	-	-	-	250.89	250.89
Trade Receivables/Trade Payables (Net)	-	-	-	232.76	232.76
Loans & Advances Receivable/Payable ( Net)	-	6.12	6.00	-	12.12
	-	6.12	6.00	-	12.12
	-	-	509.00	-	509.00
	-	-	528.96	-	528.96
	-	1,187.35	-	-	1,187.35
	-	1,529.67	-	-	1,529.67
	70.77	1,460.23	-	-	1,531.01
	58.94	(5,588.50)	-	-	(5,529.56)
<b>Total</b>	<b>70.77</b>	<b>3,310.00</b>	<b>515.00</b>	<b>250.89</b>	<b>4,146.67</b>
	<i>58.94</i>	<i>(3,810.78)</i>	<i>534.96</i>	<i>232.76</i>	<i>(2,984.13)</i>

*Italic figure show as previous year*

**35) CONTINGENT LIABILITIES AND COMMITMENTS**

Particulars	(Rs. in Lacs)	
	2016-17	2015-16
<b>A. Contingent Liabilities</b>		
<b>a) Claims against the Company not acknowledged as debts represents :</b>		
i. Suits filed against the Company by M/s. Sardar Sarovar Nigam Limited	63.02	63.02
ii. Disputed demand of sales tax against which the Company has preferred an appeal	43.60	43.60
iii. Disputed demand of excise and service tax against which the Company has preferred an appeal	233.66	233.66
<b>b) Guarantees</b>		
i. Guarantees given to third parties	10,772.77	12,727.44
ii. Corporate guarantees given on behalf of Diamond Power Transformers Limited	12,000.00	12,000.00

**36) LEASE COMMITMENT**

The Company has taken office premises at various locations under cancellable operating lease. These are recognized as operating lease. The period of such lease ranges from less than one year to four years. Lease expenditure for operating leases is recognised on a straight-line basis over the period of lease in the Statement of Profit and Loss. The aggregate lease payments recognised in the statement of profit and loss for the year is Rs. 109.71 lakhs (Previous year : Rs. 134.72 lakhs) in respect of cancellable leases. The company has not entered into financial lease agreement.

### 37) FOREIGN CURRENCY RISK

#### 37.1 Expenditure in foreign currency (on accrual basis)

(Rs. In Lacs)

Particulars	2016-17	2015-16
Travelling expense	43.14	45.20
Sales Promotion	-	10.75
Interest	79.82	80.63
Others	17.08	-
<b>Total</b>	<b>140.04</b>	<b>136.58</b>

#### 37.2 Earnings in foreign currency

##### Particulars

Particulars	2016-17	2015-16
Export on F.O.B. basis	855.92	674.94
<b>Total</b>	<b>855.92</b>	<b>674.94</b>

#### 37.3 Value of imports on CIF basis

##### Particulars

Particulars	2016-17	2015-16
Raw materials	-	55.32
Capital goods	18.00	80.57
<b>Total</b>	<b>18.00</b>	<b>135.89</b>

38) In accordance with its business and organization structure and internal financial reporting, the company has concluded that Transmission and Distribution of Power (T&D) related business is its primary business segment. As the Company's revenue is mainly from T&D business, no separate information in line with IND AS 108 "Operating Segments" is required.

39) The Company does not have system of maintaining listing of purchase order for capital goods. Accordingly, the details of capital commitment are not given.

In accordance IND AS 37 on " Provisions /Contingent Liabilities and contingent assets", there are indicators of onerous contracts in view of contract Loss as compare with the execution level of each contract and future obligation to meet the contractual conditions; however , the management is not consider the such contract as onerous contract and accordingly no provision is required.

40) In accordance IND AS 37 on " Provisions /Contingent Liabilities and contingent assets", there are indicators of onerous contracts in view of contract Loss as compare with the execution level of each contract and future obligation to meet the contractual conditions; however , the management is not consider the such contract as onerous contract and accordingly no provision is required.

41) **DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD 08/11/2016 TO 30/12/2016 IS AS UNDER:-**

Particulars	SBNs	Other Denomination Notes	Total
<b>Closing Cash in Hand as on 08/11/2016</b>	81.00	0.75	81.75
(+) Permitted Receipts	1.16	0.13	1.29
(-) Permitted Payments	-	-	-
(-) Amount Deposited in Banks	82.16	-	82.16
<b>Closing Cash in Hand as on 30/12/2016</b>	<b>-</b>	<b>0.89</b>	<b>0.89</b>

### 42) FINANCIAL INSTRUMENT

#### Valuation

All Financial instruments are initially recognized and subsequently re-measured at fair value as described below.

- The fair value of investment in Quoted Mutual Funds is measured at quoted price or NAV.
- The fair value of Forward Foreign exchange contracts is determined using forward exchange rates yield curves at the balance sheet date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

**Fair value measurement hierarchy:**

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2		Level 1	Level 2
<b><u>Financial Assets</u></b>									
<b>At Amortised Cost</b>									
Investments*	1670.23	-	-	1670.23	-	-	1670.69	-	-
Trade Receivables	35114.16	-	-	78590.83	-	-	15319.91	-	-
Cash & Bank Balances	1587.46	-	-	1447.12	-	-	476.88	-	-
Loans	1741.64	-	-	1654.81	-	-	1761.34	-	-
Other Financial Assets	946.04	-	-	1277.30	-	-	1315.57	-	-
<b>At FVTPL</b>									
Investments	43.35	43.35	-	33.40	33.40	-	50.00	50.00	-
Financial Derivatives	1163.26	-	1163.26	1892.47	-	1892.47	641.87	-	641.87
<b><u>Financial Liabilities</u></b>									
<b>At Amortised Cost</b>									
Borrowings	160545.00	-	-	220595.70	-	-	181197.17	-	-
Trade Payables	4825.88	-	-	40638.93	-	-	19167.18	-	-
Other Financial Liabilities	10049.02	-	-	4808.29	-	-	3539.23	-	-
<b>At FVTOCI</b>									
Defined Benefit Liability	2450.14	-	2450.14	2615.15	-	2615.15	-	-	-

\* Investment in subsidiaries and associates carried at amortized cost refer note D.

The Financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below :

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

**Level 2:** Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Credit Risk**

Trade receivables Customer credit risk is managed by each business unit subject to the Company's established policy and procedures. Trade receivables are non-interest bearing and generally have a credit period not exceeding 90 days. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically. An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the receivables are categorised into groups based on types of receivables. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - Financial instruments. The calculation is based provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Receivables from group companies and secured receivables are excluded for the purposes of this analysis since no credit risk is perceived on them. The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the receivables. Movement in provision of expected credit loss has been provided in note no. 8

**Market Risk**

Market Risk is the risk that the fair value of future cash flow of a financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. A financial asset affected by market risk includes loans and borrowings, deposits and derivative financial instruments.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (When revenue or expense is denominated in a foreign currency). The Company manages its foreign currency risk by hedging transactions that are expected to realise in future.

### i. Foreign Currency Exposure

Particulars Category	Currency hedged	(Amount In Lacs)	
		As at March 31,2017	As at March 31,2016
Forward exchange contracts (to hedge principal repayments of external commercial borrowings)	USD	138.83	159.55
Forward exchange contracts (to hedge LIBOR interest on external commercial borrowings)	USD	138.83	159.55

### ii. Unhedged foreign currency exposure

Particulars Category	(Amount In lacs)			
	As at March 31,2017		As at March 31,2016	
	Amount (in USD)	Amount (in INR)	Amount (in USD)	Amount (in INR)
Trade receivables	0.60	39.01	27.74	1840.11
Advances given	1.09	70.77	0.89	58.93
<b>Total</b>	<b>1.69</b>	<b>109.78</b>	<b>28.62</b>	<b>1899.04</b>

### Sensitivity Analysis

As the foreign currency loan is fully hedged as such there would not be any impact of the foreign exchange fluctuation.

### Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both banks and financial institutions at an optimised cost.

### 43) APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on April 20, 2017.

### 44) FIRST TIME IND AS ADOPTION RECONCILIATIONS

#### 44.1 Effect of IND AS adoption on the standalone balance sheet as at 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015

Particulars	As at 31 <sup>st</sup> March, 2016			As at 1 <sup>st</sup> April, 2015		
	Previous GAAP	Effect of transition to IND AS	As per IND AS balance sheet	Previous GAAP	Effect of transition to IND AS	As per IND AS balance sheet
<b>ASSETS</b>						
<b>1. Non-current assets</b>						
a) Property, Plant and Equipment	101920.89	32017.55	133938.43	43705.93	16275.44	59981.37
b) Capital work-in-progress	12494.52	-	12494.52	67875.59	16635.14	84510.73
c) Financial Assets						
i. Investments	1670.23	-	1670.23	1670.69	-	1670.69
ii. Loans	58.64	-	58.64	341.25	-	341.25
iii. Other financial assets	1064.29	-	1064.29	1315.57	-	1315.57
d) Other non-current assets	1861.80	30.67	1892.46	-	641.87	641.87
<b>Total Non-Current Assets (A)</b>	<b>119070.36</b>	<b>32048.22</b>	<b>151118.58</b>	<b>114909.03</b>	<b>33552.45</b>	<b>148461.48</b>
<b>2. Current assets</b>						
a) Inventories	80542.67	-	80542.67	107639.41	-	107639.41
b) Financial Assets						
i. Investments	33.40	-	33.40	50.00	-	50.00
ii. Trade receivables	107915.91	(29325.08)	78590.83	51040.95	(35721.04)	15319.91
iii. Cash and Cash Equivalents	1447.12	-	1447.12	476.88	-	476.88
iv. Other Bank Balances	8018.16	-	8018.16	5716.99	-	5716.99
v. Loans	900.86	695.31	1596.16	1420.09	-	1420.09
vi. Other Financial Assets	213.01	-	213.01	-	-	-
c) Other current assets	16236.56	(725.98)	15510.59	15149.49	(641.87)	14507.62
<b>Total Current Assets (B)</b>	<b>215307.68</b>	<b>(29355.75)</b>	<b>185951.93</b>	<b>181493.81</b>	<b>(36362.91)</b>	<b>145130.90</b>
<b>Total Assets (A+B)</b>	<b>334378.04</b>	<b>2692.46</b>	<b>337070.51</b>	<b>296402.84</b>	<b>(2810.46)</b>	<b>293592.38</b>

<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
a) Equity Share capital	6114.20	(414.15)	5700.05	5814.20	(414.15)	5400.05
b) Other Equity	45796.66	10594.30	56390.95	78549.73	1699.14	80248.87
<b>Total Equity</b>	<b>51910.86</b>	<b>10180.15</b>	<b>62091.00</b>	<b>84363.93</b>	<b>1284.99</b>	<b>85648.92</b>
<b>LIABILITIES</b>						
<b>(1) Non-current liabilities</b>						
a) Financial liabilities						
i. Borrowings	130047.11	(11345.85)	118701.27	106299.62	(7578.85)	98720.77
ii. Other financial liabilities	2671.25	3858.16	6529.41	55.34	3483.40	3538.74
b) Provisions	694.78	-	694.78	238.97	-	238.97
c) Deferred tax liabilities (net)	-	-	-	1462.00	-	1462.00
d) Other non-current liabilities	331.65	-	331.65	-	-	-
<b>Total Non-current liabilities</b>	<b>133744.80</b>	<b>(7487.68)</b>	<b>126257.11</b>	<b>108055.93</b>	<b>(4095.45)</b>	<b>103960.48</b>
<b>(2) Current liabilities</b>						
a) Financial liabilities						
i. Borrowings	101894.44	-	101894.44	82476.40	-	82476.40
ii. Trade payables	40638.93	-	40638.93	19167.18	-	19167.18
iii. Other financial liabilities	894.03	-	894.03	0.49	-	0.49
b) Other current liabilities	3904.07	-	3904.07	886.14	-	886.14
c) Provisions	155.41	-	155.41	26.07	-	26.07
d) Current Tax Liabilities (Net)	1235.52	-	1235.52	1426.71	-	1426.71
<b>Total Current liabilities</b>	<b>148722.39</b>	<b>-</b>	<b>148722.39</b>	<b>103982.98</b>	<b>-</b>	<b>103982.98</b>
<b>Total Equity &amp; liabilities</b>	<b>334378.04</b>	<b>2692.46</b>	<b>337070.51</b>	<b>296402.84</b>	<b>(2810.46)</b>	<b>293592.38</b>

#### 44.2 Reconciliation of Profit & Other Equity between IND AS & Previous GAAP

Nature of Adjustment	Notes	(Rs. in Lacs)		
		Net Profit	Other Equity	
		Year Ended March, 2016	As at March 31, 2016	As at April 1, 2015
<b>Net Profit \ (Loss) \ Other Equity as per Previous Indian GAAP</b>		<b>(32452.58)</b>	<b>45796.66</b>	<b>78549.73</b>
Fair value measurement of Financial Assets - As per IND AS 109	i	6395.96	(29325.08)	(35721.04)
Measurement of Financial Liabilities at amortized cost - As per IND AS 109	ii	(374.77)	(3444.01)	(3069.25)
Fair Valuation as deemed Cost for Property, Plant & Equipment	iii	(893.04)	32017.55	32910.58
Interest Free Loan from Promotors \ Group Companies transferred to Other Equity	ii	-	11345.85	7578.85
Reimbursement of the Net defined benefit Liability \ Asset	iv	388.85	-	-
<b>Net Profit before OCI \ Other Equity as per IND AS</b>		<b>(26935.57)</b>	<b>56390.95</b>	<b>80248.87</b>

#### Notes:

- The company has valued financial assets (other than investment in subsidiaries, associate and joint ventures which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Profit and Loss.
- The company has measured financial liabilities (other than Unsecured Loan from Promoter group companies, considered as Quasi Equity), at amortized cost. Impact of amortized cost changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Profit and Loss account.
- The company has considered fair value of Property, Plant & Equipment situated in India, vis, land admeasuring over 68 acres with impact of Rs. 88.74 Crores, Building with impact of Rs. 22.87 Crores and Plant & Equipment with impact of Rs. 217.50 Crores in accordance with the stipulations of IND AS 101 with the resultant impact being accounted for in the reserves. The consequential impact on depreciation is reflected in the Profit and Loss account.
- Others include employee benefits actuarial gains and losses, which are recognised in the Other Comprehensive Income under IND AS.

44.3 Effect of IND AS adoption on the statement of Profit & Loss for the year ended 31st March, 2016

Particulars	(Rs. in Lacs)		
	Year Ended 31 <sup>st</sup> March, 2016		As per IND AS
	Previous GAAP	Effect of Transition to IND AS	
<b>REVENUE:</b>			
Revenue from Operations	2,04,482.80	3,757.66	2,08,240.46
Other income	740.21	-	740.21
<b>Total Revenue</b>	<b>2,05,223.02</b>	<b>3,757.66</b>	<b>2,08,980.68</b>
<b>EXPENSES:</b>			
Cost of Materials Consumed	1,63,732.35	-	1,63,732.35
Changes in Inventory of Work-in -Progress, Stock-in-Trade & Finished Goods	28,500.03	-	28,500.03
Excise Duty	-	3,757.66	3,757.66
Employee benefit expenses	2,629.19	(388.85)	2,240.34
Finance costs	18,084.78	374.77	18,459.54
Depreciation and amortisation	4,853.02	893.04	5,746.06
Administration and other expenses	21,338.21	(6,395.96)	14,942.25
<b>Total Expenses</b>	<b>2,39,137.59</b>	<b>(1,759.35)</b>	<b>2,37,378.25</b>
<b>Profit before Exceptional items &amp; Tax</b>	<b>(33,914.58)</b>	<b>5,517.01</b>	<b>(28,397.57)</b>
<b>Exceptional items</b>	-	-	-
<b>Prior Period Income</b>	-	-	-
<b>Profit Before Tax from continuing Operations</b>	<b>(33,914.58)</b>	<b>5,517.01</b>	<b>(28,397.57)</b>
<b>Tax Expense:</b>			
Current tax	-	-	-
Deferred tax	(1,462.00)	-	(1,462.00)
<b>Profit/(Loss) for the year</b>	<b>(32,452.58)</b>	<b>5,517.01</b>	<b>(26,935.57)</b>

As per our report attached  
**A Yadav & Associates**  
 Chartered Accountants  
 FRN:- 129725W

**CA Arvind Yadav**  
 Partner  
 Membership No.: 047422  
 Place: Vadodara  
 Date: 20<sup>th</sup> April, 2017

For and on behalf of the Board  
**Diamond Power Infrastructure Limited**

**Amit Bhatnagar**  
 Managing Director & CFO  
 Din:- 00775880

**Sumit Bhatnagar**  
 Joint Managing Director  
 Din:- 00776129

**Nishant Javlekar**  
 Company Secretary

**CONSOLIDATED  
FINANCIAL  
STATEMENT**

**2016-17**

# **Independents Auditors' Report on Consolidated Financial Statement for the Year ended March 31<sup>st</sup>, 2017.**

**To,**

**The Members of  
Diamond Power Infrastructure Limited**

## **REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the accompanying consolidated audited Financial Statement of **Diamond Power Infrastructure Limited** ('the Holding Company') and its subsidiaries (together referred to as 'the Group') which comprise the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (Including other comprehensive income), the consolidated Statement of Cash Flows and the consolidated Statement of Change in Equity for the year ended on that date and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Consolidated Ind AS financial statements").

## **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS**

The Holding Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued there under.

The respective Board of Directors of the companies including in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

## **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## **BASIS FOR QUALIFIED OPINION**

1) As stated in note 26 to the consolidated financial statements, the Holding Company does not have system of maintaining material wise details of sales, purchase and consumption. Accordingly, breakup of amount of major sales, purchases and major raw materials consumed under broad heads is not disclosed in the consolidated financial statements as required by Schedule III of the Act. Further, as stated in note 40 to the consolidated financial statement, the Holding company does not have system of maintaining listing of purchase order for capital goods. Accordingly, the details of capital commitment is not disclosed in the consolidated financial statements and the impact of which is not ascertainable at this stage.

2) “the Holding company” does not have a cost of each if the assets, its significant component and capital work in progress capitalized during the year and in earlier years. Further, the Holding company has adopted fair market value based on the Chartered Engineer reports in line with requirements of Ind -AS and provided depreciation accordingly. As the Holding company has provided the depreciation on the fair market value of the Block of assets, it could have been different if the Holding company would have provided it on the fair market value of each individual asset with its corresponding impact on value of reserves and surplus and Property, Plant and Equipment, carried forward in the consolidated financial statements.”

3) As explained in note 2(b) to the consolidated financial statements, Apex Electricals Limited (“Apex”), an associate company, has applied for restructuring under BIFR since 2011. As the financial statements of Apex are not prepared post the date of filing, the Holding Company’s share in the profit/loss in Apex is not included in the consolidated financial statements of the Group. Consequently, the adjustment, if any, would be made on receipt of financial statements of Apex.

## **QUALIFIED OPINION**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis of Qualified Opinion paragraph which is unascertainable at this stage, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2017, and its loss, consolidated total comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

## **Other Matters**

i.) We did not audit the financial statement/financial information of Diamond Power Global Holding Limited (DPGHL), subsidiary company, included in these consolidated financial statements, whose financial statements/financial information reflect total assets of Rs. 607.54lakhs as at 31 March 2017 and total revenue of Rs. 3.19 lakhs, as considered in the consolidated financial statements. The financial statements of this subsidiaries has been furnished to us by the management and our report on these consolidated financial statements in so far as it relates to the amounts included in respect of these subsidiaries is solely based on those management accounts.

ii.) We also did not audit the financial statement/financial information of DPTL, an associate considered in these consolidated financial statements, whose financial statements reflect Group’s share of net loss of Rs.1006.44 lakhs for the year ended 31 March 2017. The financial statements of this associate has been audited by other auditors whose report has been furnished to us by the management and our opinion on these consolidated financial statements in so far as it relates to the share of loss in respect of this associates is solely based on report of such other auditor. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor’s Report) Order, 2016 (‘the Order’), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act, we enclose in “Annexure A”, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of a subsidiary, as noted in the “Other Matter” paragraph, we report, to the extent applicable, that :

- a) except for the possible effects of the matter described in paragraph 1 and 2 of Basis for Qualified Opinion, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b) except for the possible effects of the matter described in paragraph 1 and 2 of Basis for Qualified Opinion, In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) except for the possible effects of the matter described in paragraph 1 and 2 of Basis for Qualified Opinion, The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
- e) the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse impact on the functioning of the Group;
- f) On the basis of the written representations received from the Directors of Holding company as on 31 March 2017 and taken on record by the Board of Directors of Holding company, none of the Directors of Holding company are disqualified as on 31 March 2017 from being appointed as a Director in terms of subsection 2 of Section 164 of the Act;
- g) the internal financial controls over financial reporting is not applicable to Diamond Power Global Holding Limited, overseas subsidiary of the Holding Company. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in Annexure A; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors, as noted in the 'Other Matters' paragraph:
  - 1. The consolidated financial statements disclosed the impact of pending litigations on consolidated financial position in its consolidated Ind AS financial statements – Refer Note 34 to the consolidated Ind AS financial statements;
  - 2. The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended 31 March 2017.
  - 4. The Group has provided requisite disclosures in the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Group and as produced to us by the Management of Holding Company– Refer Note 42 to the consolidated Ind AS financial statements.

For : **A Yadav & Associates**  
*Chartered Accountants*  
Firm's Registration No: 129725W

**CA Arvind Yadav**  
*Partner*  
Membership No: 047422

Vadodara  
20<sup>th</sup> April, 2017

# **“Annexure A” – to the Independent Auditor’s Report – 31 March 2017 on Consolidated Ind AS Financial Statements**

**(Referred to our report of even date)**

## **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

In conjunction with our audit of the consolidated Ind AS financial statements of the Group as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of the Diamond Power Infrastructure Ltd. (the Holding Company) as of that date.

### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Holding Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

### **AUDITORS’ RESPONSIBILITY**

Our responsibility is to express an opinion on the Holding Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company’s internal financial controls system over financial reporting.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **QUALIFIED OPINION**

According to the information and explanation given to us and based on our audit, the following material weaknesses have been identified as at 31 March 2017:

- a.) The Holding Company has not updated fixed asset register giving breakup of cost of each class of assets and its component and Capital Work in Progress, so as to enable reconciliation of physical verification with financial records and ascertainment of depreciation/impairment. This may have an effect on incorrect reporting of profit/loss, net fixed assets, including Capital Work in Progress and the reserves at the end of the year.
- b.) The Holding Company needs to maintain records of movement of inventories at third party site to ensure control over the same. This may have an effect of incorrect reporting to banks and internal MIS to the management.
- c.) The Holding Company needs to strengthen its documentation over purchase and sales of bought out components to ensure adequate internal checks and correct accounting of the transaction.
- d.) The Holding Company needs to maintain material wise details of sales, purchase and consumption. Further, the Holding Company needs to maintain listing of purchase order for capital goods to determine capital commitment. This will ensure compliance with the disclosure requirement of the Act.

A material weaknesses is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Holding company's annual or interim financial statement will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above, the Holding Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31 March 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our report of the 31 March 2017 consolidated financial statements of the Group, and these material weaknesses except to the extent as reported in our opinion of even date not affect our opinion on the financial statements of the Company.

For : **A Yadav & Associates**

*Chartered Accountants*

Firm's Registration No: 129725W

**CA Arvind Yadav**

*Partner*

Membership No: 047422

Vadodara

20<sup>th</sup> April, 2017

**Diamond Power Infrastructure Limited**  
**Balance Sheet as at March 31, 2017**

(Rs. in Lacs)

Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
a) Property, Plant and Equipment	1	124567.99	133947.82	62193.54
b) Capital work-in-progress	1	13669.51	13324.87	85999.03
c) Financial Assets				
i. Investments	2	650.90	1657.34	1160.57
ii. Loans	3	-	-	1298.77
iii. Other financial assets	4	174.51	306.08	1519.30
d) Other non-current assets	5	1163.26	1892.47	642.03
<b>Total (A)</b>		<b>140226.17</b>	<b>151128.59</b>	<b>152813.24</b>
<b>(2) Current assets</b>				
a) Inventories	6	48127.11	80542.67	113056.90
b) Financial Assets				
i. Investments	7	43.35	33.40	50.00
ii. Trade receivables	8	35114.16	78590.83	21131.48
iii. Cash and Cash Equivalents	9	1587.51	1456.04	797.40
iv. Other Bank Balances	10	3476.24	8018.16	6514.48
v. Loans	11	2278.35	1600.27	2085.23
vi. Other Financial Assets	12	13.32	213.01	-
c) Current Tax Asset (Net)		333.82	-	-
d) Other current assets	13	14253.82	15758.76	15048.90
<b>Total (B)</b>		<b>105227.68</b>	<b>186213.13</b>	<b>158684.41</b>
<b>Total Assets (A+B)</b>		<b>245453.85</b>	<b>337341.72</b>	<b>311497.65</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
a) Equity Share capital	14	26971.07	5700.05	5400.05
b) Other Equity	15	38511.35	56492.23	80695.66
<b>Total (A)</b>		<b>65482.42</b>	<b>62192.28</b>	<b>86095.71</b>
<b>LIABILITIES</b>				
<b>(1) Non-current liabilities</b>				
a) Financial liabilities				
i. Borrowings	16	86559.85	118842.67	106265.04
ii. Other financial liabilities	17	6777.91	6529.41	3538.74
b) Provisions	18	465.93	694.78	238.97
c) Deferred tax liabilities (net)	19	-	-	1446.19
d) Other non-current liabilities	20	67.19	331.65	-
<b>Total (B)</b>		<b>93870.88</b>	<b>126398.52</b>	<b>111488.94</b>
<b>(2) Current liabilities</b>				
a) Financial liabilities				
i. Borrowings	21	74002.94	101894.44	87887.38
ii. Trade payables	22	4825.88	40638.93	23467.41
iii. Other financial liabilities	23	5721.25	894.03	0.49
b) Other current liabilities	24	1412.15	3932.60	1179.82
c) Provisions	25	138.33	155.41	26.06
d) Current Tax Liabilities (Net)		-	1235.52	1351.84
<b>Total (C)</b>		<b>86100.55</b>	<b>148750.92</b>	<b>113913.00</b>
<b>Total Equity and Liabilities(A+B+C)</b>		<b>245453.85</b>	<b>337341.72</b>	<b>311497.65</b>

Contingent Liability and Commitments	35
Significant accounting policies	B
Accompanying Notes to the Financial Statements	34-45

As per our report attached  
**A Yadav & Associates**  
Chartered Accountants  
FRN:- 129725W

For and on behalf of the Board  
**Diamond Power Infrastructure Limited**

**CA Arvind Yadav**  
Partner  
Membership No.: 047422  
Place: Vadodara  
Date: 20<sup>th</sup> April, 2017

**Amit Bhatnagar**  
Managing Director & CFO  
Din:- 00775880

**Sumit Bhatnagar**  
Joint Managing Director  
Din:- 00776129

**Nishant Javlekar**  
Company Secretary

**Diamond Power Infrastructure Limited**  
**Statement of Profit & loss for the year ended March 31, 2017**

(Rs. in Lacs)

Particulars	Note	2016-17	2015-16
<b>REVENUE</b>			
Revenue from Operations	26	115286.31	227260.45
Other income	27	1068.93	1469.03
<b>Total Revenue</b>		<b>116355.24</b>	<b>228729.48</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	28	105610.52	182314.75
Changes in Inventory of Work-in -Progress, Stock-in-Trade & Finished Goods	29	32712.69	27561.18
Excise Duty		2112.93	3780.95
Employee benefit expenses	30	2219.08	2642.19
Finance costs	31	18403.11	19591.33
Depreciation and amortisation		9394.60	5815.84
Administration and other expenses	32	38080.77	15584.96
<b>Total Expenses</b>		<b>208533.70</b>	<b>257291.21</b>
<b>Profit before Exceptional items &amp; Tax</b>		<b>(92178.45)</b>	<b>(28561.73)</b>
Exceptional items			
- Reversal of Finance Cost		(11396.72)	-
- Other		-	10.86
<b>Profit Before Tax from continuing Operations</b>		<b>(80781.73)</b>	<b>(28572.59)</b>
<b>Tax Expense :</b>			
Current tax		(1312.11)	-
Deferred tax		-	(1462.00)
<b>Profit/(Loss) for the year</b>		<b>(79469.61)</b>	<b>(27110.59)</b>
Consolidated Share in the Profit / (Loss) of Associate		(1006.44)	(170.49)
<b>Profit/(Loss) for the year</b>		<b>(80476.06)</b>	<b>(27281.08)</b>
<b>Other Comprehensive Income</b>			
i) Not declassifiable to profit or loss in subsequent periods including income tax on the same		202.09	(388.85)
Income tax relating to items that will not be reclassified to profit & loss		-	-
<b>Total Comprehensive Income for the year</b>		<b>(80273.97)</b>	<b>(27669.93)</b>
Earnings per equity share of Face Value of Rs. 10 Each			
Basic & Diluted (In Rs.)	33	(72.79)	(48.75)
Significant accounting policies	B		
Significant accounting policies Accompanying Notes to the Financial Statements	34-45		

As per our report attached  
**A Yadav & Associates**  
Chartered Accountants  
FRN:- 129725W

For and on behalf of the Board  
**Diamond Power Infrastructure Limited**

**CA Arvind Yadav**  
Partner  
Membership No.: 047422  
Place: Vadodara  
Date: 20<sup>th</sup> April, 2017

**Amit Bhatnagar**  
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Din:- 00775880

**Sumit Bhatnagar**  
Joint Managing Director  
Din:- 00776129

**Nishant Javlekar**  
Company Secretary

**Diamond Power Infrastructure Limited**  
**Cash flow Statement for the year ended March 31, 2017**

S. No.	Particulars	2016-17	(Rs. in Lacs) 2015-16
<b>A</b>	<b>Net profit / (loss) before tax</b>	<b>(80,781.73)</b>	<b>(28,572.59)</b>
	<b>Adjustment for</b>		
	Depreciation and amortisation expense	9,394.60	5,815.85
	Finance Cost	7,006.39	19,591.33
	Interest income	(350.06)	(722.12)
	CWIP written off	-	569.84
	Amortisation of premium on forward exchange contracts	698.54	753.36
	Provision for diminution in value of investment	(9.95)	16.60
	Provision for Doubtful debts	-	129.02
	Provision for Doubtful Loans & Advances	31,113.33	943.49
	Gain on conversion of subsidiary into associate	-	(602.71)
	<b>Operating profit before working capital changes</b>	<b>(32,928.89)</b>	<b>(2,077.94)</b>
	<b>Adjustments for:</b>		
	(Increase) / Decrease in Trade and Other Receivables	13,805.82	(66,487.40)
	(Increase) / Decrease in Inventories	32,415.56	27,096.74
	Increase / (Decrease) in Trade and Other Payables	(38,808.39)	27,627.31
	<b>Net cash generated from/(used in) operating activities</b>	<b>(25,515.90)</b>	<b>(13,841.29)</b>
	Direct taxes paid (net of refunds)	(257.23)	(191.19)
	<b>Net Cash(used in)/generated from Operating Activities</b>	<b>(25,773.12)</b>	<b>(14,032.48)</b>
<b>B</b>	<b>Cash flow from investing activities</b>		
	Purchase of fixed assets	(14.77)	(8,256.75)
	Sale of Investments	-	0.46
	(Investment) / proceeds from fixed deposits with banks	4,541.92	(2,301.76)
	Loan / Advances given	-	-
	Interest received	350.06	722.12
	<b>Net cash (used in)/generated from investing activities</b>	<b>4,877.21</b>	<b>(9,835.93)</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds from issue of capital (Refer Note: 3)	82,842.66	-
	Proceed from new Disbursement from Bank	-	19,503.38
	Proceeds from Short term borrowings	(27,891.49)	19,418.03
	Receipt from Promoters Contribution	-	3,767.00
	Repayment of long term borrowings	(29,328.29)	-
	Repayment of loan to related parties	-	(219.34)
	Repayment of Debentures	(1,784.51)	(50.00)
	Interest paid	(2,810.98)	(17,577.07)
	<b>Net cash (used in)/generated from financing activities</b>	<b>21,027.39</b>	<b>24,842.01</b>
<b>D</b>	Cash and cash equivalents as at the beginning of the year of Subsidiary Company (DPTL)	-	(315.56)
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>131.48</b>	<b>658.03</b>
	<b>Cash and cash equivalents as at the beginning of the year</b>	<b>1,456.04</b>	<b>798.00</b>
	<b>Cash and cash equivalents as at the end of the year</b>	<b>1587.52</b>	<b>1456.03</b>

Notes:

- Cash flow statement has been prepared under the 'Indirect Method' as set out in the IND AS 7 - Cash Flow statements
- Cash and cash equivalents represent cash and bank balances.
- Shares have been allotted pursuant to a contract without payment being received in cash. Under "Strategic Debt Restructuring" (SDR) on 29th June 2016 under the extant of RBI guidelines. As a part of the SDR, the lenders have converted part of their dues amounting Rs. 828.43 Crores representing 74.42% into equity Shares of Rs. 10/- each at a premium of Rs. 31.28/- per equity shares and accordingly the new equity shares of the company are issued to them in January 2017 in proportion of their outstanding dues.
- Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report attached  
**A Yadav & Associates**  
Chartered Accountants  
FRN:- 129725W

For and on behalf of the Board  
**Diamond Power Infrastructure Limited**

**CA Arvind Yadav**  
Partner  
Membership No.: 047422  
Place: Vadodara  
Date: 20<sup>th</sup> April, 2017

**Amit Bhatnagar**  
Managing Director & CFO  
Din:- 00775880

**Sumit Bhatnagar**  
Joint Managing Director  
Din:- 00776129

**Nishant Javlekar**  
Company Secretary

**Diamond Power Infrastructure Limited**  
**Statement of Changes in Equity for the year ended March 31, 2017**

**A. Equity Share Capital**

Balance at the beginning of the reporting period (i.e. 1st April, 2015)		Changes in equity share capital during the year 2015-2016		Balance at the end of the reporting period (i.e. 31st March, 2016)		Changes in equity share capital during the year 2016-2017		Balance at the end of the reporting period (i.e. 31st March, 2017)	
No of shares	Rs.	No of shares	Rs.	No of shares	Rs.	No of shares	Rs.	No of shares	Rs.
5,40,00,495	5,400.05	30,00,000	300.00	5,70,00,495	5,700.05	21,27,10,184	21,271.02	26,97,10,679	26,971.07

**B. Other Equity**  
**As on 31st March, 2017**

Particulars	Money Received against Share Warrants	Capital Reserve	Reserves & Surplus				Retained Earnings	Other Comprehensive Income	Equity Component of Unsecured Loan	Total
			Securities Premium Reserve	General Reserve	Debenture Redemption Reserve					
Balance as at 1st April, 2016	-	2,372.44	32,580.33	15.00	2,347.50	8219.97	(388.85)	11,345.85	56492.23	
Issue of Equity Shares	-	-	68,185.64	-	-	-	-	(6,613.00)	61571.64	
Profit for the Year	-	-	-	-	-	(80476.06)	-	-	(80476.06)	
Loss in Associate	-	-	-	-	-	721.94	-	-	721.94	
Reimbursement of the net defined benefit liability \ asset, net of tax effect	-	-	-	-	-	-	202.09	-	202.09	
Preference Share Dividend (Including Dividend Distribution Tax)	-	-	-	-	-	(0.48)	-	-	(0.48)	
<b>Balance as at 31st March, 2017</b>	<b>-</b>	<b>2,372.44</b>	<b>10,0765.97</b>	<b>15.00</b>	<b>2,347.50</b>	<b>(71,354.60)</b>	<b>(186.76)</b>	<b>4,731.85</b>	<b>38511.36</b>	

**As on 31st March, 2016**

Particulars	Money Received against Share Warrants	Capital Reserve	Reserves & Surplus				Retained Earnings	Other Comprehensive Income	Equity Component of Unsecured Loan	Total
			Securities Premium Reserve	General Reserve	Debenture Redemption Reserve					
Balance as at 1st April, 2015	3,407.50	1,784.94	30,060.33	15.00	6,940.00	30909.05	-	7,578.85	80695.66	
Forfeiture of Application Money Received on Issue of Warrants	(587.50)	587.50	-	-	-	-	-	-	-	
Interest Free Unsecured Loan from Promoters & Group Companies	-	-	-	-	-	-	-	3,767.00	3,767.00	

Issue of Equity Shares	(2,820.00)	-	2,520.00	-	-	-	-	-	(300.00)
Profit/(Loss) for the Year	-	-	-	-	-	(27281.08)	-	-	(27281.08)
Reimbursement of the net defined benefit liability \ asset, net of tax effect	-	-	-	-	-	-	(388.85)	-	(388.85)
Preference Share Dividend (Including Dividend Distribution Tax)	-	-	-	-	-	(0.50)	-	-	(0.50)
Transfer from \ (to) debenture redemption reserve	-	-	-	-	(4,592.50)	4,592.50	-	-	-
<b>Balance as at 31st March, 2016</b>	-	<b>2,372.44</b>	<b>32,580.33</b>	<b>15.00</b>	<b>2,347.50</b>	<b>8219.97</b>	<b>(388.85)</b>	<b>11,345.84</b>	<b>56492.23</b>

As per our report attached  
**A Yadav & Associates**  
Chartered Accountants  
FRN:- 129725W

**CA Arvind Yadav**  
Partner  
Membership No.: 047422  
Place: Vadodara  
Date: 20<sup>th</sup> April, 2017

For and on behalf of the Board  
**Diamond Power Infrastructure Limited**

**Amit Bhatnagar**  
Managing Director & CFO  
Din:- 00775880

**Sumit Bhatnagar**  
Joint Managing Director  
Din:- 00776129

**Nishant Javlekar**  
Company Secretary

## Diamond Power Infrastructure Limited

### Notes accompanying the Financial Statements for the year ended 31<sup>st</sup> March 2017

#### A. CORPORATE INFORMATION

Diamond Power Infrastructure Limited is a public limited company domiciled and headquarter in India & incorporated on 26 August 1992, under the provisions of Companies Act, 1956. Its Shares are listed on two stock exchanges in India. The company is engaged in manufacturing & selling of conductor, cables and transmission towers.

These consolidated financial statements include the financial statements of Diamond Power Infrastructure Limited and its subsidiary and associate which is mentioned below.

Name of the company	Relationship	Country	Proportion of ownership interest 31 <sup>st</sup> March 2016
Diamond Power Global Holdings Limited*	Subsidiary	UAE	100%
Diamond Power Transformers Limited (subsidiary up to 11 January 2016)Diamond Power Transformers Limited	Associate	India	45.32%

#### B. SIGNIFICANT ACCOUNTING POLICIES

##### B.1 BASIS OF PREPARATION & PRESENTATION

The Financial Statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- i) Certain financial assets and liabilities (including derivative instruments)
- ii) Defined benefit plans - Plan assets and

The Financial Statements of the company have been prepared to comply with the Indian Accounting standards ('IND AS'), including the rules notified under the relevant provisions of the companies Act, 2013.

Upto the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These Consolidated financial statements are the Group's first IND AS consolidated financial statements. The figures for the previous period have been restated, regrouped, and reclassified wherever required to comply with the requirement of IND AS and Schedule III.

Company's financial statements are presented in Indian Rupees (Rs.) which is also its functional currency.

##### **Standards issued but not effective until the date of authorisation for issuance of the said financial statements**

The new Standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Company has not early adopted these amendments and intends to adopt when they become effective.

##### **IND AS 115 Revenue from Contracts with Customers**

IND AS 115 was issued in February 2015 and establishes a five-step model to account for revenue arising from contracts with customers. Under IND AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IND AS. This standard will come in to force from accounting period commencing on or after 1st April, 2018. The Company will adopt the new standard on the required effective date. During the current year, the Company performed a preliminary assessment of IND AS 115, which is subject to changes arising from a more detailed ongoing analysis.

### **Ind AS 7, 'Statement of cash flows'**

In March 2017, MCA issued amendments to Ind AS 7, which requires certain additional disclosures to be made for changes in liabilities / assets arising from financial activities on account of non-cash transaction such as effect of changes in foreign exchange rates, fair values and others. The amendments are applicable to annual periods beginning on or after April 1, 2017 with early adoption permitted. The Company is evaluating the requirement of the amendment and its effect on the financial statements.

### **Ind AS 102, 'Share based payments'**

The amendments to Ind AS 102 pertaining to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

Currently Ind AS 102 is not applicable to the company and hence there is no impact.

## **B-2 PRINCIPLES OF CONSOLIDATION**

The Consolidated financial statements relate to Diamond Power Infrastructure Limited ("The Company") and its subsidiary company & associates. The Consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows after fully eliminating intra-group balances and intra-group transactions
- b. In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.
- c. Offset (Eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- d. Investment in associate has been accounted under the equity method as per IND AS 28 - Investment in Associates.

## **B.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **(a) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Asset under installation or under construction as at the Balance Sheet date are shown as capital work in progress.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components), plant and equipment.

Assets costing up to Rupees five thousand are fully depreciated in the year of purchase.

### **(b) Depreciation**

Depreciation on property, plant and equipment is provided Straight Line Method based on useful life of the assets as prescribed in Schedule II of Companies Act, 2013, which were considered reasonable by the management.

### **(c) Leases**

The Company has taken office premises at various locations under cancellable operating lease. These are recognized as operating lease. The period of such lease ranges from less than one year to four years.

### **(d) Finance Cost**

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of

time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**(e) Inventories**

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, stores and spares are carried at lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The Company follows weighted average cost method for its valuation purpose.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on item-by-item basis.

**(f) Impairment of non-financial Assets - property, plant, and equipment and intangible assets**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**(g) Provisions**

A provision is recognised if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable

**(h) Employee Benefits Expense**

**Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**Post-Employment Benefits**

**Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which the company pays specified contributions to a separate entity. The company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

## **Defined Benefit Plans**

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities. The liability in respect of gratuity and other post-employment benefits is calculated using the projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employee's services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

### **i) Tax Expenses**

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

#### **Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

#### **Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient profit will be available.

### **(j) Foreign currencies transactions**

Foreign exchange transactions are recorded into Indian rupees using the average of the opening and closing spot rates on the dates of the respective transactions.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian rupees at the closing exchange rates on that date. The resultant exchange differences are recognised in the statement of profit and loss except that :

- a. exchange differences pertaining to long term foreign currency monetary items are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA), and are amortised over the balance period of the relevant foreign currency item.
- b. exchange differences arising on other long-term foreign currency monetary items are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' (FCMITDA), and are amortised over the balance period of the relevant foreign currency item.

A foreign currency monetary item is classified as long-term if it has original maturity of one year or more.

Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve until the disposal of the net investment, at which time the accumulated amount is recognised as income or expense.

The premium or discount on a forward exchange contract taken to hedge foreign currency risk of an existing asset / liability is recognised over the period of the contract. The amount so recognised in respect of forward exchange contracts which are taken to hedge long-term foreign currency monetary items is added to / deducted from the carrying amounts of depreciable assets or accumulated in FCMITDA as discussed above. In respect of other forward exchange contracts, it is recognised in the Statement of Profit and Loss.

The forward exchange contracts taken to hedge existing assets or liabilities are translated at the closing exchange rates and resultant exchange differences are recognised in the same manner as those on the underlying foreign currency asset or liability.

#### **Derivative Instruments**

Apart from forward exchange contracts are taken to hedge existing assets or liabilities, the Company also uses derivatives to hedge its foreign currency risk exposure relating to firm commitments and highly probable transactions. In accordance with the relevant announcement of the Institute of Chartered Accountants of India, the company provides for losses in respect of such outstanding derivative contracts at the balance sheet date by marking them to market. Net gain, if any, is not recognised. The contracts are aggregated category-wise, to determine net gain/loss.

#### **(k) Revenue recognition**

Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. Revenue from sale of goods is measured at the fair value of the consideration received/receivable, taking into account contractually defined terms of the payment.

Revenue from services is recognised under the proportionate completion method provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection of the consideration.

The amount recognised as revenue is exclusive of sales tax, value added taxes (VAT) and service tax, and is net of returns, trade discounts and quantity discounts.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Discount or premium on debt securities held is accrued over the period to maturity.

#### **(l) Operating Cycle**

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### **(m) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **i) Financial Assets**

##### **A. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company used valuation techniques, which were

appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

**B. Subsequent measurement**

**a) Financial Assets Carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**b) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**C. Investment in subsidiaries and Associates**

The Company has accounted for its investments in subsidiaries and associates at cost.

**D. Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'

**E. Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);  
or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**F. DE recognition of financial assets**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**ii) Financial Liabilities**

**A. Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

## **B. Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **iii) Derivative financial instruments and Hedge Accounting**

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps, forwards & options and commodity contracts to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

### **(n) Segment Reporting**

In accordance with its business and organization structure and internal financial reporting, the company has concluded that Transmission and Distribution of Power (T&D) related business is its primary business segment. As the Company's revenue is mainly from T&D business, no separate information in line with IND AS 108 "Operating Segments" is required.

### **(o) Fair value measurement**

"Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring and non-recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes."

#### **C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### **a) Depreciation and useful lives of property plant and equipment**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

##### **b) Recoverability of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

##### **c) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

##### **d) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of

disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**e) Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**D. FIRST TIME ADOPTION OF IND AS**

The Company has adopted Ind AS with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2015. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III. (Refer Note 44)

**a) Exemptions from retrospective application**

**i) Business combination exemption**

The Company has applied the exemption as provided in IND AS 101 on non-application of IND AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2015 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries / associates / joint ventures consummated prior to the Transition Date.

**ii) Fair value as deemed cost exemption**

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets which are measured at fair value as deemed cost.

**iii) Cumulative translation differences**

The Company has elected to apply Ind AS 21 - The Effects of changes in Foreign Exchange Rate prospectively. Accordingly all cumulative gains and losses recognised are reset to zero by transferring it to retained earnings.

**iv) Investments in subsidiaries and associates**

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

**Diamond Power Infrastructure Limited**  
**Notes forming part of Accounts**

**1) PROPERTY, PLANT AND EQUIPMENT**

As at March 31, 2017

Particulars	Gross Block						Depreciation					Net Block	
	As at April 01, 2016	Impact on IND AS Transition	Additions	Deductions	Adjustment for Subsidiary	As at March 31, 2017	As at April 01, 2016	Adjustments / Additions	Adjustments / Deductions	Adjustment for Subsidiary	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
<b>Tangible Assets</b>													
Land	10,312.14	-	-	-	-	10,312.14	-	-	-	-	-	10,312.14	10,312.14
Building	18,544.91	-	-	-	-	18,544.91	1,411.48	623.92	-	-	2,035.40	16,509.51	17,133.43
Plant and Equipment	1,21,397.55	-	24.12	-	-	1,21,421.67	20,481.46	7,939.60	-	-	28,421.07	93,000.61	1,00,916.09
Furniture and fixtures	127.90	-	-	9.39	-	118.51	58.96	8.42	0.97	-	66.41	52.10	68.95
Vehicles	509.69	-	-	-	-	509.69	290.80	45.29	10.28	-	325.81	183.88	218.89
Office equipment	136.98	-	-	-	-	136.98	127.71	9.27	6.91	-	130.07	6.91	9.27
Electrical installations	6,224.22	-	-	-	-	6,224.22	961.47	772.23	-	-	1,733.70	4,490.52	5,262.75
Computers, laptops and printers	239.52	-	0.04	-	-	239.56	213.21	14.03	-	-	227.24	12.31	26.30
Other Assets	1.24	-	33.06	33.06	-	1.24	1.24	-	-	-	1.24	-	-
<b>Total</b>	<b>1,57,494.16</b>	<b>-</b>	<b>57.22</b>	<b>42.45</b>	<b>-</b>	<b>1,57,508.93</b>	<b>23,546.33</b>	<b>9,412.77</b>	<b>18.16</b>	<b>-</b>	<b>32,940.94</b>	<b>1,24,567.99</b>	<b>1,33,947.82</b>
<b>Capital Work-in-Progress</b>												<b>13669.51</b>	<b>13324.87</b>

## Diamond Power Infrastructure Limited

### Notes forming part of Accounts

#### PROPERTY, PLANT AND EQUIPMENT

As at March 31, 2016

Particulars	Gross Block						Depreciation					Net Block	
	As at April 01, 2015	Impact on IND AS Transition	Additions	Deductions	Adjustment for Subsidiary	As at March 31, 2016	As at April 01, 2015	Adjustments / Additions	Adjustments / Deductions	Adjustment for Subsidiary	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>Tangible Assets</b>													
Land	1399.83	8873.59	641.87	-	603.15	10312.14	-	-	-	-	-	10312.14	10273.42
Building	7349.80	736.53	11533.05	-	1074.47	18544.91	1272.49	366.67	-	227.68	1411.48	17133.43	6813.84
Plant and Equipment	52525.03	6420.87	63477.21	-	1025.55	121397.55	15926.76	4927.18	-	372.48	20481.46	100916.09	43019.13
Furniture and fixtures	277.00	-	1.21	0.12	150.19	127.90	132.32	8.94	-	82.30	58.96	68.95	144.68
Vehicles	580.43	-	1.35	-	72.09	509.69	331.22	59.82	15.76	84.48	290.80	218.89	249.21
Office equipment	148.48	-	0.10	-	11.60	136.98	131.61	16.65	13.47	7.08	127.71	9.27	16.87
Electrical installations	2002.95	244.45	4019.21	0.13	42.27	6224.22	588.93	392.33	-	19.79	961.47	5262.75	1658.47
Computers, laptops and printers	290.77	-	30.00	-	81.25	239.52	272.86	3.70	-	63.34	213.21	26.30	17.91
Other Assets	1.24	-	216.32	216.32	-	1.24	1.24	-	-	-	1.24	-	-
<b>Total</b>	<b>64575.53</b>	<b>16275.44</b>	<b>79920.33</b>	<b>216.57</b>	<b>3060.57</b>	<b>157494.16</b>	<b>18657.43</b>	<b>5775.29</b>	<b>29.23</b>	<b>857.16</b>	<b>23546.33</b>	<b>133947.82</b>	<b>62193.54</b>
<b>Capital Work-in-Progress</b>												<b>13324.87</b>	<b>85999.02</b>

**Note:** The Holding Company has considered fair value of Property, Plant & Equipment situated in India, viz, land admeasuring over 68 acres with impact of Rs. 88.74 Crores, Building with impact of Rs. 22.87 Crores and Plant & Equipment with impact of Rs. 217.50 Crores in accordance with the stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves. The consequential impact on depreciation is reflected in the Profit and Loss account.

## 2) NON-CURRENT INVESTMENTS

Particular	As at March 31,2017		As at March 31,2016		(Rs. in Lacs) As at March 31,2015	
	Units	Amount	Units	Amount	Units	Amount
<b>Investments measured at Cost</b>						
<b>Unquoted Investments</b>						
<b>In Equity Shares of Associates</b>						
Equity shares of Rs.10 each fully paid up of Diamond Power Transformers Limited ( <b>Refer Note a</b> )	99,60,000	-	99,60,000	1,006.44	-	-
Equity shares of Rs.10 each fully paid up of Apex Electricals Limited ( <b>Refer Note b</b> )	6444265	650.90	6444265	650.90	6444265	650.90
Equity shares of Rs.10 each fully paid up of Maktel Power & Control Systems Private Limited	-	-	-	-	1555605	502.77
Other investments	-	-	-	-	-	6.90
<b>Total</b>		<b>650.90</b>		<b>1657.34</b>		<b>1160.57</b>

**Note a:** On 12 January 2016, Company's wholly owned subsidiary Diamond Power Transformers Limited ("DPTL") has allotted 11,977,054 equity shares to Diamond Power Transmission Private Limited whereby DPTL ceases to be a wholly owned subsidiary of the Company. Post allotment of the said equity shares, the Company's shareholding in DPTL changed from 99.60% to 45.32%. Pursuant to this, DPTL has become an associate of the Company and gain on conversion of subsidiary to associate amounting to Rs. 602.71 lakhs has been included in other income for the year ended 31 March 2016.

**Note b:** Company has applied for restructuring under BIFR since 2011. As the financial statements of Apex are not prepared post the date of filing, the Holding Company's share in the profit/loss in Apex is not included in the consolidated financial statements of the Group. Consequently, the adjustment, if any, would be made on receipt of financial statements of Apex. Considering that the Company is in possession of huge land reserves, management is of the view that no diminution in the value of investments is required.

## 3) LOANS

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Unsecured</b>			
To related parties			
Considered Good	-	-	29.27
Considered Doubtful	-	-	-
Less : Provision on Doubtful	-	-	-
Other Advances	-	-	1269.50
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1298.77</b>

## 4) OTHER FINANCIAL ASSET

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Unsecured Consider Good</b>			
Deposits	174.51	306.08	1519.30
<b>Total</b>	<b>174.51</b>	<b>306.08</b>	<b>1519.30</b>

## 5) OTHER NON-CURRENT ASSETS

Particulars	(Rs. in lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deffered forward Premium Account	1163.26	1861.80	-
Capital Advances	-	30.67	641.87
Other	-	-	0.16
<b>Total</b>	<b>1163.26</b>	<b>1892.46</b>	<b>642.02</b>

## 6) INVENTORIES

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Raw Materials (Including Material In Transit)	5794.03	5406.12	10025.53
Work-in-Progress	37296.68	38555.03	84702.19
Finished Goods	4668.80	36123.14	17537.16
Packing Material	-	69.76	11.41
Fuel & Gas	7.67	6.12	19.09
Stores and Spares	359.92	382.49	761.53
<b>Total</b>	<b>48127.10</b>	<b>80542.67</b>	<b>113056.91</b>

**Note :** During the F.Y 2016-17 an amount of Rs. 26123 lakhs was charged to the statement of Profit and Loss on account of obsolete inventory laying at EPC sites.

## 7) CURRENT INVESTMENTS

Particular	As at March 31,2017		As at March 31,2016		(Rs. in Lacs) As at March 31,2015	
	Units	Amount	Units	Amount	Units	Amount
<b>Quoted</b>						
<b>Measured at Fair Value Through P&amp;L</b>						
<b>In Mutual Funds</b>						
Baroda Pioneer PSU Equity Fund	500000	43.35	500000	33.40	500000	50.00
<b>Total</b>	<b>500000</b>	<b>43.35</b>	<b>500000</b>	<b>33.40</b>	<b>500000</b>	<b>50.00</b>
Aggregate amount of Quoted Investments		50.00		50.00		50.00
<b>Aggregate amount of market value of above</b>		<b>43.35</b>		<b>33.40</b>		<b>41.65</b>

## 8) TRADE RECEIVABLES

Particulars	As at		(Rs. in Lacs) As at	
	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015
<b>Unsecured</b>				
Considered Good	35114.16	78590.83		21131.48
Considered Doubtful	66963.39	35850.06		35721.04
<b>Less: Provision for doubtful receivables</b>	<b>(66963.39)</b>	<b>(35850.06)</b>		<b>(35721.04)</b>
<b>Total</b>	<b>35114.16</b>	<b>78590.83</b>		<b>21131.48</b>

**Note:** During the F.Y 2016-17 companies has provided provision for doubtful debts for unpaid debts above 12 months as per management view

### Allowance for Credit loss

### Movement in allowance for doubtful debts

Particulars	As at		(Rs. in Lacs) As at	
	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015
<b>Balance at beginning of the year</b>		35850.06		35721.04
Add : Allowance for the year		31113.32		1582.54
Less: Write off / Reversal		-		(1453.52)
<b>Balance at the end of the year</b>		<b>66963.39</b>		<b>35850.06</b>

## 9) CASH AND CASH EQUIVALENTS

Particulars	As at		(Rs. in Lacs) As at	
	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015
a) Cash on hand	6.88	0.92		10.94
b) Balances with banks (Current account)	1580.63	1455.11		786.46
<b>Total</b>	<b>1587.51</b>	<b>1456.04</b>		<b>797.40</b>

**Note:** - Refer Note 39 for details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016

## 10) OTHER BANK BALANCES

Particulars	As at		(Rs. in Lacs) As at	
	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015
Fixed Deposit as Margin Money having maturity less than 12 months*	3476.24	8018.16		6513.88
Bank Balance in Fixed Deposit	-	-		0.60
<b>Total</b>	<b>3476.24</b>	<b>8018.16</b>		<b>6514.48</b>

\*Fixed deposits in terms of margin money aggregating to Rs 3,476.24 lakhs (Previous year: Rs 8,018.16 lakhs) represents fixed deposit placed with the Company's bankers as securities against letter of credit and bank guarantee. The physical custody of the fixed deposit receipts is with the banks.

## 11) LOANS

Particulars	As at		(Rs. in Lacs) As at	
	March 31, 2017	March 31, 2016	March 31, 2016	April 1, 2015
<b>Unsecured Consider Good</b>				
Loan to related Parties	1283.41	1283.41		1283.41
Loan to Others	994.94	316.86		801.82
<b>Total</b>	<b>2278.35</b>	<b>1600.27</b>		<b>2085.23</b>

## 12) OTHER FINANCIAL ASSETS

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Managerial Remuneration Receivable	13.32	213.01	-
<b>Total</b>	<b>13.32</b>	<b>213.01</b>	<b>-</b>

## 13) OTHER CURRENT ASSETS

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advances to related parties	765.70	765.70	688.77
Advance against purchase of material / services (others)	8329.59	9718.82	7789.67
Prepaid expenses	39.44	63.84	269.38
Balances with Customs, VAT & Central Excise Authorities	5814.40	5899.28	5994.82
Other Advances	-	6.44	6.44
Interest Accrued but not Due	-	-	299.82
	<b>14949.13</b>	<b>16454.07</b>	<b>15048.90</b>
Provision for doubtful advances	(695.31)	(695.331)	-
<b>Total</b>	<b>14253.82</b>	<b>15758.76</b>	<b>15048.90</b>

## 14) SHARE CAPITAL

### (i) Authorised, issued, subscribed and paid up

Particular	(Rs. in Lacs)					
	As at March 31,2017		As at March 31,2016		As at March 31,2015	
	No. of Share	Amount	No. of Share	Amount	No. of Share	Amount
<b>Authorised:</b>						
Equity shares of Rs.10 each	385858500	3,85,85.85	8,00,00,000	8,000.00	8,00,00,000	8,000.00
Preference shares of Rs. 10 each	4141500	414.15	4141500	414.15	4141500	414.15
0.01% Optionally Convertible Redeemable Preference Shares of Rs.10 each	60000000	6000.00	-	-	-	-
<b>Issued, subscribed:</b>						
Equity shares of Rs. 10 each	270390429	27,039.04	57680245	5,768.02	54680245	5,468.02
Preference shares of Rs. 10 each	4141500	414.15	4141500	414.15	4141500	414.15
<b>Paid Up:</b>						
Equity shares of Rs. 10 each	269710679	26,971.07	57000495	5,700.05	54000495	5,400.05
<b>TOTAL</b>		<b>26,971.07</b>		<b>5,700.05</b>		<b>5,400.05</b>

### (ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:

Particular	As at March 31,2017		As at March 31,2016		As at March 31,2015	
	No. of Share	Amount	No. of Share	Amount	No. of Share	Amount
At the beginning of the year	57000495	5700.05	54000495	5400.05	54000495	5400.05
Issued during the year as fully paid	212710184	21271.02	3000000	300.00	-	-
<b>At the end of the year</b>	<b>269710679</b>	<b>26971.07</b>	<b>57000495</b>	<b>5700.05</b>	<b>54000495</b>	<b>5400.05</b>

### (iii) Details of Shareholders holding more than 5% shares in the company:

Particular	As at March 31,2017		As at March 31,2016		As at March 31,2015	
	No. of Share	%	No. of Share	%	No. of Share	%
Madhuri Finserves Private Limited	-	-	6168413	10.82	6224550	11.52
Diamond Infosystems Limited	-	-	3293739	5.78	3704732	6.86
Macquarie Bank Limited	-	-	-	-	3868606	7.16
Citibank N.A.	-	-	3868606	6.79	-	-
Kotak Mahindra Trusteeship Services	-	-	1368134	2.40	2944066	5.45
Bank of India	54346232	20.15	-	-	-	-
Bank of Baroda	27108739	10.05	-	-	-	-
ICICI Bank Ltd	22219391	8.24	-	-	-	-
Axis Bank Ltd	19635568	7.27	-	-	-	-
Allahabad Bank	18517442	6.87	-	-	-	-

#### 14.1 Rights, preferences and restrictions attached to equity shares:

- i. The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of shareholders are in proportion to its share of paid up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.
- ii. Failure to pay any amount called up on shares may lead to forfeiture of shares
- iii. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.
- iv. Each holder of Equity share is entitled to one vote for share.

#### 14.2 Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

##### During the five year period ended 31<sup>st</sup> March 2017

- a) 12,402,124 equity shares of Rs. 10 each, fully paid up have been allotted as bonus shares in financial year 2013-14.
- b) Shares have been allotted pursuant to a contract without payment being received in cash. Under "Strategic Debt Restructuring" (SDR) on 29th June 2016 under the extant of RBI guidelines. As a part of the SDR, the lenders have converted part of their dues amounting Rs. 828.43 Crores representing 74.42% into equity Shares of Rs. 10/- each at a premium of Rs. 31.28/- per equity shares and accordingly the new equity shares of the company are issued to them in January 2017 in proportion of their outstanding dues.
- c) No shares have been bought back

#### 14.3 Forfeited shares

During the previous year, Out of total 5,500,000 share warrants, the Company has issued equity shares against 3,000,000 share warrants and the balance 2,500,000 share warrants are forfeited due to unpaid call.

#### 14.4 Shares pledged

3,07,70,802 (previous year 18,745,449) unencumbered equity shares and 4,141,500 (previous year 4,141,500) preference shares of the Company are pledged in favour of all existing lenders by directors, relatives of directors and enterprises over which such directors and their relatives exercise significant influence.

#### 16) BORROWINGS-NON CURRENT

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Secured borrowings</b>			
a) Non-Convertible Debentures	7649.77	10480.69	9784.24
b) Term loans			
i. From banks	78869.23	108188.06	91818.18
ii. From others	40.85	173.91	3514.36
<b>Unsecured borrowings</b>			
a) Loans from related parties	-	-	948.26
b) Loans from Other parties			200.00
<b>Total</b>	<b>86559.85</b>	<b>118842.67</b>	<b>106265.04</b>

#### 16.1

- a) First pari-passu charge in favour of term lenders by way of mortgage on all immovable properties and hypothecation of movable fixed assets of the Company.
- b) Second pari-passu charge by way of hypothecation and/or pledge of current assets including all receivables.
- c) Personal guarantee of Mr. Suresh Bhatnagar (relative of Directors), Mr. Amit Bhatnagar (Managing Director) and Dr. Sumit Bhatnagar (Joint Managing Director) jointly and severally.
- d) Corporate Guarantee of Madhuri Finserve Private Limited and Diamond Projects Limited (enterprises over which the above key managerial personnel and their relatives exercise significant control)
- e) **Additional collateral for all facilities -**  
Unencumbered 3,07,70,802 equity shares of directors, relatives of directors and enterprises over which the above key managerial personnel and their relatives exercise significant control are pledged in favour of all existing lenders.

## 17) OTHER FINANCIAL LIABILITIES

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Deposits	54.53	56.09	55.35
b) Others			
i. Forward premium payable	2450.14	2615.15	-
ii. Preference share liability	4273.25	3858.16	3483.40
<b>Total</b>	<b>6777.92</b>	<b>6529.41</b>	<b>3538.74</b>

## 18) NON-CURRENT PROVISIONS

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Provision for employee benefits</b>			
Gratuity payable	302.23	454.12	115.58
Leave balance payable	163.70	240.67	123.38
<b>Total</b>	<b>465.93</b>	<b>694.78</b>	<b>238.96</b>

## 19) DEFERRED TAX LIABILITY (NET)

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(A) Deferred tax liabilities</b>			
Excess of depreciation allowable under books over depreciation as per income tax laws	-	1462.00	5205.00
Charge/(credit) to Statement of Profit and Loss	-	(1462.00)	-
<b>Total (A)</b>	<b>-</b>	<b>-</b>	<b>5250.00</b>
<b>(B) Deferred tax assets</b>			
Excess of depreciation as per income tax laws over depreciation allowable under books	757.09	3560.49	-
Carried forward business loss	38976.54	11517.76	3743.00
Unabsorbed Depreciation	8931.19	4980.83	-
Provision for employee benefits	(69.63)	317.02	-
Provision for expenses under section 40 (a)	-	303.55	-
Provision for doubtful trade receivables	10575.42	2217.84	-
Provision for diminution in value of investments	-	5.64	-
Provision for doubtful advances	-	494.05	-
<b>Total (B)</b>	<b>59170.61</b>	<b>23397.18</b>	<b>3743.00</b>
<b>Net deferred tax (assets) / liability [A - B]</b>	<b>(59170.61)</b>	<b>(23397.19)</b>	<b>1462.00</b>
<b>Net deferred tax (assets) / liability recognised *</b>	<b>-</b>	<b>-</b>	<b>1462.00</b>

\*The deferred tax assets of Rs. 59170.61 lakhs for the current year are not recognised as they are not considered to be virtually certain of realisation. Deferred tax liability recognised till 31 March 2015 has been re-evaluated and charged off during the Previous year 2015-16.

## 20) OTHER NON CURRENT LIABILITY

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for mark to market on forward contract	67.19	331.65	-
<b>Total</b>	<b>67.19</b>	<b>331.65</b>	<b>-</b>

## 21) BORROWINGS-CURRENT

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Secured Working Capital Loans From Banks</b>			
Cash Credit	74002.94	101894.44	87887.39
<b>Total</b>	<b>74002.94</b>	<b>101894.44</b>	<b>87887.39</b>

## 21.1

1. First pari-passu charge by way of hypothecation and / or pledge of Current Assets of the borrower including all receivables.
2. Second pari-passu charge by way of mortgage over all immovable properties and hypothecation over movable fixed assets.
3. Unencumbered Redeemable cumulative preference shares of Diamond Power Infrastructure Limited aggregating to Rs. 74.96 Crore (41,41,500 Preference shares of Rs.10 each share with premium of Rs.171 per share available with promoters' group companies) pledged in favour all existing lenders.
4. First pari-passu charge on factory land and industrial shed admeasuring 15,100 Sq. Mts. and construction of 3,000 Sq. Mts. owned by Diamond Projects Limited at Village Gardia, Taluka Savli, District Vadodara.
5. First pari-passu charge by way of residential properties of Flat. No. 102 and 103 owned by Mr. Amit Bhatnagar and Dr. Sumit Bhatnagar respectively.
6. Personal guarantee of Mr. Suresh Bhatnagar (relative of Directors), Mr. Amit Bhatnagar (Managing Director) and Dr. Sumit Bhatnagar (Joint Managing Director) jointly and severally.
7. Corporate Guarantee of Madhuri Finserve Private Limited and Diamond Projects Limited

## 22) TRADE PAYABLES

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Micro, Small and Medium Enterprises (Note – 21.2)	0.32	37.15	11.57
Others	4024.66	11027.99	9559.83
Acceptances	800.90	29573.78	13896.00
<b>Total</b>	<b>4825.88</b>	<b>40638.93</b>	<b>23467.40</b>

The Company had sought confirmation from its vendors on their status under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from 02<sup>nd</sup> October 2006.

**22.1** The amount due to Micro & Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the company.

**22.2** The disclosure relating to Micro, Small and Medium Enterprises as at 31<sup>st</sup> March, 2017 are as under:

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Principal amount remaining unpaid	0.32	37.15	11.57
Interest due on above and the unpaid interest	-	-	-
Interest paid	-	-	-
Payment made beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-
<b>Total</b>	<b>0.32</b>	<b>37.15</b>	<b>11.57</b>

## 23) OTHER FINANCIAL LIABILITIES

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Interest accrued	5719.78	893.04	-
b) Other liabilities			
i. Provision for Tax on Dividend	0.23	0.16	0.07
ii. Proposed Dividend on Preference Share	1.24	0.82	0.41
<b>Total</b>	<b>5721.25</b>	<b>894.03</b>	<b>0.48</b>

## 24) OTHER CURRENT LIABILITIES

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance from Customer	49.66	236.76	488.52
Statutory payables	833.12	3280.83	211.52
Employee Benefit Expenses	99.96	296.78	300.51
Other liabilities	2.41	30.95	46.53
Provision for expenses	427.00	87.27	132.73
<b>Total</b>	<b>1412.15</b>	<b>3932.60</b>	<b>1179.82</b>

## 25) PROVISIONS - CURRENT

Particulars	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Provision for employee benefits</b>			
Gratuity payable	75.98	86.07	-
Leave balance payable	62.35	69.33	26.06
<b>Total</b>	<b>138.33</b>	<b>155.41</b>	<b>26.06</b>

## 26) REVENUE FROM OPERATIONS

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
Sales *#	1,15,286.31	227260.45
<b>Total</b>	<b>1,15,286.31</b>	<b>227260.45</b>

\*Sale of products includes bought-out materials sold to customers.

#Note A: - The Company does not have system of maintaining material wise details of sales, purchases and consumption. Accordingly, breakup of amount of major sales, purchases and major raw materials consumed under broad heads is not disclosed in the financial statements as required by Schedule III of the Companies Act, 2013.

## 27) OTHER INCOME

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
Interest Income from Bank deposits	350.06	722.12
Profit/Loss on Foreign Exchange Fluctuation	655.22	-
Insurance Claim	24.94	73.98
Dividend Income	-	-
Excess Provision Written Back	9.95	-
Gain on conversion of subsidiary into associate	-	602.70
Other income	28.75	70.21
<b>Total</b>	<b>1068.93</b>	<b>1469.03</b>

## 28) COST OF MATERIAL CONSUMED \* #

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
Raw Material at the beginning of the year	5475.88	6339.41
Add : Purchases	105928.67	181451.22
Less : Raw material at the end of the year	5794.03	5475.88
<b>Total Cost of Materials consumed</b>	<b>105610.51</b>	<b>182314.75</b>

\* Cost of materials consumed includes bought-out materials purchased for supplies to customers.

# Refer note A above

## 29) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROGRESS & STOCK-IN-TRADE.

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
<b>Opening Balance</b>		
Work-in progress	38,555.03	84702.19
Finished Goods	36,123.14	17,537.16
<b>Total Opening Balance</b>	<b>74,678.17</b>	<b>102239.35</b>
<b>Closing Balance</b>		
Work-in progress	37,296.68	38,555.03
Finished Goods	4,668.80	36,123.14
<b>Total Closing Balance</b>	<b>41,965.49</b>	<b>74,678.17</b>
<b>Total Changes in inventories of Finished Goods, Work-in Progress &amp; Stock-in-Trade</b>	<b>32,712.69</b>	<b>27561.17</b>

### 30) EMPLOYEE BENEFIT EXPENSE

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
Salaries and Wages	2,071.98	2283.20
Contribution to Provident Fund and Other Funds	127.94	351.94
Staff Welfare Expenses	19.16	7.04
<b>Total</b>	<b>2,219.08</b>	<b>2642.19</b>

30.1 As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below:

#### Defined Contribution Plans

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
Employer's Contribution to Provident Fund	139.98	86.56
Employer's Contribution to ESIC	1.10	0.94
<b>Total</b>	<b>141.08</b>	<b>87.50</b>

#### Defined Benefit Plan

##### i) Reconciliation of opening and closing balances of Defined Benefit Obligation

Particulars	(Rs.in Lacs)	
	Gratuity (Unfunded) 2016-17	2015-16
Defined benefit obligation at beginning of the year	540.19	115.58
Current service cost	32.35	60.86
Interest on Defined benefit obligation	41.03	9.22
<b>Actuarial losses/(gains)</b>		
a) From changes in demographic assumptions	(7.03)	(25.89)
b) From changes in financial assumptions	15.45	(91.84)
Experience Variance (i.e. Actual experience V/S assumption)	(211.28)	506.59
Benefits Paid	(33.34)	(34.32)
<b>Defined benefit obligation at year end</b>	<b>377.38</b>	<b>540.19</b>

##### ii) Reconciliation of fair value of Assets and Obligations

Particulars	(Rs. in Lacs)	
	Gratuity (Unfunded) 2016-17	2015-16
Fair Value of Plan Assets	-	-
Present Value of Obligations	377.38	540.19
<b>Amount recognised in Balance sheet [Surplus/(Deficit)]</b>	<b>(377.38)</b>	<b>(540.19)</b>

##### iii) Expense recognised during the year

Particulars	(Rs. in lacs)	
	Gratuity (Unfunded) 2016-17	2015-16
<b>In Income Statement</b>		
Current Service Cost	32.35	60.86
Interest Cost	41.03	9.22
<b>Net Cost</b>	<b>73.38</b>	<b>70.08</b>
<b>In Other Comprehensive Income</b>		
<b>Actuarial losses/(gains):-</b>		
a) From changes in demographic assumptions	(7.03)	(25.89)
b) From changes in financial assumptions	15.45	(91.85)
Experience Variance (i.e. Actual experience V/S assumption)	(211.28)	506.59
<b>Net (Income) / Expense for the period Recognised in OCI</b>	<b>(202.86)</b>	<b>388.85</b>

##### iv) Actuarial assumptions

Particulars	(Rs. in Lacs)	
	Gratuity (Unfunded) 2016-17 2006-08(Ultimate)	2015-16 2006-08(Ultimate)
Mortality Table (IALM)		
Discount Rate (per annum)	6.85%	7.60%
Attrition Rate (per annum)	20.00%	15.00%
Rate of Escalation in salary (per annum)	8.33%	8.33%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**v) The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2016-17.**

**vi) Sensitivity Analysis**

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 1%)	4.60%	(4.30)%	5.80%	(5.30)%
Change in rate of salary increase (delta effect of +/- 1%)	(4.30)%	4.50%	(5.30)%	5.70%
Change in rate of employee turnover (delta effect of +/- 50%)	4.40%	(2.50)%	2.30%	(1.50)%

The Plan typically expose the Company to actuarial risks such as : interest rate risk, liquidity risk, salary escalation risk, and regulatory risk

**Interest Rate risk:**

The plan exposes the Company to the risk off all in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity Risk:**

This is the risk that the Company is not able to meet the short-term gratuity pay-outs. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk:**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Regulatory Risk:**

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of Rs. 10,00,000).

**31) FINANCE COST**

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
Interest on borrowings	17,804.20	17784.69
Bank charges & other finance cost	307.33	1025.69
Other borrowing cost	291.57	780.95
<b>Total</b>	<b>18403.11</b>	<b>19591.33</b>

*Note: As per the proposed scheme of SDR package post invocation of SDR on 29/06/16, there would be no application of interest on the outstanding loan amount w.e.f. 29/06/16. The company has provided interest from 01/07/16 to 31/03/17 totalling to Rs. 11,396.72 Lakhs and the same has been reversed by showing the same as exceptional item in this financial statement for the year ended on March 31, 2017.*

**32) ADMINISTRATION AND OTHER EXPENSES**

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
Consumption of stores and spare parts	0.91	28.78
Power and fuel	415.07	738.24
Freight, clearing and forwarding	1,891.67	1,534.35
Rent	109.71	157.26
<b>Repairs and maintenance</b>		
a) Building	13.40	0.20
b) Machinery	0.29	15.66
c) Others	140.20	121.05
Insurance	166.01	226.62

Travelling expenses	197.12	245.77
Legal and professional fees	761.41	788.91
Auditors' remuneration (Refer note below)	28.31	54.30
Contract labour cost	715.78	1,804.16
Advertising and sales promotion	257.31	453.84
Allowance for credit loss	31113.32	1072.50
Capital work-in-progress written off	-	56,9.83
Preliminary \ Pre-operative Expenses W\off	-	180.65
Transmission charges	73.76	76.79
Membership and subscription	193.96	99.79
Bank charges	729.56	3874.09
Brokerage Expense	-	0.14
Foreign exchange fluctuations (net)	83.37	303.42
Service Tax Expense	57.63	27.68
Provision for diminution in value of investments	-	16.60
Amortisation of premium on forward contracts	698.54	753.34
Incorporation and renewal expense	2.25	-
Prior period expenses (net)	-	832.22
Miscellaneous expenses	431.17	1608.73
<b>Total</b>	<b>38080.77</b>	<b>15584.96</b>

### 32.1 Payment to Auditor as:

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
a) Statutory audit	25.00	50.00
b) Other services	2.00	0.71
c) Reimbursement of expenses	0.88	0.14
<b>Total</b>	<b>27.88</b>	<b>50.85</b>

### 32.2 Details of CSR expenditure

The provisions under section 135 and the rules thereof pertaining to corporate social responsibility are not applicable to the Company during the year.

### 33) EARNING PER SHARE (EPS)

Particulars	(Rs. in Lacs)	
	For the Year March 31, 2017	For the Year March 31, 2016
i. Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	(80476.06)	(27281.08)
ii. Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	110553532	55959511
iii. Weighted Average Potential Equity Shares	-	-
iv. Total Weighted Average number of Equity shares used as denominator for calculating Diluted EPS	110553532	55959511
v. Basic Earnings per Share (Rs.)	(72.79)	(48.75)
vi. Diluted Earnings per Share (Rs.)	(72.79)	(48.75)
vii. Face Value per Equity Share (Rs.)	10.00	10.00
<b>Total</b>		

### 34) RELATED PARTIES DISCLOSURES

#### A. List of related parties

- i. **Subsidiaries :**
  - Diamond Power Global Holdings Limited
  - Diamond Power Transformers Limited (up to 10 January 2016)
- ii. **Associate Companies :**
  - Apex Electricals Limited
  - Diamond Power Transformers Limited (w.e.f. 11 January 2016)
- iii. **Key managerial Personnel (KMP)**
  - Mr. Amit Bhatnagar (Managing Director)
  - Dr. Sumit Bhatnagar (Joint Managing Director)

**iv. Enterprises over which KMP and their relatives exercise significant influence**

Mayfair Spaces Limited  
 Mayfair Leisure Limited  
 Diamond Projects Limited  
 Diamond Infosystems Limited  
 Madhuri Finserve Private Limited  
 Maktel Power Limited  
 Maktel Control & Systems Private Limited  
 Diamond Power Transmission Private Limited  
 Ruby Cables Limited

Shri. Naba Mukherjee (Chief Financial Officer) (from 1 July 2015 Upto 15 February 2016)

**v. Relatives of KMP**

Mrs. Madhurilata Bhatnagar (wife of Mr. Suresh Bhatnagar)  
 Mrs. Mona Bhatnagar (wife of Mr. Amit Bhatnagar)  
 Mrs. Richa Bhatnagar (wife of Mr. Sumit Bhatnagar)  
 Mr. Suresh Bhatnagar (father of Mr. Amit Bhatnagar and Mr. Sumit Bhatnagar)

**B. Transactions during the year with related parties :**

Particulars	Subsidiary	Associates Companies/ Enterprises over which KMP & their Relatives exercise significant influence	KMP	(Rs. in Lacs)	
				Relatives of KMP	Total
Purchase/Sales of goods and services incl. taxes (Net)	-	655.15	-	-	655.15
Purchase of assets	-	239.68	-	-	239.68
Professional Fees	-	1.14	-	-	1.14
Rent Paid	-	2.24	-	-	2.24
Remuneration	-	-	-	250.89	250.89
Trade Receivables/Trade Payables (Net)	-	-	-	232.76	232.76
Loans & Advances Receivable/Payable ( Net)	-	6.12	6.00	-	12.12
Total	-	6.12	6.00	-	12.12
	-	-	509.00	-	509.00
	-	-	528.96	-	528.96
	-	1,187.35	-	-	1,187.35
	-	1,529.67	-	-	1,529.67
	70.77	1,460.23	-	-	1,531.01
	58.94	(5,588.50)	-	-	(5,529.56)
<b>Total</b>	<b>70.77</b>	<b>3,310.00</b>	<b>515.00</b>	<b>250.89</b>	<b>4,146.67</b>
	<i>58.94</i>	<i>(3,810.78)</i>	<i>534.96</i>	<i>232.76</i>	<i>(2,984.13)</i>

*Italic figure show as previous year*

**35) CONTINGENT LIABILITIES AND COMMITMENTS**

Particulars	(Rs. in Lacs)	
	2016-17	2015-16
<b>A. Contingent Liabilities</b>		
<b>a) Claims against the Company not acknowledged as debts represents :</b>		
i. Suits filed against the Company by M/s. Sardar Sarovar Nigam Limited	63.02	63.02
ii. Disputed demand of sales tax against which the Company has preferred an appeal	43.60	43.60
iii. Disputed demand of excise and service tax against which the Company has preferred an appeal	233.66	233.66
<b>b) Guarantees</b>		
i. Guarantees given to third parties	10,772.77	12,727.44
ii. Corporate guarantees given on behalf of Diamond Power Transformers Limited	12,000.00	12,000.00

**36) LEASE COMMITMENT**

The Company has taken office premises at various locations under cancellable operating lease. These are recognized as operating lease. The period of such lease ranges from less than one year to four years. Lease expenditure for operating leases is recognised on a straight-line basis over the period of lease in the Statement of Profit and Loss. The aggregate lease payments recognised in the statement of profit and loss for the year is Rs.109.71 lakhs (Previous year : Rs. 134.72 lakhs) in respect of cancellable leases. The company has not entered into financial lease agreement.

### 37) FOREIGN CURRENCY RISK

#### 37.1 Expenditure in foreign currency (on accrual basis)

Particulars	(Rs. in Lacs)	
	2016-17	2015-16
Travelling expense	43.14	45.20
Sales Promotion	-	10.75
Interest	79.82	80.63
Others	17.08	-
<b>Total</b>	<b>140.04</b>	<b>136.58</b>

#### 37.2 Earnings in foreign currency

Particulars	(Rs. in Lacs)	
	2016-17	2015-16
Export on F.O.B. basis	855.92	674.94
<b>Total</b>	<b>855.92</b>	<b>674.94</b>

#### 37.3 Value of imports on CIF basis

Particulars	(Rs. in Lacs)	
	2016-17	2015-16
Raw materials	-	55.32
Capital goods	18.01	80.57
<b>Total</b>	<b>18.01</b>	<b>135.89</b>

38) In accordance with its business and organization structure and internal financial reporting, the company has concluded that Transmission and Distribution of Power (T&D) related business is its primary business segment. As the Company's revenue is mainly from T&D business, no separate information in line with IND AS 108 "Operating Segments" is required.

#### 39) Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates

Name of Company	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Rs.	As % of Consolidated Profit / (Loss)	Rs.	As % of Consolidated Other Comprehensive Income	Rs.	As % of Consolidated Total Comprehensive Income	Rs.
	<b>Parent</b>							
Diamond Power Infrastructure Limited	100.27%	65662.46	98.75%	(79472.80)	100%	202.09	98.75%	(79270.71)
<b>Subsidiaries</b>								
Diamond Power Global Holding Limited	0.01%	3.94	-	3.19	-	-	-	3.19
<b>Associate</b>								
Diamond Power Transformers Limited	(0.28)%	(183.98)	1.25%	(1006.44)	-	-	1.25%	(1006.44)

40) The Company does not have system of maintaining listing of purchase order for capital goods. Accordingly, the details of capital commitment are not given.

#### 41) EVENTS AFTER THE REPORTING PERIOD

In accordance IND AS 37 on " Provisions /Contingent Liabilities and contingent assets", there are indicators of onerous contracts in view of contract Loss as compare with the execution level of each contract and future obligation to meet the contractual conditions; however , the management is not consider the such contract as onerous contract and accordingly no provision is required.

**42) DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD 08/11/2016 TO 30/12/2016 IS AS UNDER:-**

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08/11/2016	81.00	0.75	81.75
(+) Permitted Receipts	1.16	0.13	1.29
(-) Permitted Payments	-	-	-
(-) Amount Deposited in Banks	82.16	-	82.16
<b>Closing Cash in Hand as on 30/12/2016</b>	<b>-</b>	<b>0.89</b>	<b>0.89</b>

**43) FINANCIAL INSTRUMENT**

**Valuation**

All Financial instruments are initially recognized and subsequently re-measured at fair value as described below.

- The fair value of investment in Quoted Mutual Funds is measured at quoted price or NAV.
- The fair value of Forward Foreign exchange contracts is determined using forward exchange rates yield curves at the balance sheet date.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- All foreign currency denominated assets and liabilities are translated using exchange rate at the reporting date.

**Fair value measurement hierarchy:**

Particulars	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
	Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in		Carrying Amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2		Level 1	Level 2
<b>Financial Assets</b>									
<b>At Amortised Cost</b>									
Investments	650.90	-	650.90	1657.34	-	1657.34	1160.57	-	1160.57
Trade Receivables	35114.16	-	-	78590.83	-	-	21131.48	-	-
Cash & Bank Balances	1587.46	-	-	1456.03	-	-	797.40	-	-
Loans	2278.35	-	-	1600.27	-	-	3384.00	-	-
Other Financial Assets	187.83	-	-	519.09	-	-	1519.30	-	-
<b>At FVTPL</b>									
Investments	43.35	43.35	-	33.40	33.40	-	50.00	50.00	-
Financial Derivatives	1163.26	1163.25	-	1892.46	1892.46	-	642.02	642.02	-
<b>Financial Liabilities</b>									
<b>At Amortised Cost</b>									
Borrowings	160562.79	-	-	220737.10	-	-	194152.43	-	-
Trade Payables	4825.88	-	-	40638.93	-	-	23467.41	-	-
Other Financial Liabilities	12499.16	-	-	7423.44	-	-	3539.23	-	-

**\* Investment in subsidiaries and associates carried at amortized cost refer note D.**

The Financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

**Level 2:** Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Credit Risk**

Trade receivables Customer credit risk is managed by each business unit subject to the Company's established policy and procedures. Trade receivables are non-interest bearing and generally have a credit period not exceeding 90 days. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically. An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the receivables are categorised into groups based on types of receivables. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - Financial instruments. The calculation is based provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Receivables from group companies and secured receivables are excluded for the purposes of this analysis since no credit risk is perceived on them. The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the receivables. Movement in provision of expected credit loss has been provided in note no. 8

## Market Risk

Market Risk is the risk that the fair value of future cash flow of financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial assets affected by market risk include loans and borrowings, deposits and derivative financial instruments.

## Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

## Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cashflows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (When revenue or expense is denominated in a foreign currency). The Company manages its foreign currency risk by hedging transactions that are expected to realise in future.

## Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both banks and financial institutions at an optimised cost.

### 44) APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on April 20, 2017.

### 45) FIRST TIME IND AS ADOPTION RECONCILIATIONS

#### 45.1 Effect of IND AS adoption on the standalone balance sheet as at 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015

Particulars	As at 31 <sup>st</sup> March, 2016			As at 1 <sup>st</sup> April, 2015		
	Previous GAAP	Effect of transition to IND AS	As per IND AS balance sheet	Previous GAAP	Effect of transition to IND AS	As per IND AS balance sheet
<b>ASSETS</b>						
<b>1. Non-current assets</b>						
a) Property, Plant and Equipment	101930.28	32017.55	133947.82	45918.09	16275.45	62193.48
b) Capital work-in-progress	13324.87	-	13324.87	69363.89	16635.14	85999.03
c) Financial Assets						
i. Investments	1657.34	-	1657.34	1160.57	-	1160.57
ii. Loans	-	-	-	1298.77	-	1298.77
iii. Other financial assets	306.08	-	306.08	1519.30	-	1519.30
d) Other non-current assets	1861.80	30.67	1892.46	0.16	641.87	642.02
<b>Total Non-Current Assets (A)</b>	<b>119080.37</b>	<b>32048.2</b>	<b>151128.59</b>	<b>119260.79</b>	<b>33552.4</b>	<b>152813.24</b>
<b>2. Current assets</b>						
a) Inventories	80542.67	-	80542.67	113056.91	-	113056.91
b) Financial Assets						
i. Investments	33.40	-	33.40	50.00	-	50.00
ii. Trade receivables	107915.91	(29325.08)	78590.83	56852.53	(35721.04)	21131.48
iii. Cash and Cash Equivalents	1456.04	-	1456.04	797.40	-	797.40
iv. Other Bank Balances	8018.16	-	8018.16	6514.48	-	6514.48
v. Loans	904.97	695.31	1600.27	2085.23	-	2085.23
vi. Other Financial Assets	213.01	-	213.01	-	-	-
c) Other current assets	16484.74	(725.98)	15758.76	15690.77	(641.87)	15048.90
<b>Total Current Assets (B)</b>	<b>215568.88</b>	<b>(29355.75)</b>	<b>186213.13</b>	<b>195047.32</b>	<b>(36362.91)</b>	<b>158684.41</b>
<b>Total Assets (A+B)</b>	<b>334649.25</b>	<b>2692.46</b>	<b>337341.72</b>	<b>314308.11</b>	<b>(2810.46)</b>	<b>311497.65</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
a) Equity Share capital	6114.20	-414.15	5700.05	5814.20	(414.15)	5400.05
b) Other Equity	45897.94	10594.30	56492.23	78996.52	1699.14	80695.66
<b>Total Equity</b>	<b>52012.14</b>	<b>10180.15</b>	<b>62192.28</b>	<b>84810.72</b>	<b>1284.99</b>	<b>86095.71</b>
<b>LIABILITIES</b>						
<b>(1) Non-current liabilities</b>						
a) Financial liabilities						
i. Borrowings	130188.52	(11345.85)	118842.67	113843.89	(7578.85)	106265.04
ii. Other financial liabilities	2671.25	3858.16	6529.41	55.34	3483.40	3538.74

b) Provisions	694.78	-	694.78	238.97	-	238.97
c) Deferred tax liabilities (net)	-	-	-	1446.19	-	1446.19
d) Other non-current liabilities	331.65	-	331.65	-	-	-
<b>Total Non-current liabilities</b>	<b>133886.20</b>	<b>(7487.68)</b>	<b>126398.52</b>	<b>115584.39</b>	<b>(4095.45)</b>	<b>111488.94</b>
<b>(2) Current liabilities</b>						
a) Financial liabilities						
i. Borrowings	101894.44	-	101894.44	87887.39	-	87887.39
ii. Trade payables	40638.93	-	40638.93	23467.41	-	23467.41
iii. Other financial liabilities	894.03	-	894.03	0.49	-	0.49
b) Other current liabilities	3932.60	-	3932.60	1179.82	-	1179.82
c) Provisions	155.41	-	155.41	26.07	-	26.07
d) Current Tax Liabilities (Net)	1235.52	-	1235.52	1351.84	-	1351.84
<b>Total Current liabilities</b>	<b>148750.92</b>	<b>-</b>	<b>148750.92</b>	<b>113913.00</b>	<b>-</b>	<b>113913.00</b>
<b>Total Equity &amp; liabilities</b>	<b>334649.25</b>	<b>2692.46</b>	<b>337341.72</b>	<b>314308.11</b>	<b>(2810.46)</b>	<b>311497.65</b>

#### 45.2 Reconciliation of Profit & Other Equity between IND AS & Previous GAAP

Nature of Adjustment	Notes	(Rs. in Lacs)		
		Net Profit Year Ended March, 2016	Other Equity As at March 31, 2016	As at April 1, 2015
<b>Net Profit \ (Loss) \ Other Equity as per Previous Indian GAAP</b>		(32798.10)	45897.94	78996.52
Fair value measurement of Financial Assets - As per IND AS 109	i	6395.96	(29325.08)	(35721.04)
Measurement of Financial Liabilities at amortized cost - As per IND AS 109	ii	(374.77)	(3444.01)	(3069.25)
Fair Valuation as deemed Cost for Property, Plant & Equipment	iii	(893.02)	32017.55	32910.58
Interest Free Loan from Promotors \ Group Companies transferred to Other Equity	ii	-	11345.85	7578.85
Reimbursement of the Net defined benefit Liability \ Asset	iv	388.85	--	-
<b>Net Profit before OCI \ Other Equity as per IND AS</b>		<b>(27281.08)</b>	<b>56492.23</b>	<b>80695.66</b>

#### Notes:

- The company has valued financial assets (other than investment in subsidiaries, associate and joint ventures which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Profit and Loss
- The company has measured financial liabilities (other than Unsecured Loan from Promoter group companies, considered as Quasi Equity), at amortized cost. Impact of amortized cost changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Profit and Loss account.
- The company has considered fair value of Property, Plant & Equipment situated in India, vis, land admeasuring over 68 acres with impact of Rs. 88.74 Crores, Building with impact of Rs. 22.87 Crores and Plant & Equipment with impact of Rs. 217.50 Crores in accordance with the stipulations of IND AS 101 with the resultant impact being accounted for in the reserves. The consequential impact on depreciation is reflected in the Profit and Loss account.
- Others include employee benefits actuarial gains and losses, which are recognised in the Other Comprehensive Income under IND AS.

#### 45.3 Effect of IND AS adoption on the statement of Profit & Loss for the year ended 31st March, 2016

Particulars	(Rs. in Lacs)		
	Year Ended 31st March, 2016 Previous GAAP	Effect of Transition to IND AS	As per IND AS
<b>REVENUE:</b>			
Revenue from Operations	223,479.50	3,780.95	227,260.45
Other income	1,469.03	-	1,469.03
<b>Total Revenue</b>	<b>224,948.53</b>	<b>3,780.95</b>	<b>228,729.48</b>
<b>EXPENSES:</b>			
Cost of Materials Consumed	182,314.75	-	182,314.75
Changes in Inventory of Work-in -Progress, Stock-in-Trade & Finished Goods	27,561.18	-	27,561.18
Excise Duty	-	3,780.95	3,780.95
Employee benefit expenses	3,031.04	(388.85)	2,642.19
Finance costs	19,216.56	374.77	19,591.33

Depreciation and amortisation	4,922.82	893.02	5,815.85
Administration and other expenses	21,980.92	(6,395.96)	15,584.96
<b>Total Expenses</b>	<b>259,027.28</b>	<b>(1,736.07)</b>	<b>257,291.21</b>
<b>Profit before Exceptional items &amp; Tax</b>	<b>(34,078.75)</b>	<b>5,517.02</b>	<b>(28,561.73)</b>
<b>Exceptional items</b>	10.86	-	10.86
<b>Prior Period Income</b>	-	-	-
<b>Profit Before Tax from continuing Operations</b>	<b>(34,089.61)</b>	<b>5,517.02</b>	<b>(28,572.59)</b>
<b>Tax Expense:</b>	-	-	-
Current tax	-	-	-
Deferred tax	(1,462.00)	-	(1,462.00)
<b>Profit/(Loss) for the year</b>	<b>(32,627.61)</b>	<b>5,517.02</b>	<b>(27,110.59)</b>
<b>Share of Profit / (Loss) transferred to Non-Controlling Interest</b>	<b>(170.49)</b>	-	<b>(170.49)</b>
<b>Profit for the year (After Non-Controlling Interest)</b>	<b>(32,798.10)</b>	<b>5,517.02</b>	<b>(27,281.08)</b>

As per our report attached  
**A Yadav & Associates**  
Chartered Accountants  
FRN:- 129725W

**CA Arvind Yadav**  
Partner  
Membership No.: 047422  
Place: Vadodara  
Date: 20<sup>th</sup> April, 2017

For and on behalf of the Board  
**Diamond Power Infrastructure Limited**

**Amit Bhatnagar**  
Managing Director & CFO  
Din:- 00775880

**Sumit Bhatnagar**  
Joint Managing Director  
Din:- 00776129

**Nishant Javlekar**  
Company Secretary

# CORPORATE INFORMATION.....

## FOUNDER & MENTOR

Shri S N Bhatnagar

## BOARD OF DIRECTORS

Shri Amit Bhatnagar	Managing Director - Chairman of the Board
Shri Sumit Bhatnagar	Jt. Managing Director
Ms. Nivedita Pandya	Woman Director
Shri Ranvir Singh Shekhawat	Independent Director
Shri Shailendra Pal Singh	Independent Director
Shri Ashok Kumar Singh	Independent Director
Shri Ashok Kumar Gautam	Independent Director

## AUDIT COMMITTEE

Shri Ranvir Singh Shekhawat	Chairman
Shri Ashok Kumar Singh	Member
Ms. Nivedita Pandya	Member
Shri Amit Bhatnagar	Member

## NOMINATION & REMUNERATION COMMITTEE (FORMERLY TERMED AS REMUNERATION COMMITTEE)

Shri Ranvir Singh Shekhawat	Chairman
Shri Ashok Kumar Singh	Member
Ms. Nivedita Pandya	Member

## STAKEHOLDERS GRIEVANCES AND RELATIONSHIP COMMITTEE

Shri Ashok Kumar Gautam	Chairman
Shri Ranvir Singh Shekhawat	Member
Shri Sumit Bhatnagar	Member

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Ms. Nivedita Pandya	Chairperson
Shri Amit Bhatnagar	Member
Shri Sumit Bhatnagar	Member

## SHARE TRANSFER COMMITTEE

Ms. Nivedita Pandya	Chairperson
Shri Amit Bhatnagar	Member
Shri Sumit Bhatnagar	Member

## STATUTORY AUDITORS

**A Yadav & Associates**  
Chartered Accountants  
Office No. 202, Tower - A  
Iscon Atria, Iscon Heights,  
Gotri Road,  
Vadodara- 390 021

## INTERNAL AUDITORS

**Hitesh T Shah & Co.**  
D 123 Vrundavan Townships, Opp. Negeshwar Mahadev  
Harni Road, Vadodara - 390006

## SECRETARIAL AUDITORS

**M/s Devesh Vimal & Co.**  
204/5 Garden View, Nr. Kamati  
Baug Circle, Sayajigunj, 390005  
Vadodara

## COST AUDITORS

**M/s S S Puranik & Associates**  
57, 1st Floor, Surya Kiran  
Complex, Old Padra Road,  
Vadodara-390015.

## LEGAL ADVISORS

**Advocate Harshad J Shah**  
107, Lawyers Chambers, Gujarat  
High Court, Sola,  
Ahmedabad-60

## BANKER / NCD HOLDERS INFORMATION

Bank of India	Bank of Baroda
ICICI Bank Limited	Allahabad Bank
Axis Bank Limited	Dena Bank
State Bank of India (State Bank of Hyderabad)	State Bank of India (State Bank of Mysore)
Indian Overseas Bank	IFCI Limited
Corporation Bank	Export - Import Bank of India
Corporation Bank (NCD)	Dena Bank Employee S Pension Fund
Dena Bank Employee S Gratuity Fund	TATA Capital Financial Services Limited
L & T Finance Limited	Chhattisgarh State Electricity Board Gratuity and Pension Fund Trust
Bank of Maharashtra	

## COMPANY SECRETARY

**Shri Nishant Javlekar**  
Address: 5/9-10, "Essen House"  
BIDC, Gorwa, Vadodara -390016  
Ph. No: (0265) 2284328  
Fax No.: (0265) 2280528  
Mail Id: cs@dicabs.com

## COMPANY COMMUNICATION

**Registered Office:**  
Phase-II, Village: Vadadala  
Tal. : Savli  
Dist.: Vadodara - 391520, India  
Ph.: 02667-251516  
Fax: 02667-251202

**Corporate Office:**  
"Essen House",  
5/9-10, B.I.D.C., Gorwa,  
Vadodara - 390016  
(Gujarat) India  
Ph.: 0265-2284328  
0265-2283969, 2280973;  
Fax: 0265-2280528  
E-Mail: marketing@dicabs.com  
WEBSITE: www.dicabs.com



**DIAMOND POWER INFRASTRUCTURE LIMITED**

CIN: L31300GJ1992PLC018198

**Corporate Office:** "Essen House", 5/9-10, B.I.D.C., Gorwa, Vadodara-390016, (Gujarat)

India, Ph.: 0265-2284328, 2283969, Fax: 0265-2280528

Email: [cs@dicabs.com](mailto:cs@dicabs.com) Website: [www.dicabs.com](http://www.dicabs.com)**Registered Office:** Phase II, Village: Vadadala, Tal.Savli, Dist. Vadodara-391520, India.

Ph.: 02667-251516, 251354 Fax: 02667-251202

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**NOTICE** is hereby given that the Twenty Fifth Annual General Meeting of the Members of M/s Diamond Power Infrastructure Limited (CIN : L31300GJ1992PLC018198) will be held on Friday, September 29, 2017 at 10.00 A.M at the Registered Office of the Company situated at Phase II, Village: Vadadala, Tal: Savli, Dist: Vadodara – 391520 to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statement including statement of Profit and Loss of the company for the financial year ended 31<sup>st</sup> March, 2017 together with the Reports of the Directors' and Auditors' thereon.
2. To Appoint a Director in place of Shri Amit Suresh Bhatnagar (DIN 00775880), who retires by rotation and, being eligible, offer himself for re-appointment.
3. To ratify the appointment of the auditor of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution:  
**"RESOLVED THAT**, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 30<sup>th</sup> September, 2015, the appointment of M/s. A Yadav & Associates, Chartered Accountants (Firm Registration Number 129725W) as the auditors of the Company to hold office till the conclusion of tenure for which they are appointed be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2018, as may be determined by the audit committee in consultation with the auditors."

**SPECIAL BUSINESS:**

4. To Consider and if thought fit with our without modification(s) the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 {including any statutory modification(s) or re-enactment(s) thereof, for the time being in force}, the remuneration payable to M/s. S S Puranik & Associates, Cost Accountants (Firm Registration No. 100133) appointed by the Board to conduct Audit of the cost records of the Company for the Financial Year 2017-18, be paid remuneration of Rs. 90,000 (Rupees Ninety Thousand Only) plus Good and service tax and out of pocket expenses."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this Resolution and to do all acts and take all such steps as may be deemed necessary, proper and expedient to implement this Resolution."

**Notes:**

1. A Member entitled to attend and vote is also entitled to appoint a Proxy to attend and to vote at the Meeting. The Proxy need not be a Member.
2. Proxy Instrument should be duly Completed, Stamped, Signed and must be deposited at the Corporate Office of the Company Situated at 5/9-10, "Essen House", BIDC, Gorwa, Vadodara, 390016, Gujarat, India not less than 48 hours before the Commencement of the Meeting. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, the first fifty proxies received by the Company shall be considered as valid. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. No person shall be entitled to attend or vote at the meeting as a duly authorized representative of a company or any corporate which is a shareholder of the company, unless a copy of the resolution appointing him/her as a duly authorized representative, certified to be true copy by the Chairman of the meeting at which it was passed, shall have been deposited at the Corporate office of the company situated at 5/9-10, "Essen House", BIDC, Gorwa, Vadodara, 390 016, Gujarat, India not less than 48 hours before the date of Annual General Meeting.
4. Pursuant to Section 91 of the Companies Act 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 23<sup>rd</sup> September, 2017 to Friday 29<sup>th</sup>, September, 2017 (both days inclusive).
5. The Members are requested to make correspondence for any matters relating to Transfer or Dematerialization of Shares, changes in their addresses or bank details, names of the holders with Registrar and Transfer Agent (R & T) M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032.
6. 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.
7. As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, enabling the Company to effect electronic delivery of documents. The above initiative will go a long way in conserving paper which is a natural resource as also result in substantial savings on printing and posting of annual reports and other documents of your Company sent to Members. Members are requested to support this Green Initiative by updating their email addresses with their respective Depository Participants, in case of

electronic shareholding; or registering their email addresses with the Company's Registrar and Transfer Agents, in case of physical shareholding.

8. Members seeking any information on the Accounts of the Company are requested to write to Shri Naba Mukherjee, Chief Operating Officer of the Company, 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. However, 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 26<sup>th</sup> February, 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 the Company's Shares. Request for dematerialization of Shares may be sent through respective Depository Participants.
10. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
11. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants. The address/bank mandate as furnished to the Company by the respective Depositories viz, NSDL and CDSL will be printed on the dividend warrants.
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.
13. Members may also note that the Notice of the 25<sup>th</sup> Annual General Meeting along with Annual Report for 2016-17 will also be available on the Company's website [www.dicabs.com](http://www.dicabs.com).
14. Member's desire of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to send the same to the office of the Registrar and Share Transfer Agent of the Company.
15. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Numbers for identification.
16. In terms of Sections 123 and 124 of the Companies Act, 2013, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF).
17. The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these Rules, dividends which are not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The new IEPF Rules

mandate the companies to transfer the shares of shareholders whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the shareholders to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company as on 19<sup>th</sup> August, 2016 (date of last Annual General Meeting) are available on the website of the Company [www.dicabs.com](http://www.dicabs.com) and on Ministry of Corporate Affairs' website. The shareholders whose dividend/ shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

18. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Member holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their Demat Accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar & Share Transfer Agent of the Company.

**19. Voting through electronic means:**

In accordance with provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("e-voting") to its members. The Company has engaged the services of M/S Karvy Computershare Pvt. Ltd. to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <https://evoting.karvy.com> Commencement of e-voting, From Tuesday, 26<sup>th</sup> September, 2017 at 10.00 a.m. Closure of e-voting, Thursday, 28<sup>th</sup> September, 2017 upto 05.00 p.m.

The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.

**Following are the instructions for members voting through electronic system:**

- A. Instructions for members whose email IDs are registered with the Company/ their respective Depository participant(s) - Member will receive an Email from Karvy:
1. Launch internet browser and log on to the URL: <https://evoting.karvy.com>
  2. Enter the login credentials (i.e. User ID and password mentioned herein below). Your Folio No. / DP ID – Client ID will be your User ID.  
However, if you are already registered with Karvy for e – voting, you can use your existing User ID password for casting your vote.
  3. After entering these details appropriately, Click on "LOGIN"
  4. In case of new users: You will now reach password change Menu wherein you are required to mandatorily change password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character with (@,#,\$,etc.). The system will prompt you to enter a secret question and answer of your choice to retrieve

your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

5. You need to login again with the new credentials.
  6. On successful login, the system will prompt you to select the "EVENT" i.e. Diamond Power Infrastructure Limited.
  7. On the voting page, enter the number of shares (which represents the number of votes) held as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and shares held will not be counter under either head.
  8. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
  9. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  10. You may then cast your vote by selecting an appropriate option and click on "Submit".
  11. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution(S).
  12. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) are also required to send scanned certified true copy (pdf format) of the Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to Scrutinizer at email [csdpatel@gmail.com](mailto:csdpatel@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com) and [cs@dicabs.com](mailto:cs@dicabs.com). The scanned image of the above mentioned documents should be in the naming format "**Diamond Power Infrastructure Limited AGM 2017**".
- B. Instructions for members whose email IDs are not registered with the Company/ their respective Depository participants(s) or who have specifically requested for hard copy - Member will receive physical copy of the Notice of AGM:
- i. User ID and initial password as provided herein below.
  - ii. Please follow all steps from SI. No. (1) To SI No. (12) Mentioned above under (Instructions for members whose email IDs are registered with the Company/ their respective Depository participants(s)), to cast vote.

#### Notes:

- I. In case of any queries relating to E-Voting please visit Help & FAQ section of <http://evoting.karvy.com> Closure of e-voting, (Karvy Website).
- II. You can also update your mobile number and email id in the user profile details of the folio which may be used for the sending future communication(s).
- III. The e-voting period commence on Tuesday, 26<sup>th</sup> September, 2017 at 10.00 a.m. Closure of e-voting, Thursday, 28<sup>th</sup> September, 2017 upto 05.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date (record date) being Friday, 22<sup>nd</sup> September, 2017 may cast their vote electronically in the manner

and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Members, the Members shall not be allowed to change it subsequently. Further the Members who have casted their vote electronically shall not vote by way of poll, if held, at the meeting.

- IV. The voting rights of shareholders shall be in proportion to equity shares of the Company held by them as on the cut-off date (record date) being Friday, 22<sup>nd</sup> September, 2017.
- V. The Board of Director has appointed M/s. D Patel & Associates., Practicing Company Secretary as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VII. The results shall be declared on the date of AGM of the Company and the resolution will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).
- VIII. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.dicabs.com](http://www.dicabs.com) and on the website of the service provider (<https://evoting.karvy.com>) within two (2) days of passing the resolution at the AGM of the Company and will also be communicated to National Stock Exchange of India Limited and BSE Limited.

EVENT (E Voting Event Number)	User ID	Password

20. Information required under Listing Obligations (relating to Corporate Governance) with respect to the Directors being appointed and Directors retiring by rotation and being eligible for re-appointment are as under:

Name of the Director	Shri Amit Bhatnagar (DIN 00775880)
Position	Managing Director
Profile	Shri Amit Bhatnagar is the Managing Director of our Company since January 2010. Prior to that, he was the Joint Managing Director of our Company since 1992. He holds a Bachelor's degree in Industrial Engineering (gold medalist) from Saurashtra University and MBA in Finance & MOP with a gold medal from the Asian Institute of Management, Manila. Shri Bhatnagar has over 28 years of experience in Managing the Company. He also has a varied experience in the power equipment industry, which includes business to-business selling via the dealer and industrial marketing route. Shri Bhatnagar as also awarded by the 'Udyog Ratan' award for 2007-08 by the Government of India. He is honoured with the Title of Brand Ambassador of Hon Chief Minister of Gujarat for Swatch Bharat Abhiyan along with 6 other leading Personalities of Gujarat. He is also a Co-

	Founder/of Vadodara International Marathon, served as Chairman & Co-Founder of VADFEST, held the position as a President for Northern India Cultural Association (NICA). He is also a Chairman of Organizing Committee of SWTICH GLOBAL EXPO and won award for BEST PRESIDENT of ROUND TABLE INDIA.
Date of Joining	26 <sup>th</sup> August, 1992
No. of Shares held in the Company	9,98,483 (Equity)
Directorship in other Companies	Madhuri Finserve Private Limited Diamond Projects Limited Diamond Power Transformers Limited Diamond Infosystems Limited Diamond Power Transmission Private Limited Maktel Control & Systems Private Limited Maktel Power Limited

21. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 a.m. to 01.00 p.m. on all working days except Holidays and Sunday, up to and including the date of the Annual General Meeting of the Company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 3**

The Company at its 23<sup>rd</sup> Annual General Meeting held on 30<sup>th</sup> September, 2015 has appointed M/s. B S R & Co., LLP, Chartered Accountants (Firm Registration Number 101248W/W-100022) and M/s. A Yadav & Associates (earlier known as ABCJPR & Company), Chartered Accountants (Firm Registration No.: 129725W) as Joint Statutory Auditors of the Company for the period of 5 years commencing from 23<sup>rd</sup> AGM, which was also rectified by the Members at their 24<sup>th</sup> Annual General Meeting held on 19<sup>th</sup> August, 2016. However, due to the pre-obligations of M/s. B S R & Co. they have resigned as Auditors from 14<sup>th</sup> December, 2016 and M/s. A Yadav & Associates continued as Independent Statutory Auditors of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, in the resolution as set out at item No. 3 and the Board recommends the resolution at Item No. 3 for approval of the members.

**ITEM NO. 4**

The Board of Directors at their meeting held on 10<sup>th</sup> August, 2017, on the recommendations of the Audit Committee had approved the appointment of M/s. S. S. Puranik & Associates, Practicing Cost Accountants (Firm Registration No. 100133) (Membership No. 7113), as the Cost Auditors for audit of the cost accounting records of the Company for the financial year 2017-18, at a remuneration not exceeding Rs. 90,000

(Rupees Ninety Thousand Only) excluding Goods and service tax and reimbursement of out of pocket expenses at actuals, if any, in connection with the audit.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to the Cost Auditor is required to be approved by the members of the Company.

Accordingly, consent of the members is sought for approving the Resolution as set out in Item No. 4 for remuneration payable to the Cost Auditor for conducting the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2018.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed Resolution as set out at Item No. 4 of the Notice. The Board recommends the Ordinary Resolution as set out in Item No. 4 of the Notice for your approval.

**the Board,**

**Bhatnagar**

**Date: 10<sup>th</sup> August, 2017**

**Place: Vadodara**

**By Order of**

**Amit**

**Chairman &  
Managing  
Director of the  
Meeting**

**DIAMOND POWER INFRASTRUCTURE LIMITED**

CIN: L31300GJ1992PLC018198

**Corporate Office:** "Essen House", 5/9-10, B.I.D.C., Gorwa, Vadodara-390016, (Gujarat)  
 India, Ph.: 0265-2284328, 2283969, Fax: 0265-2280528  
 Email: [cs@dicabs.com](mailto:cs@dicabs.com) Website: [www.dicabs.com](http://www.dicabs.com)

**Registered Office:** Phase II, Village: Vadadala, Tal.Savli, Dist. Vadodara-391520, India.  
 Ph.: 02667-251516, 251354 Fax: 02667-251202

**FORM NO. MGT-11**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : \_\_\_\_\_  
 Registered Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_  
 Folio No./Client Id : \_\_\_\_\_  
 DP ID : \_\_\_\_\_

I/We, being the member (s) of ..... Shares of the above named Company, hereby appoint

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him
2. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him
3. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him

As my/our proxy to attend and vote (on a poll) for me/ s and on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company, to be held on the Friday, 29<sup>th</sup> September, 2017 at 10 a.m. at Vadodara and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Description	For*	Against*
1	Adoption of Annual Accounts and Reports thereon for the financial year ended 31st March, 2017.		

2	Appointment of Director in place of Shri Amit Suresh Bhatnagar (DIN 00775880), who retires by rotation and, being eligible, offer himself for re-appointment.		
3	Rectification of appointment of Statutory Auditor of the Company.		
4	Fixation of remuneration of Cost Auditor of the Company.		

Signed this \_\_\_\_\_ day of September, 2017

Signature of Shareholder

Affix  
Revenue  
Stamp

The image is a screenshot of a web browser displaying Google Maps. The browser's address bar shows the URL: <https://www.google.co.in/maps/dir/Vadodara+Jn,+Maharaja+Sayajirao+University,+Alkapuri,+Vadodara,+Gujarat+390020/Diamond+Power+Infrastructure+Limited,+Gujarat>. The map shows a route starting from Vadodara Jn (marked with a red dot) and ending at Diamond Power Infrastructure Limited (marked with a red dot). The route is highlighted in blue and grey, with a travel time of 1 h 18 min. The map includes various landmarks, roads, and a Windows taskbar at the bottom. The taskbar shows icons for Internet Explorer, Google Chrome, and other applications. The system tray shows the time as 15:53 on 21-07-2016.