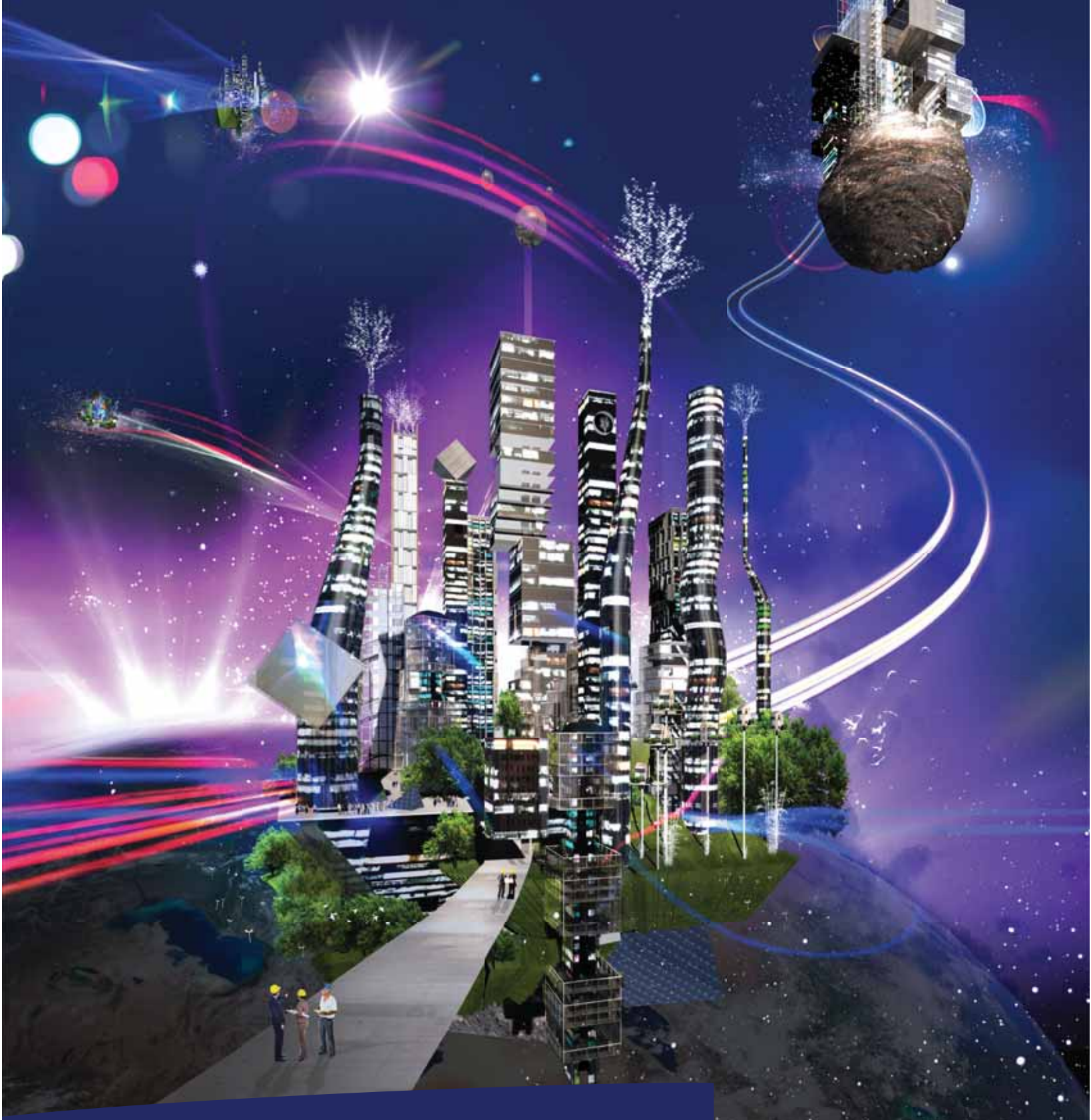


ANNUAL REPORT 2010/11
ALSTOM Projects India Limited



We are shaping the future

ALSTOM

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ALSTOM Projects India Limited

Annual Report and Accounts 2010-2011

Board of Directors

Sunand Sharma, Chairman
Francois Carpentier, Vice Chairman & Managing Director
(from 28 April 2010)
S.M. Momaya, Whole-time Director & Chief Financial Officer
Dr. Pedro Sole *(up to 31 January 2011)*
Dominique Pouliquen
K. Vasudevan
A. K. Thiagarajan
Dr. Uddesh Kohli

Company Secretary

Pradeepta Puhan

Auditors

Price Waterhouse

Registered Office

The International, 5th Floor,
16, Marine Lines Cross Road No.1,
Off Maharshi Karve Road,
Churchgate, Mumbai – 400 020
Telephone: +91 (22) 22000487/490/528
Fax: +91 (22) 22000324
Website: www.alstom.com/India
Email: pradeepta.puhan@power.alstom.com

Registrar & Share Transfer Agents

Karvy Computershare Private Limited
7, Andheri Industrial Estate,
Off Veera Desai Road,
Andheri (West),
Mumbai – 400 053
Telephone: +91 (22) 26730799/26730843
Fax: +91 (22) 26730152
Email: einward.ris@karvy.com

Management Team

Francois Carpentier, Vice Chairman & Managing Director
S.M. Momaya, Whole-time Director & Chief Financial Officer
Amaresh Singh, Country Human Resources Director
Rachana Panda, Country Communications Director
Hiren Vyas, Country Legal Director
Ashish Ohri, Asia & Pacific ITSSC Director
Nirmal Jha, Director - Thermal Services
Shivanand Nimbargi, Regional VP Global Power Sales
Jojo Alexander, Director - Transport
Alain Spohr, Director - Hydro Business
Anup K Malhotra, Director - Quality & EHS
Debes Kumar Bhattacharya, Director - Environment Control System India
Rajeev Sharma, Director - Power Automation Control India
Michael Kerouille, Director - Boilers India
Peter Kunz, VP Gas Region MEI
Bertrand Constensoux, VP Nuclear India Region

Corporate Office

IHDP Building, Plot No.7, Sector 127,
Noida- 201301, Uttar Pradesh, India

Works

Coimbatore
Durgapur
Shahabad
Vadodara

Marketing/Other Offices

Bengaluru
Chennai
Hyderabad
Kolkata
Mumbai
Nagpur
New Delhi
Noida
Korba
Vadodara
Varanasi

Chairman's Letter to Shareholders

Dear Shareholders,

It gives me great pleasure to present the Annual Report on performance of the Company during the year ended 31 March 2011.

As you all may well be aware by now, this year we commenced celebrations of the Centennial year of ALSTOM in the country. It is a phenomenal achievement for any organization and I truly feel proud and privileged to be Chairman of ALSTOM Projects India Ltd. as we commence the journey of ALSTOM into its next century in India. Over these years, ALSTOM has been contributing significantly to the growth and development of infrastructure in India and moving forward, we will continue to partner the nation in its growth to success.

Before I dwell upon about the performance of your Company in the year under review and our future plans, I would briefly outline the major developments that framed our operating environment. Over the span of last one year, the Indian economy has posted a good recovery, improving the country's GDP to 8.6 per cent in 2010-11 as compared to 7.2 per cent during 2009-10. The power and transport sectors are vital to the economic development and social integration of the country. The focus on investments in power sector has been continuing and the economic activity in the transport sector has shown better growth in 2010-11 over the preceding year.

With the active support of its parent viz: the ALSTOM Group, your Company continues to offer a wide range of products and services in the power and transport sectors. As you are already aware, your Company is engaged in the power sector in the business of engineering, procurement, construction and servicing of power plants and power equipment wherein the Company's customers enjoy the most environmentally friendly, advanced and innovative technologies being delivered by us. In the transport sector, your Company has the capability to supply traction equipment, signaling equipment and Train Management Solutions.

Business environment

The power sector reforms initiated by the government of India are yet to achieve their full potential. Having said that, there has never been a period in the history of independent India as we observe now, of such great growth as now in ordering and execution of power generation projects. Despite this, availability of electricity remains one of the most significant problems for India. In view of the current power availability situation in the country the Government of India has been taking certain important steps such as signing the nuclear energy deal in 2008, public-private partnership, inviting foreign direct investment in the sector and encouraging domestic manufacturing capabilities in the country. In view of the prevailing peak deficit and energy shortages, the Government of India has estimated a capacity addition requirement of 100,000 MW in the XIIth Five Year Plan commencing in April 2012.

Indian Railways is expanding its network rapidly by executing several new lines, doubling and gauge conversion projects. Indian Railway's vision 2020 plan proposes to invest Rs. 12.38 lakh crores by the year 2020 in capacity enhancement, asset modernization and rolling stock acquisition.

Your Company is poised to participate and contribute in the emerging opportunities in both the power and rail transport sectors.

Company's Performance

I would like to inform you that your Company has achieved revenues of Rs. 1,803.63 crores for the year ended 31 March 2011. Profit after tax stood at Rs. 169 crores as against Rs. 167 crores in the previous fiscal 2009-10. This has resulted in slightly higher earnings per share of Rs. 25.20 as compared to Rs. 24.95 in the previous year.

Keeping this in view, your Board of Directors has recommended a dividend of Rs.10 (100%) per share on the equity shares of the company.

I would now like to briefly highlight the two sectors in which your Company operates:

Power

India has an installed capacity of 173,626 MW as on 31 March 2011. According to Central Electricity Authority's data, the Indian power utilities have been able to add only about 47.78 per cent of the target in last 4 years at 32,512 MW (between April, 2007 to January, 2011). However, India is rapidly increasing its generating capacity. The market potential to sustain the GDP Growth rate of India @ 8% plus per annum needs the power sector to grow at 1.8 to 2 times the GDP rate of growth.

Contributing towards the Indian power sector, during the year under review your Company had been awarded various significant contracts such as Yeramarus for Rs. 467 crores and Bellary for Rs. 142 crores from BHEL; for hydro mechanical products it was Hulu Terengganu (Malaysia) for Rs. 166 crores, Tidong for Rs. 81 crores and Phata Byung Rs. 55 crores and for heat recovery

steam generators from Az Zour (Kuwait) for Rs. 239 crores. The company was awarded a contract for a combined cycle power plant and the corresponding long term maintenance for Rs. 854 crores. In fact in order to harness the vast potential that exists in the hydropower market, we recently inaugurated our hydro bearing factory in Vadodara. The state-of-the-art factory will serve markets across several regions.

Transport

The rail transport sector in India has expanded manifold in fifty years after independence, both in terms of spread and capacity. The growth in the importance of rail transport within the transport sector is borne out by its growing share in GDP.

The company is investing in expanding capacity and capability of the Transport Information Solutions Engineering and Development centre in Bangalore to address Indian and global markets.

Indian Railways are in the process of finalising the framework for the large rolling stock projects. We expect this to be finalised soon and benefits to the Company will accrue mainly for components from unit at Coimbatore.

During the year under review the Company had won the following two significant contracts:-

- Chennai Rolling Stock – Additional business for traction component from Coimbatore (in consortium with ALSTOM Transport, SA).
- Chennai track work in consortium with L & T.

Environment, Health & Safety (EHS)

In ALSTOM, we consider with great importance, the health and safety of our employees, contractors, customers and stakeholders. Your company maintains high standards of safety, health and environment care at all its operating locations, always ensuring the increasing scale of operations without compromising on the standards of safety, health and environment. Compliance with relevant regulations and effective management of these issues is an integral part of the Company's operating philosophy. EHS is managed and controlled in ALSTOM through an integrated EHS Management System providing continuous improvements in EHS Performance. EHS Management System is based on an "EHS Roadmap", which fulfils the objective of defining the EHS Management Standards for all sites of the Company and provides an audit guideline in order to assess the implementation of these standards.

Established systems and procedures are constantly revised for improvement to achieve higher standards of safety, occupational health and environment protection.

All major locations of the company have well equipped health care facilities / arrangements. The company enables awareness programs on EHS for creating and maintaining awareness among employees about safety and health related issues. In India, various initiatives such as training programs on safety issues and mock drills are conducted in all the locations to increase EHS (Environment, Health, and Safety) awareness amongst the employees.

Corporate Social Responsibility

ALSTOM employees have long campaigned alongside local partners around the world to improve the quality of life in the local communities neighbouring its plants, sites and corporate offices. Under the aegis of ALSTOM Foundation, ALSTOM has been actively focusing on concrete campaigns to protect the environment. Some of the recent campaigns that ALSTOM has been involved in are: restoring the soil to increase agricultural productivity in remote areas of Gujarat and in setting up of 50 windmills for salt farmers in Gujarat in an effort to help them switch from fossil fuel to renewable energy. ALSTOM is also contributing significantly in recharging 30 natural springs in the Kumaon region of the Himalayas for a period of over two years.

Acknowledgements

Last but not the least I take this opportunity to thank and congratulate all employees of the Company for their unstinting efforts to ensure continued good results for the Company. I must also thank all shareholders for their continuous encouragement and support. Finally, I also thank the ALSTOM Group for providing your Company its unwavering support as always.

With regards,

Sunand Sharma
Chairman
ALSTOM Projects India Limited

ALSTOM PROJECTS INDIA LIMITED

Notice to Members

NOTICE is hereby given that the 19th Annual General Meeting of the Members of ALSTOM Projects India Limited will be held on Friday, 08 July 2011, at 11:30 a.m. at Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wachha Road, Churchgate, Mumbai – 400 020 to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements for the year ended on 31 March 2011 together with the Directors' Report and the Auditors' Report thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Dominique Pouliquen, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. K. Vasudevan, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
5. To re-appoint Messrs. Price Waterhouse, Chartered Accountants, as Statutory Auditors of the Company and to authorise the Board to fix their remuneration.

Special Business:

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

"RESOLVED THAT pursuant to the provisions of Section 21 and other applicable provisions, if any, of the Companies Act 1956, (including any statutory modification or re-enactment thereof for the time being in force) and subject to the availability of name and the approval of the Registrar of Companies and/or any other authority as may be necessary, the name of the Company be changed from ALSTOM Projects India Limited to ALSTOM India Limited and the name of ALSTOM Projects India Limited, wherever it appears in the Memorandum of Association, Articles of Association, official documents, etc. be substituted by the new name ALSTOM India Limited in due course.

RESOLVED FURTHER THAT Mr. Francois Carpentier, Vice-Chairman and Managing Director, Mr. S. M. Momaya, Whole-time Director & Chief Financial Officer and Mr. Pradeepta Puhana, Company Secretary, be and are hereby severally authorized to file necessary Forms/applications for availability and change of name of the Company and to do all such acts, deeds, things and matters as may be required or necessary in this matter on behalf of the Company."

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

"RESOLVED THAT pursuant to section 31 of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions, as may be required, under any law for the time being in force, the existing Article 4, 149 and 150 of Articles of Association of the Company be modified in the following manner:

Article 4. (i) The use of the word "ALSTOM" by the Company in its corporate name is subject to such conditions, as may be mutually agreed from time to time by and between "ALSTOM Finance BV" and the Company and therefore except as mutually agreed upon from time to time, the Company has not acquired nor will it acquire at any time hereafter any right, title or interest of any nature

whatsoever in, to or in respect of the name "ALSTOM" either as a name or as a part of a name or otherwise; and the Company shall not assert any right, title or interest in, to or in respect of the name "ALSTOM" or take any action which, in the opinion of ALSTOM Finance BV may or is likely to impair any right, title or interest in, to or in respect of the name "ALSTOM" or create any right, title or interest thereto or herein or in respect thereof adverse to that of ALSTOM Finance BV; and

(ii) Upon ALSTOM Finance BV determining such agreement or mutual understanding as referred in sub-clause (i) above, by notice, the Company shall within such period from the date of such determination (a) discontinue the use of the name "ALSTOM" as part of its corporate name, trade name or trading style; (b) discontinue the use of corporate logo of "ALSTOM"; and (c) take all such steps as may be necessary for the purpose of changing its corporate name, trade name and trading styles as aforesaid. Any new corporate name, trade name or trading style or logo, which the company may adopt, shall not consist of any name, word, letter, expression, logo, symbol or device in any language, script or alphabet similar in sound or appearance to the name "ALSTOM" or the corporate logo of "ALSTOM". All the members of the company shall be deemed to have undertaken to exercise their right as members and specifically their voting rights in such a manner as would enable the company to comply with or implement the provisions of this Article and on this basis on such mutual understanding/ agreement shall be deemed to have become the members of the Company.

Article 149: So long as the word "ALSTOM" shall continue to be used as a part of the corporate name of the Company as provided in Article 4 (i) then "ALSTOM Finance BV", a Company incorporated under the Laws of Netherlands (hereinafter for the sake of brevity referred to as "ALSTOM Finance") or any of:

- (i) any company or corporation being a holding or subsidiary or parent or associate company of ALSTOM Finance BV

(all of which are hereinafter for the sake of brevity referred to as the "Corporations") shall be entitled to appoint in the aggregate not less than one-third of the total number of Directors on the Board of Directors of the Company and to remove any such Directors so appointed and to appoint another in his place or in place of any such Director who resigns or otherwise vacates his office. Such appointment and removal shall be effected by writing to the Board of Directors of the Company and such writing shall be signed by the Director, Secretary or a Principal Officer authorized in that behalf by "ALSTOM Finance" (which shall be authorized to also act on behalf of any of the "Corporations") and such appointment or removal shall take effect immediately upon such writing being delivered to the Company. Any Director(s) so appointed shall not be required to hold any qualification shares and shall not be liable to retire by rotation at any general meeting of the Company, however the number of such non-retiring Director(s) shall not exceed one-third of the total number of Directors.

Provided that:

- (a) the rights conferred upon "ALSTOM Finance" or any of the "Corporations" under this Article shall be subject to the provisions of Section 255 of the said Act, and the provisions of these Articles.

- (b) any Chief Executive who is also a Director of the Company appointed in accordance with Article 150, shall also be taken into account whilst computing the limit of one-third, of the total number of Directors who can be appointed as above.
- (c) The rights under this Article shall be subject to the rights conferred upon any Public Financial Institution under any statutory provision or under any arrangement entered into and/or under any agreement executed with them by the Company to nominate a Director or Directors on the Board of the Company.
- (d) The rights conferred under this Article shall not be capable of being assigned or transferred or exercised by any other party save those, which are expressly referred to hereinabove.

Article 150: (1) Notwithstanding anything contained in Article 148, but subject to the provisions of any law, contract or other arrangements, so long as "ALSTOM Finance BV" or any one or more of the Companies or Corporations referred to in Article 149, singly or collectively hold not less than 26% of the paid up equity share capital of the Company, "ALSTOM Finance BV" or any such Companies or Corporations shall be entitled to appoint a Chief Executive who shall be a Managing Director of the Company and to remove any such Chief Executive so appointed and appoint another in his place or in place of such Chief Executive who resigns or otherwise vacates his office. Such appointment and removal shall be effected by a writing, addressed to the Board of Directors of the Company and signed by the authorized persons (duly authenticated) of "ALSTOM Finance BV" and/or such Companies or Corporations referred to above and the same shall have effect immediately upon being delivered to the Company.

(2) Subject to the other provisions of these Articles and of the Act and the overall supervision, control, superintendence of the Board, the Chief Executive shall have the management of the affairs of the Company. The remuneration of Chief Executive shall be such as may be determined by the Board of Directors of the Company from time to time, and may be by way of monthly payment, annual remuneration, commission or participation in profits or by any or all of these modes or any other mode not expressly prohibited by the Act.

(3) Any Chief Executive so appointed shall not be required to hold any qualification shares and shall not be liable to retire by rotation at any general meeting of the Company.

Any Chief Executive so appointed shall be taken in to account for ascertaining the total number of non-rotational directors as may be appointed on the Board of Directors of the Company and shall also be taken in to account and shall be regarded as Director appointed by "ALSTOM Finance BV" and/or the aforesaid Companies or Corporations collectively referred to above under the provisions of Article 149.

RESOLVED FURTHER THAT Mr. Francois Carpentier, Vice-Chairman and Managing Director, Mr. S. M. Momaya, Whole-time Director & Chief Financial Officer and Mr. Pradeepta Puhan, Company Secretary, be and are hereby severally authorized to do all such acts, deeds, things and matters as may be required or necessary in this matter on behalf of the Company."

By Order of the Board of Directors

Pradeepta Puhan
Company Secretary

Place: Noida
Date: 25 April 2011

Registered Office:

'The International', 5th Floor,
16, Marine Lines Cross Road No.1,
Off Maharshi Karve Road, Churchgate,
Mumbai - 400 020.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and the Transfer Books of the Company will remain closed from 01 July 2011 to 08 July 2011 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the meeting.
4. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to item Nos.6 and 7 is annexed hereto.
5. Members holding shares in physical form are requested to intimate, indicating their respective folio number, the change of their addresses, the change of Bank Accounts, etc. to Messrs. Karvy Computershare Private Limited (Karvy), Unit: ALSTOM Projects India Limited, 7, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai 400053, the Registrar and Transfer Agents of the Company, while members holding shares in electronic form may write to their respective Depository Participant for immediate updation, so as to enable the Company to dispatch dividend warrants to the correct address.
6. Members who hold shares under more than one folio in name(s) in the same order are requested to send the relevant share certificate(s) to Karvy for consolidating the holdings into one account. Karvy will return the share certificate(s) after consolidation.
7. Members/Proxies should bring the attendance slip duly filled in, for attending the Meeting. The attendance slip is sent with this Annual Report.
8. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 13 July 2011 to those members whose names stand registered on the Company's Register of Members:-
 - a) as Beneficial Owners as at the close of business hours on 30 June 2011 as per the list to be furnished by National Securities Depository Services Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in electronic form; and
 - b) as Members in the Register of Members of the Company after giving effect to all the valid share transfers in physical form which are lodged with the Company before 01 July 2011.
9. Members are advised to avail the facility for receipt of future dividends through Electronic Clearing Service (ECS). The ECS facility is available at the locations identified by Reserve Bank of India and State Bank of India from time to time, which

covers most of the cities and towns. Members holding shares in dematerialised mode are requested to contact their respective Depository Participant (DP) for availing ECS facility. Members holding shares in physical form and who have not submitted the ECS details and desirous of availing ECS facility are requested to send to the Company or to Karvy the details such as: the name of the Shareholder, Bank through which account held, Bank Account number and MICR details immediately and wherever possible the request shall be acceded to.

10. Please encash your Dividend Warrants immediately on their receipt by you, as dividends remaining unclaimed for seven years are required to be transferred to the 'Investor Education and Protection Fund' established by the Central Government under the provisions of the Companies Act, 1956, and you shall not be able to claim any unpaid dividend from the said fund or from the Company thereafter. In accordance with this regulation, the transfer of unclaimed dividend pertaining to the year under review to Investor Education and Protection Fund will take place in the year 2018-19. Unclaimed dividend for the financial years 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 are lying with the Company. Members who have not yet encashed the dividend warrants for financial years 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10 are requested to contact the Company's Registrar and Share Transfer Agent – Karvy at the earliest; since no claim shall lie against the Company or the Investor Education and Protection Fund after the amount of unclaimed dividend as on 22 August 2011; 05 September 2012, 02 September 2013; 31 August 2014, 31 August 2015, 30 August 2016, 27 August 2017 and 25 August 2018 respectively becomes eligible for transfer to the Investor Education and Protection Fund.
11. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the Meeting so that the answers may be made available at the Meeting.
12. Members can avail of the Nomination facility by filing Form 2B with the Company or its Registrar (Karvy). Blank forms will be supplied on request. In case of shares held in demat form, the nomination has to be lodged with their DP.
13. Members are requested to bring the copy of the Annual Report to the Annual General Meeting.
14. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
15. In accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be re-appointed are given in the Corporate Governance Section.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their PAN details to Karvy.

ANNEXURE TO NOTICE

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

Item No. 6

The Company was originally incorporated in the name of Asea Brown Boveri Management Limited in the year 1992. Considering

the business requirements the management had changed the name of the Company from time to time with the approval of shareholders of the Company. The last change was made on 11 November 2002 i.e. from ALSTOM Power India Limited to ALSTOM Projects India Limited.

The business horizons of the Company have gradually changed as per the market requirements. The Company now offers a range of products and services in the power and transport sectors. In the power sector the Company is engaged in the business of engineering, procurement, construction and servicing of power plants and power equipments. In the transport sector, the Company has the capability to supply traction equipment, signaling equipment and Train Management Solutions. In other words, the Company's operations have now gone beyond the preview of a "Projects" Company.

The Board of Directors at their meeting held on 25 April 2011 recommended the change of name of the Company, subject to the approval of the shareholders of the Company and the Registrar of Companies or any other authority, as may be necessary.

The proposed business at item no. 6 of the Notice of this meeting is intended to seek your approval. Your Directors recommend the approval of the Special Resolution in accordance with the provisions of section 21 of the Companies Act, 1956.

None of the Directors of the Company are in any way interested in the Resolution, except to the extent of their shareholding (including their relatives), if any, in the Company.

Item No. 7

The Company was incorporated in the year 1992 and the Articles of Association of the Company were drafted according to the requirements during those times.

The Board of Directors at their meeting held on 25 April 2011 recommended, subject to the approval of the shareholders of the Company, amending Article 149 of the Articles of Association of the Company to match with the contemporary law/regulations, including deletion of references to the word "ABB" as appearing in Article 4, 149 and 150 of the Articles of Association of the Company, since ABB is not connected with the Company.

As per the provisions of Section 31 of the Companies Act, 1956, approval of the shareholders is required for amending the Articles of Association of the Company by passing a Special Resolution in this regard.

A copy of the existing Articles of Association as well as the form of the amended Articles of Association of the Company is available for inspection by members at the Registered Office of the Company during working hours on any working day.

None of the Directors of the Company are in any way interested in the Resolution, except to the extent of their shareholding (including their relatives), if any, in the Company.

By Order of the Board of Directors

Pradeepta Puhan
Company Secretary

Place: Noida
Date: 25 April 2011

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 19th Annual Report of the Company and the Audited Accounts for the year ended 31 March 2011.

| Financial Results | For the year ended 31 March 2011 | (Rupees thousands) For the year ended 31 March 2010 |
|--|---|--|
| Profits before Extraordinary items, Tax, Interest and Depreciation | 3,023,645 | 2,901,471 |
| Less: Interest | Nil | (1,244) |
| Less: Depreciation | (482,825) | (417,124) |
| Profit before Tax | 2,540,820 | 2,483,103 |
| Less: Provision for Taxation | | |
| – Current Tax | (778,300) | (876,000) |
| – Deferred Tax | (73,500) | 65,403 |
| Profit after Tax | 1,689,020 | 1,672,506 |
| Balance brought forward from previous year | 2,513,750 | 1,792,645 |
| Profit available for Appropriation | 4,202,770 | 3,465,151 |
| Appropriations | | |
| a) Transferred to General Reserve | 168,902 | 167,251 |
| b) Proposed Dividend | 670,242 | 670,242 |
| c) Corporate Dividend Tax | 106,141 | 113,908 |
| Balance Carried forward to Balance Sheet | 3,257,485 | 2,513,750 |

Dividend

The Directors are pleased to recommend a dividend at the rate of Rs. 10/- per equity share for the year ended 31 March 2011 (previous year Rs. 10/- per share) on 67,024,174 equity shares of Rs. 10/- each.

Operations

A detailed review of the operations, performance and outlook of the Company and its business is given in the Management Discussion and Analysis Report, which forms a part of this Annual Report.

Consolidated Financial Statements

In compliance with the applicable Clauses of Listing Agreements with the Stock Exchanges, the Company has prepared Consolidated Financial Statements as per the Accounting Standard on Consolidated Financial Statements (AS 21) issued by the Institute of Chartered Accountants of India. The Audited Consolidated Financial Statements along with the Auditors' Report have been annexed to this Annual Report.

Corporate Governance

Your Company is in compliance with the requirements and disclosures with respect to the Code of Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges. As a listed company, necessary measures are taken to comply with the Listing Agreements with the Stock Exchanges. A report on Corporate Governance as stated above, along with a certificate of compliance from the Auditors, forms part of this Annual Report. The Vice Chairman and Managing Director's declaration regarding compliance with 'ALSTOM Projects India Limited Code of Conduct for Board Members and Senior Management' is attached to the Corporate Governance Report.

Management Discussion and Analysis

The Management Discussion and Analysis is presented in a separate section, which forms a part of the Annual Report.

Directors' Responsibility Statement

In compliance of Section 217(2AA)

of the Companies Act, 1956, the Directors of your Company confirm:

- (i) that the applicable accounting standards have been followed in preparation of final accounts and there are no material departures;
- (ii) that such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2011 and of the profit of the Company for the year ended on that date;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the annual accounts have been prepared on a going concern basis.

Subsidiary Company

ALSTOM Power Boilers Services Limited is a wholly owned subsidiary of your Company.

The Ministry of Corporate Affairs, Government of India vide General Circular No:2 /2011 dated 08 February 2011 has directed that provisions of Section 212 of the Companies Act, 1956 shall not apply in relation to subsidiaries of those companies which fulfil the conditions contemplated in the aforesaid circular. Your Company fulfils the conditions contemplated in the said circular. Therefore, the Annual Report and other particulars of the subsidiary company are not attached with this Annual Report. However, a statement of particulars of the subsidiary company has been attached alongwith the audited Consolidated Financial Statements.

The Company shall provide the copy of Annual Report and other documents of its subsidiary company as required under Section 212 of the Act to the shareholders of the Company and also to the shareholders of the subsidiary company on their request, free of cost. The Annual Report containing the annual accounts of the subsidiary company is also kept open for inspection by any shareholder at the Registered Office of the Company and that of the subsidiary company. The details of accounts of the subsidiary company have been placed on the website of the Company. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary company.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The particulars as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure-A which forms a part of this Directors' Report.

Environment Compliance:

The Company complies with all requirements regarding management of pollutants of manufacturing units and also conducts Environmental Audits of its units at regular intervals.

The Company has obtained necessary environmental consents such as air, water and hazardous waste authorisation from respective Pollution Control Boards and are in compliance with the present environmental legislation.

Particulars of Employees:

The total number of employees of the Company as on 31 March 2011 was 3,941.

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, forms part of this Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all Shareholders of the Company excluding the Statement of Particulars of Employees under Section 217(2A) of the Companies Act, 1956. Any Shareholder interested in obtaining a copy of the said Statement may write to the Company Secretary at the Registered Office of the Company, and the same will be sent by post.

"Group" for Inter-se Transfer of Shares

As required under Regulation 3(i)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, person constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulations 10 to 12 of the aforesaid SEBI Regulations are given in Annexure-B which forms part of this Annual Report.

Fixed Deposits

The Company has not accepted any fixed deposits during the year under review.

Board of Directors

In accordance with the Articles of Association of the Company, Mr. Dominique Pouliquen and Mr. K. Vasudevan, Directors retire by rotation from the Board of Directors of the Company at the ensuing Annual General Meeting. Both are eligible and seek their re-appointment at the ensuing Annual General Meeting.

Dr. Pedro Sole had resigned from the Directorship of the Company with effect from 31 January 2011. The Board places on record its appreciation for the valuable services and guidance given by Dr. Pedro Sole to the Company during his tenure as a Director of the Company.

The particulars of Directors proposed to be re-appointed are given in the Corporate Governance Report of this Annual Report.

Auditors

M/s. Price Waterhouse, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received the letter pursuant to Section 224(1B) of the Companies Act, 1956 from Messrs. Price Waterhouse, Chartered Accountants, regarding their eligibility for re-appointment as Auditors of the Company.

The Notes to Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Appreciation

The Board of Directors take this opportunity to thank all its valued customers, banks, government authorities, investors and stock exchanges for their continued support to the Company. The Board also takes this opportunity to express its sincere appreciation for the excellent support and dedicated efforts put in by the employees for continued good performance. Further, your Directors wish to thank its promoters (viz: ALSTOM Group) for its ongoing valuable support and also other shareholders of the Company for the continuing support.

For and on behalf of the
Board of Directors

Francois Carpentier
Vice Chairman &
Managing Director

S.M. Momaya
Whole time Director &
Chief Financial Officer

Place: Noida
Date: 25 April 2011

Annexure – A to Directors’ Report

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo – Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(A) Conservation of Energy

a. Energy conservation measures taken during 2010-2011

- Monitored Power Factor by maintaining between 0.95–0.97 for the whole unit at Durgapur facility, added new capacitor Banks, corrected as and when required resulting in achieving a rebate from State Electricity Board.
- Installed Energy Meters at major electrical installation in the Sub Station to monitor power consumption.
- Arrested Compressed Air Leakage at various locations to improve volumetric efficiency of compressors. Ultrasonic air leakage detector has been procured for identifying the leakages and thus arresting them.
- Installed energy saving units in Air conditioners, and started getting benefits on the energy consumptions of the air conditioners.
- Installed skylights at two of our bays, thus preventing artificial lights in the shops during daytime, thus saving energy.
- Solar Panels were installed at the main entrance road for street lighting.
- All 400 W SON lamps in element shop and Header shop replaced with 250 W metal halides.
- Recycling of Hydraulic water system has been implemented in HT LT furnace.
- Daily monitoring system to prevent water leakages and wastages.
- Installation of Digital A.C. VVVF Drive for hot water circulation pump motor operation of the induction furnaces water cooling system, replacing the conventional power consuming star delta starter system has effected energy saving of 10,000 units per annum.
- Installation and replacement of filament lamps and replacement of filament indicator lamps of machines and shop offices at various locations with the Energy Efficient CFL lamps and LED indicators has

affected energy saving of 9,600 units per annum.

- Modernization and Conversion of three numbers EOT Cranes (Electrically Operated Trolley Crane) into Radio Remote Controlled operation.

b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Nil.

c. Impact of above measures for reduction of energy consumption and consequent impact on cost of production of goods.

- Expenditure on energy forms a very small part of the cost of production. Hence, reduction of energy consumption does not have any significant impact on the cost of production of goods.

(B) Technology Absorption, Adaptation and Innovation

(1) Efforts made towards technology absorption, adaptation and innovation

The Company was taking continuous efforts towards research and development of its products.

(2) Benefits derived as a result of above efforts

- Product improvement.
- Cost Reduction.
- New product Profile.
- Import substitution.

(3) Future plan of action are as under:

- Installation of soft starter for the Header & Element shop compressor
- Replacement of SON lamps with Metal Halides in assembly bay.
- Power Factor correction unit for the new transformer.
- During the year the Shahabad unit has acquired the technology for the High performance mills (HP coal Mills). Training has been imparted to the employees on the design, engineering, quality and manufacture of the HP Mills. The first HP 1103 Coal Mill has been manufactured during the year.

(4) Expenditure on R & D

- Capital - Nil
- Recurring - Nil
- Total - Nil
- Total R & D expenditure as a % of total turnover – N.A.

(5) In case of imported technology (import during the last 5 years reckoned from the beginning of the financial year), following information to be furnished:

| Technology imported | Year of import | Has technology been fully absorbed | If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action |
|---------------------|----------------|------------------------------------|---|
| Nil | N.A | N.A. | N.A. |

(C) Foreign Exchange Earnings and Outgo

a) Activities relating to exports:

The total export earnings from Engineering and other services were Rs. 952 million.

b) Total foreign exchange used and earned:

(Rupees thousands)

| | |
|-----------------------------|-----------|
| Foreign exchange earned | 4,215,136 |
| Foreign exchange used | 4,085,195 |
| Net foreign exchange earned | 129,941 |

For and on behalf of the Board of Directors

Francois Carpentier
Vice Chairman &
Managing Director

S.M. Momaya
Whole time Director &
Chief Financial Officer

Place: Noida

Date: 25 April 2011

Annexure B to Directors' Report

List of persons constituting "Group" as required under clause 3 (e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

| Country | Company name | Country | Company name |
|-----------|--|---------------------|---|
| Algeria | ALSTOM Algérie "Société par Actions" | China | ALSTOM Grid Ltd |
| Algeria | ALSTOM Grid Algérie SPA | China | ALSTOM Grid Technology Center Co., Ltd |
| Algeria | CITAL | China | ALSTOM Hong Kong Ltd |
| Argentina | ALSTOM Argentina S.A. | China | ALSTOM Hydro China Co., Ltd |
| Argentina | ALSTOM Grid Argentina S.A. | China | ALSTOM Instrument Transformers (Shanghai) Co., Ltd. |
| Australia | ALSTOM Australia Holdings Limited | China | ALSTOM Power Generation Limited |
| Australia | ALSTOM Australia Limited | China | ALSTOM Power Service (Hong Kong) Ltd |
| Australia | ALSTOM Australia Superannuation Plan Pty Limited | China | ALSTOM Qingdao Railway Equipment Co Ltd |
| Australia | ALSTOM Grid Australia Ltd | China | ALSTOM Shanghai Aohan Energy Recovery Systems Co. Ltd |
| Australia | ALSTOM Limited | China | ALSTOM Sizhou Boiler Auxiliary Machinery (Qingdao) Co., Ltd |
| Australia | ALSTOM MSC PTY LIMITED | China | ALSTOM Sizhou Electric Power Equipment (Qingdao) Co. Ltd |
| Australia | ALSTOM Power Site Services Pty Limited | China | ALSTOM Strongwish (Shenzhen) Co. Ltd |
| Australia | ALSTOM UGL Rolling Stock Pty Limited | China | ALSTOM Technical Services (Shanghai) Co., Ltd |
| Austria | ALSTOM Austria GmbH | China | AREVA T&D GUANGDONG SWITCHGEAR CO., LTD |
| Austria | RTA RAIL TEC ARSENAL | China | AREVA T&D HUADIAN SWITCHGEAR (XIAMEN) CO. LTD |
| | FAHRZEUGVERSUCHSANLAGE GMBH | China | AREVA T&D Suzhou High Voltage Switchgear Co., Ltd |
| Belgium | ALSTOM Belgium Business & Services | China | AREVA T&D XIAMEN SWITCHGEAR CO. LTD |
| Belgium | ALSTOM Belgium SA | China | AREVA T&D YULI (BEIJING) DISCONNECTOR CO., LTD |
| Brazil | AIR PREHEATER EQUIPAMENTOS LTDA | China | AREVA WUHAN TRANSFORMER CO., LTD |
| Brazil | ALSTOM Brasil Energia e Transporte Ltda | China | CASCO SIGNAL LTD |
| Brazil | ALSTOM Grid Energia Ltda | China | DALIAN PYUNG-IL CARIBONI POWER LINE PRODUCTS CO., LTD |
| Brazil | ALSTOM Industria Ltda | China | KEEN MASTER LTD |
| Brazil | ALSTOM Wind Equipamentos Eolicos e Servicios | China | SEC AREVA (SHANGHAI BAOSHAN) TRANSFORMER CO., LTD |
| Brazil | CEBRAFR SERVICOS LTDA | China | SEC AREVA (SHANGHAI LINGANG) TRANSFORMERS CO. LTD |
| Brazil | ETE - EQUIPAMENTOS DE TRACAO ELETRICA LTDA | China | SHANGHAI ALSTOM Transport Company Limited |
| Brazil | IMMA - INDUSTRIA METALURGICA E MACANICA DA AMAZONIA LTDA | China | SHANGHAI ALSTOM Transport Electrical Equipment Company Ltd |
| Brazil | PCH O&M - PCH OPERACAO E MANUTENCAO LTDA | China | SUZHOU AREVA SWITCHGEAR LIMITED |
| Bulgaria | ALSTOM Bulgaria EOOD | China | TIANJIN ALSTOM Hydro Co., Ltd |
| Canada | ALSTOM Canada Inc. | China | WUHAN BOILER BOYU INDUSTRY LIMITED DUTY COMPANYY |
| Canada | ALSTOM Canada Ocean Technology Inc. | China | WUHAN BOILER COMPANY LTD |
| Canada | ALSTOM Grid Canada Inc (or) ALSTOM Reseau Canada Inc | China | WUHAN LANXIANG ENERGY & ENVIRONMENTAL PROTECTION TECHNOLOGY INC |
| Canada | ALSTOM Power & Transport Canada Inc. / ALSTOM Energie & Transport Canada Inc. | China | WUXI ALUMIN CASTING CO., LTD |
| Canada | ALSTOM Sitca Inc. | China | XI'AN ALSTOM YONGJI ELECTRIC EQUIPMENT CO., LTD |
| Canada | GENERAL RAILWAY SIGNAL OF CANADA LIMITED ou SIGNALISATION FERROVIAIRE GENERALE DU CANADA LIMITEE | China | ALSTOM Colombia S.A. |
| Canada | MECANIKA CONSTRUCTION INC | China | AREVA T&D S.A. |
| Chile | ALSTOM Chile S.A. | Colombia | ALSTOM Croatia Ltd |
| Chile | AREVA T&D CHILE S.A. | Colombia | ALSTOM Power CZ, s.r.o., ALSTOM Group |
| China | ALSTOM (China) Investment Co., Ltd | Croatia | ALSTOM s.r.o. |
| China | ALSTOM (Wuhan) Engineering & Technology Co., Ltd | Czech Republik | GEC ALSTHOM ACEC CONGO of Congo |
| China | ALSTOM (Yangzhou) High Voltage Bus-Ducts Co., Ltd | Czech Republik | |
| China | ALSTOM Beizhong Power (Beijing) Co., Ltd | Democratic republik | |
| China | ALSTOM Disconnecter (Wuxi) Co., Ltd | | |
| China | ALSTOM Grid (Shanghai) Co., Lt | | |
| China | ALSTOM Grid Enterprise Management (Shanghai) Co., Ltd | | |

| Country | Company name | Country | Company name |
|----------------|---|----------------|---|
| Denmark | ALSTOM Danmark A/S | France | EMBIX |
| Denmark | ALSTOM Power FlowSystems A/S | France | ETOILE KLEBER |
| Denmark | AREVA T&D DANMARK A/S | France | FRAMECA - FRANCE METRO CARACAS |
| Egypt | ALSTOM Egypt for Power & Transport Projects S.A.E. | France | GECI - GROUPEMENT D'ETUDES ET DE CONSTRUCTIONS INDUSTRIELLES |
| Egypt | ALSTOM Grid for Electrical Network SAE | France | HYMEC - SOCIETE D'EQUIPEMENT HYDROMECHANIQUE |
| Egypt | ALSTOM International Egypt S.A.E. | France | INTERINFRA (COMPAGNIE INTERNATIONALE POUR LE DEVELOPPEMENT D'INFRASTRUCTURES) |
| Egypt | ALSTOM Water Systems | France | IPO - INSTITUT DE PARTICIPATIONS DE L'OUEST |
| Egypt | AREVA INTERNATIONAL EGYPT FOR ELECTRICITY TRANSMISSION & DISTRIBUTION | France | LABORATOIRE OKSMAN SERAPHIN |
| Estonia | ALSTOM Estonia AS | France | LORELEC |
| Finland | ALSTOM Finland Oy | France | MOBILITE AGGLOMERATION REMOISE SAS |
| Finland | AREVA T&D OY | France | PARC EOLIEN CHAMPS PUGET |
| Finland | OY BEABELLA AB "in Bankruptcy" | France | PARC EOLIEN DE LA BRUYERE SARL |
| France | (SIE) SOCIETE INDUSTRIELLE ENERGIE | France | PARC EOLIEN DE VIALETTE SARL |
| France | A.M.R. | France | PARC EOLIEN DES PIERRES PLATES SARL |
| France | AIRE URBAINE INVESTISSEMENT | France | PARC EOLIEN DU COIN GUERIN SARL |
| France | ALSOMA G.E.I.E. | France | PLA DE MOULIS |
| France | ALSTOM | France | PROTEA |
| France | ALSTOM Bergeron | France | RESTAURINTER |
| France | ALSTOM BGR "Société en liquidation" | France | SAMT SARL |
| France | ALSTOM Grid Protection & Contrôle SAS | France | SOCPE BOUXETA |
| France | ALSTOM Grid SAS | France | SOCPE CHAMPS CHAGNOTS |
| France | ALSTOM Grid Transformateurs de Mesure SA | France | SOCPE DE BREUILLEBAULT |
| France | ALSTOM Holdings | France | SOCPE DE CERMELLES |
| France | ALSTOM Hydro France | France | SOCPE DE CHAMPS PERDUS |
| France | ALSTOM Hydro Holding | France | SOCPE DE FOND DE LA DEMIE LIEUE |
| France | ALSTOM I.T.C. ou ALSTOM Infrastructure Technology Center | France | SOCPE DE LA FORTE PLACE |
| France | ALSTOM Kleber Sixteen | France | SOCPE DE LAME DE FER |
| France | ALSTOM Kleber Twenty | France | SOCPE DE POUZELAS |
| France | ALSTOM Kleber Twenty One | France | SOCPE DE VERS CAYEUX |
| France | ALSTOM Kléber Malraux | France | SOCPE DES BEAUCEUX |
| France | ALSTOM Kléber Thirteen | France | SOCPE DU BOIS DE LENS |
| France | ALSTOM Leroux Naval | France | SOCPE LA MARGE |
| France | ALSTOM Management SA | France | SOCPE LANDES DE COUESME |
| France | ALSTOM Network Power | France | SOCPE LE CHENE COURTEAU |
| France | ALSTOM Network Transmission | France | SOCPE PLANE DE MANSA |
| France | ALSTOM Network Transport | France | SOCPE TERRES DE L'ABBAYE |
| France | ALSTOM Power Conversion | France | T&D HOLDING |
| France | ALSTOM Power Heat Exchange | France | TARBES INDUSTRIE |
| France | ALSTOM Power Holdings SA | France | TECHNOS ET COMPAGNIE |
| France | ALSTOM Power Industrie | Germany | ALSTOM Carbon Capture GmbH |
| France | ALSTOM Power SA | Germany | ALSTOM Deutschland AG |
| France | ALSTOM Power Service | Germany | ALSTOM Erste Verwaltungen GmbH |
| France | ALSTOM Power Systems SA | Germany | ALSTOM GmbH |
| France | ALSTOM Resources Management | Germany | ALSTOM Grid GmbH |
| France | ALSTOM Sextant 2 | Germany | ALSTOM Grid Messwandler GmbH |
| France | ALSTOM Sextant 3 | Germany | ALSTOM Lokomotiven Service GmbH |
| France | ALSTOM Sextant 4 | Germany | ALSTOM Power Energy Recovery GmbH |
| France | ALSTOM Sextant 5 | Germany | ALSTOM Power Service GmbH |
| France | ALSTOM Transport SA | Germany | ALSTOM Power Systems GmbH |
| France | ALSTOM WIND France SAS | Germany | ALSTOM T&D GmbH |
| France | AMJ31 | Germany | ALSTOM Transport Deutschland GmbH |
| France | CENTRE D'ESSAIS FERROVIAIRE EN REGION | Germany | ALSTOM Zweite Verwaltungen GmbH |
| France | NORD PAS DE CALAIS SA | Germany | CLEVER ENGINEERING GMBH i.L. |
| France | CHANTIERS DE L'ATLANTIQUE | Germany | FFW GMBH - GESELLSCHAFT |
| France | COGELEX | Germany | FUR PERSONAL UND ORGANISATIONSENTWICKLUNG |
| France | COMPAGNIE DE MONTAGES ELECTRIQUES A L'EXPORTATION - COMELEX | | |

| Country | Company name | Country | Company name |
|----------------|---|----------------|---|
| Germany | INTER-ELECTRO-GESELLSCHAFT MBH | India | KALYANI ALSTOM POWER LIMITED |
| Germany | SCHORCH ALTERSVERSORGUNG GMBH | India | NTPC ALSTOM POWER SERVICES PRIVATE LTD |
| Germany | VGT VORBEREITUNGSGESELLSCHAFT TRANSPORTTECHNIK GMBH | India | SMARTGRID AUTOMATION DISTRIBUTION AND SWITCHGEAR LIMITED |
| Great Britain | ALSTOM Contracting Ltd | Indonesia | PT ALSTOM GRID |
| Great Britain | ALSTOM Defined Contribution Pension Trustee Limited | Indonesia | PT ALSTOM Power Energy Systems Indonesia |
| Great Britain | ALSTOM Electrical Machines Ltd | Indonesia | PT ALSTOM Transport Indonesia |
| Great Britain | ALSTOM Grid UK Ltd | Indonesia | PT UNELEC INDONESIA |
| Great Britain | ALSTOM Group UK Ltd | Iran | ALSTOM Khadamat S.A. |
| Great Britain | ALSTOM Ltd | Ireland | ALSTOM Ireland Ltd |
| Great Britain | ALSTOM Network UK Ltd | Israel | ALSTOM Israel Ltd |
| Great Britain | ALSTOM Northern Line Service Provision | Israel | CITADIS ISRAEL |
| Great Britain | ALSTOM Pension Trust Ltd | Israel | CITYPASS LIMITED |
| Great Britain | ALSTOM Power Construction Ltd | Israel | MEGALIM SOLAR POWER LTD |
| Great Britain | ALSTOM Power Generation Limited | Israel | METRO RAIL LTD |
| Great Britain | ALSTOM Power Ltd | Italy | ALSTOM Ferroviaria S.p.A. |
| Great Britain | ALSTOM Power Plants Ltd | Italy | ALSTOM Grid S.p.A. |
| Great Britain | ALSTOM Power Plants Services Limited | Italy | ALSTOM Power FlowSystems s.r.l. |
| Great Britain | ALSTOM Resources Management Ltd | Italy | ALSTOM Power Italia S.p.A. |
| Great Britain | ALSTOM Transmission UK Limited | Italy | ALSTOM S.p.A. |
| Great Britain | ALSTOM Transport | Italy | ALSTOM Wind Italia s.r.l. |
| Great Britain | ALSTOM Transport Hong Kong Ltd | Italy | CEGELEC ITALIA (IN LIQUIDAZIONE) |
| Great Britain | ALSTOM Transport Service Ltd | Italy | OSVALDO CARIBONI LECCO S.p.A. |
| Great Britain | ALSTOM Transportation Projects International Ltd | Italy | S.A.T. SISTEMA AUTOMATICO DI TRASPORTO S.R.L. |
| Great Britain | ALSTOM Transportation Projects Limited | Italy | SIM SOCIETA ITALIANA MONTAGGI S.P.A. |
| Great Britain | ALSTOM Turbine Generators India Ltd | Italy | T.P.B. TRASPORTI PUBBLICI DELLA BRIANZA S.p.A. (in bankruptcy) |
| Great Britain | ALSTOM UK | Italy | TRAM DI FIRENZE S.p.A. |
| Great Britain | ALSTOM UK Holdings Ltd | Italy | VAL 208 TORINO GEIE |
| Great Britain | AREVA SWITCHGEAR LIMITED | Japan | ALSTOM Grid Japan K.K. |
| Great Britain | AREVA T&D HVDC India Ltd | Japan | ALSTOM K.K. |
| Great Britain | AREVA T&D POWER ELECTRONIC SYSTEMS LTD | Japan | KAJIWARA IRON WORKS CO., LTD |
| Great Britain | AREVA T&D SPR International Limited | Japan | NIHON KENGYO K.K. |
| Great Britain | COGELEX LIMITED | Japan | NIHON SANGYO K.K. |
| Great Britain | HARDY TRAINCARE LIMITED | Kazakstan | ALSTOM Kazakhstan LLP |
| Great Britain | LONG & CRAWFORD LIMITED | Korea | ALSTOM Korea Ltd |
| Great Britain | NEWBOLD CCI LIMITED | Korea | ALSTOM Transport Korea Ltd |
| Great Britain | NEWBOLD ENERGY LTD | Latvia | ALSTOM Latvia Ltd |
| Great Britain | PSYMETRIX | Libya | ALGEC GT SERVICES, LIBYAN JOINT VENTURE STOCK COMPANY |
| Great Britain | SIGNALLING SOLUTIONS LIMITED | Libya | FRENCH LIBYAN ELECTRICAL SERVICES COMPANY (FLESCO) |
| Great Britain | WASHWOOD HEATH TRAINS LTD | Lithuania | UAB ALSTOM POWER |
| Great Britain | WEST COAST SERVICE PROVISION LIMITED | Malaysia | ALSTOM Asia Pacific Sdn Bhd |
| Great Britain | WESTCOAST TRAINCARE LIMITED | Malaysia | ALSTOM Hydro Malaysia Sdn Bhd |
| Greece | ALSTOM Grid Hellas S.A. Electrical Commercial and Construction Company | Malaysia | ALSTOM Services Sdn Bhd |
| Greece | ALSTOM Hellas S.A. | Malaysia | LCM SWITCHGEAR MANUFACTURING SDN BHD |
| Hungary | ALSTOM Hungary Co. Ltd. | Mexico | ALSTOM Grid, S.A. de C.V. |
| India | ALSTOM Bharat Forge Power Limited | Mexico | ALSTOM Mexicana S.A. de C.V. |
| India | ALSTOM Hydro R&D India Limited | Mexico | ALSTOM Mexico, S.A. de C.V. |
| India | ALSTOM India Ltd | Mexico | ALSTOM Power Proyectos S.A. de C.V. |
| India | ALSTOM Manufacturing India Ltd | Mexico | CERREY, S.A. de C.V. |
| India | ALSTOM Power Boilers Services Limited | Mexico | DELAS REPSA |
| India | ALSTOM Projects India Ltd | Mexico | PESCA INDUSTRIAL CORPORATIVA SA DE CV - PICOSA (en faillite) |
| India | ALSTOM Transport India Limited | Mexico | ROSARITO POWER S.A. DE C.V. |
| India | AREVA T&D India Limited | Mexico | SUBURBANO EXPRESS, S.A. DE C.V. |
| India | ENERGY GRID AUTOMATION TRANSFORMERS AND SWITCHGEARS INDIA LIMITED | Morocco | ALSTOM Grid Maroc |
| India | GRID EQUIPMENTS LIMITED | Morocco | ALSTOM Maroc S.A. |

| Country | Company name | Country | Company name |
|--------------------|--|----------------|--|
| Morocco | ALSTOM Power Hydraulique SAS | Singapore | ALSTOM Power Singapore Pte Ltd |
| Morocco | CONCEPELEC | Singapore | ALSTOM Transport (S) Pte Ltd |
| Morocco | HYDROMONTAGE (MAROC) SA (en cours de dissolution) | Slovakia | ALSTOM Grid, spol. s r.o. |
| Nepal | NEPAL HYDRO & ELECTRIC PVT.LTD | Slovakia | ALSTOM Slovakia, s.r.o. |
| Netherlands | ALSTOM Finance BV | South Africa | ALSTOM Africa Holdings (Pty) Limited |
| Netherlands | ALSTOM Grid - Rusal BV | South Africa | ALSTOM Power Projects (Pty) Ltd |
| Netherlands | ALSTOM Grid Finance BV | South Africa | ALSTOM Power Service (Pty) Ltd |
| Netherlands | ALSTOM Netherlands BV | South Africa | ALSTOM Power Service SA (Pty) Limited |
| Netherlands | ALSTOM NV | South Africa | ALSTOM S&E Africa (Pty) |
| Netherlands | ALSTOM Power Nederland B.V. | South Africa | ALSTOM Southern Africa Holdings |
| Netherlands | ALSTOM Transport BV | South Africa | ALSTOM STH Africa Power Projects (Pty) Limited |
| Netherlands | DE BARTE ZEELAND B.V. | Spain | ALSTOM Espana IB, S.L. |
| Netherlands | GEC ALSTHOM NV | Spain | ALSTOM Grid, S.A. |
| Netherlands | TMH-ALSTOM BV | Spain | ALSTOM Hydro Espana, S.L. |
| New Zealand | ALSTOM New Zealand Holdings Limited | Spain | ALSTOM Power, S.A. |
| New Zealand | ALSTOM New Zealand Limited | Spain | ALSTOM Transporte, S.A. |
| Nigeria | ALSTOM Grid Nigeria Limited | Spain | ALSTOM Wind Altamira, S.A. |
| Nigeria | ALSTOM Nigeria Limited | Spain | ALSTOM Wind Galicia, S.L.U. |
| Norway | ALSTOM Grid AS | Spain | ALSTOM Wind Instalacion, S.L. |
| Norway | ALSTOM Norway AS | Spain | ALSTOM Wind Navarra, S.A. |
| Norway | ALSTOM Vannkraft AS | Spain | ALSTOM WIND, SOCIEDAD LIMITADA |
| Pakistan | ALSTOM Grid Pakistan (PVT.) Limited | Spain | APLICACIONES TECNICAS INDUSTRIALES, S.A. |
| Pakistan | AREVA T&D PAKISTAN PRIVATE LIMITED | Spain | ECOTECNIA PROMOCIONES EOLICAS INTERNACIONALES, S.A.U. |
| Panama | ALSTOM Panama, S.A. | Spain | EOLICA DE LA RUYA, S.L. |
| Peru | AGUAYTIA SUMINISTROS Y EQUIPAMIENTOS S.A. | Spain | EOLICA HORMILLA, S.L. |
| Peru | ALSTOM Peru S.A. | Spain | EOLICA ORTEGA, S.L. |
| Philippines | ABRECO REALTY CORPORATION | Spain | EOLICA TRAMUNTANA, S.L. |
| Philippines | ALSTOM Philippines, Inc. | Spain | IRVIA MANTENIMIENTO FERROVIARIO, S.A. |
| Poland | ALSTOM Konstal Spolka Akcyjna | Spain | LA MAQUINISTA TERRESTRE Y MARITIMA S.A. - MTM |
| Poland | ALSTOM Poland SSC Sp. z o.o. | Spain | PARC EOLIC COLL DEL PANISSOT, S.L. |
| Poland | ALSTOM Power Construction Sp. zo.o. | Spain | PARC EOLIC L'ERA BELLA, S.L. |
| Poland | ALSTOM Power Spolka z ograniczona odpowiedzialnoscia in Warszawa | Spain | PARQUE EOLICO LA SARGILLA, S.A.U. |
| Porto Rico | ALSTOM Caribe, Inc. | Spain | PARQUE EOLICO LAS TADEAS, S.L. |
| Portugal | ALSTOM Grid Portugal, Ltda | Spain | PARQUE EOLICO VALDEHIERRO, S.L. |
| Portugal | ALSTOM Portugal, S.A. | Spain | PARQUES EOLICOS DE CEUTA, S.L. |
| Romania | ALSTOM General Turbo SA | Spain | PARQUES EOLICOS DE LA REGION DE MURCIA, S.A. |
| Romania | ALSTOM Grid Romania Srl | Spain | SET VECIANA, S.L. |
| Romania | ALSTOM Infrastructure Romania srl | Spain | TRAMVIA METROPOLITA DEL BESOS SA |
| Romania | ALSTOM Transport SA | Spain | TRAMVIA METROPOLITA, S.A. |
| Russian Federation | ALSTOM Atomenergomash | Spain | VENT DEL MONTSIA, S.L. |
| Russian Federation | ALSTOM Limited | Sweden | ALSTOM Grid AB |
| Russian Federation | ALSTOM Power Stavan | Sweden | ALSTOM Hydro Sweden AB |
| Russian Federation | ALSTOM Power Turbomachines Ltd | Sweden | ALSTOM Power Sweden Aktiebolag |
| Russian Federation | AREVA T&D RUSAL ELECTRO ENGINEERING | Sweden | ALSTOM Sweden AB |
| Russian Federation | JOINT VENTURE ALSTOM Power Uniturbo Limited | Sweden | ALSTOM Transport AB |
| Russian Federation | TRTrans | Switzerland | ALSTOM (Schweiz) AG, ALSTOM (Switzerland) Ltd, ALSTOM (Suisse) SA |
| Russian Federation | YUZHNY EXPRESS | Switzerland | ALSTOM (Schweiz) Services AG ou ALSTOM (Switzerland) Services Ltd ou ALSTOM (Suisse) Services SA |
| Russian Federation | ZAO ALSTOM Grid | Switzerland | ALSTOM Grid AG, ALSTOM Grid Ltd, ALSTOM Grid SA |
| Saudi Arabia | ALSTOM Saudi Arabia Limited | Switzerland | ALSTOM Inspection Robotics AG ou ALSTOM Inspection Robotics Ltd ou ALSTOM Inspection Robotics SA |
| Saudi Arabia | ALSTOM Saudi Arabia Transport and Power Ltd | Switzerland | ALSTOM Management Resources AG (ou) ALSTOM Management Resources Ltd |
| Saudi Arabia | AREVA T&D SAUDI ARABIA LTD | | |
| Saudi Arabia | THE ELECTRICAL MATERIALS & EQUIPMENT CO LTD | | |
| Senegal | ALSTOM Sénégal Sarl | | |
| Singapore | A.S. 5 SINGAPORE PTE. LTD | | |
| Singapore | ALSTOM Grid Pte Ltd | | |

| Country | Company name | Country | Company name |
|---------------------|---|--------------------------|-------------------------------------|
| Switzerland | ALSTOM Network Schweiz AG / ALSTOM Network Switzerland Ltd / ALSTOM Network Suisse SA | USA | ALSTOM Maintenance Inc. |
| Switzerland | ALSTOM Power Consulting AG (ou) ALSTOM Power Consulting Ltd | USA | ALSTOM PAC Inc. |
| Switzerland | ALSTOM Power O&M AG (ALSTOM Power O&M Ltd) | USA | ALSTOM Power Conversion Inc. |
| Switzerland | ALSTOM Schienenfahrzeuge AG | USA | ALSTOM Power Inc. |
| Switzerland | ALSTOM Technologie AG (ou) ALSTOM Technology Ltd (ou) ALSTOM Technologie SA | USA | ALSTOM Power International, Inc. |
| Switzerland | CLEVER ENGINEERING AG | USA | ALSTOM Power Turbomachines LLC |
| Switzerland | CONSENEC AG (ou) CONSENEC Ltd (ou) CONSENEC S.A. | USA | ALSTOM Signaling Inc. |
| Switzerland | ENERCON ENGINEERING UND MONTAGE AG | USA | ALSTOM Transport Holding US Inc. |
| Switzerland | SWISSMETRO SA | USA | ALSTOM Transportation Inc. |
| Taiwan | ALSTOM Taiwan Ltd | USA | ALSTOM Wind Texas LLC |
| Thailand | ALSTOM (Thailand) Ltd | USA | APCOMPPOWER INC |
| Thailand | ALSTOM Grid Ltd | USA | BBCP CORPORATION |
| Thailand | ALSTOM Grid Thailand Ltd | USA | BRIGHTSOURCE ENERGY, INC |
| Thailand | ALSTOM Holdings (Thailand) Co. Ltd | USA | BTGS LP |
| Thailand | ALSTOM Transportation Services Ltd | USA | DANIELSON WIND FARMS, LLC |
| Trinidad and Tobago | ALSTOM T&T Ltd | USA | DDCP CORPORATION |
| Tunisia | ALSTOM Grid Etudes Techniques | USA | FFCP LLC |
| Turkey | ALSTOM Power Hidroelektrik Uretim Tesis Ticaret ve Isletme Ltd Sti | USA | MEEKER COUNTY WIND INVESTMENTS LLC |
| Turkey | ALSTOM Power Ve Ulasim Anonim Sirketi | USA | POWER SYSTEMS MFG., LLC |
| Turkey | AREVA T&D ENERJI ENDUSTRISI A.S | USA | SGTB LLC |
| UAE | ALSTOM Grid Middle East FZE | USA | SIGMA ENERGY SOLUTIONS INC |
| UAE | ALSTOM Middle East FZE | USA | UTILITY INTEGRATION SOLUTIONS, INC. |
| USA | ADAMS WIND GENERATIONS, LLC | Uruguay | AREVA T&D URUGUAY SA |
| USA | ALSKAW LLC | Uruguay | BYRGO CORP SA |
| USA | ALSTOM Grid Inc. | Venezuela | ALSTOM Grid Venezuela, SA |
| USA | ALSTOM Inc. | Venezuela | ALSTOM Hydro Venezuela |
| | | Venezuela | ALSTOM Venezuela S.A. |
| | | Vietnam | ALSTOM Grid Vietnam Company Ltd |
| | | Vietnam | ALSTOM Vietnam Company Limited |
| | | Virgin Islands (British) | PROFIT COMBO LIMITED |
| | | Virgin Islands (British) | TOP YIELD GROUP LIMITED |
| | | Virgin Islands (British) | WHOLEWISE INTERNATIONAL LIMITED |

For and on behalf of the Board of Directors

Francois Carpentier
Vice Chairman & Managing Director

S.M. Momaya
Whole-time Director & Chief Financial Officer

Place: Noida
Date: 25 April 2011

Management Discussion and Analysis Report

Forward-looking Statements

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will', 'projects', or other words of similar expressions as they related to the Company or its business are intended to identify such forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, development, market position, expenditures, and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company undertakes no obligations to publicly update or revise forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Therefore as a matter of caution, undue reliance on the forward-looking statements should not be made as they speak only of their dates. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

Overview

The XIth Five Year Plan (2007–2012) has ambitious power and transport capacity addition targets. Additionally the Government of India's focus on Power Sector reforms and the National Electric policy in the past few years has resulted in a buoyant market for products and services of your company. Power projects based on coal as a fuel are expected to continue to dominate in the power generation sector with a focus on supercritical technology.

Operating Results of the Company

The key financial figures on the performance of the Company vis-à-vis previous year are presented below:

| | (Rupees millions) | |
|------------------------|--------------------------------|--------------------------------|
| | Year ended 31 March 2011 | Year ended 31 March 2010 |
| Orders received | 41,698 | 27,468 |
| Revenues | 18,036 | 20,427 |
| Orders in hand | 57,728 | 34,066 |
| Profit before taxation | 2,541 | 2,483 |
| Profit after taxation | 1,689 | 1,672 |
| EPS (in Rs.) | 25.20 | 24.95 |

Orders received during the year were worth Rs. 41,698 million, an increase of 51.8% over the last year.

Major orders received during the year for supercritical boilers from BHEL were Yeramarus for Rs. 4,666 million and Bellary for Rs. 1,421 million; for hydro mechanical products it was Hulu Terengganu (Malaysia) for Rs. 1,656

million, Tidong for Rs. 808 million and Phata Byung Rs.549 million and for heat recovery steam generators from Az Zour (Kuwait) for Rs. 2,389 million. The company was awarded a contract for a combined cycle power plant and the corresponding long term maintenance for Rs. 8,545 million. The Transport segment won contracts for rolling stock and tracks for the Chennai Metro for Rs. 8,775 million.

Sales at Rs. 18,036 million reflect execution schedule of orders in hand.

Finance

Ability of the Company to negotiate and collect customer advances is an important element of its strategy, as it provides cash to the Company to meet cash requirements of the projects it executes and allows it to manage its working capital. A successful consequence of this strategy is reflected in the cash position of the Company.

The net cash position at the end of the year was Rs. 7,147 million after payment of Rs. 782 million (including corporate dividend tax) as dividend and capital expenditure of Rs. 925 million.

The economy, especially in the later part of the year saw a firming up of interest rates in a bid to control inflation. The effect of the higher rates along with effective Cash flow management has resulted in higher interest income of Rs. 387 million earned by the Company.

Prudent and timely hedging of significant exposures helped your Company against fluctuation in the currency market.

The Company continues to have an A1+ Credit Rating (assigned during the previous year by ICRA) for its non-fund based limits in the short term and LAA for its fund based and non-fund based limits in the long term. These are indicative of the lowest credit risk in the short term and low credit risk in the long term.

Human Resources

The employee strength of the company stood at 3,941 at the end of 31 March 2011.

Compensation & Benefits : Designed long term Compensation & Benefit strategy and launched a Long term Incentive (LTI) scheme. Annual Salary review Budget was also designed in a way that a Catch up Budget is given to employees who are at key positions and are below market median Salary to align them with the market.

Employee Retention : Action plan was prepared on Retention strategy. Launch of LTI (Long term Incentive Scheme) as one of the actions to ensure their long term commitment to serve the company.

Industrial Relations : Industrial relations remained cordial at all locations and issues if any, were amicably settled with the Unions. Two Long-term settlements were signed during this year, one for Coimbatore Unit (Transport) and the second one for Baroda Unit (Hydro).

University Relations : Last year the company had signed Memorandum of Understanding with Pune Engineering College, Punjab Engineering College, NIT Surathkal and M. S. University Baroda. During the current year the GET Hiring was started and your company visited 19 Colleges for GET/DET Recruitment.

The company also launched a Structured Internship programme "Anubhav" for hiring fresh Graduates/Undergraduates on internship.

Training and development : The training man-days for the year 2010-11 averaged at 4.6 days per employee.

Employee engagement:

In order to focus on health and well-being of each employee, Healthji (web based programme) was launched in the month of December 2010. Some of the products covered under the programme are Health Risk Assessment, Personal Health Record Archive, Stress Management Center, Diet and Nutrition Center, Family Health History Tree and many more.

A new learning initiative was launched through "Kwench Library" which provided employees an opportunity to borrow books and enhance knowledge in the areas of interest.

Recruitment : 689 new employees were inducted into the company during the year.

Internal Control

The Company has a well-defined organisational structure, authority levels, internal rules and guidelines for conducting business transactions. The management reviews actual performance of various businesses of the Company on a regular basis. The internal control environment of the Company is well established and maintained. Its effectiveness is assessed regularly through procedures/processes set by management, covering all critical and important areas. These controls are periodically updated and are subject to review by internal auditors.

Internal control is monitored regularly at various levels of management. Monitoring consists of, assessing in totality, how the entire internal control system addresses risks meaningfully and how individual controls interface with each other to create the entire internal control environment.

The internal control self-assessment was updated during the year. Accordingly, the quality of assessment was reinforced and improvised in line with the changes in the internal control environment. Independent tests were applied to selected key controls. As a part of the internal controls monitoring and ongoing improvement, internal audit / process reviews were conducted during the year by independent teams. The management actively implements the recommendations of such reviews. The status of implementation of recommendation given by internal auditors and the result of self-assessment of internal controls were reviewed at each meeting of the audit committee.

Environment, Health and Safety (EHS)

ALSTOM always considers Environment, Health and Safety (EHS) as a key management concern. Compliance with relevant regulations and effective management of these issues is an integral part of the Company's operating philosophy. EHS is managed and controlled in ALSTOM through an integrated EHS Management System that provides continuous improvements in EHS Performance. EHS Management System is based on an "EHS Roadmap", which fulfils the objective of defining the EHS Management Standards for all sites of the Company and provides an audit guideline in order to assess the implementation of these standards.

Various sites (Manufacturing, Construction and Offices) are audited from time to time according to the EHS Roadmap document by the qualified and experienced Auditors. The Company has a robust system for implementing effective programmes and training to achieve best practice for EHS protection. There are various types of EHS related training programmes, which are conducted in the Company. The most basic training is the EHS induction programme, which everyone in the organization is required to attend. All Senior Managers in the Company are encouraged to attend a programme called Managing EHS. The Company also has a sound system of EHS reporting for all its sites in order to track its EHS performance. The objective is to produce transparent, reliable, cost-effective reporting processes ensuring consistency overtime and allowing data tracking throughout the information flow-chain. EHS reporting units have been defined based on the Finance Structure. The EHS Community within APIL is well connected with each other to share EHS related information and best practices.

Business Segment Analysis

The Business of the Company is categorised in two segments, namely, Power and Transport. Reviews on each of the Company's businesses are as follows:

POWER

This segment mainly caters to engineering, procurement and construction and servicing of power equipment and plants. The objective is to provide most economical solutions deploying the most advanced technology with least impact on the environment to our customers.

In the year 2010, the market continued to follow the trend established in the Power Sector in 2007. Considering the past two years record of over 40 GW of power generation equipment being ordered by Indian power generation companies, and given the aggressive targets being set for the XIIth Five Year Plan of the Government of India, it is expected that the demand for power equipment and services will continue to grow. Though coal will be the major fuel for power generation, growth is also expected in nuclear, hydro and renewable energy (led mainly by solar and wind segments).

The availability of cheap domestic coal continues to fuel the major demand for coal fired thermal power plants in India, however mining in India seems to be a constraint to domestically meet the demand of coal. The market trend has shifted towards supercritical technology as observed during the past two years. The major reason for the shift towards supercritical technology is increase in efficiency and low emissions, driven by the desire of the Government of India to meet its carbon emission reduction goals. The market share for supercritical technology based power generation equipment will further increase in India. The capital costs for supercritical technology based power generation equipment is expected to reduce, once domestic manufacturers start their indigenous manufacturing.

The natural gas based combined cycle power plants are facing acute gas shortages posed by the unexpected falling production from the KG D6 gas basin in the Bay of Bengal. As per information available, the current production of gas production from the KG-D6 gas basin has fallen to 44 to 45 million standard cubic meters per day (mmscmd) from the earlier output of 61.5 mmscmd that this block had achieved in March 2010. This has resulted in a cut in gas allocations, mostly to power companies, and resulted further in higher energy costs. Future supply of gas will depend heavily on production from the KG offshore blocks and from LNG imports. Also, these sources may be enhanced by pipeline imports of gas that are being discussed by the Government of India and as reported recently.

There is a huge hydropower potential in India, estimated at 145 GW. The capacity has grown at a compound annual growth rate (CAGR) of 3.9 percent between 2004-05 and 2009-10. There is slow development in the hydropower and the reasons include restricted access to potential sites, issues related to land acquisition, environmental and forest clearances, resettlement and rehabilitation issues and law and order problems. Several policy initiatives have been taken to encourage hydropower development in India, which includes the 50 GW Hydroelectric initiative, of 2003.

Currently, nuclear power generation in India accounts for 2.7% of the total installed capacity in India. However the government aims to have 20 GW indigenous nuclear power production capacity by 2020. The country is aiming at setting up nuclear power reactors based on both indigenous nuclear power programme and international cooperation. Nuclear power in India, based on indigenous technology is affordable and competitive and it is expected that the ordering volume would increase to 2-3 GW/year in future.

There has been a thrust to increase the renewable energy share in the total installed base of India. There have been recent policy and regulatory initiatives in the renewable energy sector (mostly solar) and sale of renewable power at attractive feed-in-tariff rates, renewable energy certificates (REC) trading and carbon credit, have provided an added incentive.

The summarized performance of the segment is as under:-

(Rupees millions)

| | Year ended 31 March 2011 | Year ended 31 March 2010 |
|-----------------|-----------------------------|-----------------------------|
| Orders received | 32,448 | 25,346 |
| Sales | 17,285 | 19,711 |
| Orders in hand | 46,851 | 31,688 |

Outlook

India is the fifth largest producer of electricity preceded by Russia, Japan, US and China. India is ranked 150 in per capita terms. Annual per capita electricity consumption is 650-700 kWh in India, which is one fourth of the world's average. Given the very low per capita consumption it is foreseen that the demand for electricity will continue to stay and grow further.

TRANSPORT

During the year under review the Company had won following two significant contracts:-

- Chennai Rolling Stock – Additional business for traction component from Coimbatore (in consortium with ALSTOM Transport, SA).
- Chennai trackwork consortium with L & T.

Ongoing Projects: The Company had delivered the Delhi Metro signalling Phase-II on time for Commonwealth Games 2010. Currently Bangalore Metro signalling project is progressing well.

The Financial performance of this segment is summarized below:-

(Rupees millions)

| | Year ended 31 March 2011 | Year ended 31 March 2010 |
|-----------------|-----------------------------|-----------------------------|
| Orders received | 9,250 | 2,122 |
| Sales | 751 | 716 |
| Orders in hand | 10,877 | 2,378 |

Outlook

Your company looks forward to various new projects coming up in new cities as well as expansion in Delhi Metro Phase-3. We intend to actively participate in tendering for these projects.

The company is investing in expanding capacity and capability of the Transport Information Solutions Engineering and Development centre in Bangalore to address Indian and global markets.

Indian Railways are still in the process of finalising the framework for the large rolling stock projects. We expect this to be finalised soon and benefits to the Company will accrue mainly for components from unit in Coimbatore.

Indian Railways are also embarking on increasing safety on its main lines and have launched tenders for Train Protection Warning System in which your Company also has solutions to offer.

For and on behalf of the
Board of Directors

Francois Carpentier
Vice Chairman &
Managing Director

S. M. Momaya
Whole-time Director &
Chief Financial Officer

Place: Noida

Date : 25 April 2011

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of ALSTOM Projects India Limited

We have examined the compliance of conditions of Corporate Governance by ALSTOM Projects India Limited, for the year ended 31 March 2011, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

V. Nijhawan
Partner
Membership Number: F-87228

Place: Gurgaon
Date: 25 April 2011

Corporate Governance Report

Company's Philosophy on Code of Corporate Governance

Corporate governance is a reflection of our policies, culture and relationship with shareholders, employees, customers, suppliers and diverse stakeholders.

The Company has embedded the best of corporate governance practices in its day-to-day operations aimed at building trust with all stakeholders.

The Company's corporate governance philosophy consists mainly of transparency, equity, integrity, answerability and environmental duty that conform and adheres to all the relevant and applicable law, rules and regulations. The Company is preserving and maintaining good Corporate Governance practices and its primary objective is to create and adhere to transparency and professionalism in all activities, implementation of procedures and policies to ensure high standards of ethics in all its business activities, responsive management that fulfils the needs of its partners and associates. The basic purpose of Company's Corporate Governance Policy is to continue and maintain the corporate culture of conscience and consciousness towards shareholders and other stakeholders.

The Company pursues the process of Corporate Governance in compliance with Clause 49 of the Listing Agreement with Stock Exchanges and in this regard, submits a report on the matters mentioned in the said clause and practices followed by the Company.

I. BOARD OF DIRECTORS

The strength of the Board of Directors as at 31 March 2011 was seven. The Board of Directors of the Company comprises of Executive Directors and Non-Executive Directors including Independent Directors. A Non-Executive Chairman heads the Board. Two Directors, including the Managing Director, are Executive Directors as at 31 March 2011. There are five Non-Executive Directors, of which three Directors are Independent Directors. The Non-Executive Directors are accomplished professionals in their respective fields of expertise.

The following table gives the details of category of Directors, number of Board Meetings attended, attendance at last Annual General Meeting (AGM) and the number of other Directorships and Committee Memberships as at 31 March 2011:-

| Name of the Director | Director Identification Number | Category | Number of Board Meetings Attended | Attendance at Last AGM held on 21 July 2010 | Number of other Directorship(s) ¹ | Number of Committee memberships in domestic public companies (including this Company)# | |
|-------------------------|--------------------------------|-----------------------------|-----------------------------------|---|--|--|-----------|
| | | | | | | As Chairman | As Member |
| Mr. Sunand Sharma | 00275238 | Non-Executive Chairman | 4 | Yes | 5 | 1 | 2 |
| Mr. Francois Carpentier | 03124495 | Executive | 4 | Yes | 4 | - | 3 |
| Mr. S. M. Momaya | 00017199 | Executive | 4 | Yes | 5 | - | 2 |
| Mr. K. Vasudevan | 00018023 | Non-Executive & Independent | 3 | Yes | 1 | 2 | 2 |
| Mr. A. K. Thiagarajan | 00292757 | Non-Executive & Independent | 4 | Yes | 9 | - | 9 |
| Dr. Uddesh Kohli | 00183409 | Non-Executive & Independent | 4 | Yes | 6 | 1 | 8 |
| Dr. Pedro Sole* | 00200602 | Non-Executive | 2 | Yes | - | - | - |
| Mr. Dominique Pouliquen | 02462113 | Non-Executive | 1 | Yes | 1 | - | - |

¹The Directorships held by Directors as mentioned above, do not include Directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.

#In accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, Memberships / Chairmanships of only the Audit Committees and the Transfer & Shareholders'/Investors' Grievance Committees of all Public Limited Companies have been considered.

*Dr. Pedro Sole has ceased to be a Director of the Company with effect from 31 January 2011.

The Board met four times during the financial year under review on the following dates:-

- | | |
|-------------------|---------------------|
| (1) 28 April 2010 | (3) 21 October 2010 |
| (2) 21 July 2010 | (4) 25 January 2011 |

The information as required under Clause 49 of the Listing Agreement is being made available to the Board.

As is evident, the maximum time gap between any two meetings was not more than four months.

The Managing Director reviews compliance reports of all laws applicable to the Company, prepared by the Company and reports the same to the Board of Directors at Board Meetings held after the end of every quarter.

Code of Conduct

(i) Code of Conduct for Directors and Senior Management of the Company

The Company has adopted the Code of Conduct for the Directors and Senior Management of the Company. The Code of Conduct is posted on the Company's website at www.alstom.com/India. All Board Members and Senior Management Personnel have affirmed compliance with the code as on 31 March 2011. The Annual Report of the Company contains a declaration to this effect signed by the Vice Chairman & Managing Director of the Company.

(ii) Code of Conduct for prevention of Insider Trading

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Company has adopted a Code of Conduct for Prevention of Insider Trading viz: "ALSTOM Projects India Limited Code of Conduct for Prohibition of Insider Trading" (the Code) with effect from 26 September 2002. Mr. Pradeepta Puhan, Company Secretary is the Compliance Officer under the Code. This policy is applicable to all the Directors, Officers, Designated Employees of the Company and their Dependent Family Members as defined therein.

Risk Mitigation Plan

The Company has in place mechanisms to inform the Board Members about the risk assessment and minimisation procedures and periodical review to ensure that management controls risk through means of a properly defined framework.

Remuneration of Directors

Remuneration paid/payable to Directors for the year ended 31 March 2011:-

(Figures in Rupees)

| Name of the Director | Salaries and Perquisites | Commission | Sitting fees | Total |
|-------------------------|--------------------------|------------|--------------|------------|
| Mr. Sunand Sharma | Nil | Nil | Nil | Nil |
| Mr. Francois Carpentier | 23,511,635 | Nil | Nil | 23,511,635 |
| Mr. S. M. Momaya | 6,985,127 | Nil | Nil | 6,985,127 |
| Dr. Pedro Sole | Nil | Nil | Nil | Nil |
| Mr. Dominique Pouliquen | Nil | Nil | Nil | Nil |
| Mr. K. Vasudevan | Nil | Nil | 1,20,000 | 1,20,000 |
| Mr. A. K. Thiagarajan | Nil | Nil | 1,60,000 | 1,60,000 |
| Dr. Uddesh Kohli | Nil | Nil | 1,80,000 | 1,80,000 |

* Dr. Pedro Sole has ceased to be a Director of the Company with effect from 31 January 2011.

Notes:

- The agreement with the Managing Director and the Whole-time Director is for a period of three years. Either party to the agreement is entitled to terminate the agreement by giving not less than 180 days' notice in writing to the other party in the case of Managing Director and 90 days' notice in writing to the other party in the case of Whole-time Director.
- The Managing Director and the Whole-time Director are entitled to avail benefit under ALSTOM stock option plan(s), launched by the listed parent company in France (ALSTOM France). The above remuneration excludes any benefit availed under the said stock option plan(s).
- The Company does not pay any remuneration to the Non-Executive Directors except sitting fees to Non-Executive Independent Directors @ Rs. 20,000 for each meeting of the Board of Directors, Audit Committee and Transfer and Shareholders/ Investors' Grievance Committee Meeting attended by them.
- Mr. A. K. Thiagarajan, Non-Executive & Independent Director and Mr. S.M. Momaya, CFO and Whole-time Director, hold 13,415 and 633 equity shares in the Company respectively. No other Directors hold any equity shares in the Company.

Disclosure regarding Directors seeking appointment or re-appointment at the ensuing Annual General Meeting

1. Mr. Dominique Pouliquen

Mr. Dominique Pouliquen, 51, holds a masters degree in Economics from Paris University in 1981 and has graduated from the Institute of Politic Studies in Paris the following year. After one-year career start in the banking sector, he became consultant for 6 years, specialising in productivity improvement, quality management and manufacturing software for large international industrial companies. In 1989, he joined the IT Sector, where, he occupied various business development and sales management position. In 1996, he joined ALSTOM Transport as Project Manager; he developed and implemented the Transport Sales and Marketing Information System. He pursued his development in Transport as Marketing Director, then Regional Director for Asia in the Service Product Line. He was then nominated Marketing Vice President in 2001 and Product & Strategy SVP in October 2003. He then took operational responsibilities in June 2005, as SVP for the Train Life Services Product Line. Since 01 January 2009, he has been appointed Asia Pacific SVP, Member of the ALSTOM Transport Executive Committee and most recently he has been appointed as Country President of ALSTOM China. He has been appointed as a non-executive Director of the Company with effect from 20 January 2009.

He is also on the Board of following Indian company:-

| Sl. No. | Name of Company | Position |
|---------|--------------------------------|----------|
| 1 | ALSTOM Transport India Limited | Director |

Committee Memberships

Mr. Dominique Pouliquen is not holding any Committee membership in any other Company.

Mr. Dominique Pouliquen does not hold any Equity Share of the Company.

Mr. Dominique Pouliquen and other Directors of the Company do not have any inter se relationship.

2. Mr. K. Vasudevan

Mr. K.Vasudevan, 71, is an Electrical Engineering Graduate from College of Engineering, Guindy, Madras. He is a Fellow of Institute of Standards Engineers. He was the President of Indian Electrical & Electronics Manufacturers' Association (year 1997-98). He was also the Chairman of CII Tamil Nadu Task Force on Power, Chairman of CII Energy and Power Sub-Committee and the Fellow of the Institution of Engineers (India).

He started his career with The English Electric Company of India Ltd., Madras in September, 1961 and has held various management positions. He retired in 1999 as Joint Managing Director of GEC ALSTHOM India Limited. During the period from 01 March 1998 till 04 July 1999 he was responsible for the policies, procedures and internal audit of the Company.

He is also on the Board of Techno Electric and Engineering Company Limited. Currently he is acting as Chairman of Southern Region for CII-Godrej Green Business Centre, Hyderabad (National Body).

Mr. Vasudevan was appointed on 27 February 2001, as an Independent Director. He is the Chairman of the Audit Committee of the Board of Directors of the Company and also of Audit Committee of Techno Electric and Engineering Company Limited

Committee Membership

Mr. K. Vasudevan is the Chairman of the Audit Committee of the Board of Directors of the Company as an Independent Director.

He is also the Chairman of the Audit Committee of Techno Electric and Engineering Company Limited.

Mr. K. Vasudevan does not hold any shares of the Company.

Mr. K. Vasudevan and other Directors of the Company do not have any inter se relationship.

II. AUDIT COMMITTEE

Composition of Audit Committee

The Audit Committee comprises of four Non-Executive Directors as at 31 March 2011:-

| Sl. No. | Name | Position |
|---------|---|----------|
| 1 | Mr. K. Vasudevan, Non-Executive & Independent Director | Chairman |
| 2 | Mr. Sunand Sharma, Non-Executive Director | Member |
| 3 | Mr. A. K. Thiagarajan, Non-Executive & Independent Director | Member |
| 4 | Dr. Uddesh Kohli, Non-Executive & Independent Director | Member |

Mr. K. Vasudevan, Chairman of the Audit Committee possesses requisite accounting and financial knowledge.

Mr. Pradeepta Puhan, Company Secretary, is the Secretary to the Audit Committee.

The Board of Directors of the Company at the subsequent Board Meetings notes the minutes of the Audit Committee Meetings.

Meetings and the attendance during the year

There were four meetings of the Audit Committee held during the year on 28 April 2010; 21 July 2010; 21 October 2010 and 25 January 2011 respectively.

The attendance of each Member of the Committee is given in the following table:-

| Sl. No. | Name of Member | Date of Meetings | | | |
|---------|-----------------------|------------------|--------------|-----------------|-----------------|
| | | 28 April 2010 | 21 July 2010 | 21 October 2010 | 25 January 2011 |
| 1 | Mr. K. Vasudevan | Yes | Yes | No | Yes |
| 2 | Mr. Sunand Sharma | Yes | Yes | Yes | Yes |
| 3 | Mr. A. K. Thiagarajan | Yes | Yes | Yes | Yes |
| 4 | Dr. Uddesh Kohli | Yes | Yes | Yes | Yes |

The Auditors and the Executive Directors of the Company have been invited and also attended and participated at all Audit Committee Meetings.

Terms of Reference

The terms of reference of the Audit Committee include the matters specified in Clause 49(II)(D), 49(II)(E), 49(IV)(A) and 49(IV)(B) of the Listing Agreement with the Stock Exchanges and also as required under Section 292A of the Companies Act, 1956. The Committee acts as a link between the Statutory/Internal Auditors and the Board of Directors of the Company.

III. SUBSIDIARY COMPANIES

The Company does not have a material non-listed Indian subsidiary whose turnover or net-worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net-worth respectively, of the listed holding Company and its subsidiary in the immediately preceding accounting year.

Copies of the Minutes of the Board Meetings of the subsidiary company are tabled at the Board Meeting(s) of the Company.

IV. SHAREHOLDERS' COMMITTEE

In compliance with the requirement of the Corporate Governance under the Listing Agreement with the Stock Exchanges, the Company has constituted a 'Transfer and Shareholders'/Investors' Grievance Committee' to look into issues relating to shareholders including share transfers.

Composition

The composition of the Committee as at 31 March 2011 is as under:-

| Sl. No. | Name | Position |
|---------|--|----------|
| 1 | Mr. Sunand Sharma, Non-Executive Director | Chairman |
| 2 | Mr. Francois Carpentier, Executive Director* | Member |
| 3 | Dr. Uddesh Kohli, Non-Executive & Independent Director | Member |

*Mr. Francois Carpentier has been appointed as a Member of the Committee with effect from 28 April 2010.

The Minutes of 'Transfer and Shareholders' / Investors' Grievance Committee' are noted by the Board of Directors of the Company at the subsequent Board Meetings.

Mr. Pradeepta Puhan, Company Secretary is the Compliance Officer of the Company.

Meetings held during the year

Pursuant to Clause 49 IV(G)(iv) of the Listing Agreement, the Board of Directors of the Company at its meeting held on 28 January 2010 had authorised the Company Secretary and two other officers of the Company to severally approve day to day share transfers/transmissions, deletion of names, change of names, etc., in addition to the Transfer and Shareholders'/Investors' Grievance Committee. Share transfer formalities are regularly attended to and at least once a fortnight.

There was one meeting of the Transfer and Shareholders'/Investors' Grievance Committee held during the year on 21 July 2010. The minutes of Committee meeting and circular resolutions passed under Section 289 of the Companies Act, 1956, approving transfers are regularly noted by the Board at its meetings.

During the year, the Company received 211 complaints from the shareholders relating to non-receipt of share certificates duly transferred, non-receipt of dividend warrants, non-receipt of Annual Reports etc. all of which have been duly resolved.

There are no pending cases of share transfer as on 31 March 2011, where the documents were clear in all respects.

V. GENERAL BODY MEETINGS

a) Particulars of AGM / EGM for the last three years:-

| Particulars | Date & Time | Venue | Number of Special Resolutions passed | Details of the Special Resolutions passed at AGM |
|-------------|----------------------------|--|--------------------------------------|--|
| 18th AGM | 21 July 2010 3:00 P.M. | Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wachha Road, Churchgate, Mumbai -400 020. | 2 | (i) Appointment of Mr. Francois Carpentier as Vice Chairman & Managing Director of the Company for a period of three years w.e.f. 28 April 2010. (ii) Re-appointment of Mr. S.M. Momaya as Whole-time Director & Chief Financial Officer of the Company for a period of three years w.e.f. 17 May 2010. |
| 17th AGM | 23 July 2009 10.30 A.M. | Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wachha Road, Churchgate, Mumbai -400 020. | NIL | N.A. |
| 16th AGM | 25 July 2008 2.00 P.M. | Sind Educationists' Association Auditorium, Jai Hind College Building, 'A' Road, Churchgate, Mumbai - 400 020. | 2 | (i) Appointment of Mr. Emmanuel Colombier as Managing Director of the Company. (ii) Re-appointment of Mrs. Naina R. Desai as Whole-time Director of the Company |

b) Postal Ballot:-

During the year, no resolution was passed through postal ballot in accordance with Section 192A of the Companies Act, 1956.

VI. DISCLOSURE

- 1) There are no materially significant related party transactions with its Promoters, the Directors or the Management and their Subsidiaries or Relatives etc. which may have potential conflict with the interest of the Company at large.
- 2) The Company has complied with the requirements of regulatory authorities on capital markets including the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended and no penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

VII. MEANS OF COMMUNICATION

- 1) Half-yearly report sent to each household of shareholders No
- 2) Quarterly results -
 - (a) Which Newspapers normally published in The Times of India and Maharashtra Times
 - (b) Any Web site, where displayed Yes
The Company has a website 'www.alstom.com/India' where the quarterly results are displayed.
 - (c) Whether it also displays official news releases and the presentation made to Institutional investors or to the analysts. No
- 3) Whether Management Discussion & Analysis Report is a part of annual report or not Yes

VIII. Status of compliance with mandatory requirements and adoption of non-mandatory requirements

- 1) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges as on 31 March 2011.
- 2) Adoption/ non-adoption of non-mandatory requirements as at 31 March 2011:-
 - (a) The Company maintains an office for the Non-Executive Chairman. All necessary infrastructure and assistance are made available to enable him to discharge his responsibilities effectively.
Further the Company has not adopted the requirement of Independent Directors tenure not to exceed a period of nine years on the Board of the Company.
 - (b) The Company has not set up a Remuneration Committee.
 - (c) As the Quarterly Financial Results are published in the newspapers as well as displayed on the Company's website, the Results are not sent to household of each of the shareholders.
 - (d) The auditors have issued an unqualified opinion for the year ended 31 March 2011.
 - (e) The Board of Directors of the Company consists of an optimal blend of Company Executives and Independent professionals having an in-depth expertise of Power Industry/Business and expertise in their area of specialisation.
 - (f) Presently the Company does not have a mechanism for evaluating its Non-Executive Directors by Peer Group comprising of the entire Board of Directors.
 - (g) Presently, the Company does not have a Whistle Blower Policy in place, however, no personnel has been denied access to the Audit Committee.

IX. GENERAL SHAREHOLDER INFORMATION

- 1) Annual General Meeting
 - Date and Time : 08 July 2011, 11:30 a.m.
 - Venue : Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wachha Road, Churchgate, Mumbai-400 020.
- 2) Financial Calendar : April to March
 - (a) Financial reporting for the quarter ending June, 2011 : End July, 2011
 - (b) Financial reporting for the half year ending September, 2011 : End October, 2011
 - (c) Financial reporting for the quarter ending December, 2011 : End January, 2012

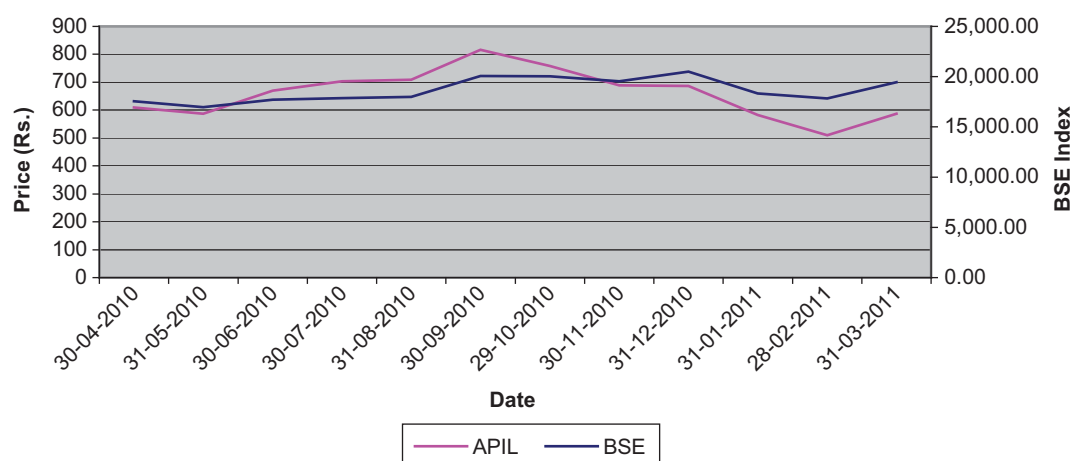
- (d) Financial reporting for the year ending March, 2012 : April/May, 2012
(e) Annual General Meeting for the year ended 31 March 2012 : July/ August, 2012
- 3) Face value of the equity share : Rs.10 per share
4) Date of Book Closure : 01 July 2011 to 08 July 2011 (both days inclusive)
5) Dividend Payment Date : On and after 13 July 2011
6) Listing on Stock Exchanges : Bombay Stock Exchange Limited (BSE),
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001
National Stock Exchange of India Limited (NSE),
'Exchange Plaza', Bandra Kurla Complex,
Bandra (E), Mumbai-400 051
- 7) Stock Code / Symbol
- Bombay Stock Exchange : 532309
- National Stock Exchange : APIL
-International Securities Identification Number (ISIN) : INE878A01011
- 8) Monthly closing Highs and Lows for the period 01 April 2010 to 31 March 2011 on BSE and NSE.

The market capitalisation of the Company's scrip as on 31 March 2011 was Rs.3,932.64 Crores on BSE and Rs.3,952.41 Crores on NSE.

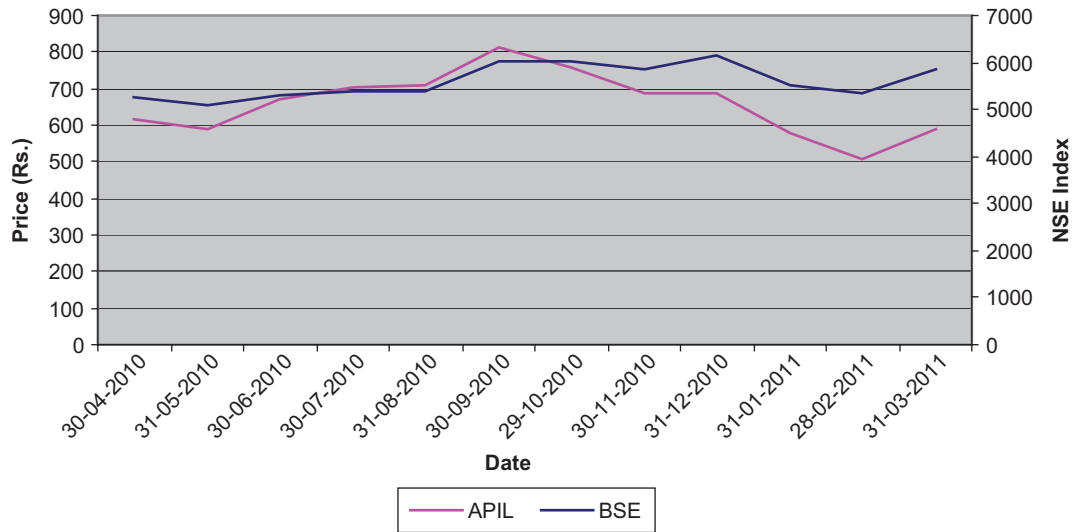
| Period | BSE | | NSE | |
|-------------|--------|--------|--------|--------|
| | High | Low | High | Low |
| 2010 | | | | |
| April | 642.25 | 591.00 | 642.80 | 592.00 |
| May | 617.95 | 530.05 | 618.50 | 550.00 |
| June | 679.50 | 577.00 | 679.90 | 500.00 |
| July | 721.50 | 618.15 | 722.50 | 616.85 |
| August | 772.00 | 701.05 | 776.00 | 701.15 |
| September | 822.00 | 698.00 | 830.00 | 697.50 |
| October | 874.85 | 739.00 | 899.00 | 736.60 |
| November | 822.00 | 581.10 | 824.00 | 581.00 |
| December | 726.95 | 640.15 | 727.00 | 644.00 |
| 2011 | | | | |
| January | 746.00 | 544.15 | 746.00 | 540.50 |
| February | 598.40 | 503.00 | 598.10 | 503.10 |
| March | 594.80 | 505.35 | 602.00 | 511.20 |

- 9) Stock Performance of ALSTOM Projects India Limited (APIL) vs. BSE and NSE Indices:-

Share Price Movement - BSE & APIL



Share Price Movement - NSE & APIL



10) Registrar and Share Transfer Agents : Karvy Computershare Private Limited
7, Andheri Industrial Estate,
Off Veera Desai Road,
Andheri (West),
Mumbai – 400 053.

11) Share Transfer System

Karvy Computershare Private Limited is the Registrar and Share Transfer Agent of the Company. Transfer of shares are approved by the Board of Directors or Share Transfer Committee referred to as 'Transfer and Shareholders' / Investors' Grievance Committee' or Delegated Authority which meets at frequent intervals. Share transfers are registered and returned within 30 days from the date of receipt, if the relevant documents are complete in all respects.

The total number of shares transferred in physical form during the year under review were 8056 shares.

12) Necessary actions are being taken to comply with Clause 5A of the Listing Agreement.

13) (A) Distribution of Shareholding as on 31 March 2011.

| Slab | Number of Shareholders | | Number of Shares | |
|----------------|------------------------|-------------------|-------------------|--------------------|
| | Numbers | % to Shareholders | Numbers | % to Share Capital |
| 1 – 5000 | 49,282 | 94.45 | 4,063,755 | 6.06 |
| 5001 - 10000 | 1,838 | 3.52 | 1,338,053 | 2.00 |
| 10001 - 20000 | 593 | 1.14 | 850,336 | 1.27 |
| 20001 - 30000 | 170 | 0.33 | 430,158 | 0.64 |
| 30001 - 40000 | 86 | 0.16 | 299,086 | 0.45 |
| 40001 - 50000 | 49 | 0.09 | 226,757 | 0.34 |
| 50001 - 100000 | 56 | 0.11 | 408,021 | 0.61 |
| 100001 - Above | 105 | 0.20 | 59,408,008 | 88.63 |
| TOTAL | 52,179 | 100 | 67,024,174 | 100 |

(B) Shareholding pattern as on 31 March 2011.

| Shareholders | Number of shares held | % shareholding |
|-----------------------------------|-----------------------|----------------|
| Promoters | 44,558,972 | 66.48 |
| Central Government | 259,742 | 0.39 |
| Financial Institutions/Banks | 2,409,021 | 3.59 |
| Foreign Institutional Investors | 1,716,238 | 2.56 |
| Mutual Funds | 4,467,904 | 6.67 |
| Bodies Corporate | 3,078,318 | 4.59 |
| Insurance Companies | 1,586,596 | 2.37 |
| Non Resident Individuals | 129,456 | 0.19 |
| Foreign Companies | 1,334,408 | 1.99 |
| Director and their relatives | 14,048 | 0.02 |
| General Public (including trusts) | 7,426,417 | 11.09 |
| In transit in Depository system | 43,054 | 0.06 |
| TOTAL | 67,024,174 | 100 |

- 14) Dematerialization of shares and liquidity and inclusions of the Shares in Futures and Options Segment : Trading in Company's share is permitted compulsorily in dematerialised form from July 24, 2000 as per notification issued by SEBI and the Company's shares are traded in compulsory rolling settlement.
As on 31 March 2011, a total of 6,44,56,152 equity shares of the Company, which forms 96.17% of share capital of the Company have been dematerialized.
- 15) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, if any. : N.A
- 16) Plant Locations :
 - P.O. Maneja
Vadodara- 390 013
Gujarat.
 - Durgapur - 713 206
West Bengal.
 - Shahabad - 585 229
Karnataka.
 - Coimbatore – 641 402
Tamil Nadu
- 17) Address for correspondence : Regd. Office :
The International, 5th Floor,
16, Marine Line Cross Road No. 1,
Off Maharshi Karve Road,
Churchgate, Mumbai - 400 020.
Tel.No.: (022) 22051256 / 22000487
Fax No. : (022) 22086905
Email : in.investor-relations@power.alstom.com
Website : www.alstom.com/India

For and on behalf of the Board of Directors

Francois Carpentier
Vice Chairman & Managing Director

S. M. Momaya
Whole time Director & Chief Financial Officer

Place: Noida

Date: 25 April 2011

CEO/CFO Certification

The Board of Directors,
ALSTOM Projects India Limited

Re- Financial Statements for the period ended 31 March 2011 : Certification by CEO and CFO

We, Francois Carpentier, Vice Chairman & Managing Director and S.M. Momaya, Whole-time Director & CFO, on the basis of the review of the financial statements for the period ending 31 March 2011 and to the best of our knowledge and belief, certify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period ending 31 March 2011, which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - (a) There have been no significant changes in the internal control over financial reporting during this year.
 - (b) There have been no significant changes in the accounting policies this year and that the same have been disclosed in the notes to the financial statements.
 - (c) There have been no instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control systems over financial reporting.

Francois Carpentier
Vice Chairman & Managing Director

S.M. Momaya
Whole-time Director & Chief Financial Officer

Place: Noida
Date: 25 April 2011

Declaration – Compliance with the Code of Conduct

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, I, Francois Carpentier, Vice Chairman and Managing Director of the Company, hereby declare that the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31 March 2011.

For ALSTOM Projects India Limited

Francois Carpentier
Vice Chairman & Managing Director

Place : Noida
Date : 25 April 2011

Auditors' Report to the Members of ALSTOM Projects India Limited

1. We have audited the attached Balance Sheet of ALSTOM Projects India Limited (the "Company") as at 31 March 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31 March 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

Place: Noida
Date: 25 April 2011

V. Nijhawan
Partner
Membership Number: F-87228

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' report of even date to the members of ALSTOM Projects India Limited on the financial statements for the year ended 31 March 2011

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly clauses (iii) (b), (c) & (d) of paragraph 4 of the Order are not applicable in the case of the company in the current year.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly clauses (iii) (f) & (g) of paragraph 4 of the Order are not applicable in the case of the company in the current year.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weakness have been noticed or reported.
- (v) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as at 31 March 2011 which have not been deposited on account of a dispute, are as follows:

| Name of the Statute | Nature of dues | Amount in (Rs.'000) | Period to which the amount relates | Forum where the dispute is pending |
|--|---|---------------------|------------------------------------|------------------------------------|
| Andhra Pradesh General Sales Tax (GST), 1957; Andhra Pradesh Value Added Tax (VAT), 2005 and Central Sales Tax (CST) Act, 1956 | Works Contract Tax on Inter State Sales | 520,219 | 2004 - 2008 | High Court |
| Central Excise Act, 1944 | Excise duty and penalty | 216,962 | 1979 - 2008 | CESTAT |
| Central Sales Tax Act, 1956 | Central Sales Tax Penalty | 14,185 | 1993 - 1999 | First/ Second appellate authority |
| Bombay Sales Tax Act, 1957 and Central Sales Tax Act, 1956 | Works Contract Tax on Inter State Sales | 10,211 | 1984 - 1992 | First/ Second appellate authority |
| Central Excise Act, 1944 | Excise duty and penalty | 21,424 | 2007 - 2008 | CESTAT |
| Orissa General Sales Tax Act,1947 and Central Sales Tax Act, 1956 | Works Contract Tax on Inter State Sales | 3,603 | 1992 - 1997 | High Court |
| Tamil Nadu General Sales Tax Act,1959 | Sales Tax and Penalty | 1,752 | 2004 - 2005 | High Court |
| Income Tax Act, 1961 | Income Tax and Interest | 62,313 | A.Y. 2007-2008 | CIT (Appeals) |

- (x) The Company has no accumulated losses as at 31 March 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
- (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans.
- (xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- (xix) The Company has not issued any debentures during the year and there are no debentures outstanding at the year-end.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

V. Nijhawan
Partner
Membership Number: F-87228

Place: Noida
Date: 25 April 2011

ALSTOM Projects India Limited

Balance Sheet as at 31 March 2011

| | Schedule | (Rupees thousands) | |
|--|----------|-------------------------|-------------------------|
| | | As at 31 March 2011 | As at 31 March 2010 |
| SOURCES OF FUNDS | | | |
| Shareholders' funds | | | |
| Share capital | 1 | 670,242 | 670,242 |
| Reserves and surplus | 2 | <u>5,202,804</u> | <u>4,294,714</u> |
| | | 5,873,046 | 4,964,956 |
| Deferred tax liabilities, net | 12 | <u>7,650</u> | <u>-</u> |
| | | <u>5,880,696</u> | <u>4,964,956</u> |
| APPLICATION OF FUNDS | | | |
| Fixed assets | 3 | | |
| Gross block | | 6,602,779 | 6,083,480 |
| Less: Accumulated depreciation / amortisation / impairment | | <u>3,069,665</u> | <u>2,668,536</u> |
| Net book value | | 3,533,114 | 3,414,944 |
| Capital work-in-progress and advances on capital account | | <u>868,112</u> | <u>540,677</u> |
| | | 4,401,226 | 3,955,621 |
| Investments | 4 | 36 | 36 |
| Deferred tax assets, net | 12 | - | 65,850 |
| Current assets, loans and advances | | | |
| Inventories | 5 | 2,300,003 | 2,033,533 |
| Sundry debtors | 6 | 6,811,336 | 6,151,285 |
| Cash and bank balances | 7 | 7,360,568 | 5,980,600 |
| Other current assets | 8 | 6,441,129 | 6,737,436 |
| Loans and advances | 9 | <u>3,454,726</u> | <u>3,285,710</u> |
| | | 26,367,762 | 24,188,564 |
| Less: Current liabilities and provisions | | | |
| Current liabilities | 10 | 23,614,194 | 22,150,894 |
| Provisions | 11 | <u>1,274,134</u> | <u>1,094,221</u> |
| | | 24,888,328 | 23,245,115 |
| Net current assets | | 1,479,434 | 943,449 |
| | | <u>5,880,696</u> | <u>4,964,956</u> |
| Significant Accounting Policies and Notes to Accounts | 18 | | |

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

V. Nijhawan
Partner
Membership No: F87228

Place: Noida
Date: 25 April 2011

The schedules referred to above form an integral part of the Balance Sheet.

For and on behalf of the Board of Directors

| | |
|---------------------|---|
| Sunand Sharma | Chairman |
| Francois Carpentier | Vice Chairman and Managing Director |
| S.M. Momaya | Whole-time Director & Chief Financial Officer |
| Dominique Poliquen | Director |
| K. Vasudevan | Director |
| Dr. Uddesh Kohli | Director |
| Pradeepta Puhan | Company Secretary |

ALSTOM Projects India Limited

Profit and loss account for the year ended 31 March 2011

(Rupees thousands)

| | Schedule | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|---|----------|-------------------------------------|-------------------------------------|
| INCOME | | | |
| Sales and Services (Gross) | 13 | 18,487,700 | 20,805,602 |
| Less: Excise duty | | 451,327 | 378,351 |
| Net Sales and Services | | 18,036,373 | 20,427,251 |
| Other income | 14 | 543,405 | 401,192 |
| | | 18,579,778 | 20,828,443 |
| EXPENDITURE | | | |
| Material cost and erection services | 15 | 9,624,776 | 12,872,613 |
| Personnel expenses | 16 | 3,303,580 | 2,693,289 |
| Other expenses | 17 | 2,627,777 | 2,361,070 |
| Depreciation / amortisation | 3 | 487,372 | 421,421 |
| Less: Transfer from revaluation reserve | | (4,547) | (4,297) |
| Interest | | - | 1,244 |
| | | 16,038,958 | 18,345,340 |
| PROFIT BEFORE TAX | | 2,540,820 | 2,483,103 |
| Tax Expense | | | |
| Current tax | | (778,300) | (876,000) |
| Deferred tax | | (73,500) | 65,403 |
| PROFIT AFTER TAX | | 1,689,020 | 1,672,506 |
| Balance brought forward | 2 | 2,513,750 | 1,792,645 |
| PROFIT AVAILABLE FOR APPROPRIATION | | 4,202,770 | 3,465,151 |
| APPROPRIATION | | | |
| Transferred to general reserve | 2 | 168,902 | 167,251 |
| Proposed dividend | | 670,242 | 670,242 |
| Corporate dividend tax | | | |
| Current | | 108,730 | 113,908 |
| Earlier year's provision no longer required | | (2,589) | - |
| Balance carried forward | | 3,257,485 | 2,513,750 |
| Basic and Diluted Earnings per Share (In rupees) | | | |
| (Par value Rs. 10 per share) | | 25.20 | 24.95 |
| Significant Accounting Policies and Notes to Accounts | 18 | | |

This is the Profit and Loss Account referred to in our report of even date.

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

V. Nijhawan
Partner
Membership No: F87228

Place: Noida
Date: 25 April 2011

The schedules referred to above form an integral part of the Profit and Loss Account.

For and on behalf of the Board of Directors

Sunand Sharma
Francois Carpentier
S.M. Momaya
Dominique Poliquen
K. Vasudevan
Dr. Uddesh Kohli
Pradepta Puhan

Chairman
Vice Chairman and Managing Director
Whole-time Director & Chief Financial Officer
Director
Director
Director
Company Secretary

ALSTOM Projects India Limited

I. Cash flow statement for the year ended 31 March 2011

| | (Rupees thousands) | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
| A. Cash flows from operating activities | | |
| Profit before tax and exceptional item | 2,540,820 | 2,483,103 |
| Adjustments for | | |
| Depreciation / amortisation | 482,825 | 417,124 |
| Provision for doubtful debts and advances | (16,702) | (30,464) |
| Provision for leave encashment and gratuity | 100,866 | 22,345 |
| Unrealised (gain) / loss on restatement of foreign currency assets and liabilities, net | (19,330) | (26,033) |
| (Gain)/loss on sale of fixed assets, net | (7,972) | (2,550) |
| Interest income | (387,284) | (156,025) |
| Interest expense | 4,446 | 1,244 |
| Operating profit before working capital changes | <u>2,697,669</u> | <u>2,708,744</u> |
| Adjustments for changes in working capital | | |
| (Increase)/Decrease in sundry debtors | (643,349) | 146,040 |
| (Increase)/Decrease in inventories | (266,470) | (1,390,903) |
| (Increase)/Decrease in other current assets | 309,801 | 1,408,527 |
| (Increase)/Decrease in loans and advances | (37,062) | 1,586,085 |
| Increase/(Decrease) in current liabilities and provisions | 1,589,835 | (45,536) |
| Cash generated from operating activities | <u>3,650,424</u> | <u>4,412,957</u> |
| Income tax (payments) | (896,254) | (858,764) |
| Net cash generated from operating activities | <u>2,754,170</u> | <u>3,554,193</u> |
| B. Cash flows from investing activities | | |
| Inter corporate deposits given | (14,000) | - |
| Interest received | 373,790 | 152,007 |
| Purchase of fixed assets and advances on capital account | (933,747) | (592,368) |
| Sale proceeds of fixed assets | 8,742 | 4,854 |
| Net cash (used in) investing activities | <u>(565,215)</u> | <u>(435,507)</u> |
| C. Cash flows from financing activities | | |
| Secured loans repaid | - | (11,263) |
| Dividend and corporate dividend tax paid | (781,561) | (784,150) |
| Interest paid | (27,135) | (625) |
| Net cash (used in) financing activities | <u>(808,696)</u> | <u>(796,038)</u> |
| Net cash flow during the year (A+B+C) | <u>1,380,259</u> | <u>2,322,648</u> |
| Cash and cash equivalents, beginning of year | 5,980,600 | 3,659,035 |
| Cash and cash equivalents, end of year | 7,360,859 | 5,981,683 |
| Components of cash and cash equivalents as at end of the year | | |
| Cash and cheques on hand | 2,205 | 1,240 |
| Balances with scheduled banks | | |
| - on current accounts | 244,797 | 142,364 |
| - on deposit accounts* | 6,848,717 | 5,727,060 |
| - on EEFC account | 228,279 | 39,625 |
| - on Unclaimed dividend account* | 12,367 | 10,751 |
| Balances with other banks | | |
| - on current accounts | | |
| -Standard Chartered Bank, Uganda | 20,803 | - |
| -Barclays Bank of Uganda | 1 | 51,519 |
| -Bangkok Bank, Thailand | 3,399 | 8,041 |
| Cash & Bank balances as per schedule 7 | <u>7,360,568</u> | <u>5,980,600</u> |
| Add/(Less): Effect of exchange differences on cash & cash equivalents held in foreign currency | 291 | 1,083 |
| Cash & Cash Equivalents as restated | <u>7,360,859</u> | <u>5,981,683</u> |

- The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements as notified under Section 211(3C) of the Companies Act, 1956.
 - Figures in brackets indicate cash outflow.
 - Previous year amounts have been regrouped/reclassified, wherever necessary, to conform with current year's presentation.
- * Cash and Cash Equivalents include Deposits of Rs. 67,753 thousands (Previous Year Rs. 3,503 thousands) held as margin money and in unclaimed dividend representing unclaimed dividend liabilities, not available for use by the Company.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

V. Nijhawan
Partner
Membership No: F87228
Place : Noida
Date: 25 April 2011

For and on behalf of the Board of Directors
Sunand Sharma Chairman
Francois Carpentier Vice Chairman and Managing Director
S.M. Momaya Whole-time Director & Chief Financial Officer
Dominique Poliquen Director
K. Vasudevan Director
Dr. Uddesh Kohli Director
Pradeepta Puhan Company Secretary

ALSTOM Projects India Limited

Schedules to the Financial Statements

| | (Rupees thousands) | |
|--|----------------------|---------------|
| | As at | As at |
| 1. Share Capital | 31 March 2011 | 31 March 2010 |
| Authorised | | |
| 165,000,000 equity shares of Rs. 10 each (Previous year - 165,000,000 equity shares of Rs. 10 each) | 1,650,000 | 1,650,000 |
| 40,500,000 preference shares of Rs. 100 each (Previous year - 40,500,000 preference shares of Rs. 100 each) | 4,050,000 | 4,050,000 |
| | 5,700,000 | 5,700,000 |
| Issued, subscribed and paid up | | |
| 67,024,174 equity shares of Rs. 10 each (Previous year - 67,024,174 equity shares of Rs. 10 each) | 670,242 | 670,242 |

Of the above equity shares, 25,605,748 equity shares were allotted as fully paid up on the Appointed Date, i.e. 31 March 2001, pursuant to the approval of the Hon'ble High Courts of Judicature at Delhi and Bombay, of the Scheme of Arrangement for amalgamation of ALSTOM Transport Limited ('ATL'), ALSTOM Systems Limited ('ASL') and ALSTOM Power Boilers Limited ('APBL'), together, the transferor companies, with ALSTOM Power India Limited (Now, ALSTOM Projects India Limited), the transferee company, to the shareholders of the transferor companies, as follows:

| | |
|------------------------------|-------------------|
| ALSTOM Power Boilers Limited | 11,024,506 |
| ALSTOM Transport Limited | 11,061,178 |
| ALSTOM Systems Limited | <u>3,520,064</u> |
| | <u>25,605,748</u> |

Of the total equity shares, 44,558,972 (Previous year 44,558,972) shares are held by ALSTOM Holdings, the ultimate holding company through its subsidiaries. Out of these 39,245,408 (Previous year 39,245,408) shares are held by ALSTOM Finance BV, the holding Co., and 5,313,564 (Previous year 5,313,564) shares are held by ALSTOM India Limited.

2. Reserves and Surplus

| | | |
|---|-------------------------|------------------|
| Capital reserve | 1,552 | 1,552 |
| Revaluation reserve | | |
| Balance, beginning of year | 75,531 | 79,828 |
| Less: Transferred to profit and loss account | <u>4,547</u> | <u>4,297</u> |
| Balance, end of year | 70,984 | 75,531 |
| Securities premium account | 8,181 | 8,181 |
| Foreign projects reserve account | | |
| Balance, beginning of year | - | 5,320 |
| Less: Transferred to General reserve | <u>-</u> | <u>5,320</u> |
| Balance, end of year | - | - |
| General reserve | | |
| Balance, beginning of year | 1,695,700 | 1,523,129 |
| Add: Transferred from Foreign project reserve account | - | 5,320 |
| Add: Transferred from Profit and Loss Account | <u>168,902</u> | <u>167,251</u> |
| Balance, end of year | 1,864,302 | 1,695,700 |
| Profit and loss account | 3,257,485 | 2,513,750 |
| | <u>5,202,804</u> | <u>4,294,714</u> |

ALSTOM Projects India Limited

Schedules to the Financial Statements

3. Fixed Assets (Rupees thousands)

| Class of Assets | Gross Block | | | Depreciation/Amortisation | | | Net Block | | |
|---------------------------|-----------------------|---------------------------|---------------------------|---------------------------|-----------------------|------------------------|---------------------------|------------------------|------------------------|
| | As at 1 April 2010 | Additions/ adjustments | Deletions/ adjustments | As at 31 March 2011 | As at 1 April 2010 | Charge for the year | Deletions/ Adjustments | As at 31 March 2011 | As at 31 March 2010 |
| Tangible Assets | | | | | | | | | |
| Freehold land | 104,610 | — | — | 104,610 | — | — | — | 104,610 | 104,610 |
| Leasehold land | 490 | — | — | 490 | 21 | — | 21 | 469 | 469 |
| Leasehold improvements | 483,018 | — | — | 483,018 | 100,886 | 61,868 | — | 320,264 | 382,132 |
| Factory buildings | 543,318 | 13,288 | — | 556,606 | 168,078 | 16,119 | — | 372,409 | 375,240 |
| Other buildings | 401,785 | 3,618 | — | 405,403 | 209,478 | 6,104 | — | 189,821 | 192,307 |
| Plant and machinery | 4,131,401 | 574,069 | 85,692 | 4,619,778 | 1,939,007 | 339,701 | 84,946 | 2,426,016 | 2,192,394 |
| Furniture and fixtures | 157,862 | 2,548 | 393 | 160,017 | 74,245 | 16,169 | 370 | 69,973 | 83,617 |
| Vehicles | 12,141 | 1,343 | 928 | 12,556 | 9,388 | 934 | 927 | 3,161 | 2,753 |
| Intangible Assets | | | | | | | | | |
| Software and Licence Fees | 248,855 | 11,446 | — | 260,301 | 167,433 | 46,477 | — | 46,391 | 81,422 |
| Grand Total | 6,083,480 | 606,312 | 87,013 | 6,602,779 | 2,668,536 | 487,372 | 86,243 | 3,069,665 | 3,414,944 |
| Previous Year | 4,885,769 | 1,245,029 | 47,318 | 6,083,480 | 2,292,129 | 421,421 | 45,014 | 2,668,536 | 2,593,640 |

Certain building and plant and machinery were revalued by an external valuer by using "Current cost accounting method" during the year 1985. The gross book value of the revalued assets as on 31 March 2011 amounts to Rs. 540,227 thousand (Buildings - Rs. 278,614 thousand and Plant & Machinery - Rs. 261,613 thousand).

ALSTOM Projects India Limited

Schedules to the Financial Statements

| | (Rupees thousands) | |
|---|------------------------|------------------------|
| | As at 31 March 2011 | As at 31 March 2010 |
| 4. Investments | | |
| Non-trade investments - Long term (at cost) | | |
| Investments in securities, unquoted | | |
| Kohinoor Mills Company Limited (28 (Previous Year 28) equity shares of Rs. 100 each fully paid up) | 7 | 7 |
| Bengal Chamber of Commerce and Industry (9 (Previous Year 9) Non-convertible debentures - 6.5% of Rs. 1,000 each fully paid up) | 9 | 9 |
| AVB Employees' Co-operative Credit Society and Bank Limited (50 (Previous Year 50) B - Class equity shares of Rs. 100 each fully paid up) | 5 | 5 |
| AVB Employees' Co-operative Credit Society and Bank Limited (500 (Previous Year 500) B - Class equity shares of Rs. 10 each fully paid up) | 5 | 5 |
| East India Clinic Limited (1 (Previous Year 1) Non-redeemable debenture stock - 5% of Rs. 10,000 fully paid up) | 10 | 10 |
| | 36 | 36 |
| Other investments in subsidiary companies, unquoted (Companies under the same management) | | |
| ALSTOM Power Boilers Services Limited (34,000 (Previous Year 34,000) Equity shares of Rs. 100 each fully paid up) | 2,283 | 2,283 |
| Less: Provision for permanent diminution in value of investments | 2,283 | 2,283 |
| | — | — |
| | 36 | 36 |
| Notes: | | |
| Aggregate amount of unquoted investments | 36 | 36 |
| | | |
| 5. Inventories | | |
| Raw materials | 246,929 | 127,459 |
| Stores and spares | 126,914 | 53,450 |
| Components | 33,573 | 42,123 |
| Work-in-progress | 1,884,746 | 1,806,211 |
| Finished goods | 7,841 | 4,290 |
| | 2,300,003 | 2,033,533 |
| | | |
| 6. Sundry Debtors | | |
| Unsecured | | |
| Debts outstanding for a period exceeding six months | | |
| - Considered good | 3,038,346 | 2,225,814 |
| - Considered doubtful | 85,973 | 143,665 |
| | 3,124,319 | 2,369,479 |
| Other debts - considered good | 3,772,990 | 3,925,471 |
| | 6,897,309 | 6,294,950 |
| Less: Provision for doubtful debts | 85,973 | 143,665 |
| | 6,811,336 | 6,151,285 |

Sundry debtors includes retention monies of Rs. 3,472,054 thousand (previous year - Rs. 2,754,565 thousand), which are due on completion of contracts/ final acceptance by the customers.

ALSTOM Projects India Limited

Schedules to the Financial Statements

| | As at | (Rupees thousands) |
|--|----------------------|--------------------------------|
| 7. Cash and Bank balances | 31 March 2011 | As at 31 March 2010 |
| Cash (including cheques on hand Nil (previous year Rs. 80 thousand)) | 2,205 | 1,240 |
| Balances with scheduled banks | | |
| – On current account | 244,797 | 142,364 |
| – On deposit accounts | 6,848,717 | 5,727,060 |
| – On EEFC account | 228,279 | 39,625 |
| – On unclaimed dividend account | 12,367 | 10,751 |
| Balances with other banks | | |
| – On current account | | |
| – Standard Chartered Bank, Uganda* | 20,803 | – |
| – Barclays Bank of Uganda, Uganda** | 1 | 51,519 |
| – Bangkok Bank, Thailand*** | 3,399 | 8,041 |
| | 7,360,568 | 5,980,600 |

*Maximum amount outstanding during the year Rs. 55,120 thousand (previous year - Nil)

**Maximum amount outstanding during the year Rs. 69,927 thousand (previous year - Rs. 89,708 thousand)

***Maximum amount outstanding during the year Rs. 22,384 thousand (previous year - Rs. 12,032 thousand)

8. Other Current Assets

| | | |
|--|------------------|------------------|
| Accrued Revenue | 28,754 | 83,514 |
| Contract revenue in excess of billing | 6,367,358 | 6,631,814 |
| Interest accrued on deposits | 35,116 | 21,622 |
| Unamortised premium on forward contracts | 9,901 | 486 |
| | 6,441,129 | 6,737,436 |

9. Loans and Advances

| | | |
|--|------------------|------------------|
| Considered good unless otherwise stated | | |
| Secured | | |
| Employee advances | 54 | 189 |
| Unsecured | | |
| Advances recoverable in cash or in kind or for value to be received | | |
| – considered good | 2,916,032 | 2,771,472 |
| – considered doubtful | 1,779 | 54,727 |
| | 2,917,811 | 2,826,199 |
| Less: Provision for doubtful advances | 1,779 | 54,727 |
| | 2,916,032 | 2,771,472 |
| Inter-Corporate Deposit | 14,000 | – |
| Advances recoverable from ALSTOM Power Boilers Services Limited ('APBSL') | 12,207 | 12,342 |
| Advance tax, including taxes deducted at source (net of provision for income tax Rs.3,036,029 thousand [previous year Rs. 2,257,729 thousand]) | 293,296 | 175,342 |
| Balances with customs, port trusts and excise authorities | 177,150 | 293,235 |
| VAT credit receivable | 41,987 | 33,130 |
| | 3,454,726 | 3,285,710 |

Notes:

- Advances recoverable from APBSL comprise advances made for erection and commissioning service contracts being executed by the subsidiary, as well as receivables relating to non-trade transactions.
- Dues from companies under same management:-
The maximum amount outstanding from APBSL was Rs. 12,342 thousand (previous year - Rs. 23,992 thousand)
- Amounts due from officers of the company Nil (previous year - Rs. 45 thousand). Maximum amount outstanding during the year Rs. 67 thousand (previous year - Rs. 45 thousand).

ALSTOM Projects India Limited

Schedules to the Financial Statements

| | (Rupees thousands) | |
|---|---|---|
| | As at 31 March 2011 | As at 31 March 2010 |
| 10. Current Liabilities | | |
| Sundry creditors | | |
| – Total outstanding dues to Small and Micro enterprises (Refer note no. 14 of schedule 18) | 40,302 | 53,025 |
| – Total outstanding dues to creditors other than Small and Micro enterprises* | 11,504,546 | 11,978,549 |
| Payables to ALSTOM Power Boilers Services Limited, a wholly owned subsidiary | 3,086 | 3,086 |
| Advance payments from customers | 11,182,219 | 9,865,528 |
| Billing in excess of contract revenue | 708,728 | 80,713 |
| Interest accrued but not due on West Bengal sales tax loan | – | 22,689 |
| Payable under finance leases | 15,082 | 15,860 |
| Lease equalisation reserve | 88,362 | 55,995 |
| Unclaimed dividend (to be credited to Investor education and protection fund, when due) | 12,367 | 10,751 |
| Other Liabilities | 59,502 | 64,698 |
| | <u>23,614,194</u> | <u>22,150,894</u> |
| * includes Rs. 213,402 thousand as book overdraft (previous year Rs. 168,751 thousand) | | |
| 11. Provisions | | |
| Wealth tax | 345 | 122 |
| Leave encashment | 203,820 | 154,701 |
| Gratuity (Refer note 11 of schedule 18) | 51,747 | – |
| Warranty (Refer note 15 of schedule 18) | 239,250 | 155,248 |
| Proposed dividend | 670,242 | 670,242 |
| Corporate dividend tax | 108,730 | 113,908 |
| | <u>1,274,134</u> | <u>1,094,221</u> |
| 12. Deferred tax assets / liabilities, net | | |
| Deferred tax assets | | |
| Provision for doubtful debts and advances | 28,471 | 67,434 |
| Expenses disallowed under Income Tax Act, 1961 to be allowed in future years | 162,249 | 162,713 |
| Lease Equalisation Reserve | 28,669 | 19,645 |
| Others | 741 | 776 |
| | <u>220,130</u> | <u>250,568</u> |
| Deferred tax liabilities | | |
| Difference between WDV of fixed assets as per books and under Income Tax Act, 1961 | 227,780 | 184,718 |
| Deferred tax assets / (liabilities), net | <u>(7,650)</u> | <u>65,850</u> |
| 13. Sales and services (Gross of excise duty) | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
| Project sales | 6,595,927 | 11,099,364 |
| Service income | 3,443,382 | 3,151,540 |
| Equipment and spare sales | 8,448,391 | 6,554,698 |
| | <u>18,487,700</u> | <u>20,805,602</u> |

ALSTOM Projects India Limited

Schedules to the Financial Statements

| | (Rupees thousands) | |
|--|-------------------------------------|-------------------------------------|
| 14. Other Income | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
| Interest (Gross) | | |
| – On deposits with banks | 387,183 | 155,829 |
| – Others | 101 | 196 |
| (Tax deducted at source on total interest Rs. 39,639 thousand, [previous year Rs. 18,477 thousand]) | 387,284 | 156,025 |
| Gain on Sale of fixed assets, net | 7,972 | 2,550 |
| Foreign exchange gain, net | 52,831 | 71,234 |
| Write-back of provision for doubtful debts and advances (Refer Note 12 of schedule 18) | 20,629 | 31,749 |
| Excess Liabilities written back | 8,519 | 25,327 |
| Miscellaneous income | 66,170 | 114,307 |
| | 543,405 | 401,192 |
| 15. Material Cost and Erection Services | | |
| Raw Materials and Components Consumed | 5,836,556 | 7,183,971 |
| Project Materials and Erection Services | 3,870,306 | 7,057,927 |
| (Increase) / Decrease in stocks | (82,086) | (1,369,285) |
| | 9,624,776 | 12,872,613 |
| 16. Personnel Expenses | | |
| Salaries, wages and bonus | 2,498,359 | 2,224,514 |
| Contribution to provident and other funds | 254,999 | 171,253 |
| Workmen and staff welfare expenses | 447,021 | 218,200 |
| Other personnel expenses | 103,201 | 79,322 |
| | 3,303,580 | 2,693,289 |
| 17. Other Expenses | | |
| Tools, stores and spares | 100,952 | 104,119 |
| Royalty and trademark fee | 246,597 | 216,242 |
| Commission | 14,321 | 19,711 |
| Power, fuel and water | 189,988 | 196,132 |
| Travel and conveyance | 492,468 | 414,610 |
| Insurance | 73,858 | 38,032 |
| Rates and taxes | 26,877 | 29,156 |
| Rent | 374,640 | 375,173 |
| Repairs and Maintenance | | |
| – Buildings | 111,757 | 91,418 |
| – Plant and machinery | 120,364 | 99,297 |
| – Others | 33,292 | 44,244 |
| Provisions for doubtful debts and advances (Refer Note 12 of schedule 18) | 3,927 | 1,285 |
| Bad Debts Written-off | 8,498 | - |
| Other services from third parties | 342,669 | 344,764 |
| Interest on Finance Lease | 4,446 | 4,638 |
| Directors fees | 460 | 400 |
| Donations | 1,127 | 57 |
| Miscellaneous expenses | 481,536 | 381,792 |
| | 2,627,777 | 2,361,070 |

ALSTOM Projects India Limited

Schedule 18: Notes to accounts

(All amounts in rupees thousands, unless otherwise specified)

1 BACKGROUND

ALSTOM Projects India Limited ('APIL' or 'the Company') is a publicly owned Company, incorporated on 2 September 1992 as Asea Brown Boveri Management Limited, registered with the Registrar of Companies, Maharashtra.

Its business includes a composite range of activities engineering, procurement, manufacturing, construction and servicing etc. of power plants and power equipments and transportation systems covering traction, signalling and train control for the railways and metros.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. These financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made or revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those applied in the previous year.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make best estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

2.3 Fixed assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses, if any. Cost comprises purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed as capital work in progress.

2.4 Intangible assets

Software costs relating to acquisition of product design software and software license fee are capitalised in the year of purchase and amortised on a straight-line basis over their useful lives of three years and five years respectively.

2.5 Depreciation

Depreciation is provided on straight line basis as per the following rates, which are determined on the basis of useful lives of the assets estimated by the management, or at rates specified in Schedule XIV to the Companies Act, whichever is higher.

| | % |
|------------------------|---------------|
| Factory buildings | 3.34 – 5.00 |
| Other buildings | 1.63 – 3.00 |
| Plant and machinery | 4.75 – 40.00 |
| Furniture and fixtures | 10.00 – 20.00 |
| Motor vehicles | 20.00 |

Leasehold assets are amortised over the period of the lease or the estimated useful life whichever is lower. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Assets costing below five thousand rupees are fully depreciated in the year of purchase. In respect of the revalued assets, the difference between the depreciation calculated on the revalued amount and that calculated on the original cost is recouped from the revaluation reserve account.

2.6 Impairment of assets

2.6.1 The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

2.6.2 After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

ALSTOM Projects India Limited

2.6.3 A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.7 Foreign currency transactions

2.7.1 Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

2.7.2 Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

2.7.3 Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

2.7.4 Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of various categories of inventories is arrived at as follows:

- Stores, spares, raw materials and components - at cost determined on moving weighted average method.
- Work-in-progress and finished goods – based on weighted average cost of production, including appropriate proportion of costs of conversion. Excise duty is included in the value of finished goods inventory.
- Packing materials, loose tools and consumables, being immaterial in value terms, and also based on their purchase mostly on need basis, are expensed to the profit and loss account at the point of purchase.

Contract work-in-progress is valued at cost or net realisable value, whichever is lower. Cost includes direct materials, labour and appropriate proportion of overheads including depreciation.

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

Provision for obsolescence is made, wherever necessary.

2.9 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2.9.1 Revenues from long-term contracts

Contract prices are either fixed or subject to price escalation clauses. Revenues are recognised on a percentage completion method measured by segmented portions of the contract, i.e. "Contract Milestones". The relevant cost is recognised in the financial statements in the year of recognition of revenues. Recognition of profit is adjusted to ensure that it does not exceed the estimated overall contract margin. Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Current Liabilities" in the balance sheet.

If it is expected that a contract will make a loss, the estimated loss is provided for in the books of account. Such losses are based on technical assessments.

Amounts due in respect of price escalation claims and/or variation in contract work are recognised as revenue only if the contract allows for such claims or variations and /or there is evidence that the customer has accepted it and it is probable that these will result in revenue and are capable of being reliably measured.

Liquidated damages/penalties, warranties and contingencies are provided for, based on management's assessment of the estimated liability, as per contractual terms and/or acceptance.

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2.9.2 Revenues from sale of products and services

Revenues from sale of products are recognised on despatch of goods to customers which corresponds to transfer of significant risk and rewards of ownership and are net of sales tax and trade discounts. Revenues from services are recognised when such services are rendered as per contract terms.

2.9.3 Interest Income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

2.9.4 Export Benefits are accounted for to the extent there is reasonable certainty of utilisation of the same.

2.10 Employee benefits

2.10.1 Retirement benefits in the form of Provident Fund contributed to Trust set up by the employer is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the trust are due.

2.10.2 Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contributions to LIC. The company recognises the actuarial gains & losses in the profit & loss in the period in which they arise.

2.10.3 Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the end of each year. The actuarial valuation is done as per projected unit credit method.

2.11 Leases

Where the Company is the lessee

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

Finance Leases

The assets taken on finance lease are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

2.12 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments.

2.13 Tax Expense

Tax expense comprises of current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company recognises / writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is subsequently reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized.

2.14 Provisions and Contingencies

A provision is recognised when there is a present obligation as a result of a past event, for which it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

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Provisions required to settle are reviewed regularly and are adjusted, where necessary, to reflect the current estimate of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.15 Segment reporting policies

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers.

2.16 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and cash & cheques in hand.

2.18 Derivative instruments

The Company uses derivative financial instruments such as forward exchange contracts to hedge its risks associated with foreign currency fluctuations.

The Foreign exchange contracts other than those covered under AS 11, entered for non speculative purposes, including the underlying hedged items, are valued on the basis of a fair value on marked to market basis and any loss on valuation is recognized in the profit and loss account, on a portfolio basis. Any gain arising on this valuation is not recognized by the Company in line with the principle of prudence.

3 CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) – Rs. 356,796 thousand (previous year – Rs. 304,834 thousand).

4 CONTINGENT LIABILITIES NOT PROVIDED FOR

- a) Demand raised by sales tax and excise authorities levying sales tax / works contract tax / excise duty in cases of disputes regarding divisibility of contracts with the customers for supply and erection / installation of goods and others - Rs. 250,637 thousand (previous year – Rs. 251,604 thousand)
- b) Demand raised by Durgapur Power Limited on delayed payment of electricity bills – Nil (previous year – Rs. 19,000 thousand).
- c) Various other claims not acknowledged as debts Rs. 1,373 thousand (previous year – Rs. 6,250 thousand).

Based on the favourable decision in similar cases / legal opinions taken by the Company / discussions with the solicitors etc., the Company believes that it has good cases in respect of all the items listed under (a) and (c) above and hence no provision there against is considered necessary.

5 SEGMENT INFORMATION

5.1 Primary segment reporting - Business segments

The Company's business segments are classified into Power and Transport.

5.1.1 Power segment

This segment is engaged in the business of engineering, procurement and construction of power plants. It also manufactures steam raising plant, ancillary equipment, parts of steam generator, pressures vessels and pulverizers.

5.1.2 Transport segment

This segment is engaged in the business of designing, manufacturing, supplying and supporting large scale transportation systems including traction, signalling and train control.

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5.2 Inter segment transfers

Segment revenues, segment expenses and segment results include transfers between business segments, that are made based on negotiation between segments with reference to the costs, market prices and business risks, within the overall optimisation objective for the Company and are comparable with competitive market prices charged to external customers. Inter-segment transfers are eliminated on consolidation.

5.3 Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

5.4 Unallocated items

Includes general corporate income and expense items, which are not allocated to any business segment.

5.5 Segment revenues, results and other information

| | (Rupees thousands) | | | | | |
|---|--------------------|------------|------------------|---------|-------------------|------------|
| | Power | | Transport | | Total | |
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| External sales | 17,285,377 | 19,710,806 | 750,996 | 716,445 | 18,036,373 | 20,427,251 |
| Inter segment sales | - | - | - | - | - | - |
| Other income | 89,107 | 234,139 | 67,014 | 11,028 | 156,121 | 245,167 |
| Segment revenues | 17,374,484 | 19,944,945 | 818,010 | 727,473 | 18,192,494 | 20,672,418 |
| Segment results | 2,101,643 | 2,303,349 | 51,893 | 24,973 | 2,153,536 | 2,328,322 |
| Segment assets | 22,559,672 | 21,679,931 | 494,129 | 369,754 | 23,053,801 | 22,049,685 |
| Segment liabilities | 22,577,530 | 21,762,729 | 1,299,162 | 668,175 | 23,876,692 | 22,430,904 |
| Capital expenditure | 927,622 | 568,816 | 6,125 | 23,552 | 933,747 | 592,368 |
| Depreciation / amortisation | 475,843 | 411,383 | 6,982 | 5,741 | 482,825 | 417,124 |
| Non cash expenditure, other than depreciation/ amortization | 79,788 | 1,285 | 4,376 | - | 84,164 | 1,285 |

5.6 Secondary segment reporting -- Geographical segments

The analysis of geographical segments is based on the geographical location of the customers.

Secondary Segment Information for the year ended 31 March 2011:

Revenue:

| Particulars | Year ended 31 March 2011 | Year ended 31 March 2010 |
|---------------|-----------------------------|-----------------------------|
| India | 14,604,957 | 14,595,732 |
| Outside India | 3,431,416 | 5,831,519 |
| Total | 18,036,373 | 20,427,251 |

Carrying Amount of Segment Assets:

| Particulars | As at 31 March 2011 | As at 31 March 2010 |
|---------------|------------------------|------------------------|
| India | 28,977,180 | 23,875,044 |
| Outside India | 1,791,844 | 4,335,027 |
| Total | 30,769,024 | 28,210,071 |

Capital Expenditure:

| Particulars | Year ended 31 March 2011 | Year ended 31 March 2010 |
|---------------|-----------------------------|-----------------------------|
| India | 933,747 | 592,368 |
| Outside India | - | - |
| Total | 933,747 | 592,368 |

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5.7 Reconciliation of reportable segments with financial statements

| | Revenues | | Results | | Assets | | Liabilities | |
|--|-------------------|------------|------------------|-----------|-------------------|------------|-------------------|------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Total of reportable segments | 18,192,494 | 20,672,418 | 2,153,536 | 2,328,322 | 23,053,801 | 22,049,685 | 23,876,692 | 22,430,904 |
| Inter segment sales/assets | - | - | - | - | - | - | - | - |
| Unallocated – Interest income | 387,284 | 156,025 | 387,284 | 156,025 | - | - | - | - |
| Unallocated – Other income | - | - | - | - | - | - | - | - |
| Unallocated – Interest expense | - | - | - | (1,244) | - | - | - | - |
| Unallocated – Loans/Deposits | - | - | - | - | 14,000 | - | - | - |
| Unallocated – Liabilities, other than loans | - | - | - | - | - | - | 232,664 | 30,061 |
| Unallocated – Interest accrued and other assets | - | - | - | - | 47,359 | 21,658 | - | - |
| Unallocated – Cash and bank | - | - | - | - | 7,360,568 | 5,980,600 | - | - |
| Taxes | | | | | | | | |
| – Income Tax | - | - | (778,300) | (876,000) | 293,296 | 92,278 | - | - |
| – Deferred Tax | - | - | (73,500) | 65,403 | - | 65,850 | 7,650 | - |
| Proposed Dividend including Corporate Dividend Tax | - | - | - | - | - | - | 778,972 | 784,150 |
| Per financial statements | 18,579,778 | 20,828,443 | 1,689,020 | 1,672,506 | 30,769,024 | 28,210,071 | 24,895,978 | 23,245,115 |

6 RELATED PARTY DISCLOSURES

6.1 List of related parties

6.1.1 Parties with whom control exists:

| | |
|-------------------|----------------------------|
| ALSTOM Holdings | (Ultimate Holding Company) |
| ALSTOM Finance BV | (Holding Company) |

6.1.2 Parties controlled by the Company (Subsidiaries)

ALSTOM Power Boilers Services Limited

6.1.3 Other related parties with whom transactions have taken place during the year (fellow subsidiaries)

ALSTOM (Switzerland) Ltd, ALSTOM Asia Pacific Sdn Bhd, ALSTOM Austria GmbH, ALSTOM Belgium SA, ALSTOM Bharat Forge Power Limited, ALSTOM Brasil Energia E Transporte Ltda, ALSTOM Bulgaria Eood, ALSTOM Deutschland AG, ALSTOM Egypt Power & Transp Projects SAE, ALSTOM Ferroviaria S.P.A, ALSTOM Finance BV, ALSTOM General Turbo SA, ALSTOM Holdings, ALSTOM Hydro (Switzerland) Ltd, ALSTOM Hydro Austria GmbH, ALSTOM Hydro Equipamentes, ALSTOM Hydro France, ALSTOM Hydro R & D India Limited, ALSTOM Hydro Spain S.L., ALSTOM Hydro Sweden Ab, ALSTOM India Limited, ALSTOM Information Tech. Centre SAS, ALSTOM Ltd, ALSTOM Mexicana S.A. De C.V., ALSTOM Norway AS, ALSTOM Power Centrales, France, ALSTOM Power Consulting AG, ALSTOM Power Hydraulique, ALSTOM Power Inc USA, ALSTOM Power Inc., ALSTOM Power Italia Spa, ALSTOM Power Nederland B.V., ALSTOM Power Romania, ALSTOM Power Service, ALSTOM Power Service (Hong Kong) Limited, ALSTOM Power Service (Pty) Limited, ALSTOM Power Service GmbH, ALSTOM Power Sp.Z O.O., ALSTOM Power Sweden AB, ALSTOM Power Systems GmbH, ALSTOM Power Systems SA, ALSTOM SA, ALSTOM Services Sdn Bhd, ALSTOM Signalling Inc., ALSTOM Hydro R&D India Limited, ALSTOM Technical Service Shanghai, ALSTOM Technology Ltd, ALSTOM Transport (S) Pte Ltd, ALSTOM Transport BV, ALSTOM Transport SA, ALSTOM Vannkraft AS, Areva T&D India Limited, NTPC ALSTOM Power Services Private Ltd, Pt ALSTOM Power Energy Systems Indonesia, Tianjin ALSTOM Hydro Co. Ltd.

6.1.4 Key managerial personnel (KMP)

| | |
|-------------------------|---|
| Mr. Francois Carpentier | – Vice Chairman & Managing Director |
| Mr. S.M. Momaya | – Whole-time Director & Chief Financial Officer |

ALSTOM Projects India Limited

6.2 Transactions with Related Parties

(Rupees thousands)

| Particulars | 2010-11 | | | | 2009-10 | | | |
|--|--------------|---------------------|------------------------------|--------------------------|--------------|---------------------|------------------------------|--------------------------|
| | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel |
| Sale of Products | | | | | | | | |
| ALSTOM Belgium SA | - | 87,284 | - | - | - | 14,765 | - | - |
| ALSTOM (Switzerland) Ltd | - | 265,749 | - | - | - | 572,289 | - | - |
| ALSTOM Brasil Energia e transporte Ltda | - | 74,124 | - | - | - | - | - | - |
| ALSTOM Ferroviaria S.p.A | - | 27,879 | - | - | - | 8,289 | - | - |
| ALSTOM Hydro France | - | 1,816,214 | - | - | - | - | - | - |
| ALSTOM Hydro Spain S.L. | - | 123,538 | - | - | - | 169,314 | - | - |
| ALSTOM Power Inc. | - | 111,991 | - | - | - | 41,237 | - | - |
| ALSTOM Power Italia Spa | - | 27,125 | - | - | - | 40,745 | - | - |
| ALSTOM Power Service (Hong Kong) Limited | - | 9,746 | - | - | - | - | - | - |
| ALSTOM Transport SA | - | 34,697 | - | - | - | 138,462 | - | - |
| ALSTOM Vannkraft AS | - | 36,655 | - | - | - | 20,752 | - | - |
| NTPC ALSTOM Power Services Private Ltd | - | 322 | - | - | - | 148,858 | - | - |
| ALSTOM Hydro Sweden AB | - | - | - | - | - | 32,116 | - | - |
| ALSTOM Power Sp.z o.o. | - | - | - | - | - | 32,744 | - | - |
| ALSTOM Power Centrales, France | - | - | - | - | - | 70,724 | - | - |
| ALSTOM Power Hydraulique | - | - | - | - | - | 4,187,452 | - | - |
| Others | - | 864 | - | - | - | 467 | - | - |
| Purchase of Raw Material Component Capital Goods & Other Services | | | | | | | | |
| ALSTOM Ferroviaria S.p.A | - | 1,420 | - | - | - | - | - | - |
| ALSTOM Norway AS | - | 2,474 | - | - | - | - | - | - |
| ALSTOM Ltd | - | 6,283 | - | - | - | 34,153 | - | - |
| ALSTOM Power Inc. | - | 12,382 | - | - | - | 184,664 | - | - |
| ALSTOM general turbo SA | - | 15,894 | - | - | - | - | - | - |
| ALSTOM Transport SA | - | 16,515 | - | - | - | 13,876 | - | - |
| ALSTOM Power Sp.z o.o. | - | 19,096 | - | - | - | 122,595 | - | - |
| ALSTOM Power Italia Spa | - | 25,432 | - | - | - | - | - | - |
| ALSTOM Hydro France | - | 38,883 | - | - | - | - | - | - |
| Areva T&D India Limited | - | 39,681 | - | - | - | - | - | - |
| ALSTOM Power Sweden AB | - | 52,489 | - | - | - | 49,701 | - | - |
| ALSTOM Power Service | - | 73,885 | - | - | - | 13,688 | - | - |
| ALSTOM Brasil Energia e transporte Ltda | - | 101,835 | - | - | - | 589,773 | - | - |
| ALSTOM Power Service GmbH | - | 106,753 | - | - | - | 87,390 | - | - |
| ALSTOM Power Systems SA | - | 149,759 | - | - | - | 43,016 | - | - |
| ALSTOM (Switzerland) Ltd | - | 251,307 | - | - | - | 284,014 | - | - |
| ALSTOM Power Romania | - | - | - | - | - | 19,266 | - | - |
| ALSTOM Power Hydraulique | - | - | - | - | - | 34,621 | - | - |
| Others | - | 1,903 | - | - | - | 1,878 | - | - |
| Sale of Other Services | | | | | | | | |
| ALSTOM Power Boiler Services Limited | 260 | - | - | - | 334 | - | - | - |
| ALSTOM Transport (S) Pte Ltd | - | 914 | - | - | - | 1,270 | - | - |
| ALSTOM Services Sdn Bhd | - | 1,105 | - | - | - | - | - | - |
| ALSTOM Egypt Power & Transp Projects SAE | - | 2,584 | - | - | - | - | - | - |
| ALSTOM Bulgaria EOOD | - | 3,213 | - | - | - | 302 | - | - |
| PT ALSTOM Power Energy Systems Indonesia | - | 3,449 | - | - | - | 86 | - | - |
| ALSTOM Asia Pacific Sdn Bhd | - | 4,359 | - | - | - | 891 | - | - |
| ALSTOM Ferroviaria S.p.A | - | 4,432 | - | - | - | 8,572 | - | - |
| ALSTOM Hydro R&D India Limited | - | 2,058 | - | - | - | 791 | - | - |
| NTPC ALSTOM Power Services Private Ltd | - | 5,004 | - | - | - | 16,133 | - | - |
| ALSTOM Transport BV | - | 5,328 | - | - | - | 344 | - | - |
| ALSTOM Mexicana S.A. de C.V. | - | 5,833 | - | - | - | - | - | - |
| ALSTOM Information Tech. Centre SAS | - | 5,964 | - | - | - | - | - | - |
| ALSTOM Belgium SA | - | 6,497 | - | - | - | 6,048 | - | - |
| ALSTOM Power Italia Spa | - | 11,436 | - | - | - | 16,179 | - | - |
| ALSTOM Brasil Energia e transporte Ltda | - | 13,237 | - | - | - | 22,991 | - | - |
| ALSTOM Norway AS | - | 24,108 | - | - | - | 37,684 | - | - |
| ALSTOM Power Sweden AB | - | 24,376 | - | - | - | 15,355 | - | - |
| ALSTOM Bharat Forge Power Limited | - | 24,509 | - | - | - | - | - | - |
| ALSTOM Technical Service Shanghai | - | 28,825 | - | - | - | 3,161 | - | - |
| ALSTOM Hydro France | - | 32,900 | - | - | - | - | - | - |
| ALSTOM Transport SA | - | 35,292 | - | - | - | 66,682 | - | - |
| ALSTOM Ltd | - | 35,441 | - | - | - | 54,106 | - | - |
| ALSTOM Power Consulting AG | - | 52,289 | - | - | - | 29,287 | - | - |
| ALSTOM Power Inc. | - | 61,979 | - | - | - | 46,645 | - | - |
| ALSTOM Power Systems GmbH | - | 114,324 | - | - | - | 159,929 | - | - |

ALSTOM Projects India Limited

6.2 Transactions with Related Parties

(Rupees thousands)

| Particulars | 2010-11 | | | | 2009-10 | | | |
|---|--------------|---------------------|------------------------------|--------------------------|--------------|---------------------|------------------------------|--------------------------|
| | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel |
| ALSTOM (Switzerland) Ltd | - | 296,182 | - | - | - | 392,371 | - | - |
| ALSTOM Power Systems SA | - | 317,115 | - | - | - | 453,838 | - | - |
| ALSTOM Power Hydraulique | - | - | - | - | - | 52,605 | - | - |
| ALSTOM Hydro (Switzerland) Ltd | - | - | - | - | - | 67,349 | - | - |
| Others | - | 1,381 | - | - | - | 1,902 | - | - |
| Other Income | | | | | | | | |
| ALSTOM Power Boiler Services Limited | - | - | - | - | 349 | - | - | - |
| ALSTOM Hydro R&D India Limited | - | 2,565 | - | - | - | 3,848 | - | - |
| ALSTOM Transport SA | - | - | - | - | - | 17,684 | - | - |
| Purchase of Other Services | | | | | | | | |
| Tianjin ALSTOM Hydro Co. Ltd | - | 10 | - | - | - | 1,403 | - | - |
| ALSTOM Power Service (Pty) Limited | - | 1,333 | - | - | - | - | - | - |
| ALSTOM Power Systems SA | - | 1,395 | - | - | - | - | - | - |
| ALSTOM Asia Pacific Sdn Bhd | - | 1,903 | - | - | - | 2,222 | - | - |
| ALSTOM Deutschland AG | - | 2,381 | - | - | - | 1,034 | - | - |
| ALSTOM Power Sp.z o.o. | - | 4,069 | - | - | - | 8,001 | - | - |
| ALSTOM Power Italia Spa | - | 5,784 | - | - | - | - | - | - |
| ALSTOM Holdings | - | 8,908 | - | - | - | 6,668 | - | - |
| ALSTOM Power Service | - | 18,020 | - | - | - | 6,772 | - | - |
| ALSTOM Power Service GmbH | - | 21,696 | - | - | - | 49,769 | - | - |
| ALSTOM Power Inc. | - | 23,950 | - | - | - | 16,852 | - | - |
| ALSTOM Hydro France | - | 29,574 | - | - | - | - | - | - |
| ALSTOM Ltd | - | 29,814 | - | - | - | 6,392 | - | - |
| ALSTOM Information Tech. Centre SAS | - | 39,983 | - | - | - | 7,955 | - | - |
| ALSTOM (Switzerland) Ltd | - | 92,482 | - | - | - | 65,174 | - | - |
| ALSTOM Power Systems GmbH | - | - | - | - | - | 1,286 | - | - |
| ALSTOM Power Hydraulique | - | - | - | - | - | 23,065 | - | - |
| Others | - | 1,051 | - | - | - | 1,335 | - | - |
| Other Expenses / Reimbursements (Payments) | | | | | | | | |
| ALSTOM Power Systems SA | - | - | - | - | - | 26,019 | - | - |
| ALSTOM (Switzerland) Ltd | - | 2,263 | - | - | - | 36,763 | - | - |
| ALSTOM Signalling Inc. | - | - | - | - | - | 12,885 | - | - |
| ALSTOM Hydro (Switzerland) Ltd | - | - | - | - | - | 57,901 | - | - |
| ALSTOM Belgium SA | - | 2,538 | - | - | - | - | - | - |
| ALSTOM China Investment Co Ltd | - | 1,084 | - | - | - | - | - | - |
| ALSTOM Ferroviaria S.p.A | - | 1,815 | - | - | - | - | - | - |
| ALSTOM Holdings | - | 4,399 | - | - | - | 7,334 | - | - |
| ALSTOM Power Inc. | - | 14,464 | - | - | - | 2,600 | - | - |
| ALSTOM Transport SA | - | 2,867 | - | - | - | - | - | - |
| ALSTOM Ltd | - | 13,580 | - | - | - | 1,621 | - | - |
| Others | - | 971 | - | - | - | 1,190 | - | - |
| Other Expenses / Reimbursements (Receipts) | | | | | | | | |
| ALSTOM Power Boiler Services Limited | 1,187 | - | - | - | 388 | - | - | - |
| ALSTOM (Switzerland) Ltd | - | 55,142 | - | - | - | 40,523 | - | - |
| ALSTOM Bharat Forge Power Limited | - | 64,020 | - | - | - | 3,103 | - | - |
| ALSTOM Holdings | - | 10,268 | - | - | - | 1,042 | - | - |
| ALSTOM Ltd | - | 12,634 | - | - | - | 11,672 | - | - |
| ALSTOM Power Nederland B.V. | - | 3,972 | - | - | - | 1,251 | - | - |
| ALSTOM Power Sweden AB | - | 10,163 | - | - | - | - | - | - |
| ALSTOM Power Systems GmbH | - | 4,838 | - | - | - | 7,976 | - | - |
| ALSTOM Power Systems SA | - | 24,003 | - | - | - | 29,260 | - | - |
| ALSTOM Transport SA | - | 29,523 | - | - | - | 10,482 | - | - |
| NTPC ALSTOM Power Services Private Ltd | - | 17,490 | - | - | - | 17,395 | - | - |
| ALSTOM Hydro R&D India Limited | - | 9,288 | - | - | - | 18,864 | - | - |
| ALSTOM Asia Pacific Sdn Bhd | - | 1,011 | - | - | - | 529 | - | - |
| ALSTOM Bulgaria EOOD | - | 2,182 | - | - | - | 951 | - | - |
| ALSTOM Egypt Power & Transp Projects SAE | - | 1,334 | - | - | - | - | - | - |
| Others | - | 2,923 | - | - | - | 3,427 | - | - |
| Purchase of Fixed Assets | | | | | | | | |
| ALSTOM Power Systems SA | - | 1,221 | - | - | - | 2,943 | - | - |
| Managerial Remuneration | | | | | | | | |
| Mr. Emmanuel Colombier | - | - | - | - | - | - | - | 6,369 |
| Mr. Francois Carpentier | - | - | - | 23,512 | - | - | - | - |
| Mr. S.M. Momaya | - | - | - | 6,985 | - | - | - | 6,458 |
| Payment of Royalty/Tech Knowhow Fees | | | | | | | | |
| ALSTOM Technology Ltd | - | 109,702 | - | - | - | 82,272 | - | - |
| ALSTOM SA | - | 136,896 | - | - | - | 133,970 | - | - |

ALSTOM Projects India Limited

6.2 Transactions with Related Parties

(Rupees thousands)

| Particulars | 2010-11 | | | | 2009-10 | | | |
|---|--------------|---------------------|------------------------------|--------------------------|--------------|---------------------|------------------------------|--------------------------|
| | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel |
| Payment of Dividend | | | | | | | | |
| ALSTOM Finance BV | - | 392,454 | - | - | - | 392,454 | - | - |
| ALSTOM India Limited | - | 53,135 | - | - | - | 53,135 | - | - |
| Inter Corporate Deposits given | | | | | | | | |
| ALSTOM Hydro R&D India Limited | - | 14,000 | - | - | - | - | - | - |
| Interest on Inter Corporate Deposits | | | | | | | | |
| ALSTOM Hydro R&D India Limited | - | 58 | - | - | - | - | - | - |

6.3 Balance Outstanding

| Particulars | 2010-11 | | | | 2009-10 | | | |
|---|--------------|---------------------|------------------------------|--------------------------|--------------|---------------------|------------------------------|--------------------------|
| | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel |
| Inter Corporate Deposits given | | | | | | | | |
| ALSTOM Hydro R & D India Limited | - | 14,000 | - | - | - | - | - | - |
| As Debtors | | | | | | | | |
| ALSTOM Power Boiler Services Limited | 10,752 | - | - | - | 10,887 | - | - | - |
| ALSTOM Norway AS | - | 285 | - | - | - | 5,094 | - | - |
| ALSTOM Brasil Energia e transporte Ltda | - | 582 | - | - | - | 2,989 | - | - |
| ALSTOM Power Sweden AB | - | 2,837 | - | - | - | 428 | - | - |
| ALSTOM Holdings | - | 4,111 | - | - | - | - | - | - |
| ALSTOM Power Italia Spa | - | 4,167 | - | - | - | 29,333 | - | - |
| ALSTOM Ferroviaria S.p.A | - | 6,362 | - | - | - | 5,728 | - | - |
| ALSTOM Technical Service Shanghai | - | 7,488 | - | - | - | 939 | - | - |
| ALSTOM Ltd | - | 7,824 | - | - | - | 12,177 | - | - |
| ALSTOM Vannkraft AS | - | 10,790 | - | - | - | - | - | - |
| ALSTOM Power Consulting AG | - | 11,670 | - | - | - | 28,327 | - | - |
| ALSTOM Power Inc. | - | 14,333 | - | - | - | 11,516 | - | - |
| ALSTOM Power Systems GmbH | - | 18,000 | - | - | - | 20,752 | - | - |
| ALSTOM Belgium SA | - | 26,942 | - | - | - | 9,931 | - | - |
| ALSTOM Bharat Forge Power Limited | - | 29,841 | - | - | - | - | - | - |
| ALSTOM Transport SA | - | 41,689 | - | - | - | 44,930 | - | - |
| ALSTOM Power Systems SA | - | 69,876 | - | - | - | 59,064 | - | - |
| ALSTOM (Switzerland) Ltd | - | 89,739 | - | - | - | 89,631 | - | - |
| NTPC ALSTOM Power Services Private Ltd | - | 177,716 | - | - | - | 254,952 | - | - |
| ALSTOM Hydro France | - | 379,042 | - | - | - | - | - | - |
| ALSTOM Power Nederland B.V. | - | - | - | - | - | 1,099 | - | - |
| ALSTOM Hydro R&D India Limited | - | 4,508 | - | - | - | 2,048 | - | - |
| ALSTOM Power Sp.z o.o. | - | - | - | - | - | 2,838 | - | - |
| ALSTOM Power Hydraulique | - | - | - | - | - | 228,932 | - | - |
| Others | - | 5,633 | - | - | - | 4,086 | - | - |
| Creditors | | | | | | | | |
| ALSTOM Power Boiler Services Limited | 3,086 | - | - | - | 3,086 | - | - | - |
| ALSTOM Technology Ltd | - | 175,001 | - | - | - | 120,972 | - | - |
| ALSTOM Transport SA | - | 147 | - | - | - | 1,392 | - | - |
| ALSTOM Power Service | - | 304 | - | - | - | 9,496 | - | - |
| ALSTOM Holdings | - | 676 | - | - | - | 2,126 | - | - |
| ALSTOM Hydro France | - | 2,007 | - | - | - | - | - | - |
| ALSTOM Ltd | - | 2,538 | - | - | - | 1,914 | - | - |
| ALSTOM Power Inc. | - | 4,270 | - | - | - | 45,243 | - | - |
| ALSTOM Information Tech. Centre SAS | - | 4,997 | - | - | - | 524 | - | - |
| Areva T&D India Limited | - | 7,687 | - | - | - | - | - | - |
| ALSTOM Power Sweden AB | - | 8,956 | - | - | - | 1,999 | - | - |
| ALSTOM Power Systems SA | - | 10,985 | - | - | - | 22,614 | - | - |
| ALSTOM Power Sp.z o.o. | - | 14,405 | - | - | - | 30,413 | - | - |
| ALSTOM SA | - | 18,677 | - | - | - | - | - | - |
| ALSTOM Power Service GmbH | - | 45,221 | - | - | - | 13,064 | - | - |
| ALSTOM (Switzerland) Ltd | - | 47,753 | - | - | - | 103,836 | - | - |
| ALSTOM Power Hydraulique | - | - | - | - | - | 10,160 | - | - |
| ALSTOM Hydro Equipamentes | - | - | - | - | - | 10,282 | - | - |
| ALSTOM Hydro (Switzerland) Ltd | - | - | - | - | - | 26,715 | - | - |
| Others | - | 6,299 | - | - | - | 112 | - | - |
| Advance Given | | | | | | | | |
| ALSTOM Power Boiler Services Limited | 1,455 | - | - | - | 1,454 | - | - | - |
| ALSTOM Brasil Energia e transporte Ltda | - | 3,912 | - | - | - | 85,482 | - | - |
| ALSTOM Hydro France | - | 4,533 | - | - | - | - | - | - |
| ALSTOM Power Service GmbH | - | 4,989 | - | - | - | - | - | - |

ALSTOM Projects India Limited

6.3 Balance Outstanding

| Particulars | 2010-11 | | | | 2009-10 | | | |
|---|--------------|---------------------|------------------------------|--------------------------|--------------|---------------------|------------------------------|--------------------------|
| | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel |
| Areva T&D India Limited | - | 15,163 | - | - | - | - | - | - |
| Tianjin ALSTOM Hydro Co. Ltd | - | 22,131 | - | - | - | - | - | - |
| ALSTOM Power Service | - | 23,022 | - | - | - | 1,695 | - | - |
| ALSTOM Power Systems SA | - | 33,398 | - | - | - | 76,927 | - | - |
| ALSTOM Ltd | - | 331,347 | - | - | - | 128,433 | - | - |
| ALSTOM Power Hydraulique | - | - | - | - | - | 33,792 | - | - |
| Others | - | 4,887 | - | - | - | 1,680 | - | - |
| Advance Received | | | | | | | | |
| NTPC ALSTOM Power Services Private Ltd | - | 575 | - | - | - | 14,377 | - | - |
| ALSTOM (Switzerland) Ltd | - | 3,670 | - | - | - | 8,212 | - | - |
| ALSTOM Power Service (Hong Kong) Limited | - | 3,779 | - | - | - | - | - | - |
| ALSTOM Power Sp.z o.o. | - | 16,993 | - | - | - | 4,298 | - | - |
| ALSTOM Hydro Spain S.L. | - | 43,963 | - | - | - | 114,548 | - | - |
| ALSTOM Vannkraft AS | - | 81,178 | - | - | - | 23,013 | - | - |
| ALSTOM Brasil Energia e transporte Ltda | - | 133,667 | - | - | - | 211,040 | - | - |
| ALSTOM Austria GmbH | - | 268,841 | - | - | - | - | - | - |
| ALSTOM Hydro France | - | 1,300,592 | - | - | - | - | - | - |
| ALSTOM Hydro (Switzerland) Ltd | - | - | - | - | - | 26 | - | - |
| ALSTOM Power Systems SA | - | - | - | - | - | 5,121 | - | - |
| ALSTOM Power Italia Spa | - | - | - | - | - | 77,016 | - | - |
| ALSTOM Hydro Austria GmbH | - | - | - | - | - | 77,180 | - | - |
| ALSTOM Power Hydraulique | - | - | - | - | - | 1,134,813 | - | - |
| Investment in Subsidiaries | | | | | | | | |
| ALSTOM Power Boiler Services Limited | 2,283 | - | - | - | 2,283 | - | - | - |
| Amount Guaranteed By Fellow Subsidiaries | | | | | | | | |
| ALSTOM (Switzerland) Ltd. | - | 139,159 | - | - | - | 139,159 | - | - |
| ALSTOM Power Hydraulique | - | 248,000 | - | - | - | 153,563 | - | - |

7 LEASE COMMITMENTS

7.1 Operating leases

The Company normally takes vehicles and premises under non-cancellable operating leases. Minimum lease payments outstanding as of 31 March 2011 in respect of these assets are as under:

| | Total minimum lease payments outstanding as at 31 March 2011 | (Rupees thousands) Total minimum lease payments outstanding as at 31 March 2010 |
|---|---|---|
| Due within one year | 325,355 | 284,972 |
| Due later than one year and not later than five years | 1,169,351 | 1,250,059 |
| Due later than five years | 348,942 | 82,128 |
| | 1,843,648 | 1,617,159 |

Lease payments of Rs. 374,640 thousand (previous year – Rs. 375,173 thousand) have been recognised as an expense in the profit and loss account for the year ended 31 March 2011.

There is no contingent rent in the lease agreements. The lease term is for 1-9 years and is renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements (other than those disclosed above). There are no restrictions imposed by lease arrangements. There are no subleases.

7.2 Finance leases

The future lease obligations outstanding as of 31 March 2011 in respect of assets taken on finance lease are as follows:

| | Total minimum lease payments outstanding | Present value of minimum lease payments | Interest included in minimum lease payments |
|---|---|--|--|
| Due within one year | 5,224 | 1,033 | 4,191 |
| Due later than one year but not later than five years | 18,648 | 5,351 | 13,297 |
| Due later than five years | 13,061 | 8,698 | 4,363 |
| | 36,933 | 15,082 | 21,851 |

Leasehold improvements include assets costing Rs. 16,446 thousand (previous year – Rs. 16,446 thousand) on finance lease.

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8 EARNINGS PER SHARE

| | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|---|-------------------------------------|-------------------------------------|
| a) Weighted average number of equity shares outstanding during the year | 67,024,174 | 67,024,174 |
| b) Net profit after tax available for equity Shareholders (Rupees thousand) | 1,689,020 | 1,672,506 |
| c) Basic and Diluted Earnings (in Rupees) per share | 25.20 | 24.95 |

9 SUPPLEMENTARY PROFIT AND LOSS DATA

9.1 Capacities, production and stock

| Class of Goods | Annual capacities | | Opening stock of finished goods | | Production of finished goods | | Closing stock of finished goods | |
|---|-------------------|-----------|---------------------------------|---------------------|------------------------------|----------|---------------------------------|--|
| | Quantity | Installed | Quantity | Rupees in thousands | Quantity | Quantity | Rupees in thousands | |
| Steam Raising Plant, ancillary equipment and pressure vessels | MT | 10,000 | - | - | 4,890 | - | - | |
| | | (7,000) | (-) | (-) | (2,409) | (-) | (-) | |
| Grey alloy iron foundry castings | MT | 3,400 | 52 | 4,290 | 2,574 | 65 | 7,841 | |
| | | (3,400) | (73) | (4,683) | (3,390) | (52) | (4,290) | |
| Cast iron/alloy rolls | MT | 400 | - | - | - | - | - | |
| | | (400) | (-) | (-) | (-) | (-) | (-) | |
| Others | Nos. | 8,800 | - | - | 3,199 | - | - | |
| | | (8,800) | (-) | (-) | (6,531) | (-) | (-) | |
| Total | | | | 4,290 | | | 7,841 | |
| | | | | (4,683) | | | (4,290) | |

The Company's products are exempt from licensing requirement under the new industrial policy by virtue of notification No 477 (E) of 25.07.91

Previous year figures are in brackets

Capacities

Installed capacities are as certified by the management, but not verified by the auditors, being a technical matter.

Production

- Production of finished goods is inclusive of production for captive use.
- "Others" represent internally manufactured components, meant for sale. Since the quantitative denominations of these items are dissimilar, it would be impracticable to disclose the quantitative information in respect thereof.

Inventories

The finished goods and work-in-progress at the beginning of the year amounted to Rs. 4,290 thousands and Rs. 1,806,211 thousands respectively (previous year Rs. 4,683 thousands and Rs. 436,533 thousands).

9.2 Turnover

(Rupees thousands)

| Class of goods | Turnover of finished goods | | |
|---|----------------------------|----------|-------------------|
| | Unit | Quantity | Amount* |
| Project items** | | - | 11,530,463 |
| | | | (15,572,169) |
| Steam raising plant, ancillary equipment and pressure vessels | MT | 4,890 | 2,104,768 |
| | | (2,409) | (466,133) |
| Foundry products | MT | 2,617 | 178,244 |
| | | (3,411) | (195,112) |
| Erection services, Civil works and other services | | - | 2,444,521 |
| | | | (3,436,912) |
| Others | | - | 1,778,377 |
| | | | (756,925) |
| TOTAL | | | 18,036,373 |
| | | | (20,427,251) |

* Including bought out items, the purchases whereof have been included in material cost and erection services.

** Project items include equipment and miscellaneous items meant for execution of projects. Since the quantitative denominations of these items are dissimilar, it would be impracticable to disclose the quantitative information in respect thereof.

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9.3 Earnings in foreign exchange (on accrual basis)

(Rupees thousands)

| | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|--|-------------------------------------|-------------------------------------|
| I Export of goods on FOB basis | 2,701,649 | 4,505,481 |
| II Deemed exports | 208,364 | 269,666 |
| III Goods/services supplied/rendered locally against foreign exchange remittance | 330,118 | 635,408 |
| IV Erection and other services | 951,828 | 1,353,591 |
| V Other income: | | |
| a. Global sourcing services | 3,548 | 29,575 |
| b. Service income | 19,629 | 37,327 |
| | <u>4,215,136</u> | <u>6,831,048</u> |

9.4 Consumption of raw materials and components

| | | For the year ended 31 March 2011 | | For the year ended 31 March 2010 | |
|--------------------|----------|-------------------------------------|------------------|-------------------------------------|------------------|
| | Quantity | Amount | Quantity | Amount | |
| Ferrous metals | MT | 17,199 | 4,206,511 | 22,397 | 5,094,594 |
| Non-ferrous metals | MT | 1,197 | 529,530 | 1,001 | 698,459 |
| Components* | Various | 1,100,515 | 1,100,515 | Various | 1,390,918 |
| | | <u>5,836,556</u> | <u>5,836,556</u> | <u>7,183,971</u> | <u>7,183,971</u> |

For the purpose of para 4D (c) of Part II of schedule VI to the Companies Act, components and spare parts are assumed to mean those incorporated in the product finally sold and not those used as spares for the repairs and maintenance of plant and machinery.

* Since the quantity denominations and the type of components are dissimilar in nature, it would be impracticable to disclose the quantitative information in respect thereof.

| | % | For the year ended 31 March 2011 | % | For the year ended 31 March 2010 |
|------------|-------------|-------------------------------------|-------------|-------------------------------------|
| Imported | 17% | 970,230 | 39% | 2,837,181 |
| Indigenous | 83% | 4,866,326 | 61% | 4,346,790 |
| | <u>100%</u> | <u>5,836,556</u> | <u>100%</u> | <u>7,183,971</u> |

9.5 Value of imports on CIF basis

| | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Raw materials | 2,010,247 | 3,388,522 |
| Components & maintenance spare parts | 833,540 | 979,677 |
| Capital goods | 37,842 | 751,359 |
| Project items | 223,397 | 408,090 |
| | <u>3,105,026</u> | <u>5,527,648</u> |

9.6 Expenditure in foreign currency (on accrual basis)

| | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Royalty, trademark and technical fees | 246,597 | 216,242 |
| Erection services | 313,499 | 300,677 |
| Professional/consultancy fees | 189,638 | 163,897 |
| Other matters | 230,435 | 164,784 |
| | <u>980,169</u> | <u>845,600</u> |

9.7 Amount remitted during the year in foreign currency, on account of dividend

| | 2011 | 2010 |
|---|---------------|---------------|
| Number of non resident shareholders | 3 | 3 |
| Number of equity shares held by them on which dividend was paid | 40,579,816 | 40,579,816 |
| Year end to which the dividend related | 31 March 2010 | 31 March 2009 |
| Net amount remitted (Rs. thousands) | 405,798 | 405,798 |

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9.8 Managerial remuneration (Rupees thousands)

| | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|---|-------------------------------------|-------------------------------------|
| Salary | 23,364 | 7,278 |
| Other perquisites | 5,926 | 4,847 |
| Contribution to provident and other funds | 1,207 | 702 |
| | 30,497 | 12,827 |

Whole time directors are covered under the Company's gratuity and leave encashment scheme along with the other employees of the Company. The gratuity/ leave encashment liability is determined for all employees on an independent actuarial valuation. The specific amount of gratuity/ leave encashment for whole time directors cannot be ascertained separately and accordingly the same has not been included above.

9.9 Acceptances

Total outstanding dues to creditors other than Small and Micro enterprises include acceptances Rs. 124,321 thousand (previous year Rs. 60,673 thousand).

9.10 Auditors remuneration (excluding service tax)

| | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|------------------------|-------------------------------------|-------------------------------------|
| Audit fee | 4,200 | 4,200 |
| Tax audit fees | 1,200 | 1,200 |
| Limited reviews | 2,100 | 2,100 |
| Other services | 1,150 | 1,150 |
| Out-of-pocket expenses | 1,022 | 373 |

10 CONSTRUCTION CONTRACTS

| | As at 31 March 2011 | As at 31 March 2010 |
|---|------------------------|------------------------|
| a. Contract revenue recognised as revenue for the year ended 31 March 2011 | 17,580,966 | 19,088,288 |
| b. Aggregate amount of contract costs incurred and recognised profits (less recognised losses) upto 31 March 2011 for all the contracts in progress | 83,238,066 | 71,408,856 |
| c. The amount of customer advances outstanding for contracts in progress as at 31 March 2011 | 11,182,219 | 9,865,528 |
| d. The amount of retention due from customers for contracts in progress as at 31 March 2011 | 3,472,054 | 2,754,565 |

For construction contracts or long-term service agreements in progress, obligations attributable thereto, are taken into account in the assessment of the margin to be recognised and therefore reported as Current Liabilities or Work in progress.

11 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Profit and Loss account

Net employee benefit expense in respect of Gratuity (recognised in Employee Cost)

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
|--|---------------|---------------|---------------|---------------|---------------|
| Current service cost | 33,084 | 27,022 | 21,415 | 14,233 | 10,620 |
| Interest cost on benefit obligation | 23,402 | 20,356 | 15,063 | 16,636 | 11,554 |
| Expected return on plan assets | (25,038) | (22,736) | (16,192) | (12,093) | (4,842) |
| Net actuarial(gain) / loss recognised in the year | 52,855 | (5,234) | 17,664 | 1,229 | 23,799 |
| Past service cost | - | - | - | - | - |
| Net benefit expense | 84,303 | 19,408 | 37,950 | 20,005 | 41,131 |
| Actual return on plan assets | 27,650 | 23,755 | 16,767 | 19,999 | 5,339 |

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Balance sheet

| Details of Provision for gratuity | (Rupees thousands) | | | | |
|--------------------------------------|--------------------|-----------|-----------|-----------|-----------|
| | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
| Defined benefit obligation | 374,725 | 288,567 | 263,487 | 221,611 | 193,122 |
| Fair value of plan assets | (322,978) | (294,567) | (267,487) | (211,910) | (191,213) |
| Less: Unrecognised past service cost | - | - | - | - | - |
| Plan (asset) / liability | 51,747 | (6,000) | (4,000) | 9,701 | 1,909 |

Changes in the present value of the defined benefit obligation are as follows:

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
|--|-----------------|----------|----------|----------|----------|
| Opening defined benefit obligation | 288,567 | 263,487 | 221,611 | 193,122 | 161,450 |
| Interest cost | 23,402 | 20,356 | 15,063 | 16,636 | 11,554 |
| Current service cost | 33,084 | 27,022 | 21,415 | 14,233 | 10,620 |
| Benefits paid | (25,795) | (18,082) | (12,841) | (11,515) | (14,798) |
| Actuarial (gains) / losses on obligation | 55,467 | (4,216) | 18,239 | 9,135 | 24,296 |
| Closing defined benefit obligation | 374,725 | 288,567 | 263,487 | 221,611 | 193,122 |

Changes in the fair value of plan assets are as follows:

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
|-----------------------------------|-----------------|----------|----------|----------|----------|
| Opening fair value of plan assets | 294,567 | 267,487 | 211,910 | 191,213 | 59,587 |
| Expected Return | 25,038 | 22,736 | 16,192 | 12,093 | 4,842 |
| Contributions by employer | 26,556 | 21,407 | 51,651 | 12,213 | 141,805 |
| Benefits paid | (25,795) | (18,082) | (12,841) | (11,515) | (14,798) |
| Actuarial gains / (losses) | 2,612 | 1,019 | 575 | 7,906 | 497 |
| Closing fair value of plan assets | 322,978 | 294,567 | 267,487 | 211,910 | 191,213 |

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
|--------------------------|-------------|---------|---------|---------|---------|
| Investments with insurer | 100% | 100% | 100% | 100% | 100% |

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Company's plans are shown below:

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
|-----------------------------------|--------------|---------|---------|---------|---------|
| Discount rate | 8.5% | 8% | 7% | 9% | 7.5% |
| Expected rate of return on assets | 8.5% | 8.5% | 9% | 9% | 9% |
| Employee turnover | 13.5% | 13.5% | 13.5% | 13.5% | 13.5% |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

In respect of defined contribution plan, the company has recognized the following amounts in the profit and loss account:

| | (Rupees thousands) | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2011 | For the year ended 31 March 2010 | For the year ended 31 March 2009 |
| Employer's Contribution to Provident Fund including Family Pension Fund* | 110,034 | 95,345 | 80,175 |

*Included in the head Contribution to Provident and Other Funds.

Notes:

- a) Information relating to experience adjustment in the actuarial valuation of gratuity as required by Para 120(n)(ii) of the Accounting Standard 15 on Employee Benefits is not available with the Company.

- b) The Company's expected contribution to the fund in the next year is not presently ascertainable and hence, the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date as required by para 120 (o) of the Accounting Standard – 15 on Employee Benefits are not disclosed.
- c) Pending issuance of the Guidance Note from the Actuarial Society of India, the company's actuary has expressed his inability to reliably measure the provident fund liability. Accordingly, no additional disclosures as required by Paragraph 120 of AS 15 have been furnished.

12 PROVISION FOR BAD AND DOUBTFUL DEBTS

A. BAD DEBTS WRITTEN OFF

(Rupees thousands)

| | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|--|-------------------------------------|-------------------------------------|
| Bad debts and advances written off during the year | 102,436 | 21,746 |
| Less: adjusted against provision for Doubtful debts & advances | (93,938) | (21,746) |
| | 8,498 | – |

B. PROVISION FOR DOUBTFUL DEBTS AND ADVANCES

| | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|---|-------------------------------------|-------------------------------------|
| Opening Balance for provision for doubtful debts and advances | 198,392 | 250,602 |
| Add: Provision created during the year | 3,927 | 1,285 |
| Less: Adjusted against bad debts and advances written off | (93,938) | (21,746) |
| Less: Write back of provision for doubtful debts and advances | (20,629) | (31,749) |
| Closing Balance | 87,752 | 198,392 |

13 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

(Figures in '000)

Forward contract outstanding as at Balance Sheet date.

| Particulars of Derivatives | Currency | Current Year | | Previous Year | | Purpose |
|----------------------------|----------|--------------|---------------------|---------------|---------------------|--|
| | | Amount | Year End Rate (Rs.) | Amount | Year End Rate (Rs.) | |
| SELL | EURO | 113,774 | 63.35 | 94,691 | 60.51 | Hedge of receivable/expected future sales |
| SELL | USD | 25,006 | 44.59 | 34,330 | 44.90 | Hedge of receivable/expected future sales |
| SELL | SEK | 2,930 | 7.09 | - | - | Hedge of receivable/expected future sales |
| SELL | GBP | 3,706 | 71.68 | - | - | Hedge of receivable/expected future sales |
| PURCHASE | CHF | 162 | 48.71 | 246 | 42.39 | Hedge of payable/expected future purchases |
| PURCHASE | EURO | 76,847 | 63.35 | 64,375 | 60.51 | Hedge of payable/expected future purchases |
| PURCHASE | GBP | 1,371 | 71.68 | 22 | 68.00 | Hedge of payable/expected future purchases |
| PURCHASE | JPY | 58,800 | 0.54 | 14,658 | 0.48 | Hedge of payable/expected future purchases |
| PURCHASE | SEK | 8,460 | 7.09 | 2,755 | 6.23 | Hedge of payable/expected future purchases |
| PURCHASE | USD | 22,242 | 44.59 | 13,805 | 44.90 | Hedge of payable/expected future purchases |

Particulars of Unhedged foreign Currency Exposure as at the Balance Sheet date

(Rupees thousands)

| Particulars | As at 31 March 2011 | As at 31 March 2010 |
|------------------|------------------------|------------------------|
| Import Creditors | 78,463 | 164,084 |
| Export Debtors | 300,654 | 348,082 |

14 DISCLOSURE AS PER SECTION 22 OF “THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006” (As certified by the management)

| S.No. | Particulars | (Rupees thousands) | |
|-------|---|-------------------------------------|-------------------------------------|
| | | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
| i) | The principal amount and the interest due thereon remaining unpaid to any supplier | | |
| | - Principal amount | 40,302 | 53,025 |
| | - Interest thereon | Nil | Nil |
| ii) | the amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day | Nil | Nil |
| iii) | the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | Nil | Nil |
| iv) | the amount of interest accrued and remaining unpaid | Nil | Nil |
| v) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor | Nil | Nil |

15 DISCLOSURE REQUIRED BY ACCOUNTING STANDARD (AS) 29 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

| Description | Opening Balance | Provisions made during the year | (Rupees thousands) | |
|------------------------|-----------------|---------------------------------|--|-----------------|
| | | | Provisions utilised / reversed during the year | Closing Balance |
| Provision for Warranty | 155,248 | 157,089 | (73,087) | 239,250 |

Provision for Warranty represents estimated costs that the Company is likely to incur during warranty periods as per the contract obligations in respect of completed construction contracts accounted under AS 7 (Revised) “Construction Contracts”. Warranty costs are estimated on the basis of contractual agreement, technical evaluation and past experience. The timing of outflows is expected to be as per warranty periods as specified in various contracts.

16 PRIOR YEAR COMPARATIVES

Previous year amounts have been regrouped/reclassified, wherever necessary, to conform with current year’s presentation.

For Price Waterhouse
Firm Registration Number 012754N
Chartered Accountants

V. Nijhawan
Partner
Membership Number: F87228

Place: Noida
Date: 25 April 2011

For and on behalf of the Board of Directors

| | |
|---------------------|---|
| Sunand Sharma | Chairman |
| Francois Carpentier | Vice Chairman and Managing Director |
| S.M. Momaya | Whole-time Director & Chief Financial Officer |
| Dominique Poliquen | Director |
| K. Vasudevan | Director |
| Dr. Uddesh Kohli | Director |
| Pradeepta Puhan | Company Secretary |

ALSTOM Projects India Limited

Balance Sheet Abstract and Company's General Business Profile

I Registration details:

Registration No.

6 8 3 7 9

State Code 1 1

Balance Sheet Date

31 03 2011

Date Month Year

II Capital raised during the year (Amount in Rs thousands)

Public Issue

N I L

Bonus Issue

N I L

Rights Issue

N I L

Private Placement

N I L

III Position of mobilisation and deployment of funds (Amount in Rs thousands)

Total Liabilities

3 0 7 6 9 0 2 4

Sources of Funds

Paid-Up Capital

6 7 0 2 4 2

Secured Loans

N I L

Application of Funds

Net Fixed Assets*

4 4 0 1 2 2 6

Net Current Assets

1 4 7 9 4 3 4

Accumulated Losses

N I L

Total Assets

3 0 7 6 9 0 2 4

Reserves and Surplus

5 2 0 2 8 0 4

Unsecured Loans

N I L

Investments

3 6

Miscellaneous Expenditure

N I L

IV Performance of the Company (Amount in Rs. thousands)

Turnover, including other income

1 8 5 7 9 7 7 8

+ - Profit/Loss before Tax

2 5 4 0 8 2 0

Earnings per Share in Rs

2 5 . 2 0

Total Expenditure

1 6 0 3 8 9 5 8

+ - Profit/Loss after Tax

1 6 8 9 0 2 0

Dividend Rate %

1 0 0

V Generic names of three principal products/services of the Company

(as per monetary terms)

Item Code (ITC Code)

84.02

Product Description

Steam Raising Plant

Item Code (ITC Code)

85.03

Product Description

Generator and Parts thereof

Item Code (ITC Code)

84.21

Product Description

Pollution and Environment Control Equipment

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ALSTOM PROJECTS INDIA LIMITED

The Board of Directors of ALSTOM Projects India Limited

1. We have audited the attached consolidated Balance Sheet of ALSTOM Projects India Limited (the "Company") and its subsidiary, hereinafter referred to as the "Group" (refer Note 1 on Schedule 18 to the attached consolidated financial statements) as at 31 March 2011, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements notified under Section 211(3C) of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2011;
 - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

V. Nijhawan
Partner
Membership Number: F-87228

Place: Noida
Date: 25 April 2011

ALSTOM Projects India Limited

Consolidated Balance Sheet as at 31 March 2011

| | | (Rupees thousands) | |
|---|----------|-------------------------|------------------|
| | | As at | As at |
| | | 31 March 2011 | 31 March 2010 |
| | Schedule | | |
| SOURCES OF FUNDS | | | |
| Shareholders' funds | | | |
| Share capital | 1 | 670,242 | 670,242 |
| Reserves and surplus | 2 | <u>5,202,504</u> | <u>4,291,186</u> |
| | | 5,872,746 | 4,961,428 |
| Deferred tax liabilities, net | 12 | <u>6,206</u> | <u>–</u> |
| | | <u>5,878,952</u> | <u>4,961,428</u> |
| APPLICATION OF FUNDS | | | |
| Fixed assets | 3 | | |
| Gross block | | 6,665,738 | 6,146,439 |
| Less: Accumulated depreciation / amortisation / impairment | | <u>3,132,593</u> | <u>2,731,462</u> |
| Net book value | | 3,533,145 | 3,414,977 |
| Capital work-in-progress and advances on capital account | | <u>868,112</u> | <u>540,677</u> |
| | | 4,401,257 | 3,955,654 |
| Investments | 4 | 36 | 36 |
| Deferred tax assets, net | 12 | – | 70,588 |
| Current assets, loans and advances | | | |
| Inventories | 5 | 2,300,003 | 2,033,533 |
| Sundry debtors | 6 | 6,811,336 | 6,151,286 |
| Cash and bank balances | 7 | 7,385,925 | 6,005,442 |
| Other current assets | 8 | 6,441,274 | 6,737,546 |
| Loans and advances | 9 | <u>3,447,074</u> | <u>3,276,970</u> |
| | | 26,385,612 | 24,204,777 |
| Less: Current liabilities and provisions | | | |
| Current liabilities | 10 | 23,631,238 | 22,172,765 |
| Provisions | 11 | <u>1,276,715</u> | <u>1,096,862</u> |
| | | 24,907,953 | 23,269,627 |
| Net current assets | | <u>1,477,659</u> | <u>935,150</u> |
| | | <u>5,878,952</u> | <u>4,961,428</u> |
| Significant Accounting Policies and Notes to Accounts | 18 | | |

This is the Balance Sheet referred to in our report of even date.

The schedules referred to above form an integral part of the Balance Sheet.

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

V. Nijhawan
Partner
Membership No: F87228

Place: Noida
Date: 25 April 2011

For and on behalf of the Board of Directors

| | |
|---------------------|---|
| Sunand Sharma | Chairman |
| Francois Carpentier | Vice Chairman and Managing Director |
| S.M. Momaya | Whole-time Director & Chief Financial Officer |
| Dominique Poliquen | Director |
| K. Vasudevan | Director |
| Dr. Uddesh Kohli | Director |
| Pradeepta Puhan | Company Secretary |

ALSTOM Projects India Limited

Consolidated Profit and loss account for the year ended 31 March 2011

| | | (Rupees thousands) | |
|---|----------|-------------------------------------|-------------------------------------|
| | Schedule | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
| INCOME | | | |
| Sales and Services (Gross) | 13 | 18,487,700 | 20,792,141 |
| Less: Excise duty | | <u>451,327</u> | <u>378,351</u> |
| Net Sales and Services | | 18,036,373 | 20,413,790 |
| Other income | 14 | <u>561,053</u> | <u>405,380</u> |
| | | <u>18,597,426</u> | <u>20,819,170</u> |
| EXPENDITURE | | | |
| Material cost and erection services | 15 | 9,624,776 | 12,852,717 |
| Personnel expenses | 16 | 3,310,517 | 2,700,296 |
| Other expenses | 17 | 2,631,964 | 2,363,520 |
| Depreciation / amortisation | 3 | 487,374 | 421,423 |
| Less: Transfer from revaluation reserve | | <u>(4,547)</u> | <u>(4,297)</u> |
| Interest | | <u>-</u> | <u>1,245</u> |
| | | <u>16,050,084</u> | <u>18,334,904</u> |
| PROFIT BEFORE TAX | | 2,547,342 | 2,484,266 |
| Tax Expense | | | |
| Current tax | | (778,300) | (874,847) |
| Deferred tax | | (76,794) | 65,338 |
| PROFIT AFTER TAX | | 1,692,248 | 1,674,757 |
| Balance brought forward | 2 | <u>2,510,222</u> | <u>1,786,866</u> |
| PROFIT AVAILABLE FOR APPROPRIATION | | 4,202,470 | 3,461,623 |
| APPROPRIATION | | | |
| Transferred to general reserve | 2 | 168,902 | 167,251 |
| Proposed dividend | | 670,242 | 670,242 |
| Corporate dividend tax | | | |
| Current | | 108,730 | 113,908 |
| Earlier year's provision no longer required | | <u>(2,589)</u> | <u>-</u> |
| Balance carried forward | | <u>3,257,185</u> | <u>2,510,222</u> |
| Basic and Diluted Earnings Per Share (In rupees) | | | |
| (Par value Rs. 10 per share) | | <u>25.25</u> | <u>24.99</u> |
| Significant Accounting Policies and Notes to Accounts | 18 | | |

This is the Profit and Loss Account referred to in our report of even date.

The schedules referred to above form an integral part of the profit and loss account.

For Price Waterhouse
Firm Registration Number: 012754N
Chartered Accountants

V. Nijhawan
Partner
Membership No: F87228

Place: Noida
Date: 25 April 2011

For and on behalf of the Board of Directors

| | |
|---------------------|---|
| Sunand Sharma | Chairman |
| Francois Carpentier | Vice Chairman and Managing Director |
| S.M. Momaya | Whole-time Director & Chief Financial Officer |
| Dominique Poliquen | Director |
| K. Vasudevan | Director |
| Dr. Uddesh Kohli | Director |
| Pradeepta Puhan | Company Secretary |

ALSTOM Projects India Limited

Consolidated Cash flow statement for the year ended 31 March 2011

(Rupees thousands)

| | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|--|-------------------------------------|-------------------------------------|
| A. Cash flows from operating activities | | |
| Profit before tax and exceptional item | 2,547,342 | 2,484,266 |
| Adjustments for | | |
| Depreciation / amortisation | 482,827 | 417,126 |
| Provision for doubtful debts and advances | (16,702) | (30,464) |
| Provision for leave encashment and gratuity | 100,806 | 22,345 |
| Unrealised (gain) / loss on restatement of foreign currency assets and liabilities, net | (19,330) | (26,033) |
| (Gain) / Loss on sale of fixed assets, net | (7,972) | (2,550) |
| Interest income | (388,285) | (157,040) |
| Interest expense | 4,446 | 1,245 |
| Operating profit before working capital changes | 2,703,132 | 2,708,895 |
| Adjustments for changes in working capital | | |
| (Increase)/Decrease in sundry debtors | (643,348) | 155,695 |
| (Increase)/Decrease in inventories | (266,470) | (1,390,903) |
| (Increase)/Decrease in other current assets | 309,801 | 1,408,527 |
| (Increase)/Decrease in loans and advances | (36,996) | 1,575,830 |
| Increase/(Decrease) in current liabilities and provisions | 1,585,008 | (40,074) |
| Cash generated from operating activities | 3,651,127 | 4,417,970 |
| Income tax (payments) | (897,408) | (860,867) |
| Net cash generated from operating activities | 2,753,719 | 3,557,103 |
| B. Cash flows from investing activities | | |
| Inter corporate deposits given | (14,000) | - |
| Interest received | 374,756 | 153,065 |
| Purchase of fixed assets and advances on capital account | (933,747) | (592,368) |
| Sale proceeds of fixed assets | 8,742 | 4,856 |
| Net cash (used in) investing activities | (564,249) | (434,447) |
| C. Cash flows from financing activities | | |
| Secured loans repaid | - | (11,263) |
| Dividend and corporate dividend tax paid | (781,561) | (784,150) |
| Interest paid | (27,135) | (626) |
| Net cash (used in) financing activities | (808,696) | (796,039) |
| Net cash flow during the year (A+B+C) | 1,380,774 | 2,326,617 |
| Cash and cash equivalents, beginning of year | 6,005,442 | 3,679,908 |
| Cash and cash equivalents, end of year | 7,386,216 | 6,006,525 |
| Components of cash and cash equivalents as at end of the year | | |
| Cash and cheques on hand | 2,266 | 1,256 |
| Balances with scheduled banks | | |
| - on current accounts | 246,253 | 143,780 |
| - on deposit accounts* | 6,872,557 | 5,750,470 |
| - on EEFC account | 228,279 | 39,625 |
| - on Unclaimed dividend account* | 12,367 | 10,751 |
| Balances with unscheduled banks | | |
| - on current accounts | | |
| - Standard Chartered Bank, Uganda | 20,803 | - |
| - Barclays Bank of Uganda | 1 | 51,519 |
| - Bangkok Bank, Thailand | 3,399 | 8,041 |
| Cash & Bank balances as per schedule 7 | 7,385,925 | 6,005,442 |
| Less: Effect of exchange differences on cash & cash equivalents held in foreign currency | 291 | 1,083 |
| Cash & Cash Equivalents as restated | 7,386,216 | 6,006,525 |

- The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements as notified under Section 211(3C) of the Companies Act, 1956.
 - Figures in brackets indicate cash outflow.
 - Previous year amounts have been regrouped/reclassified, wherever necessary, to conform with current year's presentation.
- * Cash and Cash Equivalents include Deposits of Rs. 67,753 thousands (Previous Year Rs. 3,503 thousands) held as margin money and in unclaimed dividend representing unclaimed dividend liabilities, not available for use by the Company.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse
Firm Registration Number- 012754N
Chartered Accountants

V. Nijhawan
Partner
Membership No: F87228

Place: Noida
Date: 25 April 2011

For and on behalf of the Board of Directors

Sunand Sharma
Francois Carpentier
S.M. Momaya
Dominique Poliquen
K. Vasudevan
Dr. Uddesh Kohli
Pradepta Puhan

Chairman
Vice Chairman and Managing Director
Whole-time Director & Chief Financial Officer
Director
Director
Director
Company Secretary

ALSTOM Projects India Limited

Schedules to the Consolidated Financial Statements

| | (Rupees thousands) | |
|--|-------------------------|------------------------|
| | As at 31 March 2011 | As at 31 March 2010 |
| 1. Share Capital | | |
| Authorised | | |
| 165,000,000 equity shares of Rs. 10 each (Previous year - 165,000,000 equity shares of Rs. 10 each) | 1,650,000 | 1,650,000 |
| 40,500,000 preference shares of Rs. 100 each (Previous year - 40,500,000 preference shares of Rs. 100 each) | 4,050,000 | 4,050,000 |
| | <u>5,700,000</u> | <u>5,700,000</u> |
| Issued, subscribed and paid up | | |
| 67,024,174 equity shares of Rs. 10 each (Previous year - 67,024,174 equity shares of Rs. 10 each) | 670,242 | 670,242 |

Of the above equity shares, 25,605,748 equity shares were allotted as fully paid up on the Appointed Date, i.e. 31 March 2001, pursuant to the approval of the Hon'ble High Courts of Judicature at Delhi and Bombay, of the Scheme of Arrangement for amalgamation of ALSTOM Transport Limited ('ATL'), ALSTOM Systems Limited ('ASL') and ALSTOM Power Boilers Limited ('APBL'), together, the transferor companies, with ALSTOM Power India Limited (Now, ALSTOM Projects India Limited), the transferee company, to the shareholders of the transferor companies, as follows:

| | |
|------------------------------|--------------------------|
| ALSTOM Power Boilers Limited | 11,024,506 |
| ALSTOM Transport Limited | 11,061,178 |
| ALSTOM Systems Limited | <u>3,520,064</u> |
| | <u>25,605,748</u> |

Of the total equity shares, 44,558,972 (Previous year 44,558,972) shares are held by ALSTOM Holdings, the ultimate holding company through its subsidiaries. Out of these 39,245,408 (Previous year 39,245,808) shares are held by ALSTOM Finance BV, the holding Co., 5,313,564 (Previous year 5,313,564) shares are held by ALSTOM India Limited.

2. Reserves and Surplus

| | | | |
|---|-----------------------|-------------------------|------------------|
| Capital reserve | | 1,552 | 1,552 |
| Revaluation reserve | | | |
| Balance, beginning of year | 75,531 | 79,828 | |
| Less: Transferred to profit and loss account | <u>4,547</u> | <u>4,297</u> | |
| Balance, end of year | | 70,984 | 75,531 |
| Securities premium account | | 8,181 | 8,181 |
| Foreign projects reserve account | | | |
| Balance, beginning of year | - | 5,320 | |
| Less: Transferred to General reserve | <u>-</u> | <u>5,320</u> | |
| Balance, end of year | | - | - |
| General reserve | | | |
| Balance, beginning of year | 1,695,700 | 1,523,129 | |
| Add: Transferred from Foreign project reserve account | - | 5,320 | |
| Add: Transferred from Profit and Loss Account | <u>168,902</u> | <u>167,251</u> | |
| Balance, end of year | | 1,864,602 | 1,695,700 |
| Profit and loss account | | <u>3,257,185</u> | <u>2,510,222</u> |
| | | <u>5,202,504</u> | <u>4,291,186</u> |

ALSTOM Projects India Limited

Schedules to the Consolidated Financial Statements

3. Fixed Assets

(Rupees thousands)

| Class of Assets | Gross Block | | | Depreciation/Amortisation | | | Net Block | |
|---------------------------|-----------------------|---------------------------|---------------------------|---------------------------|------------------------|---------------------------|------------------------|------------------------|
| | As at 1 April 2010 | Additions/ adjustments | Deletions/ adjustments | As at 1 April 2010 | Charge for the year | Deletions/ Adjustments | As at 31 March 2011 | As at 31 March 2010 |
| Tangible Assets | | | | | | | | |
| Freehold land | 104,610 | - | - | - | - | - | 104,610 | 104,610 |
| Leasehold land | 490 | - | - | 21 | - | - | 469 | 469 |
| Leasehold improvements | 483,018 | - | - | 100,886 | 61,868 | - | 162,754 | 382,132 |
| Factory buildings | 543,318 | 13,288 | - | 168,078 | 16,119 | - | 184,197 | 375,240 |
| Other buildings | 401,970 | 3,618 | - | 209,631 | 6,106 | - | 215,737 | 192,339 |
| Plant and machinery | 4,131,400 | 574,069 | 85,692 | 1,939,005 | 339,701 | 84,946 | 2,193,760 | 2,192,395 |
| Furniture and fixtures | 157,862 | 2,548 | 393 | 74,245 | 16,169 | 370 | 90,044 | 83,617 |
| Vehicles | 12,141 | 1,343 | 928 | 9,388 | 934 | 927 | 9,395 | 2,753 |
| Intangible Assets | | | | | | | | |
| Software and Licence Fees | 248,855 | 11,446 | - | 167,433 | 46,477 | - | 213,910 | 81,422 |
| Goodwill on Consolidation | 62,775 | - | - | 62,775 | - | - | 62,775 | - |
| Grand Total | 6,146,439 | 606,312 | 87,013 | 2,731,462 | 487,374 | 86,243 | 3,132,593 | 3,414,977 |
| Previous Year | 4,948,728 | 1,245,029 | 47,318 | 2,355,053 | 421,423 | 45,014 | 3,414,977 | 2,593,675 |

Certain building and plant and machinery were revalued by an external valuer by using "Current cost accounting method" during the year 1985. The gross book value of the revalued assets as on 31 March 2011 amounts to Rs. 540,227 thousand (Buildings - Rs. 278,614 thousand and Plant & Machinery - Rs. 261,613 thousand).

ALSTOM Projects India Limited

Schedules to the Consolidated Financial Statements

(Rupees thousands)

4. Investments

| | As at 31 March 2011 | As at 31 March 2010 |
|---|------------------------|------------------------|
| Non-trade investments - Long term (at cost) | | |
| Investments in securities, unquoted | | |
| Kohinoor Mills Company Limited (28 (Previous Year 28) equity shares of Rs. 100 each fully paid up) | 7 | 7 |
| Bengal Chamber of Commerce and Industry (9 (Previous Year 9) Non-convertible debentures - 6.5% of Rs. 1,000 each fully paid up) | 9 | 9 |
| AVB Employees' Co-operative Credit Society and Bank Limited (50 (Previous Year 50) B - Class equity shares of Rs. 100 each fully paid up) | 5 | 5 |
| AVB Employees' Co-operative Credit Society and Bank Limited (500 (Previous Year 500) B - Class equity shares of Rs. 10 each fully paid up) | 5 | 5 |
| East India Clinic Limited (1 (Previous Year 1) Non-redeemable debenture stock - 5% of Rs. 10,000 fully paid up) | 10 | 10 |
| | <u>36</u> | <u>36</u> |
| Notes: | | |
| Aggregate amount of unquoted investments | 36 | 36 |

5. Inventories

| | | |
|-------------------|------------------|------------------|
| Raw materials | 246,929 | 127,459 |
| Stores and spares | 126,914 | 53,450 |
| Components | 33,573 | 42,123 |
| Work-in-progress | 1,884,746 | 1,806,211 |
| Finished goods | 7,841 | 4,290 |
| | <u>2,300,003</u> | <u>2,033,533</u> |

6. Sundry Debtors

| | | |
|---|------------------|------------------|
| Unsecured | | |
| Debts outstanding for a period exceeding six months | | |
| - Considered good | 3,038,346 | 2,225,814 |
| - Considered doubtful | 85,973 | 152,642 |
| | <u>3,124,319</u> | 2,378,456 |
| Other debts - considered good | 3,772,990 | 3,925,472 |
| | <u>6,897,309</u> | 6,303,928 |
| Less: Provision for doubtful debts | 85,973 | 152,642 |
| | <u>6,811,336</u> | <u>6,151,286</u> |

Sundry debtors includes retention monies of Rs. 3,472,054 thousand (previous year - Rs. 2,754,565 thousand), which are due on completion of contracts/ final acceptance by the customers.

ALSTOM Projects India Limited

Schedules to the Consolidated Financial Statements

(Rupees thousands)

7. Cash and Bank balances

| | As at 31 March 2011 | As at 31 March 2010 |
|--|------------------------|------------------------|
| Cash (including cheques on hand Nil (previous year Rs. 80 thousand)) | 2,266 | 1,256 |
| Balances with scheduled banks | | |
| – On current account | 246,253 | 143,780 |
| – On deposit accounts | 6,872,557 | 5,750,470 |
| – On EEFC account | 228,279 | 39,625 |
| – On unclaimed dividend account | 12,367 | 10,751 |
| Balances with other banks | | |
| – On current account | | |
| – Standard Chartered Bank, Uganda* | 20,803 | – |
| – Barclays Bank of Uganda, Uganda** | 1 | 51,519 |
| – Bangkok Bank, Thailand*** | 3,399 | 8,041 |
| | <u>7,385,925</u> | <u>6,005,442</u> |

*Maximum amount outstanding during the year Rs. 55,120 thousand (previous year - Nil)

**Maximum amount outstanding during the year Rs. 69,927 thousand (previous year - Rs. 89,708 thousand)

***Maximum amount outstanding during the year Rs. 22,384 thousand (previous year - Rs. 12,032 thousand)

8. Other Current Assets

| | | |
|---|------------------|------------------|
| Accrued Revenue | 28,754 | 83,514 |
| Contract revenue in excess of billing | 6,367,358 | 6,631,814 |
| Interest accrued on deposits | 35,261 | 21,732 |
| Unamortised premium on forward contract | 9,901 | 486 |
| | <u>6,441,274</u> | <u>6,737,546</u> |

9. Loans and Advances

Considered good, unless otherwise stated

Secured

Employee advances
 54 | 189 |

Unsecured

Advances recoverable in cash or in kind or for value to be received

– considered good
 2,916,031 | 2,771,483 |

– considered doubtful
 3,577 | 57,083 |

 2,919,608 | 2,828,566 |

Less: Provision for doubtful advances
 3,577 | 57,083 |

 2,916,031 | 2,771,483 |

Inter-Corporate Deposit
 14,000 | – |

Advance tax, including taxes deducted at source (net of provision for income tax

Rs. 3,036,517 thousand [previous year Rs. 2,257,729 thousand])
 297,852 | 178,744 |

Balances with customs, port trusts and excise authorities
 177,150 | 293,424 |

VAT credit receivable
 41,987 | 33,130 |

 3,447,074 | 3,276,970 |

Amounts due from officers of the company Nil (previous year - Rs. 45 thousands). Maximum amount outstanding during the year Rs. 67 thousand (previous year - Rs. 45 thousand).

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Schedules to the Consolidated Financial Statements

| | (Rupees thousands) | |
|--|--------------------------|--------------------------|
| | As at | As at |
| | 31 March 2011 | 31 March 2010 |
| 10. Current Liabilities | | |
| Sundry creditors | | |
| – Total outstanding dues to Small & Micro enterprises (Refer note no. 14 of schedule 18) | 40,302 | 53,025 |
| – Total outstanding dues to creditors other than Small & Micro enterprises* | 11,524,584 | 12,003,506 |
| Advance payments from customers | 11,182,219 | 9,865,528 |
| Billing in excess of contract revenue | 708,728 | 80,713 |
| Interest accrued but not due on West Bengal sales tax loan | – | 22,689 |
| Payable under finance leases | 15,082 | 15,860 |
| Lease equalisation reserve | 88,362 | 55,995 |
| Unclaimed dividend (to be credited to Investor education and protection fund, when due) | 12,367 | 10,751 |
| Other Liabilities | 59,594 | 64,698 |
| | <u>23,631,238</u> | <u>22,172,765</u> |

* includes Rs.213,402 thousand as book overdraft (previous year Rs. 168,751 thousand)

11. Provisions

| | | |
|---|-------------------------|-------------------------|
| Wealth tax | 345 | 122 |
| Leave encashment | 204,567 | 155,607 |
| Gratuity (Refer note 10 of schedule 18) | 53,581 | 1,735 |
| Warranty (Refer note 15 of schedule 18) | 239,250 | 155,248 |
| Proposed dividend | 670,242 | 670,242 |
| Corporate dividend tax | 108,730 | 113,908 |
| | <u>1,276,715</u> | <u>1,096,862</u> |

12. Deferred tax Assets/Liabilities, Net

Deferred tax assets

| | | |
|--|-----------------------|-----------------------|
| Provisions for doubtful debts and advances | 29,068 | 71,286 |
| Expenses disallowed under Income Tax Act, 1961 to be allowed in future years | 163,106 | 163,610 |
| Lease Equalisation Reserve | 28,669 | 19,645 |
| Others | 741 | 776 |
| | <u>221,584</u> | <u>255,317</u> |

Deferred tax liabilities

| | | |
|--|-----------------------|----------------------|
| Difference between WDV of fixed assets as per books and under Income Tax Act, 1961 | 227,790 | 184,729 |
| Deferred tax asset / (liabilities), net | <u>(6,206)</u> | <u>70,588</u> |

13. Sales and services (Gross of excise duty)

| | For the year ended | For the year ended |
|---------------------------|--------------------------|--------------------------|
| | 31 March 2011 | 31 March 2010 |
| Project sales | 6,595,927 | 11,099,364 |
| Service income | 3,443,382 | 3,138,079 |
| Equipment and spare sales | 8,448,391 | 6,554,698 |
| | <u>18,487,700</u> | <u>20,792,141</u> |

ALSTOM Projects India Limited

Schedules to the Consolidated Financial Statements

(Rupees thousands)

| 14. Other Income | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|--|---|-------------------------------------|
| Interest (Gross) | | |
| - On deposits with banks | 388,184 | 156,844 |
| - Others | 101 | 196 |
| (Tax deducted at source on total interest Rs. 39,748 thousand, [previous year Rs. 18,623 thousand]) | 388,285 | 157,040 |
| Gain on Sale of fixed assets, net | 7,972 | 2,550 |
| Foreign exchange gain, net | 52,831 | 71,321 |
| Write-back of provision for doubtful debts and advances (Refer Note 12 of schedule 18) | 20,629 | 31,749 |
| Excess Liabilities written back | 14,060 | 25,327 |
| Miscellaneous income | 77,276 | 117,393 |
| | 561,053 | 405,380 |
| | | |
| 15. Material Cost and Erection Services | | |
| Raw Materials and Components consumed | 5,836,556 | 7,183,971 |
| Project Materials and Erection Services | 3,870,306 | 7,038,031 |
| (Increase) / Decrease in stocks | (82,086) | (1,369,285) |
| | 9,624,776 | 12,852,717 |
| | | |
| 16. Personnel Expenses | | |
| Salaries, wages and bonus | 2,504,423 | 2,230,679 |
| Contribution to provident and other funds | 255,283 | 171,530 |
| Workmen and staff welfare expenses | 447,610 | 218,765 |
| Other personnel expenses | 103,201 | 79,322 |
| | 3,310,517 | 2,700,296 |
| | | |
| 17. Other Expenses | | |
| Tools, stores and spares | 100,952 | 104,119 |
| Royalty and trademark fee | 246,597 | 216,242 |
| Commission | 14,321 | 19,711 |
| Power, fuel and water | 190,153 | 196,312 |
| Travel and conveyance | 492,891 | 414,788 |
| Insurance | 73,934 | 38,043 |
| Rates and taxes | 26,877 | 29,156 |
| Rent | 375,603 | 376,132 |
| Repairs and Maintenance | | |
| - Buildings | 111,757 | 91,418 |
| - Plant and machinery | 120,364 | 99,297 |
| - Others | 33,292 | 44,296 |
| Provisions for doubtful debts and advances (See Note 12 of schedule 18) | 3,927 | 1,285 |
| Bad Debts Written-off | 8,498 | - |
| Other services from third parties | 342,669 | 344,927 |
| Interest on Finance Lease | 4,446 | 4,638 |
| Director fees | 460 | 400 |
| Donations | 1,127 | 57 |
| Miscellaneous expenses | 484,096 | 382,699 |
| | 2,631,964 | 2,363,520 |

ALSTOM Projects India Limited

Schedule 18: Notes to accounts

(All amounts in rupees thousands, unless otherwise specified)

1 BACKGROUND

ALSTOM Projects India Limited ('APIL' or 'the Company') is a publicly owned Company, incorporated on 2 September 1992 as Asea Brown Boveri Management Limited, registered with the Registrar of Companies, Maharashtra.

ALSTOM Finance BV, a Company incorporated in the Netherlands holds approximately 58.55 % of the equity with an additional 7.93 % being held by companies or affiliates within the ALSTOM Group. The balance equity is held by the public and others.

The Company has investment in ALSTOM Power Boilers Services Limited ('APBSL'), which is its wholly owned subsidiary. The Company and its subsidiary (hereinafter collectively referred to as 'the Group') are incorporated in India and are engaged in the business of engineering, procurement, manufacturing, construction and servicing etc. of power plants and power equipments and transportation systems covering traction, signalling and train control for the railways and metros.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. These financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made or revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those applied in the previous year.

Accounts of the subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all intra-group balances and intra-group transactions and also unrealised profits or losses.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements. Differences in accounting policies have been disclosed separately.

The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended 31 March 2011.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make best estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Actual results could differ from these estimates. Any revisions to accounting estimates are recognised prospectively in the current and future periods.

2.3 Fixed assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses, if any. Cost comprises purchase price and any other attributable cost of bringing the asset to its working condition for its intended use.

2.4 Intangible assets

Software costs relating to acquisition of product design software and software license fee are capitalised in the year of purchase and amortised on a straight-line basis over a period of three years and five years respectively.

Goodwill, (including arising on consolidation of subsidiaries), is amortised on a straight-line basis over a period of five years.

2.5 Depreciation

Depreciation on fixed assets is provided on a straight-line basis. Depreciation is provided as per the following rates, which are determined on the basis of useful lives of the assets estimated by the management, or at rates specified in Schedule XIV to the Act, whichever is higher.

| | % |
|------------------------|---------------|
| Factory buildings | 3.34 – 5.00 |
| Other buildings | 1.63 – 3.00 |
| Plant and machinery | 4.75 – 40.00 |
| Furniture and fixtures | 10.00 – 20.00 |
| Motor vehicles | 20.00 |

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ALSTOM Power Boilers Services Limited provides for depreciation on written-down value method at rates prescribed in schedule XIV to the Companies Act, 1956. Such assets aggregate to 0.45% of total gross block of assets.

Leasehold assets are amortised over the period of the lease or the estimated useful life whichever is lower. Depreciation is charged on a prorata basis for the assets purchased/sold during the year. Assets costing below five thousand rupees are fully depreciated in the year of purchase. In respect of revalued assets, the difference between the depreciation calculated on the revalued amount and calculated on the original cost is recouped from the revaluation reserve account.

2.6 Impairment of assets

- 2.6.1 The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- 2.6.2 After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- 2.6.3 A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.7 Foreign currency transactions

2.7.1 Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

2.7.2 Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

2.7.3 Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

2.7.4 Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of various categories of inventories is arrived at as follows:

- Stores, spares, raw materials and components - at costs determined on moving weighted average method.
- Work-in-progress and finished goods – based on weighted average cost of production, including appropriate proportion of costs of conversion. Excise duty is included in the value of finished goods inventory.
- Packing materials, loose tools and consumables, being immaterial in value terms, and also based on their purchase mostly on need basis, are expensed to the profit and loss account at the point of purchase.

Contract work-in-progress is valued at cost or net realisable value, whichever is lower. Cost includes direct materials, labour and appropriate proportion of overheads including depreciation.

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

Provision for obsolescence is made, wherever necessary.

2.9 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

2.9.1 Revenues from long-term contracts

Contract prices are either fixed or subject to price escalation clauses. Revenues are recognised on a percentage completion method measured by segmented portions of the contract, i.e. "Contract Milestones". The relevant cost is recognised in the financial statements in the year of recognition of revenues. Recognition of profit is adjusted to ensure that it does not exceed

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the estimated overall contract margin. Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Current Liabilities" in the balance sheet.

If it is expected that a contract will make a loss, the estimated loss is provided for in the books of account. Such losses are based on technical assessments.

Amounts due in respect of price escalation claims and/or variation in contract work are recognised as revenue only if the contract allows for such claims or variations and /or there is evidence that the customer has accepted it and it is probable that these will result in revenue and are capable of being reliably measured.

Liquidated damages/penalties, warranties and contingencies are provided for, based on management's assessment of the estimated liability, as per contractual terms and/or acceptance.

2.9.2 Revenues from sale of products and services

Revenues from sale of products are recognised on despatch of goods to customers which corresponds to transfer of significant risk and rewards of ownership and are net of sales tax and trade discounts. Revenues from services are recognised as and when such services are rendered as per contract terms.

2.9.3 Interest Income is recognised on time proportion method basis taking into account the amounts outstanding at the rate applicable.

2.9.4 Export Benefits are accounted for to the extent there is reasonable certainty of receipt / utilisation of the same.

2.10 Employee benefits

2.10.1 Retirement benefits in the form of Provident Fund contributed to Trust set up by the employer is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the trust are due.

2.10.2 Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The Company funds the benefit through contributions to LIC. The company recognises the actuarial gains & losses in the profit & loss in the period in which they arise.

2.10.3 Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the end of each year. The actuarial valuation is done as per projected unit credit method.

2.11 Leases

Where the Group is the lessee

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

Finance leases

The assets taken on finance lease are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

2.12 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments.

2.13 Tax Expense

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the Group has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

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The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group recognises / writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is subsequently reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized.

2.14 Provisions and Contingencies

A provision is recognised when there is a present obligation as a result of a past event, for which it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provisions required to settle are reviewed regularly and are adjusted, where necessary, to reflect the current estimate of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.15 Segment Reporting Policies

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers.

2.16 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.17 Cash & cash equivalents

Cash and cash equivalents comprise cash at bank and cash & cheques in hand.

2.18 Derivative instruments

The Group uses derivative financial instruments such as forward exchange contracts to hedge its risks associated with foreign currency fluctuations.

The Foreign exchange contracts other than those covered under AS 11, entered for non speculative purposes, including the underlying hedged items, are valued on the basis of a fair value on marked to market basis and any loss on valuation is recognized in the profit and loss account, on a portfolio basis. Any gain arising on this valuation is not recognized by the Group in line with the principle of prudence.

3 CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) – Rs. 356,796 thousand (previous year – Rs. 304,834 thousand).

4 CONTINGENT LIABILITIES NOT PROVIDED FOR

- a) Demand raised by sales tax authorities levying sales tax / works contract tax in cases of disputes regarding divisibility of contracts with the customers for supply and erection / installation of goods and others - Rs. 250,637 thousand (previous year – Rs. 251,604 thousand)
- b) Demand raised by Durgapur Power Limited on delayed payment of electricity bills – Nil (previous year – Rs. 19,000 thousand).
- c) Various other claims not acknowledged as debts Rs. 4,517 thousand (previous year – Rs. 35,977 thousand).

Based on the favourable decision in similar cases / legal opinions taken by the Group / discussions with the solicitors etc., the Group believes that it has good cases in respect of all the items listed under (a) and (c) above and hence no provision there against is considered necessary.

5 SEGMENT INFORMATION

5.1 Primary segment reporting - Business segments

The Group's business segments are classified into Power and Transport.

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5.1.1 Power segment

This segment is engaged in the business of engineering, procurement and construction of power plants. It also manufactures steam raising plant, ancillary equipment, pressures vessels and pulverizers.

5.1.2 Transport segment

This segment is engaged in the business of designing, manufacturing, supplying and supporting large scale transportation systems including traction, signalling and train control.

5.2 Inter segment transfers

Segment revenues, segment expenses and segment results include transfers between business segments, that are made based on negotiation between segments with reference to the costs, market prices and business risks, within the overall optimisation objective for the Group and are comparable with competitive market prices charged to external customers. Inter-segment transfers are eliminated on consolidation.

5.3 Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

5.4 Unallocated items

Includes general corporate income and expense items which are not allocated to any business segment.

5.5 Segment revenues, results and other information

(Rupees thousands)

| | Power | | Transport | | Total | |
|--|-------------------|------------|------------------|---------|-------------------|------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| External sales | 17,285,377 | 19,697,345 | 750,996 | 716,445 | 18,036,373 | 20,413,790 |
| Inter segment sales | - | - | - | - | - | - |
| Other income | 105,754 | 237,312 | 67,014 | 11,028 | 172,768 | 248,340 |
| Segment revenues | 17,391,131 | 19,934,657 | 818,010 | 727,473 | 18,209,141 | 20,662,130 |
| Segment results | 2,107,164 | 2,303,498 | 51,893 | 24,973 | 2,159,057 | 2,328,471 |
| Segment assets | 22,559,702 | 21,667,823 | 494,129 | 369,754 | 23,053,831 | 22,037,577 |
| Segment liabilities | 22,597,155 | 21,787,241 | 1,299,162 | 668,175 | 23,896,317 | 22,455,416 |
| Capital expenditure | 927,622 | 568,816 | 6,125 | 23,552 | 933,747 | 592,368 |
| Depreciation / amortisation | 475,845 | 411,385 | 6,982 | 5,741 | 482,827 | 417,126 |
| Non cash expenditure, other than depreciation/amortization | 79,668 | 1,285 | 4,376 | - | 84,044 | 1,285 |

5.6 Secondary segment reporting - Geographical segments

The analysis of geographical segments is based on the geographical location of the customers.

Secondary Segment Information for the year ended 31 March 2011:

Revenue:

| Particulars | Year ended 31 March 2011 | Year ended 31 March 2010 |
|---------------|-----------------------------|-----------------------------|
| India | 14,604,957 | 14,579,185 |
| Outside India | 3,431,416 | 5,834,605 |
| Total | 18,036,373 | 20,413,790 |

Carrying Amount of Segment Assets*:

| Particulars | As at 31 March 2011 | As at 31 March 2010 |
|---------------|------------------------|------------------------|
| India | 28,995,061 | 23,896,028 |
| Outside India | 1,791,844 | 4,335,027 |
| Total | 30,786,905 | 28,231,055 |

*The Group has common fixed assets for executing projects / producing goods for Domestic Market and Overseas Markets. Hence, separate figures for fixed assets cannot be furnished.

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Capital Expenditure:

(Rupees thousands)

| Particulars | Year ended 31 March 2011 | Year ended 31 March 2010 |
|---------------|-----------------------------|-----------------------------|
| India | 933,747 | 592,368 |
| Outside India | - | - |
| Total | 933,747 | 592,368 |

5.7 Reconciliation of reportable segments with financial statements

| | Revenues | | Results | | Assets | | Liabilities | |
|---|------------|------------|-----------|-----------|------------|------------|-------------|------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Total of reportable segments | 18,209,141 | 20,662,130 | 2,159,057 | 2,328,471 | 23,053,831 | 22,037,577 | 23,896,317 | 22,455,416 |
| Inter segment sales/assets | - | - | - | - | - | - | - | - |
| Unallocated – Interest income | 388,285 | 157,040 | 388,285 | 157,040 | - | - | - | - |
| Unallocated – Other income | - | - | - | - | - | - | - | - |
| Unallocated – Interest expense | - | - | - | (1,245) | - | - | - | - |
| Unallocated – Loans | - | - | - | - | 14,000 | - | - | - |
| Unallocated – Liabilities, other than loans | - | - | - | - | - | - | 232,664 | 30,061 |
| Unallocated – Interest accrued and other assets | - | - | - | - | 35,297 | 21,768 | - | - |
| Unallocated – Cash and bank | - | - | - | - | 7,385,925 | 6,005,442 | - | - |
| Taxes | | | | | | | | |
| – Income Tax | - | - | (778,300) | (874,847) | 297,852 | 95,680 | - | - |
| – Deferred Tax | - | - | (76,794) | 65,338 | - | 70,588 | 6,206 | - |
| Proposed Dividened including Corporate Dividend Tax | - | - | - | - | - | - | 778,972 | 784,150 |
| Per financial statements | 18,597,426 | 20,819,170 | 1,692,248 | 1,674,757 | 30,786,905 | 28,231,055 | 24,914,159 | 23,269,627 |

6 RELATED PARTY DISCLOSURES

6.1 List of related parties

6.1.1 Parties with whom control exists:

| | |
|-------------------|----------------------------|
| ALSTOM Holdings | (Ultimate Holding Company) |
| ALSTOM Finance BV | (Holding Company) |

6.1.2 Other related parties with whom transactions have taken place during the year (fellow subsidiaries)

ALSTOM (Switzerland) Ltd, ALSTOM Asia Pacific Sdn Bhd, ALSTOM Austria GmbH, ALSTOM Belgium SA, ALSTOM Bharat Forge Power Limited, ALSTOM Brasil Energia E Transporte Ltda, ALSTOM Bulgaria Eood, ALSTOM Deutschland AG, ALSTOM Egypt Power & Transp Projects SAE, ALSTOM Ferroviaria S.P.A, ALSTOM Finance BV, ALSTOM General Turbo SA, ALSTOM Holdings, ALSTOM Hydro (Switzerland) Ltd, ALSTOM Hydro Austria GmbH, ALSTOM Hydro Equipamentes, ALSTOM Hydro France, ALSTOM Hydro R & D India Limited, ALSTOM Hydro Spain S.L., ALSTOM Hydro Sweden Ab, ALSTOM India Limited, ALSTOM Information Tech. Centre SAS, ALSTOM Ltd, ALSTOM Mexicana S.A. De C.V., ALSTOM Norway AS, ALSTOM Power Centrales, France, ALSTOM Power Consulting AG, ALSTOM Power Hydraulique, ALSTOM Power Inc USA, ALSTOM Power Inc., ALSTOM Power Italia Spa, ALSTOM Power Nederland B.V., ALSTOM Power Romania, ALSTOM Power Service, ALSTOM Power Service (Hong Kong) Limited, ALSTOM Power Service (Pty) Limited, ALSTOM Power Service GmbH, ALSTOM Power Sp.Z O.O., ALSTOM Power Sweden AB, ALSTOM Power Systems GmbH, ALSTOM Power Systems SA, ALSTOM SA, ALSTOM Services Sdn Bhd, ALSTOM Signalling Inc., ALSTOM Hydro R&D India Limited, ALSTOM Technical Service Shanghai, ALSTOM Technology Ltd, ALSTOM Transport (S) Pte Ltd, ALSTOM Transport BV, ALSTOM Transport SA, ALSTOM Vannkraft AS, Areva T&D India Limited, NTPC ALSTOM Power Services Private Ltd, Pt ALSTOM Power Energy Systems Indonesia, Tianjin ALSTOM Hydro Co. Ltd.

6.1.3 Key managerial personnel (KMP)

| | |
|-------------------------|---|
| Mr. Francois Carpentier | – Vice Chairman & Managing Director |
| Mr. S.M. Momaya | – Whole-time Director & Chief Financial Officer |

ALSTOM Projects India Limited

6.2 Transactions with Related Parties

(Rupees thousands)

| Particulars | 2010-11 | | | | 2009-10 | | | |
|---|--------------|---------------------|------------------------------|--------------------------|--------------|---------------------|------------------------------|--------------------------|
| | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel |
| Sale of Products | | | | | | | | |
| ALSTOM Belgium SA | - | 87,284 | - | - | - | 14,765 | - | - |
| ALSTOM (Switzerland) Ltd. | - | 265,749 | - | - | - | 572,289 | - | - |
| ALSTOM Brasil Energia e transporte Ltda | - | 74,124 | - | - | - | - | - | - |
| ALSTOM Ferroviaria S.p.A | - | 27,879 | - | - | - | 8,289 | - | - |
| ALSTOM Hydro France | - | 1,816,214 | - | - | - | - | - | - |
| ALSTOM Hydro Spain S.L. | - | 123,538 | - | - | - | 169,314 | - | - |
| ALSTOM Power Inc. | - | 111,991 | - | - | - | 41,237 | - | - |
| ALSTOM Power Italia Spa | - | 27,125 | - | - | - | 40,745 | - | - |
| ALSTOM Power Service (Hong Kong) Limited | - | 9,746 | - | - | - | - | - | - |
| ALSTOM Transport SA | - | 34,697 | - | - | - | 138,462 | - | - |
| ALSTOM Vannkraft AS | - | 36,655 | - | - | - | 20,752 | - | - |
| NTPC ALSTOM Power Services Private Ltd | - | 322 | - | - | - | 148,858 | - | - |
| ALSTOM Hydro Sweden AB | - | - | - | - | - | 32,116 | - | - |
| ALSTOM Power Sp.z o.o. | - | - | - | - | - | 32,744 | - | - |
| ALSTOM Power Centrales, France | - | - | - | - | - | 70,724 | - | - |
| ALSTOM Power Hydraulique | - | - | - | - | - | 4,187,452 | - | - |
| Others | - | 864 | - | - | - | 467 | - | - |
| Commission Income | | | | | | | | |
| ALSTOM (Switzerland) Ltd. | - | 11,106 | - | - | - | 3,086 | - | - |
| Purchase of Raw Material Component Capital | | | | | | | | |
| Goods & Other Services | | | | | | | | |
| ALSTOM Ferroviaria S.p.A | - | 1,420 | - | - | - | - | - | - |
| ALSTOM Norway AS | - | 2,474 | - | - | - | - | - | - |
| ALSTOM Ltd | - | 6,283 | - | - | - | 34,153 | - | - |
| ALSTOM Power Inc. | - | 12,382 | - | - | - | 184,664 | - | - |
| ALSTOM general turbo SA | - | 15,894 | - | - | - | - | - | - |
| ALSTOM Transport SA | - | 16,515 | - | - | - | 13,876 | - | - |
| ALSTOM Power Sp.z o.o. | - | 19,096 | - | - | - | 122,595 | - | - |
| ALSTOM Power Italia Spa | - | 25,432 | - | - | - | - | - | - |
| ALSTOM Hydro France | - | 38,883 | - | - | - | - | - | - |
| Areva T&D India Limited | - | 39,681 | - | - | - | - | - | - |
| ALSTOM Power Sweden AB | - | 52,489 | - | - | - | 49,701 | - | - |
| ALSTOM Power Service | - | 73,885 | - | - | - | 13,688 | - | - |
| ALSTOM Brasil Energia e transporte Ltda | - | 101,835 | - | - | - | 589,773 | - | - |
| ALSTOM Power Service GmbH | - | 106,753 | - | - | - | 87,390 | - | - |
| ALSTOM Power Systems SA | - | 149,759 | - | - | - | 43,016 | - | - |
| ALSTOM (Switzerland) Ltd | - | 251,307 | - | - | - | 284,014 | - | - |
| ALSTOM Power Romania | - | - | - | - | - | 19,266 | - | - |
| ALSTOM Power Hydraulique | - | - | - | - | - | 34,621 | - | - |
| Others | - | 1,903 | - | - | - | 1,878 | - | - |
| Sale of Other Services | | | | | | | | |
| ALSTOM Transport (S) Pte Ltd | - | 914 | - | - | - | 1,270 | - | - |
| ALSTOM Services Sdn Bhd | - | 1,105 | - | - | - | - | - | - |
| ALSTOM Egypt Power & Transp Projects SAE | - | 2,584 | - | - | - | - | - | - |
| ALSTOM Bulgaria EOOD | - | 3,213 | - | - | - | 302 | - | - |
| PT ALSTOM Power Energy Systems Indonesia | - | 3,449 | - | - | - | 86 | - | - |
| ALSTOM Asia Pacific Sdn Bhd | - | 4,359 | - | - | - | 891 | - | - |
| ALSTOM Ferroviaria S.p.A | - | 4,432 | - | - | - | 8,572 | - | - |
| ALSTOM Hydro R&D India Limited | - | 2,058 | - | - | - | 791 | - | - |
| NTPC ALSTOM Power Services Private Ltd | - | 5,004 | - | - | - | 16,133 | - | - |
| ALSTOM Transport BV | - | 5,328 | - | - | - | 344 | - | - |
| ALSTOM Mexicana S.A. de C.V. | - | 5,833 | - | - | - | - | - | - |
| ALSTOM Information Tech. Centre SAS | - | 5,964 | - | - | - | - | - | - |
| ALSTOM Belgium SA | - | 6,497 | - | - | - | 6,048 | - | - |
| ALSTOM Power Italia Spa | - | 11,436 | - | - | - | 16,179 | - | - |
| ALSTOM Brasil Energia e transporte Ltda | - | 13,237 | - | - | - | 22,991 | - | - |
| ALSTOM Norway AS | - | 24,108 | - | - | - | 37,684 | - | - |
| ALSTOM Power Sweden AB | - | 24,376 | - | - | - | 15,355 | - | - |
| ALSTOM Bharat Forge Power Limited | - | 24,509 | - | - | - | - | - | - |
| ALSTOM Technical Service Shanghai | - | 28,825 | - | - | - | 3,161 | - | - |
| ALSTOM Hydro France | - | 32,900 | - | - | - | - | - | - |
| ALSTOM Transport SA | - | 35,292 | - | - | - | 66,682 | - | - |
| ALSTOM Ltd | - | 35,441 | - | - | - | 54,106 | - | - |
| ALSTOM Power Consulting AG | - | 52,289 | - | - | - | 29,287 | - | - |
| ALSTOM Power Inc. | - | 61,979 | - | - | - | 46,645 | - | - |
| ALSTOM Power Systems GmbH | - | 114,324 | - | - | - | 159,929 | - | - |
| ALSTOM (Switzerland) Ltd. | - | 296,182 | - | - | - | 392,371 | - | - |

ALSTOM Projects India Limited

6.2 Transactions with Related Parties

(Rupees thousands)

| Particulars | 2010-11 | | | | 2009-10 | | | |
|---|--------------|---------------------|------------------------------|--------------------------|--------------|---------------------|------------------------------|--------------------------|
| | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel |
| ALSTOM Power Systems SA | - | 317,115 | - | - | - | 453,838 | - | - |
| ALSTOM Power Hydraulique | - | - | - | - | - | 52,605 | - | - |
| ALSTOM Hydro (Switzerland) Ltd | - | - | - | - | - | 67,349 | - | - |
| Others | - | 1,381 | - | - | - | 1,902 | - | - |
| Other Income | | | | | | | | |
| ALSTOM Hydro R & D India Limited | - | 2,565 | - | - | - | 3,848 | - | - |
| ALSTOM Transport SA | - | - | - | - | - | 17,684 | - | - |
| Purchase of Other Services | | | | | | | | |
| Tianjin ALSTOM Hydro Co. Ltd | - | 10 | - | - | - | 1,403 | - | - |
| ALSTOM Power Service (Pty) Limited | - | 1,333 | - | - | - | - | - | - |
| ALSTOM Power Systems SA | - | 1,395 | - | - | - | - | - | - |
| ALSTOM Asia Pacific Sdn Bhd | - | 1,903 | - | - | - | 2,222 | - | - |
| ALSTOM Deutschland AG | - | 2,381 | - | - | - | 1,034 | - | - |
| ALSTOM Power Sp.z o.o. | - | 4,069 | - | - | - | 8,001 | - | - |
| ALSTOM Power Italia Spa | - | 5,784 | - | - | - | - | - | - |
| ALSTOM Holdings | - | 8,908 | - | - | - | 6,668 | - | - |
| ALSTOM Power Service | - | 18,020 | - | - | - | 6,772 | - | - |
| ALSTOM Power Service GmbH | - | 21,696 | - | - | - | 49,769 | - | - |
| ALSTOM Power Inc. | - | 23,950 | - | - | - | 16,852 | - | - |
| ALSTOM Hydro France | - | 29,574 | - | - | - | - | - | - |
| ALSTOM Ltd | - | 29,814 | - | - | - | 6,392 | - | - |
| ALSTOM Information Tech. Centre SAS | - | 39,983 | - | - | - | 7,955 | - | - |
| ALSTOM (Switzerland) Ltd | - | 92,482 | - | - | - | 65,174 | - | - |
| ALSTOM Power Systems GmbH | - | - | - | - | - | 1,286 | - | - |
| ALSTOM Power Hydraulique | - | - | - | - | - | 23,065 | - | - |
| Others | - | 1,051 | - | - | - | 1,335 | - | - |
| Other Expenses / Reimbursements (Payments) | | | | | | | | |
| ALSTOM Power Systems SA | - | - | - | - | - | 26,019 | - | - |
| ALSTOM (Switzerland) Ltd | - | 2,263 | - | - | - | 36,763 | - | - |
| ALSTOM Signalling Inc. | - | - | - | - | - | 12,885 | - | - |
| ALSTOM Hydro (Switzerland) Ltd | - | - | - | - | - | 57,901 | - | - |
| ALSTOM Belgium SA | - | 2,538 | - | - | - | - | - | - |
| ALSTOM China Investment Co Ltd | - | 1,084 | - | - | - | - | - | - |
| ALSTOM Ferroviaria S.p.A | - | 1,815 | - | - | - | - | - | - |
| ALSTOM Holdings | - | 4,399 | - | - | - | 7,334 | - | - |
| ALSTOM Power Inc. | - | 14,464 | - | - | - | 2,600 | - | - |
| ALSTOM Transport SA | - | 2,867 | - | - | - | - | - | - |
| ALSTOM Ltd | - | 13,580 | - | - | - | 1,621 | - | - |
| Others | - | 971 | - | - | - | 1,190 | - | - |
| Other Expenses / Reimbursements (Receipts) | | | | | | | | |
| ALSTOM (Switzerland) Ltd | - | 55,142 | - | - | - | 40,523 | - | - |
| ALSTOM Bharat Forge Power Limited | - | 64,020 | - | - | - | 3,103 | - | - |
| ALSTOM Holdings | - | 10,268 | - | - | - | 1,042 | - | - |
| ALSTOM Ltd | - | 12,634 | - | - | - | 11,672 | - | - |
| ALSTOM Power Nederland B.V. | - | 3,972 | - | - | - | 1,251 | - | - |
| ALSTOM Power Sweden AB | - | 10,163 | - | - | - | - | - | - |
| ALSTOM Power Systems GmbH | - | 4,838 | - | - | - | 7,976 | - | - |
| ALSTOM Power Systems SA | - | 24,003 | - | - | - | 29,260 | - | - |
| ALSTOM Transport SA | - | 29,523 | - | - | - | 10,482 | - | - |
| NTPC ALSTOM Power Services Private Ltd | - | 17,490 | - | - | - | 17,395 | - | - |
| ALSTOM Hydro R&D India Limited | - | 9,288 | - | - | - | 18,864 | - | - |
| ALSTOM Asia Pacific Sdn Bhd | - | 1,011 | - | - | - | 529 | - | - |
| ALSTOM Bulgaria EOOD | - | 2,182 | - | - | - | 951 | - | - |
| ALSTOM Egypt Power & Transp Projects SAE | - | 1,334 | - | - | - | - | - | - |
| Others | - | 2,923 | - | - | - | 3,427 | - | - |
| Purchase of Fixed Assets | | | | | | | | |
| ALSTOM Power Systems SA | - | 1,221 | - | - | - | 2,943 | - | - |
| Managerial Remuneration | | | | | | | | |
| Mr. Emmanuel Colombier | - | - | - | - | - | - | - | 6,369 |
| Mr. Francois Carpentier | - | - | - | 23,512 | - | - | - | - |
| Mr. S.M. Momaya | - | - | - | 6,985 | - | - | - | 6,458 |
| Payment of Royalty/Tech Knowhow Fees | | | | | | | | |
| ALSTOM Technology Ltd | - | 109,702 | - | - | - | 82,272 | - | - |
| ALSTOM SA | - | 136,896 | - | - | - | 133,970 | - | - |
| Payment of Dividend | | | | | | | | |
| ALSTOM Finance BV | - | 392,454 | - | - | - | 392,454 | - | - |
| ALSTOM India Limited | - | 53,135 | - | - | - | 53,135 | - | - |
| Inter Corporate Deposits given | | | | | | | | |
| ALSTOM Hydro R & D India Limited | - | 14,000 | - | - | - | - | - | - |
| Interest on Inter Corporate Deposits | | | | | | | | |
| ALSTOM Hydro R & D India Limited | - | 58 | - | - | - | - | - | - |

ALSTOM Projects India Limited

6.3 Balance Outstanding

(Rupees thousands)

| Particulars | 2010-11 | | | | 2009-10 | | | |
|---|--------------|---------------------|------------------------------|--------------------------|--------------|---------------------|------------------------------|--------------------------|
| | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel |
| Inter Corporate Deposits given | | | | | | | | |
| ALSTOM Hydro R & D India Limited | - | 14,000 | - | - | - | - | - | - |
| As Debtors | | | | | | | | |
| ALSTOM Norway AS | - | 285 | - | - | - | 5,094 | - | - |
| ALSTOM Brasil Energia e transporte Ltda | - | 582 | - | - | - | 2,989 | - | - |
| ALSTOM Power Sweden AB | - | 2,837 | - | - | - | 428 | - | - |
| ALSTOM Holdings | - | 4,111 | - | - | - | - | - | - |
| ALSTOM Power Italia Spa | - | 4,167 | - | - | - | 29,333 | - | - |
| ALSTOM Ferroviaria S.p.A | - | 6,362 | - | - | - | 5,728 | - | - |
| ALSTOM Technical Service Shanghai | - | 7,488 | - | - | - | 939 | - | - |
| ALSTOM Ltd | - | 7,824 | - | - | - | 12,177 | - | - |
| ALSTOM Vannkraft AS | - | 10,790 | - | - | - | - | - | - |
| ALSTOM Power Consulting AG | - | 11,670 | - | - | - | 28,327 | - | - |
| ALSTOM Power Inc. | - | 14,333 | - | - | - | 11,516 | - | - |
| ALSTOM Power Systems GmbH | - | 18,000 | - | - | - | 20,752 | - | - |
| ALSTOM Belgium SA | - | 26,942 | - | - | - | 9,931 | - | - |
| ALSTOM Bharat Forge Power Limited | - | 29,841 | - | - | - | - | - | - |
| ALSTOM Transport SA | - | 41,689 | - | - | - | 44,930 | - | - |
| ALSTOM Power Systems SA | - | 69,876 | - | - | - | 59,064 | - | - |
| ALSTOM (Switzerland) Ltd. | - | 89,739 | - | - | - | 89,631 | - | - |
| NTPC ALSTOM Power Services Private Ltd | - | 177,716 | - | - | - | 254,952 | - | - |
| ALSTOM Hydro France | - | 379,042 | - | - | - | - | - | - |
| ALSTOM Power Nederland B.V. | - | - | - | - | - | 1,099 | - | - |
| ALSTOM Hydro R & D India Limited | - | 4,508 | - | - | - | 2,048 | - | - |
| ALSTOM Power Sp.z o.o. | - | - | - | - | - | 2,838 | - | - |
| ALSTOM Power Hydraulique | - | - | - | - | - | 228,932 | - | - |
| Others | - | 5,633 | - | - | - | 4,086 | - | - |
| Creditors | | | | | | | | |
| ALSTOM Technology Ltd | - | 175,001 | - | - | - | 120,972 | - | - |
| ALSTOM Transport SA | - | 147 | - | - | - | 1,392 | - | - |
| ALSTOM Power Service | - | 304 | - | - | - | 9,496 | - | - |
| ALSTOM Holdings | - | 676 | - | - | - | 2,126 | - | - |
| ALSTOM Hydro France | - | 2,007 | - | - | - | - | - | - |
| ALSTOM Ltd | - | 2,538 | - | - | - | 1,914 | - | - |
| ALSTOM Power Inc. | - | 4,270 | - | - | - | 45,243 | - | - |
| ALSTOM Information Tech. Centre SAS | - | 4,997 | - | - | - | 524 | - | - |
| Areva T&D India Limited | - | 7,687 | - | - | - | - | - | - |
| ALSTOM Power Sweden AB | - | 8,956 | - | - | - | 1,999 | - | - |
| ALSTOM Power Systems SA | - | 10,985 | - | - | - | 22,614 | - | - |
| ALSTOM Power Sp.z o.o. | - | 14,405 | - | - | - | 30,413 | - | - |
| ALSTOM SA | - | 18,677 | - | - | - | - | - | - |
| ALSTOM Power Service GmbH | - | 45,221 | - | - | - | 13,064 | - | - |
| ALSTOM (Switzerland) Ltd. | - | 47,753 | - | - | - | 103,836 | - | - |
| ALSTOM Power Hydraulique | - | - | - | - | - | 10,160 | - | - |
| ALSTOM Hydro Equipementes | - | - | - | - | - | 10,282 | - | - |
| ALSTOM Hydro (Switzerland) Ltd | - | - | - | - | - | 26,715 | - | - |
| Others | - | 6,299 | - | - | - | 112 | - | - |
| Advance Given | | | | | | | | |
| ALSTOM Brasil Energia e transporte Ltda | - | 3,912 | - | - | - | 85,482 | - | - |
| ALSTOM Hydro France | - | 4,533 | - | - | - | - | - | - |
| ALSTOM Power Service GmbH | - | 4,989 | - | - | - | - | - | - |
| Areva T&D India Limited | - | 15,163 | - | - | - | - | - | - |
| Tianjin ALSTOM Hydro Co. Ltd | - | 22,131 | - | - | - | - | - | - |
| ALSTOM Power Service | - | 23,022 | - | - | - | 1,695 | - | - |
| ALSTOM Power Systems SA | - | 33,398 | - | - | - | 76,927 | - | - |
| ALSTOM Ltd | - | 331,347 | - | - | - | 128,433 | - | - |
| ALSTOM Power Hydraulique | - | - | - | - | - | 33,792 | - | - |
| Others | - | 4,887 | - | - | - | 1,680 | - | - |
| Advance Received | | | | | | | | |
| NTPC ALSTOM Power Services Private LTD | - | 575 | - | - | - | 14,377 | - | - |
| ALSTOM (Switzerland) Ltd. | - | 3,670 | - | - | - | 8,212 | - | - |

ALSTOM Projects India Limited

6.3 Balance Outstanding

(Rupees thousands)

| Particulars | 2010-11 | | | | 2009-10 | | | |
|---|--------------|---------------------|------------------------------|--------------------------|--------------|---------------------|------------------------------|--------------------------|
| | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel | Subsidiaries | Fellow Subsidiaries | Parties where control exists | Key Management Personnel |
| ALSTOM Power Service (Hong Kong) Limited | - | 3,779 | - | - | - | - | - | - |
| ALSTOM Power Sp.z o.o. | - | 16,993 | - | - | - | 4,298 | - | - |
| ALSTOM Hydro Spain S.L. | - | 43,963 | - | - | - | 114,548 | - | - |
| ALSTOM Vannkraft AS | - | 81,178 | - | - | - | 23,013 | - | - |
| ALSTOM Brasil Energia e transporte Ltda | - | 133,667 | - | - | - | 211,040 | - | - |
| ALSTOM Austria GmbH | - | 268,841 | - | - | - | - | - | - |
| ALSTOM Hydro France | - | 1,300,592 | - | - | - | - | - | - |
| ALSTOM Hydro (Switzerland) Ltd | - | - | - | - | - | 26 | - | - |
| ALSTOM Power Systems SA | - | - | - | - | - | 5,121 | - | - |
| ALSTOM Power Italia Spa | - | - | - | - | - | 77,016 | - | - |
| ALSTOM Hydro Austria GmbH | - | - | - | - | - | 77,180 | - | - |
| ALSTOM Power Hydraulique | - | - | - | - | - | 1,134,813 | - | - |
| Amount Guaranteed By Fellow Subsidiaries | | | | | | | | |
| ALSTOM (Switzerland) Ltd. | - | 139,159 | - | - | - | 139,159 | - | - |
| ALSTOM Power Hydraulique | - | 248,000 | - | - | - | 153,563 | - | - |

7 LEASE COMMITMENTS

7.1 Operating leases

The Group normally takes vehicles and premises under non-cancellable operational leases. Minimum lease payments outstanding as at 31 March 2011 in respect of these assets are as under:

| | Total minimum lease payments outstanding as at 31 March 2011 | Total minimum lease payments outstanding as at 31 March 2010 |
|---|--|--|
| Due within one year | 325,355 | 284,972 |
| Due later than one year and not later than five years | 1,169,351 | 1,250,059 |
| Due later than five years | 348,942 | 82,128 |
| | 1,843,648 | 1,617,159 |

Lease payments of Rs. 375,603 thousand (previous year – Rs. 376,132 thousand) have been recognised as an expense in the profit and loss account for the year ended 31 March 2011.

There is no contingent rent in the lease agreements. The lease term is for 1-9 years and is renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements (other than those disclosed above). There are no restrictions imposed by lease arrangements. There are no subleases.

7.2 Finance leases

The future lease obligations in respect of assets taken on finance lease as at 31 March 2011 are as follows:

| | Total minimum lease payments outstanding | Present value of minimum lease payments | Interest included in minimum lease payments |
|---|--|---|---|
| Due within one year | 5,224 | 1,033 | 4,191 |
| Due later than one year but not later than five years | 18,648 | 5,351 | 13,297 |
| Due later than five years | 13,061 | 8,698 | 4,363 |
| | 36,933 | 15,082 | 21,851 |

Leasehold improvements include assets costing Rs. 16,446 thousand (previous year – Rs. 16,446 thousand) on finance lease.

8 EARNINGS PER SHARE

| | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|--|----------------------------------|----------------------------------|
| a) Weighted average number of equity shares outstanding during the year | 67,024,174 | 67,024,174 |
| b) Net profit after tax available for equity Shareholders (Rupees thousands) | 1,692,248 | 1,674,757 |
| c) Basic and Diluted Earnings (in Rupees) per share | 25.25 | 24.99 |

ALSTOM Projects India Limited

9 CONSTRUCTION CONTRACTS

| | 31 March 2011 | 31 March 2010 |
|---|----------------------|---------------|
| a. Contract revenue recognised as revenue for the year ended 31 March 2011 | 17,580,966 | 19,088,288 |
| b. Aggregate amount of contract costs incurred and recognised profits (less recognised losses) upto 31 March 2011 for all the contracts in progress | 83,323,501 | 71,494,291 |
| c. The amount of customer advances outstanding for contracts in progress as at 31 March 2011 | 11,182,219 | 9,865,528 |
| d. The amount of retention due from customers for contracts in progress as at 31 March 2011 | 3,472,054 | 2,754,565 |

For construction contracts or long-term service agreements in progress, obligations attributable thereto, are taken into account in the assessment of the margin to be recognised and therefore reported as Current Liabilities or Work in progress.

10 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Profit and Loss account

Net employee benefit expense in respect of Gratuity (recognised in Employee Cost)

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
|--|-----------------|----------|----------|----------|---------|
| Current service cost | 33,172 | 27,117 | 21,507 | 14,323 | 10,716 |
| Interest cost on benefit obligation | 23,549 | 20,472 | 15,201 | 16,748 | 11,705 |
| Expected return on plan assets | (25,038) | (22,736) | (16,192) | (12,093) | (4,842) |
| Net actuarial (gain) / loss recognised in the year | 52,719 | (5,301) | 17,769 | 1,442 | 23,885 |
| Past service cost | - | - | - | - | - |
| Net benefit expense | 84,402 | 19,552 | 38,285 | 20,420 | 41,464 |
| Actual Return on Plan Assets | 27,650 | 23,755 | 16,767 | 19,999 | 5,339 |

Balance sheet

Details of Provision for gratuity

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
|--------------------------------------|------------------|-----------|-----------|-----------|-----------|
| Defined benefit obligation | 376,559 | 290,302 | 265,387 | 223,300 | 194,622 |
| Fair value of plan assets | (322,978) | (294,567) | (267,487) | (211,910) | (191,213) |
| Less: Unrecognised past service cost | - | - | - | - | - |
| Plan (asset) / liability | 53,581 | (4,265) | (2,100) | 11,390 | 3,449 |

Changes in the present value of the defined benefit obligation are as follows:

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
|--|-----------------|----------|----------|----------|----------|
| Opening defined benefit obligation | 290,302 | 265,387 | 223,300 | 194,622 | 163,433 |
| Interest cost | 23,549 | 20,472 | 15,201 | 16,748 | 11,705 |
| Current service cost | 33,172 | 27,117 | 21,507 | 14,323 | 10,716 |
| Benefits paid | (25,795) | (18,391) | (12,965) | (11,781) | (15,574) |
| Actuarial (gains) / losses on obligation | 55,331 | (4,283) | 18,344 | 9,348 | 24,382 |
| Closing defined benefit obligation | 376,559 | 290,302 | 265,387 | 223,300 | 194,662 |

Changes in the fair value of plan assets are as follows:

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
|-----------------------------------|-----------------|----------|----------|----------|----------|
| Opening fair value of plan assets | 294,567 | 267,487 | 211,910 | 191,213 | 59,587 |
| Expected Return | 25,038 | 22,736 | 16,192 | 12,093 | 4,842 |
| Contributions by employer | 26,556 | 21,407 | 51,651 | 12,213 | 141,805 |
| Benefits paid | (25,795) | (18,082) | (12,841) | (11,515) | (14,798) |
| Actuarial gains / (losses) | 2,612 | 1,019 | 575 | 7,906 | 497 |
| Closing fair value of plan assets | 322,978 | 294,567 | 267,487 | 211,910 | 191,213 |

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The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
|--------------------------|---------|---------|---------|---------|---------|
| Investments with insurer | 100% | 100% | 100% | 100% | 100% |

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Company's plans are shown below:

| | 2010-11 | 2009-10 | 2008-09 | 2008-07 | 2006-07 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Discount rate | 8.5% | 8% | 7% | 9% | 7.5% |
| Expected rate of return on assets | 8.5% | 8.5% | 9% | 9% | 9% |
| Employee turnover | 13.5% | 13.5% | 13.5% | 13.5% | 13.5% |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

In respect of defined contribution plan, the company has recognized the following amounts in the profit and loss account:

| | (Rupees thousands) | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2011 | For the year ended 31 March 2010 | For the year ended 31 March 2009 |
| Employer's Contribution to Provident Fund including Family Pension Fund* | 110,547 | 95,585 | 80,416 |

*Included in the head Contribution to Provident and Other Funds.

Notes:

- Information relating to experience adjustment in the actuarial valuation of gratuity as required by Para 120(n)(ii) of the Accounting Standard 15 on Employee Benefits is not available with the Company.
- The Company's expected contribution to the fund in the next year is not presently ascertainable and hence, the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date as required by para 120 (o) of the Accounting Standard – 15 on Employee Benefits are not disclosed.
- Pending issuance of the Guidance Note from the Actuarial Society of India, the company's actuary has expressed his inability to reliably measure the provident fund liability. Accordingly, no additional disclosures as required by Paragraph 120 of AS 15 have been furnished.

11 OPERATIONAL OUTLOOK OF SUBSIDIARY

As at 31 March 2011, APBSL, the Company's subsidiary, has accumulated losses of Rs 3,700 thousand, which have completely eroded its paid up equity capital of Rs. 3,400 thousand. However, during the financial year ended 31 March 2011 the subsidiary had a total income of Rs. 17,648 thousands (Previous year Rs 4,188 thousands) along with Profit after Tax of Rs. 3,228 thousands (Previous year Rs. 2,252 thousands).

The Company has committed to provide continued operational and financial support to the subsidiary. Accordingly, the subsidiary's financial statements have been consolidated on a going concern basis.

12 PROVISION FOR BAD AND DOUBTFUL DEBTS

A. BAD DEBTS WRITTEN OFF

| | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|--|-------------------------------------|-------------------------------------|
| Bad debts and advances written off during the year | 111,971 | 21,746 |
| Less: adjusted against provision for Doubtful debts & advances | (103,473) | (21,746) |
| | <u>8,498</u> | <u>-</u> |

B. PROVISION FOR DOUBTFUL DEBTS AND ADVANCES, NET

| | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|---|-------------------------------------|-------------------------------------|
| Opening Balance for provision for doubtful debts and advances | 209,725 | 261,935 |
| Add: Provision created during the year | 3,927 | 1,285 |
| Less: Adjusted against bad debts and advances written off | (103,473) | (21,746) |
| Less: Write back of provision for doubtful debts and advances | (20,629) | (31,749) |
| Closing Balance | <u>89,550</u> | <u>209,725</u> |

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13 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

(Figures in '000)

Forward contract outstanding as at Balance Sheet date.

| Particulars of Derivatives | Currency | Current Year | | Previous Year | | Purpose |
|----------------------------|----------|--------------|---------------------|---------------|---------------------|--|
| | | Amount | Year End Rate (Rs.) | Amount | Year End Rate (Rs.) | |
| SELL | EURO | 113,774 | 63.35 | 94,691 | 60.51 | Hedge of receivable/expected future sales |
| SELL | USD | 25,006 | 44.59 | 34,330 | 44.90 | Hedge of receivable/expected future sales |
| SELL | SEK | 2,930 | 7.09 | - | - | Hedge of receivable/expected future sales |
| SELL | GBP | 3,706 | 71.68 | - | - | Hedge of receivable/expected future sales |
| PURCHASE | CHF | 162 | 48.71 | 246 | 42.39 | Hedge of payable/expected future purchases |
| PURCHASE | EURO | 76,847 | 63.35 | 64,375 | 60.51 | Hedge of payable/expected future purchases |
| PURCHASE | GBP | 1,371 | 71.68 | 22 | 68.00 | Hedge of payable/expected future purchases |
| PURCHASE | JPY | 58,800 | 0.54 | 14,658 | 0.48 | Hedge of payable/expected future purchases |
| PURCHASE | SEK | 8,460 | 7.09 | 2,755 | 6.23 | Hedge of payable/expected future purchases |
| PURCHASE | USD | 22,242 | 44.59 | 13,805 | 44.90 | Hedge of payable/expected future purchases |

Particulars of Unhedged foreign Currency Exposure as at the Balance Sheet date

(Rupees thousands)

| Particulars | As at | |
|------------------|---------------|---------------|
| | 31 March 2011 | 31 March 2010 |
| Import Creditors | 78,463 | 164,084 |
| Export Debtors | 300,654 | 348,082 |

14 DISCLOSURE AS PER SECTION 22 OF "THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006" (As certified by the management)

| S.No. | Particulars | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|-------|---|-------------------------------------|-------------------------------------|
| i) | The principal amount and the interest due thereon remaining unpaid to any supplier | | |
| | – Principal amount | 40,302 | 53,025 |
| | – Interest thereon | Nil | Nil |
| ii) | the amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day | Nil | Nil |
| iii) | the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | Nil | Nil |
| iv) | the amount of interest accrued and remaining unpaid | Nil | Nil |
| v) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor | Nil | Nil |

15 DISCLOSURE REQUIRED BY ACCOUNTING STANDARD (AS) 29 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(Rupees thousands)

| Description | Opening Balance | Provisions made during the year | Provisions utilised / reversed during the year | Closing Balance |
|------------------------|-----------------|---------------------------------|--|-----------------|
| Provision for Warranty | 155,248 | 157,089 | (73,087) | 239,250 |

Provision for Warranty represents estimated costs that the Company is likely to incur during warranty periods as per the contract obligations in respect of completed construction contracts accounted under AS 7 (Revised) "Construction Contracts". Warranty costs are estimated on the basis of contractual agreement, technical evaluation and past experience. The timing of outflows is expected to be as per warranty periods as specified in various contracts.

ALSTOM Projects India Limited

16 PRIOR YEAR COMPARATIVES

Previous year amounts have been regrouped/reclassified, wherever necessary, to conform with current year's presentation.

For Price Waterhouse
Firm Registration Number 012754N
Chartered Accountants

V. Nijhawan
Partner
Membership Number.: F87228

Place : Noida
Date : 25 April 2011

For and on behalf of the Board of Directors

Sunand Sharma
Francois Carpentier
S.M. Momaya
Dominique Poliquen
K. Vasudevan
Dr. Uddesh Kohli
Pradeepta Puhan

Chairman
Vice Chairman and Managing Director
Whole-time Director & Chief Financial Officer
Director
Director
Director
Company Secretary

ALSTOM Projects India Limited

Information related to the subsidiary companies consolidated for the year ended 31 March 2011

| Name of the subsidiary | (Rupees thousands) |
|--|--|
| | ALSTOM Power Boilers Services Limited |
| Capital | 3,400 |
| Reserves | (3,700) |
| Total Assets | 34,619 |
| Total Liabilities | 34,919 |
| Details of Investment (except in case of investment in subsidiaries) | - |
| Turnover | 17,648 |
| Profit before taxation | 6,522 |
| Provision for taxation | 3,294 |
| Profit after taxation | 3,228 |
| Proposed Dividend | - |

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

| Name of the subsidiary | ALSTOM Power Boilers Services Limited |
|--|--|
| (A) Financial year of the subsidiary company | 31 March 2011 |
| (B) Holding Company's interest | |
| Equity Shares of Rs. 100 each | 34,000 |
| Number of shares fully paid up | 100% |
| Extent of holding | |
| (C) The net aggregate Profit/(Loss) of the subsidiary company so far as it concerns the members of ALSTOM Projects India Limited | |
| (a) Not dealt with in the accounts of the Holding Company | Rs. 3,228 thousand |
| (i) for the financial year of the subsidiary | Rs. 2,252 thousand |
| (ii) for the previous financial year of the subsidiary | |
| (b) Dealt with in the accounts of the Holding Company | Nil |
| (i) for the financial year of the subsidiary | Nil |
| (ii) for the previous financial year of the subsidiary | |

For and on behalf of the Board of Directors

Francois Carpentier
Vice Chairman & Managing Director

S.M. Momaya
Whole-time Director & Chief Financial Officer

Place: Noida
Date: 25 April 2011



ALSTOM Projects India Limited Board members along with other employees



Hydro Bearing Factory Inauguration in Vadodara factory, India



Hydro turbine, Francis Runner balancing in progress, India



First and the Largest turbine shaft ever manufactured in India for RIO Maderia project



Durgapur Facility Extended Bay



Pmx goes Live!

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The ALSTOM logo consists of the word "ALSTOM" in a bold, sans-serif font. The letter "O" is stylized with a red and blue circular graphic element.