

ANNUAL REPORT

ALSTOM India Limited

2011/12



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Contents

- 1 Board of Directors, Company Information etc.
- 2 Chairman's Letter to Shareholders
- 4 Notice
- 6 Directors' Report
- 10 Management Discussion and Analysis Report
- 12 Auditors' Report on Corporate Governance
- 13 Corporate Governance Report
- 23 Auditors' Report
- 26 Financial Statements as at and for the year ended 31 March 2012

Consolidated Financial Statements

- 58 Auditors' Report
- 59 Consolidated Financial Statements as at and for the year ended 31 March 2012
- 88 Information relating to Subsidiary Companies

ALSTOM India Limited (Formerly known as ALSTOM Projects India Limited)

Annual Report and Accounts 2011-2012

Board of Directors

Sunand Sharma, Chairman
Francois Carpentier, Vice Chairman & Managing Director
S.M. Momaya, Whole-time Director & Chief Financial Officer
Dominique Pouliquen
K. Vasudevan
A. K. Thiagarajan
Dr. Uddesh Kohli

Company Secretary

Pradeepa Puhan

Auditors

Price Waterhouse

Registered Office

The International, 5th Floor,
16, Marine Lines Cross Road No.1,
Off Maharsi Karve Road,
Churchgate, Mumbai – 400 020
Telephone: +91 (22) 22000487/490/528
Fax: +91 (22) 22000324
Website: www.alstom.com/India
Email: pradeepa.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, Country Finance Director, India
Amaresh Singh, Country Human Resources Director, India
Rachana Panda, Country Communication Director
Hiren Vyas, Country Legal Director
Ashish Ohri, Regional Director, India, End User Service & Support
Nirmal Jha, VP Area India, Thermal Services
Bertrand Constensoux, VP India, Nuclear Business
Jojo Alexander, MD Transport, India, Asia Pacific Region
Alain Spohr, MD Hydro India
Peter Kunz, Regional VP, Gas MEI
Debes Kumar Bhattacharya, MD Environment Control System, India
Rajeev Sharma, VP, Power Automation Control India & ME
Sanjeev Agarwal, MD Auxiliaries, India
Michael Keroullie, MD Boiler India

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
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 2012.

At the outset I would like to announce that the name of your Company has changed from ALSTOM Projects India Limited to ALSTOM India Limited with effect from 06 June 2012, pursuant to the Scheme of Amalgamation amongst ALSTOM Projects India Limited (the "Amalgamated Company"), ALSTOM Holdings (India) Limited (the "Amalgamating Company") and their respective shareholders as approved by the shareholders of the Company on 12 January 2012 and sanctioned by the Hon'ble High Courts of Bombay and Delhi on 31 March 2012 and 23 February 2012 respectively.

ALSTOM has been committed to India since 1911. One hundred years. Not a mean feat. And God willing will remain committed for the next hundred. We have set up manufacturing facilities in India in all areas of expertise we possess and policies of India allow us to. In Durgapur we have expanded our boiler facility to keep pace with the demand through our licensing relationship with BHEL for supercritical boilers. Your company has a showpiece facility that has all the capacity to supply hydro power equipment in Vadodara. Your company has the best in Thermal Power services and in Engineering your Company has skilled engineers second to none. In air-quality control systems and power automation and controls your Company is a leading supplier in the country.

Over these years, your Company has been contributing significantly to the growth and development of infrastructure in India and moving forward, 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.

Business environment

To be sure, despite some signs of recovery in both the national and global economies in the past year, uncertainty remains. However, developing markets like China and India are experiencing fast growth, while much of the developed world is dealing with sluggish growth and fiscal constraints. By 2013, India will have all the needed capacity to manufacture, supply, erect and commission its own power generation plants in all manner and type of power – coal, hydro, nuclear, wind and solar as well as do the in-house EPC for gas, with the latest in transmission in 765 kV and 1200 kV being locally supplied. Electricity is going to be to the economy of India from here onwards what wheat, rice and milk were in the formative years of the Republic of India. It is well established that the contribution of electricity growth to the GDP growth is now 1:1.

Indian Railways is expanding its network rapidly by executing several new lines, doubling and gauge conversion projects though the need for improvements in infrastructure and technology is immense to keep pace with the economic growth forecast for the country.

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

Company's Performance

I would like to inform you that during the financial year ended 31 March 2012, your Company has achieved revenues of Rs. 24,121 million and Profit after tax of Rs. 1,678 million as against the revenues of Rs. 18,036 million and Profit after Tax of Rs. 1,689 million in the previous fiscal 2010-11. This has resulted in slightly lower earnings per share of Rs. 24.95 as compared to Rs. 25.20 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

The year 2011-12 witnessed sluggishness of market mainly due to fuel constraint for Thermal (Coal & Gas) and statutory clearances for Hydro projects. Given the aggressive targets being set for the 12th Five Year Plan of the Government of India, it is still expected that the demand for power equipment and services will continue to grow in near future. Coal will still be the major fuel for power generation; growth is also expected in hydro and renewable energy. However, India is rapidly increasing its generating capacity.

Major orders received during the year for hydro mechanical products was Tehri for Rs.6,047 million, Tashiding for Rs.1,080 million, Dikchu for Rs.805 million and Khatima (retrofit) for Rs.752 million and export orders of Itezhi Tezhi, Revin and Salamonde for Rs.1,439, Rs.587 and Rs.397 million respectively. Further, the orders for heat recovery steam generators from Tuymenskaya (Russia) for Rs.1,811 million, for supply of Environmental Control Systems from NALCO Angul for Rs.441 million, Rastriya Ispat Nigam, Vizag for Rs.374 million. The Transport segment won contract for Train control Systems for Jaipur Metro for Rs.487 million. In addition to the above, your company won the orders relating to the Tanjung Bin (Malaysia) project for auxiliaries and Environment control systems for Rs.1,892 million.Sales at Rs.24,121 million reflect execution schedule of orders in hand.

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.

During the financial year under review, several opportunities of the Indian Railways and Metro projects did not materialize as anticipated due to deferment and rescheduling. We are optimistic to participate in the demands and requirements of Indian Railways to upgrade its infrastructure and technology opportunities as and when they do arise in future.

This year witnessed your Company's consortium delivering the signalling and train control systems for Reach 1 (Baiyapanhalli Terminal to MG Road of Phase 1) of Bangalore Metro on which revenue services commenced in October 2011. We also successfully commissioned in February 2012 digital audio frequency track circuits on the Western Railway's suburban line to Churchgate under a World Bank financed project of Mumbai Rail Vikas Corporation. The other on going projects includes the balance of work on Bangalore Metro Signalling project and the contracts for Chennai Metro.

The TIS (Transport Information Systems) operation in Bangalore has expanded its activities this year assuming a greater role in engineering and R&D projects, both in India and globally. We expect the expansion of activities in Bangalore TIS to continue in the forthcoming year as well. Company's Transport Unit in Coimbatore is gearing up for the manufacture of traction components which will be used on the Metro trains for Chennai Metro.

With the advent of several new metro and Indian Railway opportunities, your Company will be in a position to increase the volume of its current activities in the transport business.

Environment, Health & Safety (EHS)

Your Company lays great emphasis on the health and safety of its employees, customers, contractors and stakeholders. The Company maintains high standards of safety, health and environment care at all its operating locations, always ensuring 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 Company's operating philosophy. EHS is managed and controlled in your Company through an integrated EHS Management System providing continuous improvement in the EHS Performance. Established systems and procedures are constantly revised for improvement to achieve higher standards of safety, occupational health and environment protection. The most recent initiative at the Group level called "Fatality Prevention Plan" aims to prevent fatalities by focusing on high-risk activities and on sub-contractors.

All major locations of ALSTOM have well equipped health care facilities / arrangements. Your Company enables awareness programs on EHS for creating and maintaining awareness among employees about safety and health related issues. The extensive EHS specific training modules covering various target participants help in upgrading EHS skills and knowledge throughout the Company.

Corporate Social Responsibility

ALSTOM has a rich history of corporate social responsibility, a history that has grown and evolved to meet and address the complexities of today's business challenges. Under the aegis of ALSTOM FOUNDATION, that supports a wide range of initiatives based in the heart of communities, this legacy today continues to grow and guide our company and our people.

In a recent initiative, a unique project launched by Husk Power System to electrify rural India has received the support of ALSTOM Foundation. The project aims at improvement of power plants by retro-fitting dry gasifiers to 65 small existing biomass plants in the state of Bihar in India. It will also provide vocational programmes and training for women through manufacture of incense sticks using the ash from these plants. In Bhutan, ALSTOM Foundation is involved in the supply of energy-efficient, low-carbon emitting gas-stoves to promote social progress driven by environmental improvements and awareness.

Acknowledgements

I wish to take this opportunity to express my sincere gratitude to the members of the Board of Directors for their professionalism and dedicated contribution to steer the Company towards excellence. My special thanks also go to the management team and staff members for their continued contributions and commitment towards the Company. I also wish to extend our thanks to our valuable shareholders, customers, business associates, investors as well as banking institutions and relevant authorities for their continued support, guidance and confidence in the Company. In addition, I am particularly thankful for the strong support of the ALSTOM Group throughout the year as always.

I look forward to reporting to you on our successes and progress in 2012-13.

With warm regards,

**Sunand Sharma
Chairman
ALSTOM India Limited**

12 June 2012

ALSTOM India Limited (Formerly known as ALSTOM Projects India Limited)

Notice to Members

NOTICE is hereby given that the 20th Annual General Meeting of the Members of ALSTOM Projects India Limited will be held on Thursday, 26 July 2012, at 2:30 p.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 2012 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 Dr. Uddesh Kohli, 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. Sunand Sharma, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
5. To re-appoint Messrs. Price Waterhouse (Firm Registration Number-012754N), Chartered Accountants, as Statutory Auditors of the Company and to authorise the Board to fix their remuneration.

By Order of the Board of Directors

Pradeepa Puhan
Company Secretary

Place: Noida
Date: 23 April 2012

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. In accordance with the Articles of Association of the Company, Dr. Uddesh Kohli and Mr. Sunand Sharma, Directors retire by rotation from the Board of Directors of the Company at the ensuing Annual General Meeting. Both are being eligible, offer themselves for re-appointment. They are not disqualified from being appointed as Directors in terms of Section 274(1) (g) of the Companies Act, 1956. The Board of Directors of the Company recommends their

respective re-appointments.

4. The Register of Members and the Transfer Books of the Company will remain closed from 19 July 2012 to 26 July 2012 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
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 31 July 2012 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 18 July 2012 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 19 July 2012.
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 2019-20. Unclaimed dividend for the financial years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 are lying with the Company. Members who have not yet encashed the dividend warrants for financial years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 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 05 September 2012, 02 September 2013; 31 August 2014, 31 August 2015, 30 August 2016, 27 August 2017 and 14 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 provided 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 accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, M/s. Karvy Computershare Private Limited.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 20th Annual Report of the Company and the Audited Accounts for the year ended 31 March 2012.

Financial Results	For the year ended 31 March 2012	(Rupees millions) For the year ended 31 March 2011
Profits before Extraordinary items, Tax, Interest and Depreciation	3,014.3	3,028.0
Less: Interest/finance cost	6.5	6.8
Less: Depreciation	510.5	482.8
Profit before Tax	2,497.3	2,538.4
Less: Provision for Taxation		
– Current Tax	(987.2)	(775.9)
– Deferred Tax	167.4	(73.5)
Profit after Tax	1,677.5	1,689.0
Balance brought forward from previous year	3,257.5	2,513.8
Adjustment on account of amalgamation & treatment of derivatives	37.2	Nil
Profit available for Appropriation	4,972.2	4,202.8
Appropriations		
a) Transferred to General Reserve	(167.8)	(168.9)
b) Proposed Dividend	(672.3)	(670.2)
c) Corporate Dividend Tax (Net)	(109.1)	(106.2)
d) Dividend paid to erstwhile ALSTOM Holdings (India) Limited, eliminated on account of amalgamation	53.1	Nil
Balance Carried forward to Balance Sheet	4,076.1	3,257.5

Dividend

The Directors are pleased to recommend a dividend at the rate of Rs.10/- per equity share of the face value of Rs.10/- each for the year ended 31 March 2012 (previous year dividend- Rs.10/- per share) on 6,72,27,471 equity shares of Rs.10/- each (includes 60,97,561 equity shares to be allotted to ALSTOM Holdings and excludes 58,94,264 equity shares to be extinguished pursuant to the Scheme of Amalgamation amongst the Company, ALSTOM Holdings (India) Limited and their respective shareholders, sanctioned by Hon'ble High Courts at Delhi and Mumbai).

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 thereon have been annexed to this Annual Report.

Corporate Governance

Your Company has fully complied with the requirements and disclosures that have to be made under the Code of Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (the "Stock Exchanges"). As a listed Company, necessary measures are taken to comply with the provisions of Listing Agreements with the Stock Exchanges. A report on Corporate

Governance 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 part of the Annual Report.

Directors' Responsibility Statement

Pursuant to 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 2012 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

Your Company has following two wholly owned subsidiaries in India.

- (a) ALSTOM Power Boilers Services Limited, and
- (b) ALSTOM Boilers India Limited

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 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 along with 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 Companies.

Corporate Restructurings

Merger of ALSTOM Holdings (India) Limited in to the Company:

During the year under review, the Hon'ble High Courts of Delhi and Bombay have sanctioned the scheme of amalgamation amongst ALSTOM Projects India Limited, ALSTOM Holdings (India) Limited (a group Company) and their respective shareholders on February 23, 2012 and 31 March 2012, respectively, under Sections 391 to 394 of the Companies Act, 1956, hence the merger between the two companies has been completed.

ALSTOM Holdings (India) Limited (the Amalgamating Company), was a public Company limited by shares incorporated under the Companies Act, 1956 on March 29, 1995 and having its registered office at New Delhi. The Amalgamating Company was a part of the ALSTOM group of companies and a wholly owned subsidiary of ALSTOM Holdings, France. The Amalgamating Company was registered with the Reserve Bank of India (the "RBI") as a non-deposit taking Non-Banking Financial Company ("NBFC") under Section 45-IA of the Reserve Bank of India Act, 1934, and was engaged in the business of making and holding investments in ALSTOM group companies.

The above amalgamation was carried out as a measure of group restructuring of the ALSTOM group in India. It will reduce the shareholding tiers and rationalize investments. Further, the amalgamation will make the entities administratively more efficient and reduce administrative and management costs and would benefit the entities, the employees, the shareholders and other third parties related to these entities.

The effect of the amalgamation has been given in the books of accounts of the Company for the year ended on 31 March 2012 with effect from the Appointed Date i.e. 01 April 2011.

Demerger of Boiler Business

ALSTOM Holdings had entered into a letter of binding intent with Shanghai Electric Group of China on 20 April 2011 to combine both partners' activities in the boiler market for power plants. As intimated to your Company, ALSTOM Holdings and Shanghai Electric expect to set-up the joint Company once their agreements will be finalised and after the completion of the social and regulatory process.

In pursuance of the above, ALSTOM Holdings (the holding Company of the ALSTOM group of companies) had requested your Company to consider transfer of its boiler business to a newly incorporated wholly owned subsidiary through a scheme of demerger under Sections 391 to 394 of the Companies Act, 1956.

The Board of Directors of your Company in its meeting held on 25 October 2011 had considered the said request of ALSTOM Holdings and thereafter, subject to approval of the shareholders and creditors and the High Court(s), approved the demerger of the Boiler Business of the Company into a wholly owned subsidiary Company viz. ALSTOM Boilers India Limited ("ABIL"). On the basis of the valuation undertaken by an independent valuer, your Board had further granted its approval to the share swap ratio of 1:1, meaning that every shareholder of the Company holding 1 (one) fully paid-up equity shares of Rs.10 (Rupees ten) each in the Company as on the record date (as may be determined in terms of the Scheme of Demerger) shall, upon sanction of the Scheme of Demerger and upon its becoming effective, be entitled to receive 1 (one) fully paid-up equity shares of Rs.5 (Rupees five) each in ABIL.

During the year, the Company had initiated necessary actions to implement the aforesaid decision of the Board of Directors of your 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 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 all 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 2012 was 4505.

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.

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, Dr. Uddesh Kohli and Mr. Sunand Sharma, Directors retire by rotation from the Board of Directors of the Company at the ensuing Annual General Meeting. Both being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

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

Transfer of amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund.

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 shareholders, valued customers, banks, government and statutory authorities, investors and stock exchanges for their continued support to the Company. Your Directors also wish to place on record their deep sense of appreciation for the committed services by your Company's employees. Your Directors acknowledge with gratitude the encouragement and support extended by our valued shareholders and the promoters (ALSTOM Group) of the Company.

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: 23 April 2012