

ANNUAL REPORT 2010/11
ALSTOM Projects India Limited



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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 Keroulle, 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 Puhan, 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 Puhana, 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 Puhana
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 reappointment.

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