

Annual Report 2008/09

ALSTOM Projects India Limited



*We are shaping the future**

ALSTOM

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ALSTOM Projects India Limited

Report and Accounts 2008-2009

Board of Directors

Sunand Sharma, Chairman
Emmanuel Colombier, Vice Chairman & Managing Director
S.M. Momaya, Whole-time Director & Chief Financial Officer
Pedro Sole
Dominique Poliquen
K. Vasudevan
A.K. Thiagarajan
Dr. Uddesh Kohli

Company Secretary

Sekhar Bhattacharjee

Auditors

S.R. Batliboi & Co.

Registrar & Share Transfer Agents

Karvy Computershare Private Limited,
7, Andheri Industrial Estate,
Off Veera Desai Road,
Andheri (West),
Mumbai – 400 053.

Registered Office

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

Corporate Office

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

Works

Coimbatore
Durgapur
Shahabad
Vadodara

Marketing/Other Offices

Bengaluru
Chennai
Hyderabad
Kolkata
Mumbai
Nagpur
New Delhi
Raipur
Vadodara
Varanasi

ALSTOM Projects India Limited

Notice to Members

NOTICE is hereby given that the 17th Annual General Meeting of the Members of ALSTOM Projects India Limited will be held on Thursday, July 23, 2009, at Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai - 400 020 at 10.30 a.m. (IST) to transact the following business:-

1. To receive, consider and adopt the Balance Sheet as at March 31, 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Dr. Uddesh Kohli, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pedro Sole, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and authorise the Board of Directors to fix their remuneration.

The Company has received a Special Notice under Section 225(1) of the Companies Act, 1956, from a member proposing the appointment of Price Waterhouse, Chartered Accountants, as Auditors of the Company. S. R. Batliboi & Co., the retiring Auditors, have informed that they are not offering themselves for re-appointment.

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

“RESOLVED THAT Mr. Dominique Pouliquen who was appointed as a Director of the Company by the Board of Directors with effect from January 20, 2009, pursuant to Article 152 of the Articles of Association of the Company to fill the casual vacancy on the Board caused by the resignation of Mr. Marc Chatelard and who holds office upto the date of 17th Annual General Meeting by reason of Section 262 of the Companies Act, 1956 and in respect of whom the Company has received a notice along with the deposit of Rs. 500/- from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

By Order of the Board of Directors

Sekhar Bhattacharjee
Company Secretary

Place: Mumbai
Date: June 01, 2009

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 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 DATE AND TIME OF THE ANNUAL GENERAL 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 Wednesday, July 15, 2009 to Thursday, July 23, 2009 (both days inclusive).
4. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to item No. 6 is annexed hereto.
5. Members 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 or to their respective Depository Participant, as the case may be.
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. The share certificate(s) will be returned by Karvy after consolidation.
7. Members/Proxies should bring the attendance slip sent herewith, duly filled in, for attending the Meeting.
8. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after July 28, 2009 to those members whose names stand registered on the Company's Register of Members: -
 - a) as Beneficial Owners as at the close of July 14, 2009 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 July 15, 2009.
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 now required to be transferred to the 'Investor Education and Protection Fund' established by the Central Government under the amended 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 2016-17. Unclaimed dividend for financial years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 are lying with the Company. Members who have not yet encashed the dividend warrants for financial years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 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 October 11, 2010; August 22, 2011; September 05, 2012, September 02, 2013; August 31, 2014; August 31, 2015 and August 30, 2016 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. The particulars of Directors who are appointed or re-appointed are given in the Corporate Governance Section.

Annexure to Notice

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

Item No. 6

Mr. Dominique Pouliquen was appointed as a Director of the Company on January 20, 2009 by the Board of Directors of the Company under the Articles of Association of the Company to fill the casual vacancy caused by the resignation of Mr. Marc Chatelard who had resigned on January 20, 2009. Mr. Marc Chatelard, in whose place Mr. Dominique Pouliquen was appointed as Director, would have held office upto the date of the 17th Annual General Meeting of the Company if it had not been vacated. Accordingly, Mr. Dominique Pouliquen will hold the office as a Director only upto the date of the 17th Annual General Meeting of the Company.

A notice in writing under Section 257 of the Companies Act, 1956 has been received from a member alongwith a deposit of Rs. 500/- signifying his intention to propose Mr. Dominique Pouliquen as a candidate for the office of Director. The proposed resolution has been included in the Notice of the 17th Annual General Meeting for your consideration.

The proposed business at item no. 6 of the Notice of this Meeting is intended to seek your approval.

Your Directors recommend the acceptance of the Resolution in the interest of the Company.

Except Mr. Dominique Pouliquen, none of the Directors is in any way concerned or interested in the Resolution.

The Memorandum and Articles of Association of the Company are open for inspection by the members at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.

By Order of the Board of Directors

Sekhar Bhattacharjee
Company Secretary

Place: Mumbai
Date: June 01, 2009

Directors' Report

The Directors have pleasure in presenting the 17th Annual Report of the Company and the Audited Accounts for the year ended March 31, 2009.

• Financial Results

	For the year ended March 31, 2009	(Rupees thousands) For the year ended March 31, 2008
Profits before Extraordinary items, Tax, Interest and Depreciation	2,399,604	1,371,685
Less: Interest	(1,014)	(1,352)
Less: Depreciation	(330,918)	(236,688)
Add: Reversal of Impairment provision	–	54,375
Profit before Tax	2,067,672	1,188,020
Less: Provision for Taxation – Fringe Benefit Tax		
– Fringe Benefit Tax	(46,157)	(29,000)
– Current Tax	(697,666)	(405,646)
– Deferred Tax	25,072	(20,287)
Profit after Tax	1,348,921	733,087
Balance brought forward from previous year	1,362,766	1,330,308
Profit available for Appropriation	2,711,687	2,063,395
Appropriations		
a) Transferred to General Reserve	134,892	73,309
b) Proposed Dividend	670,242	536,194
c) Corporate Dividend Tax	113,908	91,126
Balance Carried forward to Balance Sheet	1,792,645	1,362,766

• Dividend

The Directors are pleased to recommend a dividend at the rate of Rs. 10 /- per equity share for the year ended March 31, 2009 (previous year Rs. 8/- 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's Discussion and Analysis Report, which forms part of this Annual Report.

• Consolidated Financial Statements

In compliance with the applicable Clauses of the 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.

• 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 March 31, 2009 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 the subsidiary of your Company. During the year ALSTOM Manufacturing India Limited ceased to be a subsidiary of your Company.

The Ministry of Corporate Affairs, Government of India vide its letter dated March 23, 2009 has exempted the Company from attaching the Annual Report and other particulars of its subsidiary company together with the Annual Report of the Company as required under Section 212 of the Companies Act, 1956. Therefore, the said Report of the subsidiary company is not attached. However, a statement of particulars of the subsidiary company has been attached alongwith the 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 on their request, free of cost.

- **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 statement under sub-section (2A) of Section 217 of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended and forming part

of this Directors' Report is given in Annexure-B.

- **"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 Share and Takeovers) Regulation, 1997, person constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practice 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-C which forms part of this Annual Report.

- **Board of Directors**

Mrs. Naina R. Desai resigned as a Whole-time Director of the Company with effect from November 01, 2008. Consequently, she also ceased to be a Director of the Company with effect from the said date.

The Board places on records its appreciation for the valuable services and guidance given by Mrs. Naina R. Desai to the Company during her tenure with the Company.

Mr. Dominique Pouliquen was appointed as a Director at the Board Meeting held on January 20, 2009 in the casual vacancy caused by the resignation of Mr. Marc Chatelard. As per terms of his appointment, Mr. Marc Chatelard would have held his office as a Director upto the date of the 17th Annual General Meeting of the Company. A notice in writing under Section 257 of the Companies Act, 1956, has been received from a shareholder signifying his intention to propose Mr. Dominique Pouliquen as a candidate for the office of Director. The proposed resolution has been included in the notice of the 17th Annual General Meeting for your Consideration.

The Board places on record its appreciation for the valuable services

and guidance given by Mr. Marc Chatelard to the Company during his tenure as a Director of the Company.

In accordance with the Articles of Association of the Company, Dr. Uddesh Kohli and Mr. Pedro Sole retire by rotation from the Board of Directors of the Company at the ensuing Annual General Meeting. Both are eligible and seek re-appointment.

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

- **Auditors**

You are requested to appoint Auditors and fix their remuneration. The Company has received the requisite certificate pursuant to Section 224(1B) of the Companies Act, 1956 from Messrs. S.R. Batliboi & Co., Chartered Accountants, regarding their eligibility for re-appointment as Auditors of the Company.

- **Appreciation**

The Board of Directors take this opportunity to thank all 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.

For and on behalf of the
Board of Directors

Emmanuel Colombier
Vice Chairman &
Managing Director

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

Place : Noida

Date : April 29, 2009

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 2008-09

- Replacement of old & damaged Capacitor banks by new ones with Automatic Power Factor Controllers (APFC) to improve power factor of the system from 0.7 to 0.90 - 0.96. Energy savings estimated 50,000 kWh/ annum, depending upon load.
- Replacement of 400 watt SON lamps by 250 watt metal halide lamps for overhead lighting in shops resulting in Energy saving of 15,500 kWh / annum.
- Awareness to all employees to conserve energy. Monthly Energy consumption was shown on Display boards.
- Elimination of dedicated mains power supply transformer of 100 KVA rating for the skoda horizontal boring machine at machine shop, system effected a energy saving of 1,30,000 kWh per annum.
- Installation of 25 no’s PLS energy saving fittings at various location of shop offices, the power saving achieved per annum is 10,750 units per annum.
- Replacement of filament lamps with LED indicator lamps for various machines and electrical panels as resulted in power savings of 10,000 kWh units per annum
- Awareness to all employees to conserve energy. Monthly Energy consumption was shown on Display boards.
- Replacement of old DG set by improved DG set resulting in saving of 20% in diesel consumption.
- Replacement of old & damaged Capacitor banks by new ones with Automatic Power Factor Controllers (APFC) to improve power factor of the system from 0.7 to 0.90 - 0.96..
- Not using the DG set after office hours.

- Monitored Power Factor for the Vadodara unit, added new capacitor Banks, corrected as and when required and achieved a rebate from Electricity Board of for maintaining pf around 0.97 for the period Apr 08 -Mar 09.
 - Installed Secure Meters at major electrical installation in the Sub Station.
 - Arrested Compressed Air Leakage at various locations to improve volumetric efficiency of compressors.
 - Installed new water meters at the header pipe to monitor & control water consumption.
- ##### b. Impact of above measures for reduction of energy consumption and consequent impact on cost of production of goods.
- As the cost of energy is a very small part of the cost of production, the reduction of energy consumption will have an insignificant impact on cost of production of goods.

(B) Technology Absorption, Adaptation and Innovation

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

- Cable Scan – Automatic Testing machine for checking the continuity, Insulation resistance and Di-Electric in Looms.
- Profile Projector for Two dimensional measurement.
- Climatic test chamber for testing for Audio Frequency Track Circuit for environmental test.
- Localization of external hardware for interlocking (VPI)

(2) Benefits derived as a result of above efforts

- Product improvement
- Cost Reduction
- Import Substitution

(3) Imported Technology (Imported during last 5 years)

a) Technology Imported

- TMH 14 Master Controller, 610 - 812 ARC from France
- LOCO FRET Veolia CVS from Belgium

b) Impact of measures in (a) above for reduction of energy consumption and consequent impact on cost of production of goods.

Expenditure on energy represents a very small part of the production cost. The impact of various measures undertaken for purposes of reduction of energy consumption has no appreciable impact on the production costs.

(c) Foreign Exchange Earnings and Outgo

a. Activities relating to exports:

Initiatives taken to increase exports, development of new export markets for products and services, export plans.

During the year the company received orders for Ilarnionas for supply & erection of electromechanical equipments for 924 MINR, Alqueva II for supply of electromechanical components for 535 MINR and Shoaiba Power for Engineering Services 463 MINR .

The total export earnings from Engineering and other services were 1496 MINR.

b. Total Foreign Exchange used and earned

(Rupees thousands)

Foreign Exchange earned	7,365,836
Foreign Exchange used	5,119,474
Net Foreign Exchange earned	2,246,362

For and on behalf of the Board of Directors

Emmanuel Colombier
Vice Chairman &
Managing Director

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

Place : Noida

Date : April 29, 2009

Annexure – B to Directors’ Report

Statement under Sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors’ Report for the year ended March 31, 2009

Name of the Employee	Designation/Nature of Duties	Remuneration Received (Rs.)	Qualifications	Experience (Years)	Date of Commencement of Employment	Age (Years)	Previous Employment	
							Name of the Company	Designation
Alexander Jojo	Director - Transport	3,488,891	B.E(H), PGDM(IIMC), MBA(INSEAD)	24	1-Mar-08	47	Vectra Ltd	Director
Colombier Emmanuel	Vice Chariman & Managing Director	5,334,000	Degree in Marine Engineering	19	1-Sep-07	48	Alstom, France	V P - North America
Desai Naina R*	Whole-time Director & Company Secretary	2,035,993	B.Com. (Hons), LLB, FCS	32	1-Sep-00	54	ABB Limited	General Manager & Company Secretary
Dev Mangal	Director - Business Development	4,356,391	B.Tech, Aero Space Engg.	20	30-Nov-07	42	ACME	Business Head
Dixit Sanjeev*	Director - HR	2,803,940	B.Sc., PGDM	11	8-Jul-08	36	Pepsico India	General Manager
Kapoor Ravi	Director - Power Services	3,279,095	B.Sc.Engg.(Electronics & Telecommunication)	30	12-Sep-95	52	BHEL	Sr. Manager
Mallick Rajeeb Ranjan	Regional Director IN S & W	885,290	B.Sc. Engg. (Elec), LLB, PGDBM	23	15-Jan-09	46	Ashok Leyland Project Services Ltd	Resident Director
Mennesson Christian*	Director - ECS	2,837,304	B.E (Mech.)	19	1-Aug-08	40	ABB Lightening Protection Group, France	Managing Director
Momaya Subhashchandra M	Whole-time Director & Chief Financial Officer	4,877,291	B.Com.(Hons), ACA	29	27-Jul-87	53	Asea Limited	Factory Accountant
Mondal Tanmoy*	Director - Strategy	4,543,957	B.Tech, PGDM	12	21-Apr-08	37	Ernst & Young Pvt.Ltd.	Sr.Manager
Nimbargi Shivanand	Director - Boilers & Boiler Retrofits	4,409,769	B.E (Mech.)	20	1-Jul-96	42	RPG Power Corporation Ltd.	Manager (Proj Dev)
Ohri Ashish	Director - ITC	2,807,560	B.E -Ind Engg., PGDBA, Executive MBA(Finance)	9	1-Jun-07	37	F L Smidth, India	General Manager - IT
Parent Jacques	Head - Plant Engineering	4,808,651	MS - Mech Engg.	38	25-Feb-04	62	Alstom, U S	Engineering Director
Soni Sunil K	Director - Plants	5,980,337	B.Sc. Engg. (Mech)	35	15-Feb-93	57	Krupp Industries India Ltd.	DGM-Material handling
Swaminathan S	Director - Turbo Machines Group	4,238,747	B.Com.(Hons), MBA	29	5-Feb-01	50	Philips India Ltd.	General Manager - Finance
Viswanathan K*	Head of Engg - Boilers & Boiler Retrofits	1,431,405	M.E-Mech Engg., PGDBM	29	18-Sep-08	51	Thermax Ltd	Dy General Manager
Viswanathan K L*	Director - Signalling, Transport	3,217,849	B.Tech (Electrical)	24	15-May-08	44	GE, India	Manager - Software & Control System
Vyas R Hiren	Director - Legal	2,703,567	B.Com.ACS(India),ACIS(UK),LLB	16	16-Aug-07	39	Gujarat Gas Company Ltd.	Manager - Legal

* Indicated employed for a part of the year

Notes:

- Nature of Employment is contractual for all employees. Other terms and conditions are as per Company's rules.
- None of the above employees is related to any of the directors of the Company.
- The above amounts exclude any benefits under the ALSTOM stock option plan launched by the parent company listed in France.
- Remuneration received includes, Salary, Wages, Bonus, Privilege Leave Encashment, Personnel Allowance, Overtime, Contribution to Provident Fund, Superannuation, Health Insurance Premium, Personal Accident Insurance, Leave Travel Assistance, Medical Assistance, Company's Car perquisites evaluated in accordance with Income Tax Rules as applicable.

For and on behalf of the Board of Directors

Emmanuel Colombier
Vice Chairman & Managing Director

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

Place : Noida
Date : April 29, 2009

Annexure – C 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

ALSTOM Algérie “Société par Actions”	EXPORTERS INSURANCE COMPANY LTD	ALSTOM Transportation Information and Security Inc.
ALSTOM Argentina S.A.	AIR PREHEATER EQUIPAMENTOS LTDA	GENERAL RAILWAY SIGNAL OF CANADA LTD
RAPIVIA S.A.	ALSTOM Brasil Energia e Transporte Ltda	ALSTOM Chile S.A.
ALSTOM Australia Holdings Limited	ALSTOM Hydro Energia Brasil Ltda	ALSTOM Power Tocopilla Limitada
ALSTOM Australia Limited	ALSTOM Industria Ltda	ALSTOM (China) Investment Co., Ltd
ALSTOM Australia Superannuation Plan Pty Limited	CEBRAF SERVICOS LTDA	ALSTOM (Wuhan) Engineering & Technology Co., Ltd
ALSTOM Limited	ECOTECNIA BRASIL INDUSTRIA E COMERCIO EM ENERGIA RENOVAVEL LTDA	ALSTOM Beizhong Power (Beijing) Co., Ltd
ALSTOM Power Site Services Pty Limited	ETE - EQUIPAMENTOS DE TRACAO ELETRICA LTDA	ALSTOM Hong Kong Ltd
MAINTENANCE SYSTEMS CONSOLIDATED PTY LIMITED	IMMA - INDUSTRIA METALURGICA E MACANICA DA AMAZONIA LTDA	ALSTOM Hydro China Co., Ltd
SIGMA ENERGY SOLUTIONS PTY LTD	PCH O&M - PCH OPERACAO E MANUTENCAO LTDA	ALSTOM Power Generation Limited
ALSTOM Hydro Austria GmbH	ALSTOM Bulgaria EOOD	ALSTOM Power Service (Hong Kong) Ltd
ALSTOM Power Austria GmbH	ALSTOM Canada Inc.	ALSTOM Qingdao Railway Equipment Co Ltd
RTA RAIL TEC ARSENAL	ALSTOM Hydro Canada Inc.	ALSTOM Shanghai Aohan Energy Recovery Systems Co. Ltd
FAHRZEUGVERSUCHSANLAGE GMBH	ALSTOM Transport Information et Sécurité Inc. /	ALSTOM Sizhou Boiler Auxiliary Machinery (Qingdao) Co., Ltd
ALSTOM Belgium Business & Services		
ALSTOM Belgium SA		

ALSTOM Sizhou Electric Power Equipment (Qingdao) Co. Ltd
ALSTOM Strongwish (Shenzhen) Co. Ltd
ALSTOM Technical Services (Shanghai) Co., Ltd
CASCO SIGNAL LTD
SHANGHAI ALSTOM Transport Company Limited
SHANGHAI ALSTOM Transport Electrical Equipment Company Ltd
TIANJIN ALSTOM Hydro Co., Ltd
WUHAN BOILER BOYU INDUSTRY LIMITED DUTY COMPANY
WUHAN BOILER COMPANY LTD
WUHAN LANXIANG ENERGY & ENVIRONMENTAL PROTECTION TECHNOLOGY INC
XI'AN ALSTOM YONGJI ELECTRIC EQUIPMENT CO., LTD
ALSTOM Power Colombia S.A.
ALSTOM Croatia Ltd
TURBOTEH LTD FOR DRAFTING, MANUFACTURING, REPAIR, SERVICE AND INSTALLATION OF POWER FORMATIONS AND EQUIPMENT
ALSTOM a.s., ALSTOM Group
ALSTOM Power CZ, s.r.o., ALSTOM Group
ALSTOM Power, s.r.o., ALSTOM Group
SPALOVNA PRUMYSLOVYCH ODPADU A.S. (IN BANKRUPTCY)
GEC ALSTHOM ACEC CONGO
ALSTOM Danmark A/S
ALSTOM Power FlowSystems A/S
ALSTOM Egypt for Power & Transport Projects S.A.E.
ALSTOM International Egypt S.A.E.
ALSTOM Water Systems
ALSTOM Estonia AS
ALFARIN OY
ALSTOM Finland Oy
OY BEABELLA AB "in Bankruptcy"
STROMSDAL OY
(SIE) SOCIETE INDUSTRIELLE ENERGIE A.M.R.
ALSOMA G.E.I.E.
ALSTOM Bergeron
ALSTOM BGR "Société en liquidation"
ALSTOM Holdings
ALSTOM Hydro France
ALSTOM Hydro Holding
ALSTOM I.T.C. ou ALSTOM Infrastructure Technology Center
ALSTOM Kleber Sixteen
ALSTOM Kleber Twenty
ALSTOM Kleber Twenty One
ALSTOM Kléber Malraux
ALSTOM Kléber Thirteen
ALSTOM Leroux Naval
ALSTOM Magnets and Superconductors SA
ALSTOM Management SA
ALSTOM Power Boilers
ALSTOM Power Centrales
ALSTOM Power Conversion
ALSTOM Power Environment
ALSTOM Power Heat Exchange
ALSTOM Power Holdings SA
ALSTOM Power Industrie
ALSTOM Power SA
ALSTOM Power Service
ALSTOM Power Turbomachines
ALSTOM Resources Management
ALSTOM Sextant 2
ALSTOM Sextant 3
ALSTOM Sextant 4
ALSTOM Transport SA
AMJ31
BELFORT INVESTISSEMENT
CENTRE D'ESSAIS FERROVIAIRE EN REGION NORD PAS DE CALAIS SA
CHANTIERS DE L'ATLANTIQUE

COMPAGNIE DE MONTAGES ELECTRIQUES A L'EXPORTATION - COMELEX
COMPAGNIE INTERNATIONALE DE MAINTENANCE - C.I.M.
ECOTECNIA FRANCE SAS
ESAP
ETOILE KLEBER
FORCES HYDRAULIQUES DE MEUSE - F.H.Y.M.
FRAMECA - FRANCE METRO CARACAS
GECI - GROUPEMENT D'ETUDES ET DE CONSTRUCTIONS INDUSTRIELLES
HYMEC - SOCIETE D'EQUIPEMENT HYDROMECHANIQUE
INTERINFRA (COMPAGNIE INTERNATIONALE POUR LE DEVELOPPEMENT D'INFRASTRUCTURES)
IPO - INSTITUT DE PARTICIPATIONS DE L'OUEST LORELEC
MOBILITE AGGLOMERATION REMOISE SAS
PARC EOLIEN CHAMPS PUGET
PARC EOLIEN DE LA BRUYERE SARL
PARC EOLIEN DE VIALETTE SARL
PARC EOLIEN DES PIERRES PLATES SARL
PARC EOLIEN DU COIN GUERIN SARL
PLA DE MOULIS
PROTEA
RESTAURINTER
SAMT SARL
SEINE HABITAT
SEMPAT
SIGAC SOCIETE IMMOBILIERE DU GAC
SOCIETE FRANCAISE D'EXPORTATION DE SYSTEMES AVANCES
SOCIETE IMMOBILIERE CONSULAIRE DE L'ARRONDISSEMENT D'ALES
SOCIETE IMMOBILIERE DE VIERZON
SOCPE BOUXETA
SOCPE CHAMPS CHAGNOTS
SOCPE DE BREUILLEBAULT
SOCPE DE CERMELLES
SOCPE DE CHAMPS PERDUS
SOCPE DE FOND DE LA DEMIE LIEUE
SOCPE DE LA FORTE PLACE
SOCPE DE LA MARDELLE
SOCPE DE LA VALLEE DU MOULIN
SOCPE DE LAME DE FER
SOCPE DE POUZELAS
SOCPE DE VERS CAYEUX
SOCPE DES BEAUCES
SOCPE DES PIECES DE VIGNES
SOCPE DES QUINZE MINES
SOCPE DU BOIS DE LENS
SOCPE LA MARGE
SOCPE LANDES DE COUESME
SOCPE LE CHENE COURTEAU
SOCPE LE MEE
SOCPE PETITE PIECE
SOCPE PLANE DE MANSA
SOCPE SAUVAGEONS
SOCPE TERRES DE L'ABBAYE
SOFEMA
SOGEEF (Société de gestion et d'exploitation ferroviaire)
STX FRANCE CRUISE SA
STX FRANCE LNG TECHNOLOGY SAS
STX FRANCE LORIENT SAS
TECHNOS ET COMPAGNIE
VALINOX ASIA
VALLEE ET TROIS PLATEAUX DE LA LOUE
Alstom Deutschland AG
ALSTOM Energie Service GmbH
ALSTOM Erste Verwaltungs GmbH
ALSTOM GmbH
ALSTOM Hydro Deutschland GmbH
Alstom Information Technology Centre GmbH
Alstom LHB GmbH
ALSTOM Lokomotiven Service GmbH
ALSTOM Power Conversion GmbH

Alstom Power Energy Recovery GmbH
Alstom Power Service GmbH
Alstom Power Systems GmbH
ALSTOM T&D GmbH
ALSTOM Zweite Verwaltungs GmbH
DEFLO GmbH i.L.
IFB INSTITUT FÜR BAHNTECHNIK GMBH
INTER-ELECTRO-GESELLSCHAFT MBH
MIRAS VERWALTUNGS GMBH & CO VERMIETUNGS-OHG
VGT VORBEREITUNGSGESELLSCHAFT TRANSPORTTECHNIK GMBH
ALSTOM Combined Cycles International Ltd
ALSTOM Contracting Ltd
ALSTOM Defined Contribution Pension Trustee Limited
ALSTOM Electrical Machines Ltd
ALSTOM Energy Limited
ALSTOM Ltd
ALSTOM Network UK Ltd
ALSTOM Northern Line Service Provision
ALSTOM Pension Trust Ltd
ALSTOM Power Construction Ltd
ALSTOM Power Generation Limited
ALSTOM Power Industrial Turbine Services Limited
ALSTOM Power Ltd
ALSTOM Power Plants Ltd
ALSTOM Power Plants Services Limited
ALSTOM Power UK Holdings
ALSTOM Resources Management Ltd
ALSTOM T&D Ltd
ALSTOM Transport
ALSTOM Transport Hong Kong Ltd
ALSTOM Transport Service Ltd
ALSTOM Transportation Projects International Ltd
ALSTOM Transportation Projects Limited
ALSTOM Turbine Generators India Ltd
ALSTOM UK
ALSTOM UK Holdings Ltd
ALSTOM Wessex Traincare Limited
NEWBOLD POWER UK
NEWBOLD TURBINE GENERATORS CHINA LTD
SIGNALLING SOLUTIONS LIMITED
WASHWOOD HEATH RAIL SERVICES LTD
WASHWOOD HEATH TRAINS LTD
WEST COAST SERVICE PROVISION LIMITED
WESTCOAST TRAINCARE LIMITED
ALSTOM Hellas S.A.
WHITE ROCK INSURANCE COMPANY PCC LIMITED
ALSTOM Hungary Co. Ltd.
ALSTOM Hydro R&D India Limited
ALSTOM India Ltd
ALSTOM Manufacturing India Ltd
ALSTOM Power Boilers Services Limited
ALSTOM Projects India Ltd
NTPC ALSTOM POWER SERVICES PRIVATE LTD
PT ALSTHOMINDO
PT ALSTOM Power Energy Systems Indonesia
PT MITRA LANGKAH PRIMA
ALSTOM Khadamat S.A.
PARS SWITCH
ALSTOM Ireland Ltd
CITADIS ISRAEL
CITYPASS LIMITED
METRO RAIL LTD
ALSTOM Ferroviaria S.p.A.
ALSTOM Power FlowSystems s.r.l.
ALSTOM Power Italia S.p.A.
ALSTOM S.p.A.
CEGELEC ITALIA (IN LIQUIDAZIONE)
ECOTECNIA ITALIA S.R.L UNIPERSONALE
METRO 5 SPA
OSVALDO CARIBONI LECCO S.p.A.
S.A.T. SISTEMA AUTOMATICO DI TRASPORTO S.R.L.
SIM SOCIETA ITALIANA MONTAGGI S.P.A.
T.P.B. TRASPORTI PUBBLICI DELLA BRIANZA

S.p.A. (in bankruptcy)
 TRAM DI FIRENZE S.p.A.
 VAL 208 TORINO GEIE
 ALSTOM K.K.
 KAJIWARA IRON WORKS CO., LTD
 KOBE DOCKYARD & GENERAL MACHINERY LTD
 NIHON KENGYO K.K.
 NIHON SANGYO K.K.
 ALSTOM Korea Ltd
 ALSTOM Transport Korea Ltd
 ALSTOM Latvia Ltd
 ALGEC GT SERVICES, LIBYAN JOINT VENTURE
 STOCK COMPANY
 UAB ALSTOM POWER
 ALSTOM Asia Pacific Sdn Bhd
 ALSTOM Hydro Malaysia Sdn Bhd
 ALSTOM Services Sdn Bhd
 ACCION POWER AZUFRES S.A. DE C.V.
 ALSTOM Mexicana S.A. de C.V.
 ALSTOM Mexico, S.A. de C.V.
 ALSTOM Power Chicoasen, S.A. de C.V.
 ALSTOM Power Proyectos S.A. de C.V.
 BALMEC SA DE CV
 CERREY, S.A. de C.V.
 DELAS REPSA
 GEC ALSTHOM ELECTROMECHANICA DE MEXICO
 SA DE CV
 PESCA INDUSTRIAL CORPORATIVA SA DE CV -
 PICOSA (en faillite)
 ROSARITO POWER S.A. DE C.V.
 SUBURBANO EXPRESS, S.A. DE C.V.
 ALSTOM Maroc S.A.
 ALSTOM Power Hydraulique SAS
 CONCEPELEC
 HYDROMONTAGE (MAROC) SA (en cours de
 dissolution)
 HIMAL POWER LTD
 NEPAL HYDRO & ELECTRIC PVT.LTD
 ALSTOM Finance BV
 ALSTOM Netherlands BV
 ALSTOM NV
 ALSTOM Power Nederland B.V.
 ALSTOM Transport BV
 ALSTOM New Zealand Holdings Limited
 ALSTOM Power New Zealand Limited
 ALSTOM Nigeria Limited
 ALSTOM Norway AS
 ALSTOM Vannkraft AS
 NUUK KRAFT ANS
 ALSTOM Panama, S.A.
 AGUAYTIA SUMINISTROS Y EQUIPAMIENTOS S.A.
 ALSTOM Power Peru S.A.
 ABRECO REALTY CORPORATION
 ALSTOM Philippines, Inc.
 ALSTOM Konstal Spolka Akcyjna
 ALSTOM Polska Sp. z o.o.
 ALSTOM Power Construction Sp. zo.o.
 ALSTOM Power Spolka z ograniczona
 odpowiedzialnoscia in Warszawa
 CENTROZAP S.A.
 ESAP Spolka z ograniczona odpowiedzialnoscia in
 Elblag
 HUTA GLIWICE S.A.

INVEST STAR SA.
 KOLMEX SA
 STOCZNIA GDYNIA S.A.
 ALSTOM Caribe, Inc.
 ALSTOM Hidro Portugal - Equipamentos
 Hidroeléctricos, Unipessoal, Ltda
 ALSTOM Portugal, S.A.
 BOMBARDIER TRANSPORTATION PORTUGAL
 ECOTECNIAPORT-SISTEMAS DE ENERGIAS
 ALTERNATIVAS, LTDA
 SOPORGEN - SOCIEDADE PORTUGUESA DE
 GERACAO DE ELECTRICIDADE E COLOR, SA
 ALSTOM General Turbo SA
 ALSTOM Power Romania srl
 ALSTOM Power Uzinsider S.A. (in liquidation)
 ALSTOM Transport SA
 ALSTOM Atomenergomash
 ALSTOM Limited
 ALSTOM Power Stavan
 ALSTOM Power Turbomachines Ltd
 JOINT VENTURE ALSTOM Power Uniturbo Limited
 TMH ALSTOM DV
 YUZHNY EXPRESS
 ALSTOM Saudi Arabia Limited
 ALSTOM Power Singapore Pte Ltd
 ALSTOM Transport (S) Pte Ltd
 ALSTOM Power Slovakia, s.r.o.
 ACTION REPAIR SERVICES (PTY)
 ALSTOM Africa Holdings (Pty) Limited
 ALSTOM Power Projects (Pty) Ltd
 ALSTOM Power Service SA (Pty) Limited
 ALSTOM S&E Africa (Pty)
 ALSTOM STH Africa Power Projects (Pty) Limited
 RAINBOW PEPPER TRADING 59 (PROPRIETARY)
 LIMITED
 ALSTOM Espana IB, S.L.
 ALSTOM Hydro Espana, S.L.
 ALSTOM Power, S.A.
 ALSTOM Transporte, S.A.
 APLICACIONES TECNICAS INDUSTRIALES, S.A.
 ECOTECNIA ENERGIAS RENOVABLES, SOCIEDAD
 LIMITADA
 ECOTECNIA GALICIA, S.L.
 ECOTECNIA INSTALACION, S.L.
 ECOTECNIA NAVARRA, S.A.
 IRVIA MANTENIMIENTO FERROVIARIO, S.A.
 LA MAQUINISTA TERRESTRE Y MARITIMA S.A.
 - MTM
 OPERADORA DEL TRAMVIA METROPOLITA, S.A.
 PARC SOLAR NAVES, AEI
 TRAMVIA METROPOLITA DEL BESOS SA
 TRAMVIA METROPOLITA, S.A.
 ALSTOM Hydro Sweden AB
 ALSTOM Power Sweden Aktiebolag
 ALSTOM Sweden AB
 ALSTOM Transport AB
 ALSTOM (Schweiz) AG, ALSTOM (Switzerland)
 Ltd, ALSTOM (Suisse) SA
 ALSTOM (Schweiz) Services AG ou ALSTOM
 (Switzerland) Services Ltd ou ALSTOM (Suisse)
 Services SA
 ALSTOM Hydro (Schweiz) AG (ou) ALSTOM Hydro
 (Switzerland) Ltd (ou) ALSTOM Hydro (Suisse) SA

ALSTOM Inspection Robotics AG ou ALSTOM
 Inspection Robotics Ltd ou ALSTOM Inspection
 Robotics SA
 ALSTOM Management Resources AG (ou) ALSTOM
 Management Resources Ltd
 ALSTOM Network Schweiz AG / ALSTOM Network
 Switzerland Ltd / ALSTOM Network Suisse SA
 ALSTOM Power Consulting AG (ou) ALSTOM
 Power Consulting Ltd
 ALSTOM Power O&M AG (ALSTOM Power O&M
 Ltd)
 ALSTOM Schienenfahrzeuge AG
 ALSTOM Technologie AG (ou) ALSTOM Technology
 Ltd (ou) ALSTOM Technologie SA
 CONSENEC AG (ou) CONSENEC Ltd (ou)
 CONSENEC S.A.
 ENERCON ENGINEERING UND MONTAGE AG
 SWISSMETRO SA
 ALSTOM Projects Taiwan Ltd
 ALSTOM Taiwan Ltd
 ALSTOM (Thailand) Ltd
 ALSTOM Holdings (Thailand) Co. Ltd
 ALSTOM Transportation Services Ltd
 ALSTOM T&T Ltd
 ALSTOM Power Hydroelektrik Uretim Tesis Ticaret
 ve Isletme Ltd Sti
 ALSTOM Power Proje Anonim Sirketi
 ALSTOM Power Ve Ulasim Anonim Sirketi
 ALSTOM Power Service (Arabia) FZE
 ALSKAW LLC
 ALSTOM Hydro US Inc.
 ALSTOM Inc.
 ALSTOM Maintenance Inc.
 ALSTOM PAC Inc.
 ALSTOM Power Conversion Inc.
 ALSTOM Power Inc.
 ALSTOM Power International, Inc.
 ALSTOM Power Receivables Corporation
 ALSTOM Power Turbomachines LLC
 ALSTOM Signaling Inc.
 ALSTOM Transport Holding US Inc.
 ALSTOM Transportation Electronic Systems, Inc.
 ALSTOM Transportation Inc.
 ALSTOM USA Inc.
 APCOMPOWER INC
 BBCP CORPORATION
 BTGS LP
 DDCP CORPORATION
 FFCP LLC
 MARINE SERVICE PARTNERS INC.
 NORTH EAST CORRIDOR MAINTENANCE
 SERVICES CO, LLC
 POWER SYSTEMS MFG., LLC
 SGTB LLC
 SIGMA ENERGY SOLUTIONS INC
 THE ENGLISH ELECTRIC CORPORATION
 BYRCO CORP SA
 ALSTOM Hydro Venezuela
 ALSTOM Venezuela S.A.
 ALSTOM Vietnam Company Limited
 PROFIT COMBO LIMITED
 TOP YIELD GROUP LIMITED
 WHOLEWISE INTERNATIONAL LIMITED

For and on behalf of the Board of Directors

Emmanuel Colombier
 Vice Chairman & Managing Director

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

Place : Noida
 Date : April 29, 2009

Management Discussion and Analysis Report

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. When used in this discussion, 'anticipate', 'believe', 'estimate', 'intend', 'will' and 'expect' and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligations to publicly update or revise any 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 as 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 global economies were faced with a downturn during the year. Despite the global economic downturn, the Indian economy is forecasted to grow at 7% on a compounded basis for the period from 2009-13. This would require the growth of electricity generation and transport as well which are already in short supply. Accordingly, the deceleration in growth in 2008 –09 is not likely to substantially impact the infrastructure sector.

As an impact of the downturn in the Global markets, all governments across the globe are working on revival packages to stimulate economies. The stimulus packages announced by economies stand to benefit the infrastructure sector.

Operating results of the Company

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

	(Rupees millions)	
	Year ended March 31, 2009	Year ended March 31, 2008
Orders received	20,987	19,716
Revenues	22,903	15,471
Orders on hand	27,025	28,941
Profit before taxation	2,068	1,188
Profit after taxation	1,348	733
EPS (in Rs.)	20.13	10.94

Orders Received were Rs. 20,987 million . The major orders received during the year were, Vedanta Aluminium for supply of Fume Treatment Plants (Rs. 4432 million), Lower Jurala for Hydro mechanical products (Rs. 4410 million), Barh II for supercritical Boiler (Rs. 2384 million). Revenue increased significantly as a result of execution of existing orders.

Higher volume and effective project management resulted in a growth of profit by 84%.

Finance

The cash position remained positive throughout the year and the Company earned an Interest Income of Rs. 271 million. This has been achieved by effective working capital management. Various projects under execution by the Company were regularly reviewed resulting in continued focus on cash flows.

The Foreign Exchange markets fluctuated heavily during the year under review. Since your Company follows prudent hedging policies for significant exposures, it did not stand to suffer due to such exchanged fluctuations.

The cash position net of book overdraft at the end of the year was Rs 2,682 million after payment of Rs. 627 million (including corporate dividend tax) as dividend and capital expenditure of Rs. 1,904 million.

The Company continues to have the credit rating (assigned during the previous year by ICRA), A1+ 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 3,913 at the end of March 2009. Performance Management and Talent Development continue to be focus areas. The training man-days for the year 08-09 averaged at 3.88 days per employee. The new working facilities for employees provided a fresh impetus to productivity. The Company continues to also focus on compensation levels for engineers and professionals. In line with this focus, contemporary retention practices were introduced during the year.

The year also saw new joining of over 135 graduate engineering trainees. The training provided to Graduate Engineering Trainees was in line with global standards to ensure world-class delivery standards.

The industrial relations remained good at all locations and issues, if any, were amicably settled with the unions.

Internal Control

The year saw another two rounds of self-assessment of Internal Controls by over 150 process owners. This self-assessment confirmed that the internal control environment of the company is well established, maintained and its effectiveness is assessed regularly.

These were also confirmed by two independent Internal Audits during the year one of which was rated satisfactory and the other Good. The local Internal Control manager also conducted independent reviews of critical units.

The management continued to review the actual

performance of the various businesses of the Company on regular basis.

During the year, independent reviews of labour law compliances were also carried out.

Four meetings of the Audit Committee included reviews of the status of implementation of recommendations given by internal auditors and the results of self-assessment of internal controls. It also reviewed the results of independent reviews of labour law compliances.

Environment, Health and Safety (EHS)

In ALSTOM, the Health and Safety of our Employees, Customers and Stakeholders, the protection of our physical assets and responsible care for the environment rank highly amongst our business priorities. It is our strong belief that this is necessary in order to operate the profitable and ethical business and in our efforts to become the supplier and service provider of choice. EHS in our company is managed and controlled through an integrated EHS Management System providing continuous improvement in EHS performance. This year, our Environment, Health & Safety Policy has been revised to incorporate necessary changes as per legal and international standards like ISO 14001:2004 and OHSAS 18001:2007.

In the year 2008-2009, we enhanced our focus on EHS Communication by actively participating in the global EHS Communication Campaign launched in September 2008. The Communication Campaign aims to cover 16 different EHS Themes using three tools namely Graphic Panels (visual), Cards (written) and Tool Box Sheets (verbal). The key objectives of EHS Communication Campaign is to inform and explain EHS to all employees and contractors and to deploy a consistent EHS communication on all sites, reflecting the ALSTOM group EHS Management System. Another area which got special attention was EHS training for Senior Managers. Three programmes called "Managing EHS" were conducted at various APIL locations in India, imparting training to 57 Managers.

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 is engaged in the business of engineering, procurement, construction and servicing of power plants and power equipment. Our customers enjoy the most economical, environmentally friendly and advanced technology.

The market for power equipment in 2008 confirmed the trend in 2007 with ordering of over 35 GW. This trend is likely to sustain at least for the next 3-5 years as the country endeavours to enhance the power generation capacity. The

market is predominantly for coal-fired thermal power plants. Hydro and gas also make a reasonable contribution. In future, demand for nuclear power is likely to increase as well.

Availability of cheap domestic coal fuels the demand for coal-fired thermal power plants in India, contributing more than 80% of the demand. There is a market for both Sub-critical (SubC) and Super-Critical (SC) technology. Large sized SubC provides the cheapest option for power generation because of lower capital costs, shorter delivery times, cheap domestic coal and no penalty on emissions. SC, on the other hand provides higher efficiency. The demand in 2008 for SubC was much more than the demand for SC. Over the years, however, there is an increasing trend to move towards SC because of the higher efficiency and lower emissions.

There is a limited market for natural gas fired combined cycle power plants in India. Availability of gas in adequate quantities and at an appropriate price is the key concern for setting up a gas-fired power plant. Production from the Reliance-developed KG Basin has commenced and is likely to reach a level of 40 MMSCMD by July and 80 MMSCMD by the end of the year. While the priority for gas allocation is to fertilizer and existing power plants running at low load, new power plants could get an allocation as and when the production goes up. With falling prices, LNG could also play an important role in future.

India, along with the neighboring countries of Nepal and Bhutan have good hydro potential, of which only a small portion has been exploited till date. There is a strong political push to develop the hydro potential. The progress, however, remains slow because of the issues related to land acquisition, environmental clearances, conflict amongst states on sharing of hydro resources and free power.

Nuclear market in India has just opened up with the signing of the 123 Agreement. In the coming years, the domestically developed 700 MW Pressurised Heavy Water Reactor and imported >1000 MW Light Water Reactor would be developed. Nuclear Corporation of India Limited has signed Memorandum of Understanding with several global players for setting up LWR and supply of fuel for the life of the plant.

Subsequent to the enactment of The Electricity Act, 2003, the Private Sector started to play an important role in the power market. Almost half of the upcoming power generation capacities are being developed by private companies. The financial crisis and the upcoming general elections may slow down the process to some extent in 2009 but overall the market remains buoyant.

Notwithstanding, the power generation capacity ordered last year, electricity generation growth during the year has been the lowest in last eight years. It has been just 2.71% as compared to 6.33% during the year 2007-08. Low rainfall and shortages in coal and gas resulted in lower generation from existing facilities whereas,

deficiency in the supply chain prevented addition of planned capacities. Over the longer term, fuel availability and implementation capability could pose a serious threat to the development of the sector.

The performance on the non-conventional energy capacity addition has not been so satisfying. On the wind turbine, the capacity addition was only about 1.5-1.6 GW, almost similar to what was achieved last year. Though there is a significant potential for wind in India, exploitation requires changes in the policy and regulatory framework.

The Company has the widest range of products and servicing capabilities to provide clean power and maintenance support solutions across the spectrum of requirements for the power market.

The summarized performance of the segment is as under.

	<i>(Rupees millions)</i>	
	Year ended March 31, 2009	Year ended March 31, 2008
Orders received	20,660	19,587
Sales	22,466	15,205
Orders on hand	26,052	27,858

Outlook – The above-mentioned factors pose a positive outlook that the country may be able to realise a substantial part of its goals for the Power Sector. Alstom with its product range and solutions is fully committed to enhance the technology and supply to service the needs of the country.

TRANSPORT Railways

Railways are the principal mode of internal transport in India and are crucial to the industrial and social development of the country. To keep pace with the country's economic growth and forecast growth in passenger and freight traffic, and to improve the efficiencies of its operations, Indian Railways plan substantial investments in expansion of its network infrastructure, equipment and up-gradation and induction of modern technologies. It is also a stated policy now to involve private sector in partnerships to achieve these growth plans of the Indian Railways.

Indian Railways are exploring the framework for the private sector participation in various projects for the manufacture of rolling stock and infrastructure development. Due to the complexity and magnitude of these projects the initial attempts could not proceed as anticipated and it is expected that these projects will be revived by Indian Railway during this financial year.

Metro

Based on the Delhi Metro experience, several Indian cities have announced Metro systems as an answer to the urban growth and road traffic

congestion. Hyderabad Metro and Mumbai Line 2 metros, which on the contrary have been promoted on the basis of private concessions, seem to have been affected by the general economic crisis. Meanwhile, metro projects in the public sector such as Bangalore, Kolkata and Chennai are on track as scheduled. The Company will pursue actively these Metro opportunities in the coming periods.

The existing signaling contract for Lines 1 and 2 of Delhi Metro is under implementation in time for the planned commencement of services ahead of the Commonwealth Games in 2010. Work on Shahdra to Dilshad Garden and Vishwavidyala to Jehangirpuri have been executed ahead of schedule for which the Company has received commendations from Delhi Metro.

The business also supplies signaling equipment to meet the requirements of improving the safety standards on Indian Railways. It also provides signaling application engineering services to the various global Alstom units from the dedicated application engineering and software centre located in Bangalore. This activity is expected to increase with greater role for this unit in local and overseas projects of Alstom transport.

The Financial performance of this segment is summarized below

	<i>(Rupees millions)</i>	
	Year ended March 31, 2009	Year ended March 31, 2008
Orders received	327	129
Sales	437	266
Orders on hand	973	1,083

Outlook – The Company intends to pursue the growth opportunities presented by the plans of the Indian Railways and Metros by growing its current activities in the business. The Company also plans to increase its volume of business of supplying various Alstom global units with products and services from its Components manufacturing and Signaling Application Engineering services operations.

For and on behalf of the
Board of Directors

Emmanuel Colombier
Vice Chairman &
Managing Director

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

Place : Noida
Date : April 29, 2009

Auditors' Report on 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 ('the Company'), for the year ended on March 31, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 further 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 S.R. Batliboi & Co.
Chartered Accountants

per Raj Agrawal
Partner
Membership No.: 82028

Place : Gurgaon
Date : April 29, 2009

Corporate Governance Report

Company's Philosophy on Code of Corporate Governance

Corporate Governance refers to the process, which should safeguard and add value in the long-term for the interest of its various "Partners" such as shareholders, creditors, customers and employees.

The culmination of good Corporate Governance policy is:-

- Transparency and professionalism in all activities of the Company.
- Implementation of procedures and policies prescribed by the Company to ensure high ethical standards in all its business activities.
- Responsive management which meets the needs of its "Partners".

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 March 31, 2009 was eight. The Board of Directors of the Company comprises of Executive Directors and Non-Executive Directors including Independent Directors. The Board is headed by a Non-Executive Chairman. Two Directors, including the Managing Director, are Executive Directors as at March 31, 2009. There are six 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 March 31, 2009:-

Name of the Director	Category of Director	Number of Board Meetings Attended	Attendance at Last AGM held on July 25, 2008	Number of other Directorships held (includes private Companies)	Number of Committee memberships in domestic public companies (including this Company)#	
					As Chairman	As Member
Mr. Sunand Sharma	Non-Executive Chairman	4	Yes	13	1	2
Mr. Emmanuel Colombier	Executive	4	Yes	4	—	3
Mr. S. M. Momaya	Executive	4	Yes	4	—	2
Mr. K. Vasudevan	Non-Executive & Independent	4	Yes	1	2	—
Mr. A. K. Thiagarajan	Non-Executive & Independent	4	Yes	16	2	7
Dr. Uddesh Kohli	Non-Executive & Independent	4	Yes	5	1	4
Mr. Pedro Sole	Non-Executive	4	Yes	8	—	—
Mr. Dominique Pouliquen*	Non-Executive	Nil	N.A.	—	—	—

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

During the year:-

- Mrs. Naina R. Desai ceased to be the Whole-time Director with effect from November 01, 2008; and
- Mr. Marc Chatelard ceased to be a Non-Executive Director with effect from January 20, 2009.

* Mr. Dominique Pouliquen was appointed as a Non-Executive Director with effect from January 20, 2009 to fill up the casual vacancy caused by the resignation of Mr. Marc Chatelard.

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

- | | |
|--------------------|----------------------|
| (1) April 29, 2008 | (3) October 24, 2008 |
| (2) July 25, 2008 | (4) January 20, 2009 |

The information as required under Annexure IA to 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.in.alstom.com. All Board Members and Senior Management Personnel have affirmed compliance with the code as on March 31, 2009. 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 26th September, 2002. Mr. Sekhar Bhattacharjee, 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 March 31, 2009:-

(Figures in Rupees)

Name of the Director	Salaries and Perquisites	Commission	Sitting fees	Total
Mr. Sunand Sharma	Nil	Nil	Nil	Nil
Mr. Emmanuel Colombier	5,334,000	Nil	Nil	5,334,000
Mr. S. M. Momaya	4,877,291	Nil	Nil	4,877,291
Mrs. Naina R. Desai *	2,035,993	Nil	Nil	2,035,993
Mr. K. Vasudevan	Nil	Nil	160,000	160,000
Mr. A. K. Thiagarajan	Nil	Nil	160,000	160,000
Dr. Uddesh Kohli	Nil	Nil	160,000	160,000
Mr. Pedro Sole	Nil	Nil	Nil	Nil
Mr. Marc Chatelard *	Nil	Nil	Nil	Nil
Mr. Dominique Pouliquen	Nil	Nil	Nil	Nil

*During the year, Mr. Marc Chatelard & Mrs. Naina R. Desai ceased to be Directors of the Company.

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 and the Audit Committee attended by them.
- Mr. A. K. Thiagarajan, Non-Executive & Independent Director, holds 32,330 shares of the Company.

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

1) Dr. Uddesh Kohli

Dr. Uddesh Kohli, 69, is presently the Chairman Emeritus of the Construction Industry Development Council and Engineering Council of India. He is former Chairman & Managing Director of Power Finance Corporation (PFC), Adviser Planning Commission, Chairman of Standing Conference of Public Enterprises (SCOPE), President of the Council of Indian Employers (CIE) and President, All India Management Association.

Dr. Kohli has a unique combination of educational qualifications - a Degree in Engineering (IIT, Roorkee), Post Graduate in Management (Manchester) and Doctorate in Economics (Delhi School of Economics)

Dr. Kohli has over 43 years experience in Corporate, Planning Commission, Consultancy and professional organizations. He has been Adviser/ Consultant to international bodies such as Asian Development Bank, UNDP/ UNIDO/UNOPS for various countries such as Papua New Guinea, Tanzania, China and Maldives.

Dr. Kohli was appointed as a Non-Executive Independent Director of the Company with effect from December 28, 2005.

Dr. Kohli and any other Directors of the Company do not have any inter se relationship.

He is also Director in the following Companies:-

Sl. No	Name of Company	Position
1	ICRA Limited	Director
2	Lanco Infratech Limited	Director
3	West Bengal Consultancy Organisation Limited	Director
4	Power Equity Capital Advisors Private Limited	Director
5	DB Power (Chattisgarh) Limited	Director

Committee Membership

Dr. Uddesh Kohli is a member of the Audit Committee of the Board of Directors of the Company as an Independent Director and also a member of the Share Transfer and Shareholders'/Investors' Grievance Committee.

He is also on the Audit Committee and Share Transfer Committee of the following Indian Companies:-

Sl. No.	Name of the Company	Type of Committee	Position
1	ICRA Limited	Audit Committee	Member
2	ICRA Limited	Shareholders/Investors Grievance Committee	Chairman
3	Lanco Infratech Limited	Audit Committee	Member

2) Mr. Pedro Sole

Mr. Pedro Sole, 61, is a Ph. D. Mechanical Engineer at Madrid Polytechnical University and graduated in Business Administration from the "Instituto de Empresa" of Madrid and the London Business School.

Mr. Sole began his industrial career at MTM (Spanish Company) Barcelona in 1971. Between 1972 and 1978, he was in charge of different production lines and in 1979, he was appointed Production Director of MTM. In 1982, he was appointed Division Director of Railway Equipment. From 1987, he was a Sales Director of Railway Group of the "Instituto Nacional de Industria"(INI) - Spanish Company.

In 1990, following the ALSTOM take-over of the Spanish Group, he was appointed Sales and Marketing Director of GEC Alsthom Transporte. In 1996, when a new organization was set in the Alstom Transport Sector, he moved to Paris as International Sales and Marketing VP of the Passenger Business.

In 2000, he took on the responsibility of the American Area within ALSTOM's International Network Organisation. On September 01, 2004, he was appointed Senior Vice President for ALSTOM – 'Northern & Eastern Europe and Asia-Pacific' Area. He is a Director of the Company since January 31, 2005.

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

3) Mr. Dominique Pouliquen

Mr. Dominique Pouliquen, 48 years, holds a master degree in Economics from Paris University in 1981 and graduated from the Institute of Politic Studies in Paris the following year. After a one year career start in the banking sector, he became a consultant for 6 years, specialized 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 January 01, 2009, he has been appointed Asia Pacific SVP, Member of the Alstom Transport Executive Committee. He is appointed as a Director of the Company with effect from January 20, 2009.

Mr. Dominique Pouliquen and any 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 March 31, 2009:-

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. Sekhar Bhattacharjee, Company Secretary, is the Secretary to the Audit Committee.

The minutes of the Audit Committee Meetings are noted by the Board of Directors of the Company at the subsequent Board Meetings.

Meetings and the attendance during the year

There were four meetings of the Audit Committee held during the year on April 29, 2008; July 25, 2008; October 24, 2008 and January 20, 2009 respectively.

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

Sl. No.	Name of Member	Date of Meeting			
		April 29, 2008	July 25, 2008	October 24, 2008	January 20, 2009
1	Mr. K. Vasudevan	Yes	Yes	Yes	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(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 companies are tabled at the Board Meeting(s) of the Company.

During the year, ALSTOM Manufacturing India Limited (AMIL) ceased to be a subsidiary of the Company. The shares of AMIL were sold at cost by 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 March 31, 2009 is as under:

Sl. No.	Name	Position
1	Mr. Sunand Sharma, Non-Executive Director	Chairman
2	Mr. Emmanuel Colombier, Executive Director	Member
3	Dr. Uddesh Kohli, Non-Executive & Independent Director	Member

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. Sekhar Bhattacharjee, Company Secretary, is the Compliance Officer of the Company.

Meetings held during the year

There were 29 meetings of the Committee held during the year – (1) April 18, 2008; (2) April 24, 2008; (3) May 16, 2008; (4) May 23, 2008; (5) June 06, 2008; (6) June 13, 2008; (7) June 20, 2008; (8) July 04, 2008; (9) July 18, 2008; (10) August 01, 2008; (11) August 25, 2008; (12) September 05, 2008; (13) September 15, 2008; (14) September 19, 2008; (15) October 03, 2008; (16) October 17, 2008; (17) October 31, 2008; (18) November 14, 2008; (19) November 28, 2008; (20) December 05, 2008; (21) December 12, 2008; (22) January 09, 2009; (23) February 06, 2009; (24) February 20, 2009; (25) February 27, 2009; (26) March 06, 2009; (27) March 13, 2009; (28) March 20, 2009; and (29) March 27, 2009.

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 meeting.

During the year, the Company received 175 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 March 31, 2009, where the documents were clear in all respects.

V. GENERAL BODY MEETINGS

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

Particulars	Date	Venue	Time	Number of special resolutions passed
16th AGM	July 25, 2008	Sind Educationists' Association Auditorium, Jai Hind College Building, 'A' Road, Churchgate, Mumbai – 400 020.	2.00 P.M.	2
15th AGM	July 25, 2007	Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai-400 020.	2.00 P.M.	1
14th AGM	July 27, 2006	Chavan Auditorium Chavan Centre General Jagannath Bhosale Marg, Mumbai – 400 021.	10.30 A.M.	1

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

- 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.
- 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

- Half-yearly report sent to each household of shareholders No
- Quarterly results -
 - Which Newspapers normally published in The Times of India and Maharashtra Times
 - Any Web site, where displayed Yes
The Company has a website 'www.in.alstom.com' where the quarterly results are displayed.
 - Whether it also displays official news releases and the presentation made to Institutional investors or to the analysts. No
- 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 March 31, 2009.
- 2) **Adoption/ non-adoption of non-mandatory requirements as at March 31, 2009:-**
 - (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 Financial Results are published in the newspapers as well as displayed on the Company's website and EDIFAR 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 March 31, 2009.
 - (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.

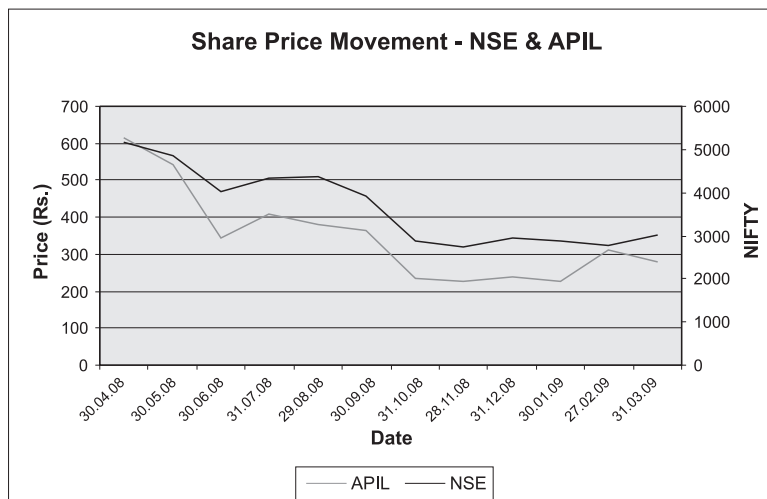
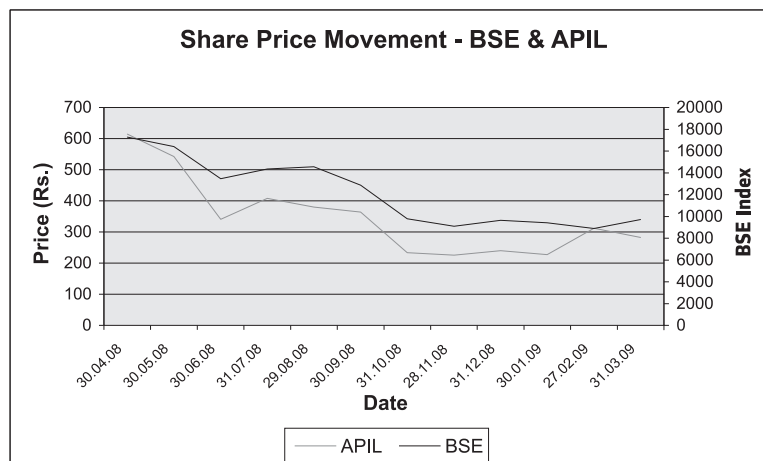
IX. GENERAL SHAREHOLDER INFORMATION

- 1) Annual General Meeting
 - Date and Time : July 23, 2009, 10.30 a.m.
 - Venue : Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai-400 020.
- 2) Financial Calendar
 - (a) Financial reporting for the quarter ending June, 2009 : End July, 2009
 - (b) Financial reporting for the half year ending September, 2009 : End October, 2009
 - (c) Financial reporting for the quarter ending December, 2009 : End January, 2010
 - (d) Financial reporting for the year ending March, 2010 : April/ May, 2010
 - (e) Annual General Meeting for the year ended March 31, 2010 : July/ August, 2010
- 3) Face value of the equity share : Rs. 10 per share
- 4) Date of Book Closure : July 15, 2009 to July 23, 2009
(both days inclusive)
- 5) Dividend Payment Date : July 28, 2009
- 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
(East), 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 April 01, 2008 to March 31, 2009 on BSE and NSE.

Period	BSE		NSE	
	High	Low	High	Low
2008				
April	725.10	564.30	725.20	564.40
May	628.40	537.95	628.70	537.05
June	513.45	340.75	513.05	342.80
July	449.25	320.85	449.00	320.80
August	438.50	369.75	438.90	368.15
September	421.90	358.85	422.45	359.90
October	381.95	209.90	382.45	209.40
November	285.55	218.25	285.40	218.35
December	268.20	221.05	269.25	220.85
2009				
January	274.40	221.55	273.55	221.70
February	325.30	226.30	325.05	226.10
March	309.75	245.30	309.65	245.45

The market capitalisation of the Company's scrip as on March 31, 2009 was Rs. 1864.27 Crores on BSE and Rs. 1872.32 Crores on NSE.

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



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' 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 was 16,791 shares.

12) (A) Distribution of Shareholding as on March 31, 2009.

Slab	Number of Shareholders		Number of Shares	
	Number	% to Shareholders	Number	% to Share Capital
1 – 5,000	58,047	94.69	46,94,882	7.00
5,001 – 10,000	2,018	3.29	14,72,112	2.20
10,001 – 20,000	723	1.18	10,40,185	1.55
20,001 – 30,000	215	0.35	5,39,466	0.80
30,001 – 40,000	92	0.15	3,25,114	0.49
40,001 – 50,000	52	0.09	2,41,551	0.36
50,001 – 1,00,000	70	0.11	5,17,799	0.77
1,00,001 – Above	87	0.14	5,81,93,065	86.83
TOTAL	61,304	100.00	6,70,24,174	100.00

(B) Shareholding pattern as on March 31, 2009.

Sl.No.	Shareholders	Number of shares held	% shareholding
1.	Promoters	4,45,58,972	66.48
2.	President of India	1,67,977	0.25
3.	Financial Institutions	39,60,850	5.91
4.	Foreign Institutional Investors	7,92,464	1.18
5.	Mutual Funds	50,83,588	7.58
6.	Bodies Corporate	23,24,518	3.47
7.	Nationalised Banks and other banks	2,18,364	0.33
8.	Non Resident Individuals	1,69,227	0.25
9.	Foreign Companies	13,34,408	1.99
10.	Director and their relatives	32,963	0.05
11.	General Public	83,12,229	12.41
12.	In transit in Depository system	68,614	0.10
	TOTAL	6,70,24,174	100.00

- 13) 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 March 31, 2009, a total of 6,43,39,174 equity shares of the Company, which forms 96% of share capital of the Company have been dematerialized.
- 14) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, if any. : N.A.
- 15) Plant Locations :
 - P.O. Maneja Vadodara- 390 013, Gujarat.
 - Durgapur - 713 206, West Bengal.
 - Shahabad - 585 229, Karnataka.
 - Coimbatore – 641 402, Tamil Nadu
- 16) 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 : sekhar.bhattacharya@power.alstom.com

For and on behalf of the Board of Directors
Emmanuel Colombier
Vice Chairman & Managing Director

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

Place: Noida
Date: April 29, 2009

CEO / CFO CERTIFICATION

The Board of Directors
ALSTOM Projects India Limited

Re- Financial Statements for the period ended March 31, 2009 : Certification by CEO and CFO

We, Emmanuel Colombier, 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 March 31, 2009 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 March 31, 2009, 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.

Emmanuel Colombier
Vice Chairman & Managing Director

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

Place : Noida
Date : April 29, 2009

DECLARATION - COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with Clause 49 of the Listing Agreement with the Stock Exchange, I, Emmanuel Colombier, Vice Chairman and Managing Director of the Company, hereby, declare that the Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the year ended March 31, 2009.

For ALSTOM Projects India Limited

Emmanuel Colombier
Vice Chairman & Managing Director

Place : Noida
Date : April 29, 2009

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 March 31, 2009 and also the Profit and Loss account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. 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;
 - ii. 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;
 - iii. The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account.;
 - iv. In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2009;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date.
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Co.
Chartered Accountants

per Raj Agrawal
Partner
Membership No.: 82028

Place : Noida
Date : April 29, 2009

Annexure referred to in paragraph 3 of our report of even date

Re: ALSTOM Projects India Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Part of the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) 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) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) As informed, 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 Companies Act, 1956. Accordingly, clauses 4 (iii)(b) (c) and (d) of the Companies (Auditors Report) Order, 2003 (as amended) ("the Order") are not applicable to the Company.
- (e) As informed, 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 Companies Act, 1956. Accordingly, clauses 4 (iii)(f) and (g) of the Order are not applicable to the Company.
- (iv) Part of the Company's purchases of inventory and fixed assets are stated to be of unique and specialized nature and hence, in such cases, the comparison of prices with the market rates or with purchases from other parties can not be made. Read with the above, 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 and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) According to the information and explanations provided by the management, we are of the opinion that there are no particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause (v) (b) of the Order are not applicable to the Company.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it, have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases.*
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance fund, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount in Rs. '000	Period to which the amount relates	Forum where dispute is pending
Local & Central Sales Tax Act	Works Contract tax levied on Central Sales tax transactions	117,706	2004-2005	High Court
	Divisible contract assessed as indivisible	15,321	1984 – 1992	First / Second appellate authority
	Divisible contract declared as indivisible	3,603	1992 – 1997	High Court
	Penalty imposed by sales tax authorities	1,752	2004 – 2005	High Court
		138,382		

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on the audit procedures applied by us, and according to the information and explanations provided by the management, the Company has no dues towards banks, financial institutions or debenture holders, and hence, provisions of clause 4(xi) of the Order are not applicable to the Company.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us, the Company has not raised funds on short term basis. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, which have been relied upon by us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & Co.
Chartered Accountants

per Raj Agrawal
Partner
Membership No.: 82028

Place : Noida
Date : April 29, 2009

ALSTOM Projects India Limited

Balance Sheet as at March 31, 2009

(Rupees thousands)

	Schedule		As at March 31, 2009	As at March 31, 2008
SOURCES OF FUNDS				
Shareholders' funds				
Share capital	1	670,242		670,242
Reserves and surplus	2	3,410,655		2,850,700
			4,080,897	3,520,942
Loan funds				
Secured loan	3		11,263	16,895
Deferred tax liabilities, net	13		—	24,625
			4,092,160	3,562,462
APPLICATION OF FUNDS				
Fixed assets	4			
Gross block		4,885,769		3,694,728
Less: Accumulated depreciation / amortisation / impairment		2,292,129		2,004,501
Net book value		2,593,640		1,690,227
Capital work-in-progress and advances on capital account		1,193,338		505,269
			3,786,978	2,195,496
Investments	5		36	551
Deferred tax assets, net	13		447	—
Current assets, loans and advances				
Inventories	6	642,630		612,986
Sundry debtors	7	6,268,205		5,662,040
Cash and bank balances	8	3,659,035		3,946,693
Other current assets	9	8,141,945		4,748,689
Loans and advances	10	4,887,687		2,924,890
		23,599,502		17,895,298
Less: Current liabilities and provisions				
Current liabilities	11	22,378,365		15,777,927
Provisions	12	916,438		750,956
		23,294,803		16,528,883
Net current assets			304,699	1,366,415
			4,092,160	3,562,462
Notes to Accounts	19			

The schedules referred to above and notes to accounts form an integral part of the balance sheet.

As per our report of even date

For S.R. Batliboi & Co.
Chartered Accountants

per Raj Agrawal
Partner
Membership No.: 82028

Place : Noida
Date : April 29, 2009

For and on behalf of the Board of Directors

Sunand Sharma
Emmanuel Colombier
S.M. Momaya
Pedro Sole
Dominique Poliquen
A.K. Thiagarajan
K. Vasudevan
Dr. Uddesh Kohli
Sekhar Bhattacharjee

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

ALSTOM Projects India Limited

Profit and Loss account for the year ended March 31, 2009

(Rupees thousands)

	Schedule	For the year ended March 31, 2009	For the year ended March 31, 2008
INCOME			
Sales and services (Gross)	14	23,181,615	15,961,440
Less: Excise duty		278,825	490,739
Net Sales and Services		22,902,790	15,470,701
Other income	15	427,506	397,720
		23,330,296	15,868,421
EXPENDITURE			
Material cost and erection services	16	16,008,308	11,034,600
Personnel expenses	17	2,381,842	1,798,330
Other expenses	18	2,540,542	1,663,806
Depreciation / amortisation	4	335,734	241,249
Less: Transfer from revaluation reserve		(4,816)	(4,561)
Interest		1,014	1,352
		21,262,624	14,734,776
PROFIT BEFORE TAX AND EXCEPTIONAL ITEM		2,067,672	1,133,645
Exceptional item-			—
Reversal of Impairment provision made in earlier years		—	54,375
PROFIT BEFORE TAX		2,067,672	1,188,020
Provision for Income tax			
Current tax		(697,666)	(405,646)
Deferred tax		25,072	(20,287)
Fringe benefit tax		(46,157)	(29,000)
PROFIT AFTER TAX		1,348,921	733,087
Balance brought forward	2	1,362,766	1,330,308
PROFIT AVAILABLE FOR APPROPRIATION		2,711,687	2,063,395
APPROPRIATION			
Transferred to general reserve	2	134,892	73,309
Proposed dividend		670,242	536,194
Corporate dividend tax		113,908	91,126
Balance carried forward		1,792,645	1,362,766
BASIC and DILUTED EARNINGS PER EQUITY SHARE (In rupees)			
(Par value Rs 10 per share)		20.13	10.94
Notes to Accounts	19		

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

As per our report of even date

For S.R. Batliboi & Co.
Chartered Accountants

per Raj Agrawal
Partner
Membership No.: 82028

Place : Noida
Date : April 29, 2009

For and on behalf of the Board of Directors

Sunand Sharma	Chairman
Emmanuel Colombier	Vice Chairman & Managing Director
S.M. Momaya	Whole-time Director & Chief Financial Officer
Pedro Sole	Director
Dominique Poliquen	Director
A.K. Thiagarajan	Director
K. Vasudevan	Director
Dr. Uddesh Kohli	Director
Sekhar Bhattacharjee	Company Secretary

ALSTOM Projects India Limited

Cash Flow Statement for the year ended March 31, 2009

	For the year ended March 31, 2009	(Rupees thousands) For the year ended March 31, 2008
A. Cash flows from operating activities		
Profit before tax and exceptional item	2,067,672	1,133,645
Adjustments for		
Depreciation / amortisation	330,918	236,688
Provision for doubtful debts and advances	12,222	36,342
Unrealised (gain) / loss on restatement of foreign currency assets and liabilities, net	(148,680)	22,668
(Gain)/loss on sale of fixed assets, net	(1,241)	10,210
Interest income	(271,332)	(220,211)
Interest expense	1,014	1,352
Operating profit before working capital changes	1,990,573	1,220,694
Adjustments for changes in working capital		
(Increase) in sundry debtors	(452,225)	(916,579)
(Increase)/ decrease in inventories	(29,644)	55,995
(Increase) in other current assets	(3,443,545)	(2,247,481)
(Increase) in loans and advances	(1,986,887)	(808,445)
Increase in current liabilities and provisions	6,598,385	5,352,619
Cash from operating activities	2,676,657	2,656,803
Income tax including fringe benefits tax (payments)	(789,086)	(316,412)
Net cash from operating activities	1,887,571	2,340,391
B. Cash flows from investing activities		
Inter corporate deposits given	—	(20,000)
Inter corporate deposits received back	20,000	145,000
Loan received back from subsidiaries	3,000	34,067
Interest received	321,621	195,958
Proceeds from sale of investment in subsidiary	500	—
Proceeds from sale of other investments	15	—
Purchase of fixed assets and advances on capital account	(1,903,557)	(813,149)
Sale proceeds of fixed assets	15,251	13,506
Net cash (used in) investing activities	(1,543,170)	(444,618)
C. Cash flows from financing activities		
Secured loans repaid	(5,632)	(5,632)
Dividend and corporate dividend tax paid	(627,320)	(784,150)
Interest paid	(845)	(1,858)
Net cash (used in) financing activities	(633,797)	(791,640)
Net cash flow during the year (A+B+C)	(289,396)	1,104,133
Cash and cash equivalents, beginning of year	3,946,693	2,842,560
Cash and cash equivalents, end of year	3,657,297	3,946,693
Components of cash and cash equivalents as at end of the year		
Cash and cheques on hand	6,638	1,393
Balances with scheduled banks		
- on current accounts	714,376	430,651
- on deposit accounts	2,919,148	3,500,350
- on EEFC account	85	1,453
- On Unclaimed dividend account*	8,462	6,809
Balances with other banks on current accounts		
- Barclays Bank of Uganda	7,786	6,037
- Bangkok Bank, Thailand	2,540	—
Cash & Bank balances as per schedule 8	3,659,035	3,946,693
Less: Effect of exchange differences on cash & cash equivalents held in foreign currency	(1,738)	—
Cash & Cash Equivalents as restated	3,657,297	3,946,693

1. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2. Negative figures have been shown in brackets.

*These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our report of even date

For S.R. Batliboi & Co.
Chartered Accountants

per Raj Agrawal
Partner
Membership No.: 82028

Place : Noida
Date : April 29, 2009

For and on behalf of the Board of Directors

Sunand Sharma
Emmanuel Colombier
S.M. Momaya
Pedro Sole
Dominique Poliquen
A.K. Thiagarajan
K. Vasudevan
Dr. Uddesh Kohli
Sekhar Bhattacharjee

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

ALSTOM Projects India Limited

Schedules to the Financial Statements

	(Rupees thousands)	
	As at March 31, 2009	As at March 31, 2008
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
	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. March 31, 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	3,520,064
	<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	84,644	89,205
Less: Transferred to profit and loss account	4,816	4,561
Balance, end of year	79,828	84,644
Securities premium account	8,181	8,181
Foreign projects reserve account		
Balance, beginning of year	22,001	37,630
Less: Transferred to General reserve	16,681	15,629
Balance, end of year	5,320	22,001
General reserve		
Balance, beginning of year	1,371,556	1,268,257
Add: Transferred from Foreign project reserve account	16,681	15,629
Add: Transferred from Profit and Loss Account	134,892	73,309
Add: Adjustment on account of implementation of revised AS 15 on employee benefits	-	14,361
Balance, end of year	1,523,129	1,371,556
Profit and loss account	1,792,645	1,362,766
	3,410,655	2,850,700

3. Secured Loans

West Bengal sales tax loan	11,263	16,895
	11,263	16,895

- The West Bengal sales tax loan is secured by creation of a charge on assets located at Durgapur and execution of a bond of security and other relevant documents in favour of the Government of West Bengal.
- Amount repayable within one year Rs. 5,632 thousand (previous year Rs. 5,632 thousand).

ALSTOM Projects India Limited

4. Fixed assets

(Rupees thousands)

Class of Assets	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	As at April 1, 2008	Additions/ adjustments	Deletions/ adjustments	As at March 31, 2009	As at April 1, 2008	Charge for the year	Reversal of Impairment Loss	Deletions/ adjustments	As at March 31, 2009	As at March 31, 2008
TANGIBLE ASSETS										
Freehold land	61,784	7,975	—	69,759	—	—	—	—	69,759	61,784
Leasehold land	490	—	—	490	21	—	—	21	469	469
Leasehold improvements	33,155	432,359	—	465,514	11,746	27,360	—	39,106	426,408	21,409
Factory buildings	361,166	85,681	596	446,251	147,617	9,123	—	262	156,478	213,549
Other buildings	357,466	34,785	—	392,251	196,366	6,324	—	202,690	189,561	161,100
Plant and machinery	2,632,163	543,609	55,046	3,120,726	1,521,649	225,692	—	41,901	1,705,440	1,110,514
Furniture and fixtures	87,760	71,306	6,072	152,994	38,344	25,657	—	5,541	94,534	49,416
Vehicles	8,357	4,186	402	12,141	7,339	1,267	—	402	3,937	1,018
INTANGIBLE ASSETS										
Design software	101,928	39,962	—	141,890	54,413	29,172	—	83,585	58,305	47,515
Software license fees	50,459	33,294	—	83,753	27,006	11,139	—	38,145	45,608	23,453
Grand Total	3,694,728	1,253,157	62,116	4,885,769	2,004,501	335,734	—	48,106	2,292,129	1,690,227
Previous Year	3,343,423	476,169	124,864	3,694,728	1,918,775	241,249	54,375	101,148	1,690,227	1,424,648

Certain building, plant and machinery and railway sidings 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 March 31, 2009 amounts to Rs 566,696 thousand (Buildings - Rs 278,614 thousand, Plant & Machinery - Rs 278,719 thousand and Railway Sidings - Rs 9,363 thousand).

ALSTOM Projects India Limited

(Rupees thousands)

5. Investments	As at March 31, 2009	As at March 31, 2008
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
Investments in securities, quoted		
Unit Trust of India (Nil (Previous Year 1,180) units of Rs. 10 each fully paid up, Repurchase price of Rs.Nil (previous year Rs.12,340))	-	15
	36	51
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
	-	-
ALSTOM Manufacturing India Limited (Nil (previous year 250,000) Equity shares of Rs 2 each fully paid up)	-	500
	36	551
Notes:	-	-
Quoted investments (Aggregate)	-	15
Market value of quoted investments	-	12
Unquoted investments (Aggregate)	36	536

6. Inventories

Raw materials	89,281	101,260
Stores and spares	30,966	29,807
Components	81,167	116,818
Work-in-progress	186,960	131,130
Contract work-in-progress	249,573	229,031
Finished goods	4,683	4,940
	642,630	612,986

Raw material includes goods in transit Rs.5,407 thousand (previous year - Rs.9,257 thousand).

7. Sundry Debtors

Unsecured		
Debts outstanding for a period exceeding six months		
- Considered good	2,160,058	1,874,689
- Considered doubtful	194,531	142,310
	2,354,589	2,016,999
Other debts - considered good	4,108,147	3,787,351
	6,462,736	5,804,350
Less: Provision for doubtful debts	194,531	142,310
	6,268,205	5,662,040

Sundry debtors includes retention monies of Rs. 2,481,166 thousand (previous year - Rs. 2,105,839 thousand), which are due on completion of contracts/ final acceptance by the customers.

ALSTOM Projects India Limited

8. Cash and Bank Balances	As at March 31, 2009	As at March 31, 2008
Cash (including cheques on hand Rs. 5,312 thousand (previous year Rs. 88 thousand))	6,638	1,393
Balances with scheduled banks		
- On current account	714,376	430,651
- On deposit accounts	2,919,148	3,500,350
- On EEFC account	85	1,453
- On unclaimed dividend account	8,462	6,809
Balances with other banks		
- On current account		
- Barclays Bank of Uganda*	7,786	6,037
- Bangkok Bank, Thailand**	2,540	-
	3,659,035	3,946,693

*Maximum amount outstanding during the year Rs.10,696 thousand (previous year - Rs 6,039 thousand)

**Maximum amount outstanding during the year Rs.5,361 thousand (previous year - Rs Nil)

9. Other Current Assets

Accrued Revenue	116,777	16,660
Contract revenue in excess of billing	8,001,602	4,664,136
Interest accrued on deposits	17,604	67,893
Unamortised premium on forward contract	5,962	-
	8,141,945	4,748,689

10. Loans and Advances

Secured, considered good		
Employee advances	173	523
Unsecured		
Advances recoverable in cash or in kind or for value to be received		
- considered good	4,425,646	2,507,021
- considered doubtful	56,071	96,070
	4,481,717	2,603,091
Less: Provision for doubtful advances	56,071	96,070
	4,425,646	2,507,021
Considered good -		
Loans to wholly owned subsidiaries	-	3,000
Inter corporate deposits	-	20,000
Advances recoverable from ALSTOM Power Boilers Services Limited ('APBSL')	23,992	51,836
Advance tax, including taxes deducted at source (net of provision for income tax Rs 1,381,729 thousand [previous year Rs 686,396 thousand])	109,514	64,251
Balances with customs, port trusts and excise authorities	313,324	265,602
VAT credit receivable	15,038	12,657
	4,887,687	2,924,890

- a) Loans to subsidiaries represents Rs Nil thousand (previous year Rs 3,000 thousand) due from APBSL.
- b) 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.
- c) Dues from companies under same management:-
 - i) The maximum amount outstanding from APBSL was Rs 51,836 thousand (previous year - Rs 71,267 thousand)
 - ii) The maximum amount outstanding from ALSTOM Manufacturing India Limited was Rs Nil (previous year - Rs 70 thousand)

ALSTOM Projects India Limited

(Rupees thousands)

11. Current Liabilities

Sundry creditors

	As at March 31, 2009	As at March 31, 2008
- Total outstanding dues to micro & small enterprises (Refer note no. 15 of schedule 19)	25,175	21,306
- Total outstanding dues to creditors other than micro & small enterprises*	13,822,301	8,904,866
Payables to ALSTOM Power Boilers Services Limited, a wholly owned subsidiary	14,718	27,160
Advance payments from customers	7,600,557	5,585,850
Billing in excess of contract revenue	790,559	1,090,265
Interest accrued but not due — West Bengal sales tax loan	22,070	21,901
Lease equalisation reserve	23,627	—
Unclaimed dividend (to be credited to Investor education and protection fund, when due)	8,462	6,809
Other current Liabilities	70,896	119,770
	22,378,365	15,777,927

* includes Rs. 976,799 thousand as book overdraft (previous year - Rs. Nil)

12. Provisions

Wealth tax	122	122
Leave encashment	132,166	113,813
Gratuity	—	9,701
Proposed dividend	670,242	536,194
Corporate dividend tax	113,908	91,126
	916,438	750,956

13. Deferred Tax Assets / Liabilities, Net

Deferred tax assets

Provision for doubtful debts and advances	85,185	81,030
Provision for gratuity under Section 40(A) (7) of the Income tax Act, 1961	—	4,658
Expenditure under Section 43B of the Income-tax Act, 1961	44,924	38,685
Expenditure under Section 40 (a)(i) of the Income-tax Act, 1961	33,998	1,510
Lease Equalisation Reserve	8,031	—
Others	1,082	6,518
Total deferred tax assets	173,220	132,401

Deferred tax liabilities

Difference between book depreciation and depreciation under the Income-tax Act, 1961	172,773	157,026
Deferred tax assets / (liabilities), net	447	(24,625)

ALSTOM Projects India Limited

	(Rupees thousands)	
	For the year ended March 31, 2009	For the year ended March 31, 2008
14. Sales and Services (Gross of excise duty)		
Project sales	15,877,692	10,925,840
Service income	2,862,894	2,039,477
Equipment and spare sales	4,441,029	2,996,123
	23,181,615	15,961,440
15. Other Income		
Interest (Gross)		
- On deposits with banks	269,070	210,999
- Others	2,262	9,212
(Tax deducted at source on total interest Rs. 61,294 thousand, previous year Rs. 50,007 thousand)	271,332	220,211
Gain on Sale of fixed assets	1,241	-
Foreign exchange gain, net	46,504	-
Write-back of provision for doubtful debts and advances (Refer Note 12 of schedule 19)	13,056	-
Excess Liabilities written back	28,248	62,251
Miscellaneous income	67,125	115,258
	427,506	397,720
16. Material Cost and Erection Services		
Raw Materials and Components Consumed	5,367,816	3,299,459
Project Materials and Erection Services	10,640,492	7,735,141
	16,008,308	11,034,600
17. Personnel Expenses		
Salaries, wages and bonus	1,912,473	1,410,125
Contribution to provident and other funds	161,713	133,403
Workmen and staff welfare expenses	174,079	137,176
Other personnel expenses	133,577	117,626
	2,381,842	1,798,330
18. Other Expenses		
Tools, stores and spares	82,881	40,742
Royalty and trademark fee	282,328	188,897
Commission	40,390	38,615
Power, fuel and water	160,789	149,136
Travel and conveyance	524,642	331,222
Insurance	71,589	43,900
Rates and taxes	40,021	31,085
Rent	349,659	179,887
Repairs: - Buildings	53,420	10,606
- Plant and machinery	74,391	53,986
- Others	34,640	25,319
Provisions for doubtful debts and advances (Refer Note 12 of schedule 19)	25,278	36,342
Bad Debts Written-off	105,436	14,369
Other services from third parties	264,098	163,704
Directors fees	480	400
Donations	1,655	74
Loss on sale of fixed assets, net	-	10,210
Foreign exchange loss, net	-	42,517
Miscellaneous expenses	428,845	302,795
	2,540,542	1,663,806

ALSTOM Projects India Limited

19. 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 September 2, 1992 as Asea Brown Boveri Management Limited, registered with the Registrar of Companies, Maharashtra.

Its business include a composite range of services related to power generation for utilities and industrial users and transportation systems covering traction, signalling and train control for the railways.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects in accordance with the notified Accounting Standards issued under Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The 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.

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 on fixed assets is provided on a straight-line basis. On additions and disposals, depreciation is provided for the period of use during the year. 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 Companies Act, whichever is higher. However, in respect of certain assets existing on December 16, 1993, the Company continues to charge depreciation at rates lower than those prescribed by Schedule XIV, as allowed by Notification GSR No. 756E, dated December 16, 1993:

	%
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. Assets costing below Rs five thousand 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.

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- 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 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 the 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.

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 sales 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 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 Retirement and other 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.

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.

2.10.4 Actuarial gains/losses are immediately taken to profit and loss account during the year.

2.11 Leases

Where the Company is the lessee

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.

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 Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit 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 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

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

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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 as enunciated in Accounting Standard 1 – 'Disclosure of Accounting Policies'.

3 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) - Rs 284,895 thousand (previous year – Rs - 143,925 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 20,676 thousand (previous year – Rs 20,676 thousand)
- b) Demand raised by Durgapur Power Limited on delayed payment of electricity bills - Rs 37,000 thousand (previous year – Rs 37,000 thousand).
- c) Differential amount of custom duty in respect of machinery imported under EPCG Scheme – Rs 109,165 thousand (previous year – Rs 109,165 thousand).
- d) Various other claims not acknowledged as debts – Rs 6,250 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), (b) and (d) 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, 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

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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	
	2009	2008	2009	2008	2009	2008
External sales	22,466,281	15,204,756	436,509	265,945	22,902,790	15,470,701
Inter segment sales	–	–	–	–	–	–
Other income	140,301	116,679	15,873	17,005	156,174	133,684
Segment revenues	22,606,582	15,321,435	452,382	282,950	23,058,964	15,604,385
Segment results	1,793,206	902,499	4,148	22,841	1,797,354	925,340
Segment assets	23,338,503	15,760,110	261,824	228,678	23,600,327	15,988,788
Segment liabilities	22,127,265	15,527,977	355,696	336,985	22,482,961	15,864,962
Capital expenditure	1,903,557	813,149	–	–	1,903,557	813,149
Depreciation / amortisation	327,840	234,618	3,078	2,070	330,918	236,688
Impairment losses reversed	–	54,375	–	–	–	54,375
Non cash expenditure, other than depreciation/amortization	130,716	50,711	–	–	130,716	50,711

5.6 Secondary segment reporting – Geographical segments

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

Secondary Segment Information for the year ended March 31, 2009:

Revenue:

Particulars	(Rupees thousands)	
	Year ended March 2009	Year ended March 2008
India	16,043,847	13,269,999
Outside India	6,858,943	2,200,702
Total	22,902,790	15,470,701

Carrying Amount of Segment Assets:

Particulars	(Rupees thousands)	
	Year ended March 2009	Year ended March 2008
India	25,416,644	18,988,208
Outside India	1,970,319	1,103,137
Total	27,386,963	20,091,345

Capital Expenditure

Particulars	(Rupees thousands)	
	Year ended March 2009	Year ended March 2008
India	1,941,226	813,149
Outside India	–	–
Total	1,941,226	813,149

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5.7 Reconciliation of reportable segments with financial statements

	(Rupees thousands)							
	Revenues		Results		Assets		Liabilities	
	2009	2008	2009	2008	2009	2008	2009	2008
Total of reportable segments	23,058,964	15,604,385	1,797,354	925,340	23,600,327	15,988,788	22,482,961	15,864,962
Inter segment sales/assets	-	-	-	-	-	-	-	-
Unallocated – Interest income	271,332	220,211	271,332	220,211	-	-	-	-
Unallocated – Other income	-	43,825	-	43,825	-	-	-	-
Unallocated – Interest expense	-	-	(1,014)	(1,352)	-	-	-	-
Unallocated – Loans/Deposits	-	-	-	-	-	23,000	11,263	16,895
Unallocated – Liabilities, other than loans	-	-	-	-	-	-	27,692	36,601
Unallocated – Interest accrued and other assets	-	-	-	-	17,640	68,613	-	-
Unallocated – Cash and bank Taxes	-	-	-	-	3,659,035	3,946,693	-	-
– Fringe Benefit Tax	-	-	(46,157)	(29,000)	-	-	-	-
– Income Tax	-	-	(697,666)	(405,646)	109,514	64,251	-	-
– Deferred Tax	-	-	25,072	(20,287)	447	-	-	24,625
Proposed Dividend including Corporate Dividend Tax	-	-	-	-	-	-	784,150	627,320
Per financial statements	23,330,296	15,868,421	1,348,921	733,087	27,386,963	20,091,345	23,306,066	16,570,403

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)
ALSTOM Enterprise S.A	(Holding Company of the Parent)

6.1.2 Parties controlled by the Company (Subsidiaries)

ALSTOM Power Boilers Services Limited	
ALSTOM Manufacturing India Limited	(upto June 4, 2008)

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

ALSTOM (Switzerland) Limited, ALSTOM Belgium SA - Charleroi, ALSTOM China, ALSTOM Holdings, ALSTOM Hydro R&D India Ltd, ALSTOM Industrial Products Ltd., ALSTOM Portugal SA, ALSTOM Power Boiler Services Ltd., ALSTOM Power Centrales, France, ALSTOM Power France , ALSTOM Power Hydraulique , ALSTOM Power Inc USA, ALSTOM Power Inc, Windsor, ALSTOM Power Limited , Switzerland, ALSTOM Power Limited UK, ALSTOM Power Ltd. Australia, ALSTOM Power Romania Srl, ALSTOM Power Service GMBH, ALSTOM Power Service, France, ALSTOM Power Services Poland, ALSTOM Power Sweden AB, ALSTOM Power Sweden Ltd, ALSTOM Power Turbomachines, ALSTOM Power UK , ALSTOM USA, Energy Recovery Systems USA, Heat Recovery & Plant, USA, NTPC ALSTOM Power Sevices Pvt. Ltd., Power Control Systems, TMG Switzerland TGN, ALSTOM (China) Investment Co. Ltd., ALSTOM Hydro (Switzerland) Ltd , ALSTOM Hydro Energia Brasil Ltda, ALSTOM Hydro France , ALSTOM Hydro Spain S.L. , ALSTOM Hydro Sweden AB , ALSTOM Indonesia, ALSTOM Italy-Spa, ALSTOM ITC Switzerland, ALSTOM Philipines, ALSTOM Power Boiler GMBH Stuttgart, ALSTOM Power Bulgaria, ALSTOM Power Energy Recovery GMBH, ALSTOM Power Energy System - Indonesia, ALSTOM Power Generation AG PTP, ALSTOM Power Hydro, Grenoble France , ALSTOM Power Inc.Chattanooga, ALSTOM Power Italia Spa, Italy, ALSTOM Power Limited , London, ALSTOM Power S.R.O., Czech Republic, ALSTOM Power SA, France, ALSTOM Power Service Arabia, ALSTOM Power Services GMBH, ALSTOM Power Sp Z.O.O PTP Elblag, ALSTOM Power Sp. Poland, ALSTOM Switzerland Ltd PTP Plant & Control, ALSTOM Switzerland Ltd. EBN-HRSG, ALSTOM Transport - Metro Unit - France, ALSTOM Transport Meduon, ALSTOM Transport Saint Ouen, ALSTOM Transport SA - Villeurbane, ALSTOM Transport Spa - Bologna, ALSTOM Transport Spte Ltd - Singapore, ALSTOM Transport SA - Tarbes, ALSTOM UK, ALSTOM Venkraft AS, Brazil, Comelex , Environmental Control Systems,Norway, HQ Transport Omegat Fr, IS Rochester USA, ITC - France, ITC - Germany, ITC Central Management, PSP Sweden, Russia, TMG Mannheim TSN, TMG Rugby TSR.

6.1.4 Key managerial personnel (KMP)

Mr. Emmanuel Colombier	– Executive Director
Mr. S.M. Momaya	– Executive Director
Ms. Naina R. Desai	– Whole Time Director (Upto October 31, 2008)

6.2 Transactions with Related Parties

(Rupees thousands)

Particulars	2008-09				2007-08			
	Subsidiaries	Fellow subsidiaries	Parties where control exists	KMP Management Personnel	Subsidiaries	Fellow subsidiaries	Parties where control exists	Key Management Personnel
Sale of Products								
ALSTOM Bergeron	—	—	—	—	—	6,870	—	—
ALSTOM Switzerland Ltd PTP Plant & Control	—	1,551,388	—	—	—	—	—	—
NTPC ALSTOM Power Services Pvt. Ltd.	—	135,289	—	—	—	631,828	—	—
ALSTOM Hydro (Switzerland) Ltd	—	—	—	—	—	11,855	—	—
ALSTOM Hydro Spain S.L.	—	86,662	—	—	—	13,601	—	—
ALSTOM Power Centrales, France	—	156	—	—	—	119,715	—	—
PT ALSTOM Power Energy System - Indonesia	—	—	—	—	—	43,040	—	—
ALSTOM Hydro France	—	23,206	—	—	—	141,326	—	—
ALSTOM Power Hydro, Grenoble France	—	746	—	—	—	82,937	—	—
ALSTOM (Switzerland) Ltd.	—	52,511	—	—	—	93,726	—	—
ALSTOM Limited	—	—	—	—	—	289,282	—	—
ALSTOM Power Sp.z o.o.	—	—	—	—	—	64,825	—	—
ALSTOM Transport SA	—	—	—	—	—	4,301	—	—
ALSTOM Power Inc.	—	—	—	—	—	10,404	—	—
Others	—	461,630	—	—	—	2,585	—	—
Commission Income								
ALSTOM Belgium SA - Charleroi	—	—	—	—	—	—	—	—
Purchase of Raw Material Component								
Capital Goods & Other Services								
ALSTOM Power Inc.	—	—	—	—	—	203,319	—	—
AIR Preheater Company	—	—	—	—	—	3,623	—	—
ALSTOM (Switzerland) Ltd.	—	498,799	—	—	—	82,078	—	—
ALSTOM Power Services Poland	—	192,733	—	—	—	—	—	—
ALSTOM Belgium SA - Charleroi	—	—	—	—	—	14,972	—	—
ALSTOM Power Boiler Services Ltd.	13,461	—	—	—	61,504	—	—	—
ALSTOM Power Energy System - Indonesia	—	639,788	—	—	—	182,096	—	—
ALSTOM Power Service	—	—	—	—	—	140,236	—	—
ALSTOM Power Romania SRL	—	—	—	—	—	46,548	—	—
ALSTOM Power Sp.z o.o.	—	—	—	—	—	94,450	—	—
ALSTOM Power Sweden Ltd	—	14,051	—	—	—	59,498	—	—
ALSTOM Ltd	—	—	—	—	—	218,394	—	—
ALSTOM Transport SA - France	—	—	—	—	—	4,852	—	—
ALSTOM Industrial Products Ltd.	—	25	—	—	—	7,538	—	—
Energy Recovery Systems US	—	43,781	—	—	—	135,429	—	—
Others	—	198,324	—	—	—	3,856	—	—
Sale of Other Services								
ALSTOM (Switzerland) Ltd.	—	347,231	—	—	—	314,723	—	—
ALSTOM Norway AS	—	—	—	—	—	23,907	—	—
ALSTOM Belgium SA - Charleroi	—	—	—	—	—	6,652	—	—
ALSTOM Hydro (Switzerland) Ltd	—	18,288	—	—	—	5,623	—	—
ALSTOM Hydro France	—	—	—	—	—	50,697	—	—
ALSTOM Information Tech. Centre SAS	—	—	—	—	—	6,061	—	—
ALSTOM Ltd	—	—	—	—	—	36,642	—	—
ALSTOM Power Boiler Services Ltd.	756	—	—	—	589	—	—	—
ALSTOM Power Centrales	—	—	—	—	—	190,687	—	—
ALSTOM Power Centrales, France	—	203,678	—	—	—	—	—	—
ALSTOM Power Generation AG	—	—	—	—	—	46,281	—	—
ALSTOM Power Inc.	—	—	—	—	—	64,190	—	—
ALSTOM Power Italia Spa, Italy	—	—	—	—	—	18,224	—	—
ALSTOM Power SP Z.O.O PTP ELBLAG	—	17,326	—	—	—	11,148	—	—
ALSTOM Power Sweden AB	—	33,458	—	—	—	10,664	—	—
ALSTOM Power System GmbH	—	—	—	—	—	32,922	—	—
ALSTOM Transport BV	—	—	—	—	—	4,151	—	—
ALSTOM Transport SA	—	—	—	—	—	37,804	—	—
ALSTOM Transport SpA- Bologna	—	—	—	—	—	2,638	—	—
Comelex	—	1,451	—	—	—	4,736	—	—
NTPC ALSTOM Power Services Pvt. Ltd.	—	—	—	—	—	4,532	—	—
Others	—	705,783	—	—	—	15,259	—	—
Purchase of Other Services								
ALSTOM (Switzerland) LTD	—	7,624	—	—	—	57,771	—	—
ALSTOM Holdings	—	6,927	—	—	—	135,655	—	—
ALSTOM Hydro (Switzerland) Ltd	—	—	—	—	—	47,791	—	—
ALSTOM Information Tech. Centre SAS	—	—	—	—	—	24,976	—	—
ALSTOM Ltd	—	—	—	—	—	9,945	—	—
ALSTOM Power Boiler Services Ltd.	—	—	—	—	—	—	—	—
ALSTOM Power Hydro, Grenoble France	—	38,571	—	—	—	—	—	—
ALSTOM Power Inc. USA	—	7,928	—	—	—	6,666	—	—
ALSTOM Power Service	—	—	—	—	—	24,948	—	—
ALSTOM Power Services GMBH	—	29,083	—	—	—	—	—	—
ITC Central Management	—	37,098	—	—	—	—	—	—
Others	—	38,778	—	—	—	15,617	—	—
Managerial Remuneration								
Mr. Emmanuel Colombier	—	—	—	5,334	—	—	—	3,332
Mr. Frederic Lalanne	—	—	—	—	—	—	—	1,318
Mr. S.M. Momaya	—	—	—	4,877	—	—	—	4,414
Mrs. Naina R. Desai	—	—	—	2,036	—	—	—	2,686
Technical Consultancy Services								
ALSTOM Power Hydro, Grenoble France	—	—	—	—	—	—	—	—
ALSTOM Holdings	—	—	—	—	—	—	—	—
Settlement of Loan by subsidiary	—	—	—	—	—	—	—	—
ALSTOM Power Boilers Services Ltd.	3,000	—	—	—	34,000	—	—	—
Reimbursement of expenses for shared services	—	—	—	—	—	—	—	—
ALSTOM Power Boilers Services Ltd.	—	—	—	—	1,085	—	—	—
Payment of Royalty								
ALSTOM (Switzerland) Ltd	—	63,539	—	—	—	28,768	—	—
ALSTOM Holdings	—	152,170	—	—	—	—	—	—
Purchase of Fixed Assets	—	—	—	—	—	—	—	—
ALSTOM Power Hydro, Grenoble France	—	19,374	—	—	—	—	—	—
Inter Corporate Deposits - Given								
ALSTOM Hydro R & D India Limited	—	—	—	—	—	20,000	—	—
Interest on Inter Corporate Deposits								
ALSTOM Energy Limited	—	—	—	—	—	8,697	—	—
ALSTOM Hydro R & D India Limited	—	206	—	—	—	478	—	—
Sale of Shares								
ALSTOM India Ltd	—	—	500	—	—	—	—	—

6.3 Balance Outstanding

(Rupees thousands)

Particulars	2008-09				2007-08			
	Subsidiaries	Fellow subsidiaries	Parties where control exists	KMP Management Personnel	Subsidiaries	Fellow subsidiaries	Parties where control exists	Key Management Personnel
Inter - Corporate Deposite given								
ALSTOM Power Boilers Services Limited	—	—	—	—	3,000	—	—	—
ALSTOM Hydro R & D India Limited	—	—	—	—	—	20,000	—	—
As Debtors								
ALSTOM (Switzerland) Ltd.	—	97,643	—	—	—	341,186	—	—
ALSTOM Hydro France	—	23,732	—	—	—	157,609	—	—
ALSTOM Limited	—	—	—	—	—	58,843	—	—
ALSTOM Power Boiler Services Ltd.	22,538	—	—	—	51,836	—	—	—
ALSTOM Power Centrales, France	—	63,313	—	—	—	92,195	—	—
ALSTOM Power Generation AG	—	—	—	—	—	4,483	—	—
ALSTOM Power Inc.	—	19,587	—	—	—	8,137	—	—
ALSTOM Power Service	—	—	—	—	—	8,017	—	—
ALSTOM Power Sp.z o.o.	—	—	—	—	—	9,971	—	—
ALSTOM Power System GmbH	—	—	—	—	—	7,134	—	—
ALSTOM Switzerland Ltd PTP Plant&Control	—	480,896	—	—	—	—	—	—
ALSTOM Transport SA	—	1,977	—	—	—	10,278	—	—
NTPC ALSTOM Power Sevices Pvt. Ltd.	—	244,444	—	—	—	287,564	—	—
Others	—	300,543	—	—	—	23,974	—	—
Creditors								
ALSTOM (Switzerland) Ltd.	—	43,544	—	—	—	61,022	—	—
ALSTOM Hydro Energia Brasil Ltda	—	—	—	—	—	27,747	—	—
ALSTOM Hydro Equipamentes	—	—	—	—	—	14,541	—	—
ALSTOM Information Tech. Centre SAS	—	—	—	—	—	6,410	—	—
ALSTOM Power Boiler Services Ltd.	14,718	—	—	—	27,160	—	—	—
ALSTOM Power Energy System - Indonesia	—	191	—	—	—	68,575	—	—
ALSTOM Power Hydro, Grenoble France	—	33,475	—	—	—	70	—	—
ALSTOM Power Inc.	—	—	—	—	—	32,602	—	—
ALSTOM Power Romania SRL	—	—	—	—	—	24,756	—	—
ALSTOM Power Service	—	—	—	—	—	43,045	—	—
ALSTOM Power Services, Poland	—	37,098	—	—	—	—	—	—
ALSTOM Power Sp.z o.o.	—	—	—	—	—	5,715	—	—
Energy Recovery Systems, US	—	—	—	—	—	6,359	—	—
Others	—	57,159	—	—	—	16,916	—	—
Advance Given								
ALSTOM Hydro Energia Brasil Ltda	—	567,041	—	—	—	526,712	—	—
ALSTOM Power Boiler Services Ltd.	—	—	—	—	—	—	—	—
ALSTOM Power Boiler Services Ltd.	1,454	—	—	—	4,147	—	—	—
ALSTOM Power Hydro, Grenoble France	—	3,216	—	—	—	17,920	—	—
ALSTOM Power Sp.z o.o.	—	—	—	—	—	14,429	—	—
ALSTOM Power Sweden Ltd	—	—	—	—	—	24,706	—	—
Others	—	110,319	—	—	—	5,508	—	—
Advance Receievd								
ALSTOM (Switzerland) Ltd.	—	2,443	—	—	—	212,733	—	—
ALSTOM Hydro France	—	65,913	—	—	—	1,439,701	—	—
ALSTOM Hydro Spain S.L.	—	—	—	—	—	186,963	—	—
ALSTOM Power Hydraulique	—	1,920,857	—	—	—	—	—	—
ALSTOM Power Hydro, Grenoble France	—	364,127	—	—	—	—	—	—
ALSTOM Power Inc.	—	—	—	—	—	4,852	—	—
ALSTOM Power Sp.z o.o.	—	—	—	—	—	35,052	—	—
ALSTOM Power Turbomachines	—	—	—	—	—	9,835	—	—
Others	—	232,551	—	—	—	2,219	—	—
Interest Accrued on Inter Corporate Deposits								
ALSTOM Hydro R & D India Limited	—	—	—	—	—	478	—	—
ALSTOM Energy Ltd	—	—	—	—	—	—	—	—
Investments in subsidiaries								
ALSTOM Power Boiler Services Ltd	2283	—	—	—	2283	—	—	—
ALSTOM Manufacturing India Ltd.	—	—	—	—	500	—	—	—

7. LEASE COMMITMENTS

Operating leases

The Company normally takes vehicles and premises under non cancellable operational leases. Minimum lease payments outstanding as of March 31, 2009 in respect of these assets are as under:

	(Rupees thousands)	
	Total minimum lease payments outstanding as on March 31, 2009	Total minimum lease payments outstanding as on March 31, 2008
Due within one year	255,746	9,294
Due later than one year and not later than five years	1,222,909	16,194
Due later than five years	543,220	—
	2,021,875	25,488

Lease payments of Rs.349,659 thousand (previous year – Rs. 179,887 thousand) have been recognised as an expense in the profit and loss account for the year ended March 31, 2009.

Office premises and vehicles are obtained on operating lease. 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 and all the leases are cancellable in nature.

ALSTOM Projects India Limited

8 EARNINGS PER SHARE

	2009	2008
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)	1,348,921	733,087
c) Basic and Diluted Earnings (in Rupees) per share	20.13	10.94

9 SUPPLEMENTARY PROFIT AND LOSS DATA

9.1 Capacities, production and stock

(Rupees thousands)

Class of Goods	Annual capacities		Opening stock of finished goods		Production of finished goods	Closing stock of finished goods	
	Quantity Denomination	Installed	Quantity	Rupees in thousands	Quantity	Quantity	Rupees in thousands
Pollution and environment control equipment	Nos.	500 (500)	-	-	218 (480)	-	-
Steam Raising Plant, ancillary equipment and pressure vessels	MT	7,000 (7000)	-	-	1,965 (3875)	-	-
Cement making, general mining, coal mining and other general machinery	MT	1,500 (1500)	-	-	2,932 (3244)	-	-
Grey alloy iron foundry castings	MT	3,400 (3,000)	51 (26)	4940 (1643)	3,314 (3750)	73 (51)	4,683 (4940)
Cast iron/alloy rolls	MT	400 (400)	-	-	-	-	-
Others	Nos.	5,300 (5,300)	-	-	1,142 (322)	-	-
Total	-	-	-	4940 (1,672)	-	-	4,683 (4940)

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

a) Production of finished goods is inclusive of production for captive use.

b) "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 4,940 thousands and Rs 131,130 thousands respectively (previous year Rs 1,672 thousands and Rs 170,397 thousands).

9.2 Turnover

(Rupees thousands)

Class of goods	Unit	Turnover of finished goods	
		Quantity	Amount*
Pollution and environment control equipment	Nos	218 (480)	763,970 (412,733)
Project items**			15,659,809 (10,540,712)
Steam raising plant, ancillary equipment and pressure vessels	MT	1,965 (3,875)	2,856,525 (1,892,845)
Cement machinery, general mining, coal mining and other general machinery	MT	2,932 (3,244)	523,101 (386,829)
Foundry products	MT	3,292 (3,725)	210,357 (176,351)
Erection services, Civil works and other services		-	2,862,894 (2,039,477)
Others		-	26,134 (21,754)
TOTAL			22,902,790 (15,470,701)

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

** Project items includes 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.

ALSTOM Projects India Limited

9.3 Earnings in Foreign exchange (on accrual basis)

		(Rupees thousands)	
		For the year ended March 31, 2009	For the year ended March 31, 2008
I	Export of goods on FOB basis	4,717,878	1,149,120
II	Deemed exports	589,304	564,274
III	Goods/services supplied/rendered locally against foreign exchange remittance	527,222	156,654
IV	Erection and other services	1,496,459	686,302
V	Other income:		
	a. Global sourcing services	16,419	15,942
	b. Service income	18,554	38,520
		<u>7,365,836</u>	<u>2,610,812</u>

9.4 Consumption of raw materials and components

		Quantity	Amount	Quantity	Amount
Ferrous metals	MT	25,169	4,391,479	20,652	2,054,635
Non-ferrous metals	MT	285	466,569	278	151,567
Components*		Various	509,768	Various	1,093,237
			<u>5,367,816</u>		<u>3,299,459</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.

	%		%
Imported	27	1,472,787	23
Indigenous	73	3,895,029	77
	<u>100.00</u>	<u>5,367,816</u>	<u>100.00</u>

9.5 Value of imports on CIF basis

Raw materials	2,809,820	257,029
Components & maintenance spare parts	748,996	282,837
Capital goods	424,123	156,330
Project items	297,277	919,549
	<u>4,280,217</u>	<u>1,615,745</u>

9.6 Expenditure in foreign currency (on accrual basis)

Royalty, trademark and technical fees	498,420	244,590
Erection services	35,117	33,404
Professional/consultancy fees	180,498	44,906
Other matters	125,222	59,206
	<u>839,257</u>	<u>382,106</u>

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

Number of non resident shareholders	3	5
Number of equity shares held by them on which dividend was paid	40,579,816	40,579,957
Year end to which the dividend related	March 31, 2008	March 31, 2007
Net amount remitted (Rs in thousands)	324,639	405,714

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9.8 Managerial remuneration

Salary	6,737	6,947
Other perquisites	4,868	4,218
Contribution to provident and other funds	642	584
	12,247	11,749

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 micro and small enterprises include acceptances Rs. 1,061,106 thousand (Previous year Rs. 386,506 thousand).

9.10 Auditors' Remuneration

	(Rupees thousands)	
	For the year ended March 31, 2009	For the year ended March 31, 2008
Audit fee*	3,500	3,500
Tax audit fees*	1,000	1,000
Limited reviews*	2,100	2,100
Other services*	1,000	1,000
Out-of-pocket expenses	172	153

* excluding service tax

10. CONSTRUCTION CONTRACTS

	As at March 31, 2009	As at March 31, 2008
a. Contract revenue recognised as revenue for the year ended March 31, 2009	21,778,595	14,213,232
b. Aggregate amount of contract costs incurred and recognised profits (less recognised losses) upto March 31, 2009 for all the contracts in progress*	53,393,533	39,046,299
c. The amount of customer advances outstanding for contracts in progress as at March 31, 2009	7,600,557	5,585,850
d. The amount of retention due from customers for contracts in progress as at March 31, 2009	2,481,166	2,105,839

* Consequent to revision in estimates of 'costs to complete' for two specific projects, additional costs aggregating to Rs. Nil (previous year Rs. 642,013 thousand) has been accounted for during the year ended March 31, 2009.

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)

	2008-09	2007-08	2006-07
Current service cost	21,415	14,233	10,620
Interest cost on benefit obligation	15,063	16,636	11,554
Expected return on plan assets	(16,192)	(12,093)	(4,842)
Net actuarial(gain) / loss recognised in the year	17,664	1,229	23,799
Past service cost	-	-	-
Net benefit expense	37,950	20,005	41,131
Actual return on plan assets	16,767	19,999	5,339

ALSTOM Projects India Limited

(Rupees thousands)

Balance sheet

Details of Provision for gratuity

	2008-09	2007-08	2006-07
Defined benefit obligation	263,487	221,611	193,122
Fair value of plan assets	(267,487)	(211,910)	191,213
	(4,000)	9,701	1,909
Less: Unrecognised past service cost	—	—	—
Plan (asset) / liability	(4,000)	9,701	1,909

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

	2008-09	2007-08	2006-07
Opening defined benefit obligation	221,611	193,122	161,450
Interest cost	15,063	16,636	11,554
Current service cost	21,415	14,233	106,620
Benefits paid	(12,841)	(11,515)	(14,798)
Actuarial (gains) / losses on obligation	18,239	9,135	24,296
Closing defined benefit obligation	263,487	221,611	193,122

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

	2008-09	2007-08	2006-07
Opening fair value of plan assets	211,910	191,213	59,587
Expected return	16,192	12,093	4,842
Contributions by employer	51,651	12,213	141,085
Benefits paid	(12,841)	(11,515)	(14,798)
Actuarial gains / (losses)	575	7,906	497
Closing fair value of plan assets	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:

	Gratuity		
	2008-09	2007-08	2006-07
	%	%	%
Investments with insurer	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:

	2008-09	2007-08	2006-07
	%	%	%
Discount rate	7	9	7.5
Expected rate of return on assets	9	9	9
Employee turnover	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.

	For the year ended March 31, 2009	For the year ended March 31, 2008
Employer's Contribution to Provident Fund including Family Pension Fund*	80,175	59,938

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

Notes :

- Information relating to experience adjustment in the actual valuation of gratuity as required by Para 120(n)(ii) of the Accounting Standard 15 (revised) on Employee Benefits is not available with the Company.
- Previous year being the first year of application of Accounting Standard 15 (revised), the information in relation to the actuarial valuation of gratuity for previous four annual periods as required by Para 120(n)(i) except for last two immediately

ALSTOM Projects India Limited

preceding periods, is not provided.

- c) 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 (Revised) on Employee Benefits are not disclosed.
- d) Pending the 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 (revised) have been furnished.

12. PROVISION FOR BAD AND DOUBTFUL DEBTS

a. Bad Debts written off

	For the year Ended March 31, 2009	(Rupees thousands) For the year ended March 31, 2008
Bad debts and advances written off during the year	105,436	14,369
Less: Adjusted against provision for Doubtful debts & advances	102,895	14,369
	2,541	Nil

b. Provision for doubtful debts and advances

Opening Balance for provision for doubtful debts and advances	238,380	202,038
Add: Provision created during the year	128,173	50,711
Less: Adjusted against bad debts and advances written off	102,895	14,369
Less: Write back of provision for doubtful debts and advances	13,056	-
Closing Balance	250,602	238,380

13. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

(Rupees thousands)

Particulars of Derivatives	Currency	Forward contract outstanding as at Balance Sheet date.				Purpose
		Current Year		Previous Year		
		Amount	Year End Rate (Rs.)	Amount	Year End Rate (Rs.)	
SELL	EURO	91,002	67.39	40,610	63.19	Hedge of receivable/expected future sales
SELL	USD	71,719	50.64	126,399	39.96	Hedge of receivable/expected future sales
PURCHASE	CHF	55	44.48	322	40.15	Hedge of payable/expected future purchases
PURCHASE	EURO	36,113	67.39	11,651	63.19	Hedge of payable/expected future purchases
PURCHASE	GBP	2	72.40	36	79.40	Hedge of payable/expected future purchases
PURCHASE	AUD	73	35.07	-	-	Hedge of payable/expected future purchases
PURCHASE	JPY	326,740	0.51	2,425	0.40	Hedge of payable/expected future purchases
PURCHASE	SEK	3,659	6.16	6,761	6.72	Hedge of payable/expected future purchases
PURCHASE	USD	16,877	50.64	26,000	39.96	Hedge of payable/expected future purchases

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

(Rupees thousands)

	For the year Ended March 31, 2009	For the year Ended March 31, 2008
Particulars		
Import Creditors	134,370	17,717
Export Debtors	278,875	20,455

14. Current year tax is after adjusting credit of Rs 32,037 thousand (previous year including Rs 2,333 thousand) related to earlier years.

ALSTOM Projects India Limited

15. 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 March 31, 2009	For the year Ended March 31, 2008
i)	The principal amount and the interest due thereon remaining unpaid to any supplier		
	- Principal amount	25,175	21,306
	- 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 the small investor	Nil	Nil

Names of Small Scale Industrial Undertakings to whom the Company owes any sum which is outstanding for more than 45 days as at March 31, 2009.

Gayatri Electricals, Arc Weld Engineers, Kwality Precision Gauges, Supremex Equipments, Permali Wallace Ltd., Dee Development Engineers Pvt. Ltd., General Electric Auto Corporation, H.V.Enterprises, Serval Udyog, Amara Raja Batteries, Delton Cables Limited, Emerson Network Power (I) Pvt.Ltd., H.M.Traders, Hbl Life Power System Ltd., J.M.Baxi & Co., Jyoti Controls & Switchgear, Mcml Systems, Pyrotech Electronics, Countrywide Travels, Sri Sai Enterprises, Watchwell Securities, S.K.Contractors, Computer Clinic India Pvt. Ltd., Tvs Net Technologies Ltd., Canon India Pvt. Ltd., Alcon Contractors & Builders, Pioneer Plastic Industries Ltd., Manifold E-Connect, Ma Durga Industries, S K Engineering, Metal Weavers, Das Industries, Eip Bulk Controls Pvt. Ltd., Ispat, Vaas Industries Private Limited, S.S.Engineering Works, Dtl Ancillaries, Cenlube Industries Ltd., Punjab Hammers Pvt. Ltd., Bhupendra Steels Pvt.Ltd, Encon Enterprises Pvt. Ltd., Gauthama Engg. Industries, Syed Engg. Works, Aki Industrial Engg.Pvt.Ltd, Sudha Engg. Works, G M K Steels Pvt. Ltd., Hi-Rel Electronics Ltd., Navkar Fittings And Forgings Pvt. Ltd., Statcon Power Controls Ltd., Sertel Electronics (Pvt.) Limited, Signum Fire India (P) Ltd.

16. PRIOR YEAR COMPARATIVES

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

Signatures to Schedule 1 to 19

As per our report of even date

For S.R. Batliboi & Co.
Chartered Accountants

per Raj Agrawal
Partner
Membership No.: 82028

Place : Noida
Date : April 29, 2009

For and on behalf of the Board of Directors

Sunand Sharma	Chairman
Emmanuel Colombier	Vice Chairman & Managing Director
S.M. Momaya	Whole-time Director & Chief Financial Officer
Pedro Sole	Director
Dominique Poliquen	Director
A.K. Thiagarajan	Director
K. Vasudevan	Director
Dr. Uddesh Kohli	Director
Sekhar Bhattacharjee	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 2009

Date Month Year

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

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

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

Total Liabilities

2 7 3 8 6 9 6 3

Total Assets

2 7 3 8 6 9 6 3

Sources of Funds

Paid-Up Capital

6 7 0 2 4 2

Reserves & Surplus

3 4 1 0 6 5 5

Secured Loans

1 1 2 6 3

Unsecured Loans

N I L

Application of Funds

Net Fixed Assets*

3 7 8 6 9 7 8

Investments

3 6

Net Current Assets

3 0 4 6 9 9

Miscellaneous Expenditure

N I L

Accumulated Losses

N I L

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

Turnover, including other income

2 3 3 3 0 2 9 6

Total Expenditure

2 1 2 6 2 6 2 4

+/- Profit/Loss before Tax

2 0 6 7 6 7 2

+/- Profit/Loss after Tax

1 3 4 8 9 2 1

Earnings per Share in Rs.

2 0 . 9 4

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)

84.04

Product Description

Condenser

Item Code (ITC Code)

84.21

Product Description

Pollution and Environment Control Equipment

Auditor's Report to the Members of ALSTOM Projects India Limited

We have audited the attached consolidated balance sheet of ALSTOM Projects India Limited ('the Company') and its subsidiaries (collectively, the "ALSTOM Projects Group"), as at March 31st 2009, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, notified pursuant to the Companies (Accounting Standards) Rules, 2006.

In our opinion and to the best of our information and according to the explanations given to us, the 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 ALSTOM Projects Group as at March 31st 2009;
- (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Co.
Chartered Accountants

per Raj Agrawal
Partner
Membership No.: 82028

Place : Noida
Date : April 29, 2009

ALSTOM Projects India Limited

Consolidated Balance Sheet as at March 31, 2009

(Rupees thousands)

	Schedule		As at March 31, 2009	As at March 31, 2008
SOURCES OF FUNDS				
Shareholders' funds				
Share capital	1	670,242		670,242
Reserves and surplus	2	3,404,876		2,812,670
			4,075,118	3,482,912
Loan funds				
Secured loan	3	11,263		16,895
Deferred tax liabilities, net	13	-		20,438
			4,086,381	3,520,245
APPLICATION OF FUNDS				
Fixed assets	4			
Gross block		4,948,728		3,774,624
Less: Accumulated depreciation / amortisation / impairment		2,355,053		2,084,005
Net book value		2,593,675		1,690,619
Capital work-in-progress and advances on capital account		1,193,338		505,269
			3,787,013	2,195,888
Investments	5		36	51
Deferred tax assets, net	13		5,252	-
Current assets, loans and advances				
Inventories	6	642,630		612,986
Sundry debtors	7	6,277,861		5,662,040
Cash and bank balances	8	3,679,908		3,971,317
Other current assets	9	8,142,098		4,749,000
Loans and advances	10	4,865,436		2,869,428
		23,607,933		17,864,771
Less: Current liabilities and provisions				
Current liabilities	11	22,394,584		15,786,948
Provisions	12	919,269		753,517
		23,313,853		16,540,465
Net current assets			294,080	1,324,306
			4,086,381	3,520,245
Notes to Accounts	19			

The schedules referred to above and notes to accounts form an integral part of the balance sheet.

As per our report of even date

For S.R. Batliboi & Co.
Chartered Accountants

For and on behalf of the Board of Directors

per Raj Agrawal
Partner
Membership No.: 82028

Sunand Sharma
Emmanuel Colombier
S.M. Momaya
Pedro Sole
Dominique Poliquen
A.K. Thiagarajan
K. Vasudevan
Dr. Uddesh Kohli
Sekhar Bhattacharjee

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

Place : Noida
Date : April 29, 2009

ALSTOM Projects India Limited

Consolidated Profit and Loss account for the year ended March 31, 2009

(Rupees thousands)

	Schedule	For the year ended March 31, 2009	For the year ended March 31, 2008
INCOME			
Sales and services (Gross)	14	23,181,615	15,961,440
Less: Excise duty		278,825	490,739
Net Sales and Services		22,902,790	15,470,701
Other income	15	494,818	430,102
		23,397,608	15,900,803
EXPENDITURE			
Material cost and erection services	16	16,008,901	11,015,315
Personnel expenses	17	2,389,722	1,806,669
Other expenses	18	2,547,189	1,665,013
Depreciation / amortisation	4	335,769	241,314
Less: Transfer from revaluation reserve		(4,816)	(4,561)
Interest		1,019	1,363
		21,277,784	14,725,113
PROFIT BEFORE TAX AND EXCEPTIONAL ITEM		2,119,824	1,175,690
Exceptional item- Reversal of Impairment provision made in earlier years		-	54,375
PROFIT BEFORE TAX		2,119,824	1,230,065
Provision for Income tax			
Current tax		(718,114)	(419,646)
Deferred tax		25,689	(16,100)
Fringe benefit tax		(46,227)	(29,205)
PROFIT AFTER TAX		1,381,172	765,114
Balance brought forward	2	1,324,736	1,260,251
PROFIT AVAILABLE FOR APPROPRIATION		2,705,908	2,025,365
APPROPRIATION			
Transferred to general reserve	2	134,892	73,309
Proposed dividend		670,242	536,194
Corporate dividend tax		113,908	91,126
Balance carried forward		1,786,866	1,324,736
BASIC and DILUTED EARNINGS PER EQUITY SHARE (In rupees)			
(Par value Rs 10 per share)		20.61	11.42
Notes to Accounts	19		

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

As per our report of even date
For S.R. Batliboi & Co.
Chartered Accountants

per Raj Agrawal
Partner
Membership No.: 82028

Place : Noida
Date : April 29, 2009

For and on behalf of the Board of Directors

Sunand Sharma	Chairman
Emmanuel Colombier	Vice Chairman & Managing Director
S.M. Momaya	Whole-time Director & Chief Financial Officer
Pedro Sole	Director
Dominique Poliquen	Director
A.K. Thiagarajan	Director
K. Vasudevan	Director
Dr. Uddesh Kohli	Director
Sekhar Bhattacharjee	Company Secretary

ALSTOM Projects India Limited

Consolidated Cash Flow Statement for the year ended March 31, 2009

	For the year ended March 31, 2009	(Rupees thousands) For the year ended March 31, 2008
A. Cash flows from operating activities		
Profit before tax and exceptional item	2,119,824	1,175,690
Adjustments for		
Depreciation / amortisation	330,953	236,753
Provision for doubtful debts and advances	12,222	36,342
Unrealised (gain) / loss on restatement of foreign currency assets and liabilities, net	(148,680)	22,668
(Gain) / Loss on sale of fixed assets, net	(27,626)	9,872
Interest income	(274,599)	(222,651)
Interest expense	1,019	1,363
Operating profit before working capital changes	<u>2,013,113</u>	<u>1,260,037</u>
Adjustments for changes in working capital		
(Increase) in sundry debtors	(461,884)	(916,359)
(Increase)/Decrease in inventories	(29,644)	55,995
(Increase) in other current assets	(3,443,545)	(2,247,481)
(Increase) in loans and advances	(2,013,450)	(827,623)
Increase in current liabilities and provisions	6,605,853	5,347,268
Cash from operating activities	<u>2,670,443</u>	<u>2,671,837</u>
Income tax including fringe benefits tax (payments)	(813,250)	(327,379)
Net cash from operating activities	<u>1,857,193</u>	<u>2,344,458</u>
B. Cash flows from investing activities		
Inter corporate deposits given	-	(20,000)
Inter corporate deposits received back	20,000	145,000
Interest received	325,046	198,620
Proceeds from sale of other investments	15	-
Purchase of fixed assets and advances on capital account	(1,903,557)	(813,149)
Sale proceeds of fixed assets	41,958	13,885
Net cash (used in) investing activities	<u>(1,516,538)</u>	<u>(475,644)</u>
C. Cash flows from financing activities		
Secured loans repaid	(5,632)	(5,632)
Dividend and corporate dividend tax paid	(627,320)	(784,150)
Interest paid	(850)	(1,869)
Net cash (used in) financing activities	<u>(633,802)</u>	<u>(791,651)</u>
Net cash flow during the year (A+B+C)	<u>(293,147)</u>	<u>1,077,163</u>
Cash and cash equivalents, beginning of year	<u>3,971,317</u>	<u>2,894,154</u>
Cash and cash equivalents, end of year	<u>3,678,170</u>	<u>3,971,317</u>
Components of cash and cash equivalents as at end of the year		
Cash and cheques on hand	6,653	2,157
Balances with scheduled banks		
- on current accounts	715,234	431,111
- on deposit accounts	2,939,148	3,523,750
- on EEFC account	85	1,453
- On Unclaimed dividend account*	8,462	6,809
Balances with unscheduled banks		
- on current accounts		
- Barclays Bank of Uganda	7,786	6,037
- Bangkok Bank, Thailand	2,540	-
Cash & Bank balances as per schedule 8	<u>3,679,908</u>	<u>3,971,317</u>
Less: Effect of exchange differences on cash & cash equivalents held in foreign currency	(1,738)	-
Cash & Cash Equivalents as restated	<u>3,678,170</u>	<u>3,971,317</u>

1. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

2. Negative figures have been shown in brackets.

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our report of even date

For S.R. Batliboi & Co.
Chartered Accountants

per Raj Agrawal
Partner
Membership No.: 82028

Place : Noida
Date : April 29, 2009

For and on behalf of the Board of Directors

Sunand Sharma
Emmanuel Colombier
S.M. Momaya
Pedro Sole
Dominique Poliquen
A.K. Thiagarajan
K. Vasudevan
Dr. Uddesh Kohli
Sekhar Bhattacharjee

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

ALSTOM Projects India Limited

Schedules to Consolidated Financial Statements

(All figures in Rupees thousands, unless otherwise mentioned)

	(Rupees thousands)	
	As at March 31, 2009	As at March 31, 2008
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
	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. March 31, 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		3,520,064
		<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., 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	84,644	89,205
Less: Transferred to profit and loss account	4,816	4,561
Balance, end of year	79,828	84,644
Securities premium account	8,181	8,181
Foreign projects reserve account		
Balance, beginning of year	22,001	37,630
Less: Transferred to General reserve	16,681	15,629
Balance, end of year	5,320	22,001
General reserve		
Balance, beginning of year	1,371,556	1,268,257
Add: Transferred from Foreign project reserve account	16,681	15,629
Add: Transferred from Profit and Loss Account	134,892	73,309
Add: Adjustment on account of implementation of revised AS 15 on employee benefits	-	14,361
Balance, end of year	1,523,129	1,371,556
Profit and loss account	1,786,866	1,324,736
	3,404,876	2,812,670
3. Secured Loans		
West Bengal sales tax loan	11,263	16,895
	11,263	16,895

- The West Bengal sales tax loan is secured by creation of a charge on assets located at Durgapur and execution of a bond of security and other relevant documents in favour of the Government of West Bengal.
- Amount repayable within one year Rs. 5,632 thousand (previous year - Rs. 5,632 thousand).

ALSTOM Projects India Limited

4. Fixed assets

(Rupees thousands)

Class of Assets	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK	
	As at April 1, 2008	Additions/ adjustments	Deletions/ adjustments	As at March 31, 2009	Charge for the year	Reversal of Impairment Loss	Deletions/ adjustments	As at March 31, 2009	As at March 31, 2008
TANGIBLE ASSETS									
Freehold land	61,784	7,975	—	69,759	—	—	—	69,759	61,784
Leasehold land	490	—	—	490	—	—	—	469	469
Leasehold improvements	33,155	432,359	—	465,514	27,360	—	—	426,408	21,409
Factory buildings	361,166	85,681	596	446,251	9,123	—	262	289,773	213,549
Other buildings	357,651	34,785	—	392,436	6,326	—	—	189,595	161,136
Plant and machinery	2,648,943	543,609	71,827	3,120,725	225,723	—	58,373	1,415,287	1,110,855
Furniture and fixtures	87,916	71,306	6,228	152,994	25,659	—	5,684	94,534	49,431
Vehicles	8,357	4,186	402	12,141	1,267	—	402	3,937	1,018
INTANGIBLE ASSETS									
Design software	101,928	39,962	—	141,890	29,172	—	—	58,305	47,515
License fees	50,459	33,294	—	83,753	11,139	—	—	45,608	23,453
Goodwill on Consolidation	62,775	—	—	62,775	—	—	—	—	—
GRAND TOTAL	3,774,624	1,253,157	79,053	4,948,728	335,769	—	64,721	2,593,675	1,690,619
Previous Year	3,424,296	476,169	125,841	3,774,624	241,314	54,375	102,084	1,690,619	1,425,146

Certain building, plant and machinery and railway sidings 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 March 31, 2009 amounts to Rs 566.696 thousand (Buildings - Rs 278.614 thousand, Plant & Machinery - Rs 278,719 thousand and Railway Sidings - Rs 9,363 thousand).

ALSTOM Projects India Limited

5. Investments

(Rupees thousands)

As at
March 31, 2009

As at
March 31, 2008

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)	<u>10</u>	<u>10</u>
	36	36

Investments in securities, quoted

Unit Trust of India (Nil (Previous Year 1,180) units of Rs 10 each fully paid up, Repurchase price of Rs.Nil (previous year Rs 12,340))	-	15
	<u>36</u>	<u>51</u>

Notes:

Quoted investments (Aggregate)	-	15
Market value of quoted investments	-	12
Unquoted investments (Aggregate)	36	36

6. Inventories

Raw materials	89,281	101,260
Stores and spares	30,966	29,807
Components	81,167	116,818
Work-in-progress	186,960	131,130
Contract work-in-progress	249,573	229,031
Finished goods	4,683	4,940
	<u>642,630</u>	<u>612,986</u>

Raw material includes goods in transit Rs.5,407 thousand (previous year - Rs.9,257 thousand).

7. Sundry Debtors

Unsecured

Debts outstanding for a period exceeding six months		
- Considered good	2,160,058	1,874,689
- Considered doubtful	203,508	151,287
	<u>2,363,566</u>	<u>2,025,976</u>
Other debts - considered good	4,117,803	3,787,351
	<u>6,481,369</u>	<u>5,813,327</u>
Less: Provision for doubtful debts	203,508	151,287
	<u>6,277,861</u>	<u>5,662,040</u>

Sundry debtors includes retention monies of Rs.2,481,166 thousand (previous year - Rs. 2,105,839 thousand), which are due on completion of contracts/ final acceptance by the customers.

ALSTOM Projects India Limited

8. Cash and Bank Balances

(Rupees thousands)

	As at March 31, 2009	As at March 31, 2008
Cash (including cheques on hand Rs. 5,312 thousand (previous year Rs. 486 thousand))	6,653	2,157
Balances with scheduled banks		
- On current account	715,234	431,111
- On deposit accounts	2,939,148	3,523,750
- On EEFC account	85	1,453
- On unclaimed dividend account	8,462	6,809
Balances with other banks		
On current account		
- Barclays Bank of Uganda*	7,786	6,037
- Bangkok Bank, Thailand**	2,540	-
	3,662,929	6,809
	3,679,908	3,971,317

*Maximum amount outstanding during the year Rs 10,696 thousand (previous year - Rs 6,039 Thousand)

**Maximum amount outstanding during the year Rs 5,361 thousand (previous year - Rs Nil)

9. Other Current Assets

Accrued Revenue	116,777	23,456
Contract revenue in excess of billing	8,001,602	4,657,340
Interest accrued on deposits	17,757	68,204
Unamortised premium on forward contract	5,962	-
	8,142,098	4,749,000

10. Loans and Advances

Secured, Considered good		
Employee advances	173	523
Unsecured		
Advances recoverable in cash or in kind or for value to be received		
- considered good	4,427,096	2,509,808
- considered doubtful	58,427	98,426
	4,485,523	2,608,234
Less: Provision for doubtful advances	58,427	98,426
	4,427,096	2,509,808
Considered good -		
Inter corporate deposits	-	20,000
Advance tax, including taxes deducted at source (net of provision for income tax Rs.1,381,729 thousand [previous year Rs. 686,396 thousand])	109,660	60,749
Balances with customs, port trusts and excise authorities	313,469	265,691
VAT credit receivable	15,038	12,657
	4,865,436	2,869,428

11. Current Liabilities

Sundry creditors		
- Total outstanding dues to micro & small enterprises (Refer note no. 15 of schedule 19)	25,175	21,306
- Total outstanding dues to creditors other than micro, medium & small enterprises	13,853,238	8,941,047
Advance payments from customers	7,600,557	5,585,850
Billing in excess of contract revenue	790,559	1,090,265
Interest accrued but not due — West Bengal sales tax loan	22,070	21,901
Lease equalisation reserve	23,627	-
Unclaimed dividend (to be credited to Investor education and protection fund, when due)	8,462	6,809
Other current Liabilities	70,896	119,770
	22,394,584	15,786,948

* includes Rs. 976,799 thousand as book overdraft (previous year Rs. Nil)

ALSTOM Projects India Limited

(Rupees thousands)

12. Provisions

	As at March 31, 2009	As at March 31, 2008
Wealth tax	122	122
Leave encashment	133,097	114,685
Gratuity (Refer note 10 of schedule 19)	1,900	11,390
Proposed dividend	670,242	536,194
Corporate dividend tax	113,908	91,126
	<u>919,269</u>	<u>753,517</u>

13. Deferred Tax Assets/Liabilities, Net

Deferred tax assets

Provisions for doubtful debts and advances	89,037	84,882
Provision for gratuity under Section 40(A) (7) of the Income tax Act, 1961	646	5,529
Expenditure under Section 43B of the Income-tax Act, 1961	45,241	38,685
Expenditure under Section 40 (a)(i) of the Income-tax Act, 1961	33,998	2,155
Lease Equalisation Reserve	8,031	-
Others	1,082	5,470
Total deferred tax assets	<u>178,035</u>	<u>136,721</u>

Deferred tax liabilities

Difference between book depreciation and depreciation under the Income-tax Act, 1961	172,783	157,159
Deferred tax asset / (liabilities), net	<u>5,252</u>	<u>(20,438)</u>

14. Sales and Services (Gross of excise duty)

	For the year ended March 31, 2009	For the year ended March 31, 2008
Project sales	15,877,692	10,925,840
Service income	2,862,894	2,039,477
Equipment and spare sales	4,441,029	2,996,123
	<u>23,181,615</u>	<u>15,961,440</u>

15. Other Income

Interest (Gross)

- On deposits with banks	272,337	213,439
- Others	2,262	9,212
(Tax deducted at source on total interest Rs. 61,797 thousand, previous year Rs. 50,510 thousand)	<u>274,599</u>	<u>222,651</u>
Gain on Sale of fixed assets	27,626	-
Foreign exchange gain, net	48,184	-
Write-back of provision for doubtful debts and advances (Refer Note 12 of schedule 19)	13,056	-
Excess Liabilities written back	28,248	62,251
Miscellaneous income	103,105	145,200
	<u>494,818</u>	<u>430,102</u>

ALSTOM Projects India Limited

16. Material Cost and Erection Services

	For the year ended March 31, 2009	(Rupees thousands) For the year ended March 31, 2008
Raw Materials and Components consumed	5,367,816	3,299,459
Project Materials and Erection Services	10,641,085	7,715,856
	16,008,901	11,015,315

17. Personnel Expenses

Salaries, wages and bonus	1,919,429	1,417,420
Contribution to provident and other funds	161,986	133,687
Workmen and staff welfare expenses	174,730	137,936
Other personnel expenses	133,577	117,626
	2,389,722	1,806,669

18. Other Expenses

Tools, stores and spares	82,881	40,742
Royalty and trademark fee	282,328	188,897
Commission	40,390	38,615
Power, fuel and water	160,927	149,291
Travel and conveyance	524,677	331,263
Insurance	71,599	43,949
Rates and taxes	40,021	31,085
Rent	350,561	180,309
Repairs: - Buildings	53,420	10,606
- Plant and machinery	74,391	53,986
- Others	34,640	25,319
Provisions for doubtful debts and advances (See Note 12)	25,278	36,342
Bad Debts Written-off	105,436	14,369
Other services from third parties	268,098	163,704
Director fees	480	400
Donations	1,655	74
Loss on sale of fixed assets, net	-	9,872
Foreign exchange loss, net	-	41,792
Miscellaneous expenses	430,407	304,398
	2,547,189	1,665,013

ALSTOM Projects India Limited

19. Notes to accounts

(All amounts in rupees thousands, unless otherwise specified)

1. BACKGROUND

ALSTOM Projects India Limited ('APIIL' or 'the Company') is a publicly owned Company, incorporated on September 2, 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 also held investment in ALSTOM Manufacturing India Limited ('AMIL') up to June 4, 2008. The Company and its subsidiaries (hereinafter collectively referred to as 'the Group') are incorporated in India and are engaged in the business of infrastructure project management.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects in accordance with the notified Accounting Standards issued under Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies have been consistently applied by the Group and are consistent with those applied in the previous year.

- a) 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.
- b) As far as possible, 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.
- c) 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 March 31, 2009.

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. On additions and disposals, depreciation is provided for the period of use during the year. 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. However, in respect of certain assets existing on December 16, 1993, the Group continues to charge depreciation

ALSTOM Projects India Limited

on rates lower than those prescribed by Schedule XIV, as allowed by the Notification GSR No. 756E, dated December 16, 1993:

	%
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

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. Assets costing below Rs five thousand 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 the 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

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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.

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 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 sales 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 Retirement and other 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.

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.

2.10.4 Actuarial gains/losses are immediately taken to profit and loss account during the year.

2.11 Leases

Where the Group is the lessee

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.

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.

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2.13 Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit 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.

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

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

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 equivalent

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 as enunciated in Accounting Standard 1 – 'Disclosure of Accounting Policies'.

3 CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) - Rs 284,895 thousand (previous year – Rs 143,925 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 20,676 thousand (previous year – Rs 20,676 thousand)

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- b) Demand raised by Durgapur Power Limited on delayed payment of electricity bills - Rs 37,000 thousand (previous year – Rs 37,000 thousand).
- c) Differential amount of custom duty in respect of machinery imported under EPCG Scheme Rs 109,165 thousand (previous year Rs 109,165 thousand).
- d) Various other claims not acknowledged as debts Rs 35,977 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), (b) and (d) 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.

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

	Power		Transport		(Rupees thousands) Total	
	2009	2008	2009	2008	2009	2008
External sales	22,466,281	15,204,756	436,509	265,945	22,902,790	15,470,701
Inter segment sales	—	—	—	—	—	—
Other income	204,346	128,195	15,873	17,005	220,219	145,200
Segment revenues	22,670,627	15,332,951	452,382	282,950	23,123,009	15,615,901
Segment results	1,841,076	923,689	4,149	22,841	1,845,225	946,530
Segment assets	23,325,797	15,711,710	261,824	228,678	23,587,621	15,940,388
Segment liabilities	22,146,146	15,530,264	355,696	3,36,985	22,501,842	15,859,224
Capital expenditure	1,903,557	813,149	—	—	1,903,557	813,149
Depreciation / amortisation	327,875	234,683	3,078	2,070	330,953	236,753
Impairment losses reversed	—	54,875	—	—	—	54,875
Non cash expenditure, other than depreciation/amortisation	130,716	50,711	—	—	130,716	50,711

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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 March 31, 2009:

Revenue:

Particulars	(Rupees thousands)	
	Year ended March 2009	Year ended March 2008
India	16,043,847	13,269,999
Outside India	6,858,943	2,200,702
Total	22,902,790	15,470,701

Carrying Amount of Segment Assets*:

Particulars	(Rupees thousands)	
	Year ended March 2009	Year ended March 2008
India	25,440,240	18,963,610
Outside India	1,959,993	1,097,100
Total	27,400,233	20,060,710

*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.

Capital Expenditure:

Particulars	(Rupees thousands)	
	Year ended March 2009	Year ended March 2008
India	1,903,557	813,149
Outside India	—	—
Total	1,903,557	813,149

5.7 Reconciliation of reportable segments with financial statements

	(Rupees thousands)							
	Revenues		Results		Assets		Liabilities	
	2009	2008	2009	2008	2009	2008	2009	2008
Total of reportable segments	23,123,009	15,615,901	1,845,225	946,530	23,587,621	15,940,388	22,501,842	15,859,224
Inter segment sales/assets	—	—	—	—	—	—	—	—
Unallocated – Interest income	274,599	241,077	274,599	241,077	—	—	—	—
Unallocated – Other income	—	43,825	—	43,825	—	—	—	—
Unallocated – Interest expense	—	—	(1,019)	(1,363)	—	—	—	—
Unallocated – Loans/Deposits	—	—	—	—	—	20,000	11,263	16,895
Unallocated – Liabilities, other than loans	—	—	—	—	—	—	27,861	37,206
Unallocated – Interest accrued and other assets	—	—	—	—	17,793	68,255	—	—
Unallocated – Cash and bank	—	—	—	—	3,679,908	3,971,317	—	—
Taxes	—	—	(46,227)	(29,205)	—	—	—	—
– Fringe Benefit Tax	—	—	(46,227)	(29,205)	—	—	—	—
– Income Tax	—	—	(718,114)	(419,646)	109,660	60,750	—	—
– Deferred Tax	—	—	25,689	(16,100)	5,251	—	—	20,438
	—	—	—	—	—	—	—	—
Proposed Dividened including Corporate Dividend Tax	—	—	—	—	—	—	784,150	627,320
Per financial statements	23,397,608	15,900,803	1,381,172	765,114	27,400,233	20,060,710	23,325,116	16,560,903

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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)
ALSTOM Enterprise S.A (Holding Company of the Parent)

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

Related party relationships where transactions have taken place during the year

ALSTOM (Switzerland) Limited, ALSTOM Belgium SA - Charleroi, ALSTOM China, ALSTOM Holdings, ALSTOM Hydro R&D India Ltd, ALSTOM Industrial Products Ltd., ALSTOM Portugal SA, ALSTOM Power Boiler Services Ltd., ALSTOM Power Centrales, France, ALSTOM Power France , ALSTOM Power Hydraulique , ALSTOM Power Inc USA, ALSTOM Power Inc, Windsor, ALSTOM Power Limited , Switzerland, ALSTOM Power Limited UK, ALSTOM Power Ltd. Australia, ALSTOM Power Romania Srl, ALSTOM Power Service GMBH, ALSTOM Power Service, France, ALSTOM Power Services Poland, ALSTOM Power Sweden AB, ALSTOM Power Sweden Ltd, ALSTOM Power Turbomachines, ALSTOM Power UK , ALSTOM USA, Energy Recovery Systems USA, Heat Recovery & Plant, USA, NTPC ALSTOM Power Sevices Pvt. Ltd., Power Control Systems, TMG Switzerland TGN, ALSTOM (China) Investment Co. Ltd., ALSTOM Hydro (Switzerland) Ltd , ALSTOM Hydro Energia Brasil Ltda, ALSTOM Hydro France , ALSTOM Hydro Spain S.L. , ALSTOM Hydro Sweden AB , ALSTOM Indonesia, ALSTOM Italy-Spa, ALSTOM ITC Switzerland, ALSTOM Philipines, ALSTOM Power Boiler GMBH Stuttgart, ALSTOM Power Bulgaria, ALSTOM Power Energy Recovery GMBH, ALSTOM Power Energy System - Indonesia, ALSTOM Power Generation AG PTP, ALSTOM Power Hydro, Grenoble France , ALSTOM Power Inc.Chattanooga, ALSTOM Power Italia Spa, Italy, ALSTOM Power Limited , London, ALSTOM Power S.R.O., Czech Republic, ALSTOM Power SA, France, ALSTOM Power Service Arabia, ALSTOM Power Services GMBH, ALSTOM Power Sp Z.O.O PTP Elblag, ALSTOM Power Sp. Poland, ALSTOM Switzerland Ltd PTP Plant & Control, ALSTOM Switzerland Ltd. EBN-HRSG, ALSTOM Transport - Metro Unit - France, ALSTOM Transport Meduon, ALSTOM Transport Saint Ouen, ALSTOM Transport SA - Villeurbane, ALSTOM Transport Spa - Bologna, ALSTOM Transport Spte Ltd - Singapore, ALSTOM Transport SA - Tarbes, ALSTOM UK, ALSTOM Venkraft AS, Brazil, Comelex , Environmental Control Systems,Norway, HQ Transport Omegat Fr, IS Rochester USA, ITC - France, ITC - Germany, ITC Central Management, PSP Sweden, Russia, TMG Mannheim TSN, TMG Rugby TSR,

6.1.3 Key managerial personnel (KMP)

Mr. Emmanuel Colombier – Executive Director
Mr. S.M. Momaya – Executive Director
Ms. Naina R. Desai – Whole time Director (Upto October 31, 2008)

6.2 Transactions with Related parties*

(Rupees thousands)

Particulars	2008-09				2007-08			
	Subsidiaries	Fellow subsidiaries	Parties where control exists	KMP Management Personnel	Subsidiaries	Fellow subsidiaries	Parties where control exists	Key Management Personnel
Sale of Products								
ALSTOM Bergeron	—	—	—	—	—	6,870	—	—
ALSTOM Switzerland Ltd PTP Plant&Control	—	1,551,388	—	—	—	—	—	—
NTPC ALSTOM Power Sevices Pvt. Ltd.	—	135,289	—	—	—	631,828	—	—
ALSTOM Hydro (Switzerland) Ltd	—	—	—	—	—	11,855	—	—
ALSTOM Hydro Spain S.L.	—	86,662	—	—	—	13,601	—	—
ALSTOM Power Centrales, France	—	156	—	—	—	119,715	—	—
PT ALSTOM Power Energy System - Indonesia	—	—	—	—	—	43,040	—	—
ALSTOM Hydro France	—	23,206	—	—	—	141,326	—	—
ALSTOM Power Hydro, Grenoble France	—	746	—	—	—	82,937	—	—
ALSTOM (Switzerland) Ltd.	—	52,511	—	—	—	93,726	—	—
ALSTOM Limited	—	—	—	—	—	289,282	—	—
ALSTOM Power Sp.z o.o.	—	—	—	—	—	64,825	—	—
ALSTOM Transport SA	—	—	—	—	—	4,301	—	—
ALSTOM Power Inc.	—	—	—	—	—	10,404	—	—
Others	—	461,630	—	—	—	2,585	—	—
Commission Income								
ALSTOM (Switzerland) Limited	—	34,633	—	—	—	29,942	—	—
Purchase of Raw Material Component								
Capital Goods & Other Services								
ALSTOM Power Inc.	—	—	—	—	—	203,319	—	—
AIR Preheater Company	—	—	—	—	—	3,623	—	—
ALSTOM (Switzerland) Ltd.	—	498,799	—	—	—	82,078	—	—
ALSTOM Power Services Poland	—	192,733	—	—	—	—	—	—
ALSTOM Belgium SA - Charleroi	—	—	—	—	—	14,972	—	—
ALSTOM Power Energy System - Indonesia	—	639,788	—	—	—	182,096	—	—
ALSTOM Power Service	—	—	—	—	—	140,236	—	—
ALSTOM Power Romania SRL	—	—	—	—	—	46,548	—	—
ALSTOM Power Sp.z o.o.	—	—	—	—	—	94,450	—	—
ALSTOM Power Sweden Ltd	—	14,051	—	—	—	59,498	—	—

6.2 Transactions with Related parties*

(Rupees thousands)

Particulars	2008-09				2007-08			
	Subsidiaries	Fellow subsidiaries	Parties where control exists	KMP Management Personnel	Subsidiaries	Fellow subsidiaries	Parties where control exists	Key Management Personnel
ALSTOM Ltd	—	—	—	—	—	218,394	—	—
ALSTOM Transport SA - France	—	—	—	—	—	4,852	—	—
ALSTOM Industrial Products Ltd.	—	25	—	—	—	7,538	—	—
Energy Recovery Systems US	—	43,781	—	—	—	135,429	—	—
Others	—	198,324	—	—	—	3,856	—	—
Sale of Other Services								
ALSTOM (Switzerland) Ltd.	—	347,231	—	—	—	314,723	—	—
ALSTOM Norway AS	—	—	—	—	—	23,907	—	—
ALSTOM Belgium SA - Charleroi	—	—	—	—	—	6,652	—	—
ALSTOM Hydro (Switzerland) Ltd	—	18,288	—	—	—	5,623	—	—
ALSTOM Hydro France	—	—	—	—	—	50,697	—	—
ALSTOM Information Tech. Centre SAS	—	—	—	—	—	6,061	—	—
ALSTOM Ltd	—	—	—	—	—	36,642	—	—
ALSTOM Power Centrales	—	—	—	—	—	190,687	—	—
ALSTOM Power Centrales, France	—	203,678	—	—	—	—	—	—
ALSTOM Power Generation AG	—	—	—	—	—	46,281	—	—
ALSTOM Power Inc.	—	—	—	—	—	64,190	—	—
ALSTOM Power Italia Spa, Italy	—	—	—	—	—	18,224	—	—
ALSTOM Power SP Z.O.O PTP ELBLAG	—	17,326	—	—	—	11,148	—	—
ALSTOM Power Sweden AB	—	33,458	—	—	—	10,664	—	—
ALSTOM Power System GmbH	—	—	—	—	—	32,922	—	—
ALSTOM Transport BV	—	—	—	—	—	4,151	—	—
ALSTOM Transport SA	—	—	—	—	—	37,804	—	—
ALSTOM Transport SpA- Bologna	—	—	—	—	—	2,638	—	—
Comelex	—	1,451	—	—	—	4,736	—	—
NTPC ALSTOM Power Services Pvt. Ltd.	—	—	—	—	—	4,532	—	—
Others	—	705,783	—	—	—	15,259	—	—
Purchase of Other Services								
ALSTOM (Switzerland) LTD	—	7,624	—	—	—	57,771	—	—
ALSTOM Holdings	—	6,927	—	—	—	135,655	—	—
ALSTOM Hydro (Switzerland) Ltd	—	—	—	—	—	47,791	—	—
ALSTOM Information Tech. Centre SAS	—	—	—	—	—	24,976	—	—
ALSTOM Ltd	—	—	—	—	—	9,945	—	—
ALSTOM Power Hydro, Grenoble France	—	38,571	—	—	—	—	—	—
ALSTOM Power Inc. USA	—	7,928	—	—	—	6,666	—	—
ALSTOM Power Service	—	—	—	—	—	24,948	—	—
ALSTOM Power Services GMBH	—	29,083	—	—	—	—	—	—
ALSTOM Power Asia Pacific Sdn Bhd, Malaysia	—	19	—	—	—	22	—	—
ITC Central Management	—	37,098	—	—	—	—	—	—
Others	—	38,778	—	—	—	15,617	—	—
Managerial Remuneration								
Mr. Emmanuel Colombier	—	—	—	5,334	—	—	—	3,332
Mr. Frederic Lalanne	—	—	—	—	—	—	—	1,318
Mr. S.M. Momaya	—	—	—	4,877	—	—	—	4,414
Mrs. Naina R. Desai	—	—	—	2,036	—	—	—	2,686
Technical Consultancy Services								
ALSTOM Power Hydro, Grenoble France	—	—	—	—	—	—	—	—
ALSTOM Holdings	—	—	—	—	—	—	—	—
Settlement of Loan by subsidiary								
ALSTOM Power Boilers Services Ltd.	—	—	—	—	34,000	—	—	—
Reimbursement of expenses for shared services								
ALSTOM Power Boilers Services Ltd.	—	—	—	—	1,085	—	—	—
Payment of Royalty								
ALSTOM (Switzerland) Ltd	—	63,539	—	—	—	28,768	—	—
ALSTOM HOLDINGS	—	152,170	—	—	—	—	—	—
Purchase of Fixed Assets								
ALSTOM Power Hydro, Grenoble France	—	19,374	—	—	—	—	—	—
Inter Corporate Deposits - Given								
ALSTOM Hydro R & D India Limited	—	—	—	—	—	20,000	—	—
Interest on Inter Corporate Deposits								
ALSTOM Energy Limited	—	—	—	—	—	8,697	—	—
ALSTOM Hydro R & D India Limited	—	206	—	—	—	478	—	—
Sale of Shares								
ALSTOM India Ltd	—	—	500	—	—	—	—	—

6.3 Balance Outstanding

(Rupees thousands)

Particulars	2008-09				2007-08			
	Subsidiaries	Fellow subsidiaries	Parties where control exists	KMP Management Personnel	Subsidiaries	Fellow subsidiaries	Parties where control exists	Key Management Personnel
Inter - Corporate Deposit given								
ALSTOM Power Boilers Services Limited	—	—	—	—	3,000	—	—	—
ALSTOM Hydro R & D India Limited	—	—	—	—	—	20,000	—	—
As Debtors								
ALSTOM (Switzerland) Ltd.	—	107,299	—	—	—	341,186	—	—
ALSTOM Hydro France	—	23,732	—	—	—	157,609	—	—
ALSTOM Limited	—	—	—	—	—	58,843	—	—
ALSTOM Power Centrales, France	—	63,313	—	—	—	92,195	—	—
ALSTOM Power Generation AG	—	—	—	—	—	4,483	—	—
ALSTOM Power Inc.	—	19,587	—	—	—	8,137	—	—
ALSTOM Power Service	—	—	—	—	—	8,017	—	—

6.3 Balance Outstanding

(Rupees thousands)

Particulars	2008-09				2007-08			
	Subsidiaries	Fellow subsidiaries	Parties where control exists	KMP Management Personnel	Subsidiaries	Fellow subsidiaries	Parties where control exists	Key Management Personnel
ALSTOM Power Sp.z o.o.	—	—	—	—	—	9,971	—	—
ALSTOM Power System GmbH	—	—	—	—	—	7,134	—	—
ALSTOM Switzerland Ltd PTP Plant & Control	—	480,896	—	—	—	—	—	—
ALSTOM Transport SA	—	1,977	—	—	—	10,278	—	—
NTPC ALSTOM Power Sevices Pvt. Ltd.	—	244,444	—	—	—	287,564	—	—
Others	—	300,543	—	—	—	23,974	—	—
Creditors								
ALSTOM (Switzerland) Ltd.	—	43,544	—	—	—	61,022	—	—
ALSTOM Hydro Energia Brasil Ltda	—	—	—	—	—	27,747	—	—
ALSTOM Hydro Equipamentes	—	—	—	—	—	14,541	—	—
ALSTOM Information Tech. Centre SAS	—	—	—	—	—	6,410	—	—
ALSTOM Power Energy System - Indonesia	—	191	—	—	—	68,575	—	—
ALSTOM Power Hydro, Grenoble France	—	33,475	—	—	—	70	—	—
ALSTOM Power Inc.	—	—	—	—	—	32,602	—	—
ALSTOM Power Romania SRL	—	—	—	—	—	24,756	—	—
ALSTOM Power Service	—	—	—	—	—	43,045	—	—
ALSTOM Power Services Poland	—	37,098	—	—	—	—	—	—
ALSTOM Power Sp.z o.o.	—	—	—	—	—	5,715	—	—
ALSTOM Power Asia Pacific Sdn Bhd, Malaysia	—	—	—	—	—	22	—	—
Energy Recovery Systems US	—	—	—	—	—	6,359	—	—
Others	—	57,159	—	—	—	16,938	—	—
Advance Given								
ALSTOM Hydro Energia Brasil Ltda	—	567,041	—	—	—	526,712	—	—
ALSTOM Power Boiler Services Ltd.	—	—	—	—	4,147	—	—	—
ALSTOM Power Hydro, Grenoble France	—	3,216	—	—	—	17,920	—	—
ALSTOM Power Sp.z o.o.	—	—	—	—	—	14,429	—	—
ALSTOM Power Sweden Ltd	—	—	—	—	—	24,706	—	—
Others	—	110,319	—	—	—	5,508	—	—
Advance Receievd								
ALSTOM (Switzerland) Ltd.	—	2,443	—	—	—	212,733	—	—
ALSTOM Hydro France	—	65,913	—	—	—	1,439,701	—	—
ALSTOM Hydro Spain S.L.	—	—	—	—	—	186,963	—	—
ALSTOM Power Hydraulique	—	1,920,857	—	—	—	—	—	—
ALSTOM Power Hydro, Grenoble France	—	364,127	—	—	—	—	—	—
ALSTOM Power Inc.	—	—	—	—	—	4,852	—	—
ALSTOM Power Sp.z o.o.	—	—	—	—	—	35,052	—	—
ALSTOM Power Turbomachines	—	—	—	—	—	9,835	—	—
Others	—	232,551	—	—	—	2,219	—	—
Interest Accrued on Inter Corporate Deposits								
ALSTOM Hydro R & D India Limited	—	—	—	—	—	478	—	—

7. LEASE COMMITMENTS

Operating leases

The Group normally takes vehicles and premises under non cancellable operational leases. Minimum lease payments outstanding as of March 31, 2009 in respect of these assets are as under:

	Total minimum lease payments outstanding as on March 31, 2009	Total minimum lease payments outstanding as on March 31, 2008
Due within one year	255,746	9,294
Due later than one year and not later than five years	1,222,909	16,194
Due later than five years	543,220	—
	2,021,875	25,488

Lease payments of Rs 350,561 thousand (previous year Rs 180,309 thousand) have been recognised as an expense in the profit and loss account for the year ended March 31, 2009.

Office premises and vehicles are taken on operating lease. 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 and all the leases are cancelable in nature.

8. EARNINGS PER SHARE

	2009	2008
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)	1,381,172	765,114
c) Basic and Diluted Earnings (in Rupees) per share	20.61	11.42

ALSTOM Projects India Limited

9. CONSTRUCTION CONTRACTS

	As at March 31, 2009	As at March 31, 2008
a. Contract revenue recognised as revenue for the year ended March 31, 2009	21,792,056	14,213,232
b. Aggregate amount of contract costs incurred and recognised profits (less recognised losses) upto March 31, 2009 for all the contracts in progress *	53,485,403	39,414,013
c. The amount of customer advances outstanding for contracts in progress as at March 31, 2009	7,600,557	5,585,850
d. The amount of retention due from customers for contracts in progress as at March 31, 2009	2,481,166	2,105,839

* During the previous year, additional cost of Rs. 642,013 thousand was accounted for by the Group consequent to revision of estimate of cost to complete two specific projects.

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)

	2008-09	2007-08	2006-07
Current service cost	21,507	14,323	10,716
Interest cost on benefit obligation	15,201	16,748	11,705
Expected return on plan assets	(16,272)	(12,194)	(4,890)
Net actuarial(gain) / loss recognised in the year	17,619	1,598	24,191
Past service cost	—	—	—
Net benefit expense	38,055	20,475	41,722
Actual return on plan assets	17,038	20,049	5,379

Balance sheet

Details of Provision for gratuity

	2008-09	2007-08	2006-07
Defined benefit obligation	265,387	223,300	194,662
Fair value of plan assets	(267,858)	(212,175)	(191,799)
	2,471	(11,125)	(2,863)
Less: Unrecognised past service cost	—	—	—
Plan asset / (liability)	2,471	(11,125)	(2,863)

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

	2008-09	2007-08	2006-07
Opening defined benefit obligation	223,300	194,662	163,135
Interest cost	15,201	16,748	11,705
Current service cost	21,511	14,323	106,712
Benefits paid	(13,617)	(11,886)	(14,963)
Actuarial (gains) / losses on obligation	18,623	9,453	24,442
Closing defined benefit obligation	265,018	223,300	291,031

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

	2008-09	2007-08	2006-07
Opening fair value of plan assets	212,175	191,799	60,133
Expected return	16,272	12,194	4,890
Contributions by employer	51,651	12,213	141,861
Benefits paid	(13,006)	(11,886)	(15,574)
Actuarial gains / (losses)	766	7,855	489
Closing fair value of plan assets	267,858	212,175	191,799

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

ALSTOM Projects India Limited

	Gratuity		
	2008-09	2007-08	2006-07
	%	%	%
Investments with insurer	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 Group's plans are shown below:

	2008-09	2007-08	2006-07
	%	%	%
Discount rate	7	9	7.5
Expected rate of return on assets	9	9	9
Employee turnover	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.

	(Rupees thousands)	
	For the year ended March 31, 2009	For the year ended March 31, 2008
Employer's Contribution to Provident Fund including Family Pension Fund*	80,416	60,222

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

Notes :

- Information relating to experience adjustment in the actual valuation of gratuity as required by Para 120(n)(ii) of the Accounting Standard 15 (revised) on Employee Benefits is not available with the Group.
- Previous year being the first year of application of Accounting Standard 15 (revised), the information in relation to the actuarial valuation of gratuity for previous four annual periods as required by Para 120(n)(i) except for last two immediately two preceding periods, is not provided.
- The Group'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 (Revised) on Employee Benefits are not disclosed.
- Pending the issuance of the Guidance Note from the Actuarial Society of India, the Group'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 (revised) have been furnished.

11. OPERATIONAL OUTLOOK OF SUBSIDIARY

As at March 31, 2009, APBSL, the Company's subsidiary, has accumulated losses of Rs 9,180 thousand, which have completely eroded its paid up equity capital of Rs 3,400 thousand. However, during the financial year ended March 31, 2009 the subsidiary had a total income of Rs 80,773 thousands (Previous year Rs 94,949 thousands) along with Profit after Tax of Rs. 37,922 thousands (Previous year Rs 32,037 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.

ALSTOM Projects India Limited

12. PROVISION FOR BAD AND DOUBTFUL DEBTS

A BAD DEBTS WRITTEN OFF

	(Rupees thousands)	
	For the year ended March 31, 2009	For the year ended March 31, 2008
Bad debts and advances written off during the year	105,436	14,369
Less: adjusted against provision for Doubtful debts & advances	102,895	14,369
	<u>2,541</u>	<u>Nil</u>

B PROVISION FOR DOUBTFUL DEBTS AND ADVANCES, NET

	For the year ended March 31, 2009	For the year ended March 31, 2008
Opening Balance for provision for doubtful debts and advances	249,713	213,371
Add: Provision created during the year	128,173	50,711
Less: Adjusted against bad debts and advances written off	102,895	14,369
Less: Write back of provision for doubtful debts and advances	13,056	-
Closing Balance	<u>261,935</u>	<u>249,713</u>

13. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

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	91,002	67.39	40,610	63.19	Hedge of receivable/expected future sales
SELL	USD	71,719	50.64	126,399	39.96	Hedge of receivable/expected future sales
PURCHASE	CHF	55	44.48	322	40.15	Hedge of payable/expected future purchases
PURCHASE	EURO	36,113	67.39	11,651	63.19	Hedge of payable/expected future purchases
PURCHASE	GBP	2	72.40	36	79.40	Hedge of payable/expected future purchases
PURCHASE	AUD	73	35.07	-	-	Hedge of payable/expected future purchases
PURCHASE	JPY	326,740	0.51	2,425	0.40	Hedge of payable/expected future purchases
PURCHASE	SEK	3,659	6.16	6,761	6.72	Hedge of payable/expected future purchases
PURCHASE	USD	16,877	50.64	26,000	39.96	Hedge of payable/expected future purchases

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

Particulars	For the year ended March 31, 2009	For the year ended March 31, 2008
Import Creditors	134,370	17,717
Export Debtors	278,875	20,455

14. a. Current year tax is after adjusting credit of Rs 32,037 thousand (previous year Rs 2,333 thousand) related to earlier years.
- b. Total outstanding dues to creditors other than micro and small enterprises include acceptances Rs 1,061,106 thousand (previous year Rs 386,506 thousand).

ALSTOM Projects India Limited

15. 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 yearended March 31, 2009	For the yearended March 31, 2008
i)	The principal amount and the interest due thereon remaining unpaid to any supplier		
	- Principal amount	25,175	21,306
	- 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

Names of Small Scale Industrial Undertakings to whom the Group owes any sum which is outstanding for more than 45 days as at March 31, 2009.

Gayatri Electricals, Arc Weld Engineers, Kwality Precision Gauges, Supremex Equipments, Gayatri Electricals, Permali Wallace Ltd., Dee Development Engineers Pvt. Ltd., General Electric Auto Corporation, H.V.Enterprises, Servel Udyog, Amara Raja Batteries, Delton Cables Limited, Emerson Network Power (I) Pvt. Ltd., H.M.Traders, Hbl Life Power System Ltd., J.M.Baxi & Co., Jyoti Controls & Switchgear, Mcml Systems, Pyrotech Electronics, Countrywide Travels, Sri Sai Enterprises, Watchwell Securities , S.K.Contractors, Computer Clinic India Pvt. Ltd., Tvs Net Technologies Ltd., Canon India Pvt. Ltd., Alcon Contractors & Builders, Pioneer Plastic Industries Ltd., Manifold E-Connect, Ma Durga Industries, S K Engineering, Metal Weavers, Das Industries, Eip Bulk Controls Pvt Ltd, Ispat, Vaas Industries Private Limited, S.S.Engineering Works, Dtl Ancillaries , Cenlube Industries Ltd., Punjab Hammers Pvt. Ltd., Bhupendra Steels Pvt. Ltd., Encon Enterprises Pvt. Ltd., Gauthama Engg. Industries, Syed Engg. Works, Aki Industrial Engg.Pvt. Ltd., Sudha Engg. Works, G M K Steels Pvt. Ltd., Hi-Rel Electronics Ltd., Navkar Fittings And Forgings Pvt. Ltd., Statcon Power Controls Ltd., Sertel Electronics (Pvt.) Limited, Signum Fire India (P) Ltd.,

16. Prior year comparatives

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

Signatures to Schedule 1 to 19

As per our report of even date

For S.R. Batliboi & Co.
Chartered Accountants

per Raj Agrawal
Partner
Membership No.: 82028

Place : Noida
Date : April 29, 2009

For and on behalf of the Board of Directors

Sunand Sharma	Chairman
Emmanuel Colombier	Vice Chairman & Managing Director
S.M. Momaya	Whole-time Director & Chief Financial Officer
Pedro Sole	Director
Dominique Poliquen	Director
A.K. Thiagarajan	Director
K. Vasudevan	Director
Dr. Uddesh Kohli	Director
Sekhar Bhattacharjee	Company Secretary

ALSTOM Projects India Limited

Information related to the subsidiary companies consolidated for the year ended March 31, 2009

(Rupees thousands)

	ALSTOM Power Boilers Services Limited
Capital	3,400
Reserves	(9,180)
Total Assets	52,191
Total Liabilities	57,971
Details of Investment (except in case of investment subsidiaries)	—
Turnover	80,773
Profit before taxation	56,181
Provision for taxation	19,902
Profit after taxation	36,279
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	March 31, 2009
(B) Holding Company's interest	
Equity shares of Rs. 100 each	
Number of shares fully paid up	34,000
Extent of holding	100 %
(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	
(i) for the financial year of the subsidiary	Rs. 36,279 thousand
(ii) for the previous financial years of the subsidiary	Rs. (45,459) thousand
b) Dealt with in the accounts of the Holding Company	
(i) for the financial year of the subsidiary	NIL
(ii) for the previous financial years of the subsidiary	NIL

For and on behalf of the Board of Directors.

Emmanuel Colombier
Vice Chairman & Managing Director

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

Place : Noida
Date : April 29, 2009



Utran site at Surat, Gujarat



Biggest Francis Turbine Runner ever manufactured in India at Alstom Hydro Vadodara Workshop



Waterwall Panel Welder with 6 Torch Configuration at Durgapur Workshop



Auxiliary Block at Coimbatore Site



Training Program for employees on Environment, Health and Safety (EHS)



Registered Office :
ALSTOM Projects India Limited
"The International", 5th Floor,
16, Marine Lines Cross Road, No.1,
Off Maharshi Karve Road,
Churchgate,
Mumbai - 400 020, (India)

www.in.alstom.com