

ANNUAL REPORT
ALSTOM T&D India Limited
2011-12



We are shaping the future

ALSTOM

KEY EVENTS 2011-12



Mr. Sushil Kr. Shinde, Hon'ble Minister of Power, Govt. of India visited ALSTOM T&D India's pavilion at Gridtech 2011



Mr. R N Nayak, CMD, Power Grid at the ALSTOM Grid Technical Days Conference



Mr. Gregoire Poux-Guillaume, President - ALSTOM Grid, being felicitated as Brand Ambassador of Elecrama 2012 by Mr. Sushil Kr. Shinde, Hon'ble Minister of Power, Govt. of India



ALSTOM T&D India flags-off India's first 1200 kV Capacitive Voltage Transformer at a ceremony in Hosur, Tamilnadu



Mr. Arvind Singh, CMD of MSETCL inaugurates ALSTOM T&D India's Automation Day in Mumbai



ALSTOM T&D India Limited has been at the forefront of leading-edge technology at every level, serving key infrastructure markets essential to economic, social and environmental

development of India. With over 100 years of presence and a strong portfolio of products, solutions, automation and services comprising the entire range of transmission equipment up to Extra and Ultra High Voltages (765 kV and above) including power transformers, instrument transformers, switchgears, disconnectors, and gas insulated switchgears (GIS), ALSTOM is contributing to build the transmission infrastructure in the country.

It also provides power electronics solutions (HVDC, FACTS) to create super highways and offers highly advanced power management Smart Grid solutions for transmission and distribution including renewable energy integration. ALSTOM T&D India, is a market leader in the Indian power transmission sector. With 3,597 employees and eight world class manufacturing units, it is future ready to support the rapidly evolving energy sector in India.



Mr. Gregoire Poux-Guillaume, President - ALSTOM Grid, inaugurates ALSTOM Grid's pavilion at Elecrama 2012 in Mumbai

TABLE OF CONTENTS

CORPORATE INFORMATION	02
ALSTOM GROUP	04
ALSTOM GRID	06
ALSTOM T&D INDIA LIMITED	08
OUR PORTFOLIO	10
FINANCIAL HIGHLIGHTS	12
DIRECTORS' REPORT	13
MANAGEMENT DISCUSSION AND ANALYSIS REPORT	32
CORPORATE GOVERNANCE REPORT	36
AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE REPORT	49
AUDITORS' REPORT	50
FINANCIAL STATEMENTS	54

BOARD OF DIRECTORS

T.S. Vishwanath, Chairman¹
Rathindra Nath Basu, Managing Director
Michel Augonnet
Pierre Laporte
Michel Serra¹
Chandan Roy²
Ravi Kumar Krishnamurthy (Alternate Director)³
Dr. Ajay Dua⁴
Karim Vissandjee⁴
C.M.A.Nayar⁵
Anil Chaudhry⁶
Vinod Kumar Dhall⁶
Alexandre Tagger⁶
Arvind Pachauri (Alternate Director)⁷

¹ w.e.f. 04.02.2011. ² w.e.f. 06.08.2011. ³ Appointed as an Alternate Director to Mr. Pierre Laporte on 06.08.2011 and due to Mr. Laporte's presence in India at various times, Mr. Krishnamurthy ceased to be an Alternate Director for short spells of time and was intermittently re-appointed as an alternate Director to Mr. Pierre Laporte from time to time. ⁴ upto 04.02.2011. ⁵ upto 25.02.2011. ⁶ from 04.02.2011 to 12.12.2011. ⁷ Appointed as Alternate Director to Mr. Pierre Laporte on 04.02.2011 and ceased to be Alternate Director on 06.08.2011.

COMPANY SECRETARY

Manoj Prasad Singh

AUDITORS

M/s Price Waterhouse
Chartered Accountants

COST AUDITORS

M/s Shome & Banerjee
Cost Accountants

BANKERS

BNP Paribas CIB
Citibank N.A.
Credit Agricole CIB
HDFC Bank Limited
HSBC
ICICI Bank Limited
IDBI Bank Limited
Standard Chartered Bank
State Bank of India

COMMITTEES OF DIRECTORS

Audit Committee

T.S. Vishwanath, Chairman¹
Pierre Laporte
Chandan Roy²
Dr. Ajay Dua, Chairman³
Karim Vissandjee³
C.M.A.Nayar⁴
Vinod Kumar Dhall⁵

¹ w.e.f. 04.02.2011

² w.e.f. 06.08.2011

³ upto 04.02.2011

⁴ upto 25.02.2011

⁵ from 04.02.2011 to 12.12.2011

Share Transfer and Shareholders / Investors Grievance Committee

T.S. Vishwanath, Chairman¹
Rathindra Nath Basu
Chandan Roy²
Dr. Ajay Dua, Chairman³
Karim Vissandjee³
Vinod Kumar Dhall⁴

¹ w.e.f. 04.02.2011

² w.e.f. 06.08.2011

³ upto 04.02.2011

⁴ from 04.02.2011 to 12.12.2011

REGISTERED OFFICE

E-48/7, Okhla Industrial Area,
Phase II, New Delhi - 110 020.
Tel. No. 91 11 47629100
Fax No. 91 11 47629129/30

WEBSITE

www.alstom.com/india

REGISTRARS & SHARE TRANSFER AGENTS

C B Management Services (P) Limited
P-22, Bondel Road, Kolkata - 700 019
Tel. No. 91 33 40116700 (100 lines)
Fax No. 91 33 40116739
Email: rta@cbmsl.com

BOARD OF DIRECTORS



From left to right:

Michel Serra
Director

Chandan Roy
Director

Rathindra Nath Basu
Managing Director

T.S. Vishwanath
Chairman

Pierre Laporte
Director

Michel Augonnet
Director



ALSTOM GROUP

With its **ENVIRONMENT FRIENDLY** and innovative technologies, Alstom is a global leader in Power Generation, Power Transmission and Rail Transport

ALSTOM GROUP

Alstom is a global leader in the world of power generation, power transmission and rail infrastructure and sets the benchmark for innovative and environmentally friendly technologies. Alstom builds the fastest train and the highest capacity automated metro in the world, provides turnkey integrated power plant solutions and associated services for a wide variety of energy sources, including hydro, nuclear, gas, coal and wind, and it offers a wide range of solutions for power transmission, with a focus on smart grids. The Group employs 92,000 people in around 100 countries. It had sales of €20 billion and booked close to €22 billion in orders in 2011-12.

The Group employs 92,000 people in around 100 countries.

Sales of €20 billion and booked €22 billion in orders in 2011-12.



Thermal

Nearly half of the world's energy comes from power plants running on fossil fuels, with more still to be built. Alstom is the number 1 turnkey contractor for fossil fuel power plants worldwide.

Through leading-edge research into cleaner technologies, we design new-generation fossil fuel power plants and retrofit existing ones to run cleanly and efficiently.



Renewable

Alstom understands that renewable energy sources are an essential element of global power strategies for the 21st century, while renewables cannot meet all of our electricity needs in this century. There is clear potential for dynamic growth from today's usage levels. Incorporating renewable energy not only supports the power industry's environmental goals, but also addresses national needs for energy security and independence. Alstom is committed to providing a flexible portfolio of reliable, competitive technologies to capture the energy of the earth, wind, water and sun.



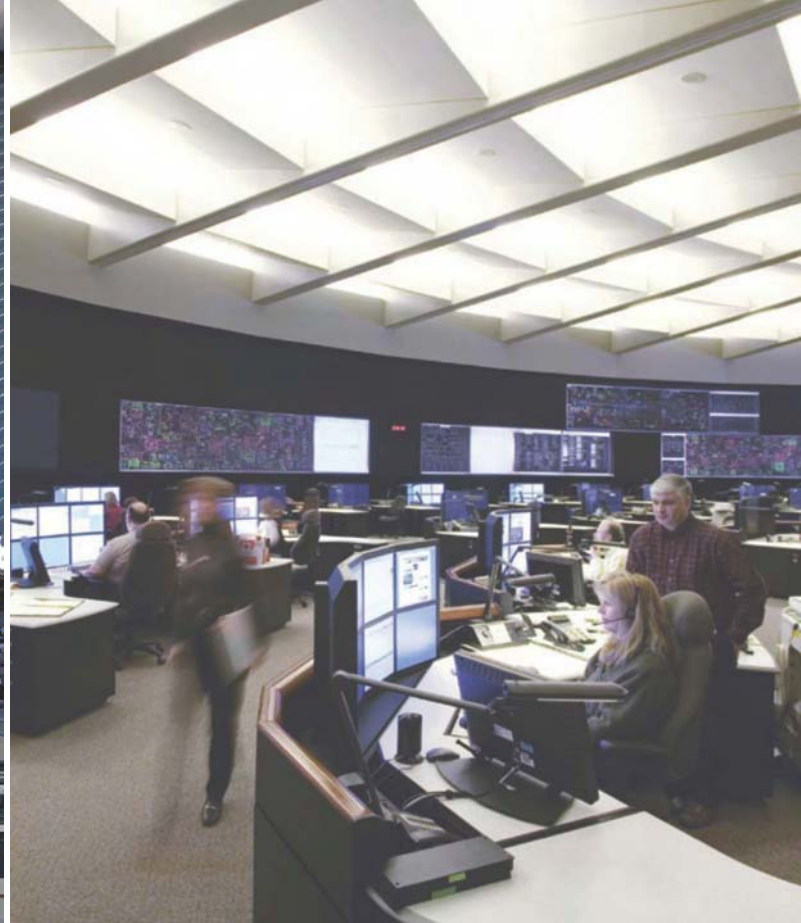
Grid

Alstom Grid is one of the power transmission market's top three players. Alstom Grid offers critical high and very high voltage technologies and smart grid solutions. Grid is the world's number one supplier of gas-insulated substations (GIS), high voltage direct current (HVDC) transmission, and other key products and technologies.



Transport

Versatile rail specialist - Alstom Transport is one of the world's leading suppliers of rail equipment and services, with the broad offering on the market. A specialist in sustainable mobility, Alstom Transport leads the world in construction of high and very high-speed trains, ranking second in urban transport and regional trains.



Alstom Grid

Globally with over **130 YEARS** of experience Alstom Grid is well positioned to meet energy challenges of today and tomorrow, providing the most advanced electrical grid solutions to meet world's electricity demand

ALSTOM GRID

Alstom Grid has been supplying electrical equipment and solutions to its customers around the world for more than 130 years and has played a key role in the development of the electrical transmission and distribution grids. The Grid Sector designs and manufactures equipment and provides engineered solutions to manage powergrids and transmit electricity from the power plant to the large end user, be it a transmission or distribution utility, an industrial process or production facility or an infrastructure. Based on its technical expertise and global experience, Alstom Grid is continually innovating to deliver solutions that help its utility customers operate power grids more reliably, securely and in an environmentally-friendly manner. It also provides turnkey power supplies for industrial customers around the world. All of these solutions are designed to maximise energy efficiency while reducing greenhouse emissions.

Alstom Grid's customers range from large utilities and transmission system operators (TSO) to local power authorities and distribution system operators (DSO) while also serving a large array of specialised industries and infrastructures. The power generation market has greatly diversified recently with the introduction of renewable energy suppliers such as solar, wind or biomass. In addition, large and small industries and infrastructures have very specific energy requirements for their individual infrastructure or manufacturing plants. Alstom Grid has a wide range of solutions for segments including oil and gas, mines and metal, rail, municipalities, infrastructures, as well as for the power generation market itself. Alstom Grid's customers rely on its local service centres to maintain and renew their installed base, whether the equipment is provided by Alstom or by a third party.

Alstom Grid is one of the world's leading electrical transmission specialists

Annual sales turnover of more than €4 billion

20,000 employees

10 product lines, 90 manufacturing and engineering sites worldwide, 52 service centres in 33 countries

ALSTOM T&D INDIA LIMITED

(Formerly AREVA T&D India Limited)





ALSTOM T&D India is helping its customers to create super highways for bulk power transmission solutions like HVDC, SVC, FACTS and offers highly advanced power management solutions like Smart Grid for transmission and distribution including renewables.

ALSTOM T&D India, is a market leader in the Indian power transmission sector. It has over 100 years of expertise in building the transmission infrastructure for the country. With a strong portfolio of products and solutions, comprising the entire range of transmission equipment up to Extra and Ultra High Voltage (765 kV and beyond) levels including power transformers and Gas Insulated Switchgear (GIS), ALSTOM T&D India is future ready to support the rapidly evolving transmission sector in India. Our dedicated team of 3,597 professionals contribute to build our reputation as the leading reference in grid performance by offering our expertise and local specialised know-how for the benefit of our customers.

Utilities



Solutions ranging from 66 kV to 1200 kV for both AC and DC network

Power Generation



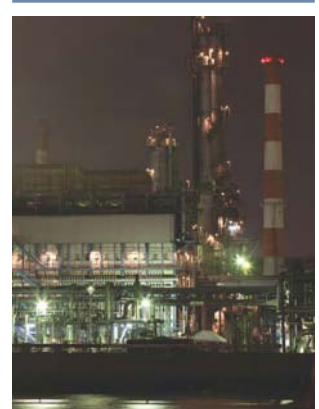
Expertise in eBOP projects for Power Plants

Industry & infrastructure



Solutions for Steel and Aluminum Industry

Oil & Gas



Electrical Automation Solutions for Refineries

OUR PORTFOLIO

“Ultra-High Voltage manufacturing capability up to 1200 kV”



ALSTOM T&D India offers fully localised world class products, services and integrated energy management solutions across the full value chain - from power generation, through transmission and distribution grids to the large end user.

PRODUCTS

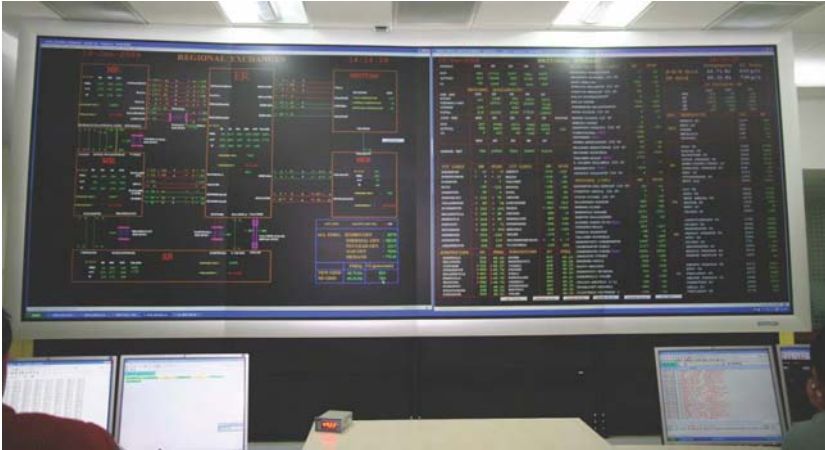
ALSTOM T&D India designs and manufactures a comprehensive range of electrical equipment for the high voltage and ultra high voltage electricity transmission. ALSTOM T&D India manufactures highly advanced equipments ranging from 66 kV to 765 kV and above including air-insulated circuit breakers (live-tank and dead-tank), disconnectors, power transformers and instrument transformers (including non conventional instrument transformers). The Company also manufactures gas-insulated

substations (GIS) and gas-insulated lines (GIL) up to 400 kV.

SOLUTIONS

ALSTOM T&D India is an expert in engineering and project management for large turnkey transmission projects and power supplies for electro-intensive industries and infrastructure. As a world leader in HVAC and HVDC engineered energy solutions, ALSTOM T&D India helps transmit large quantities of electricity, up to 1200 kV, over very long distances, reliably and efficiently. Modern HVDC can transmit up to five times more power than HVAC, while FACTS (flexible alternating-current transmission systems) allow higher and more stable power flows on alternating current grids. ALSTOM T&D India is also a leading provider of power supply systems for industry and infrastructure.





"70% of India's electricity flow is managed by ALSTOM T&D India's Automation Solutions"

AUTOMATION

Substation Automation Solution

ALSTOM T&D India's substation automation system ensures grid stability to protect and control substations up to 1200 kV. ALSTOM T&D India's state of the art manufacturing unit at Pallavaram, offers the complete range of Protection Relays from the legacy electromagnetic range: HA, DISC, STATIC, HA MiDOS to the MiCOM Agile and top end MiCOM P40 range. Digital control system like DS Agile provides fully scalable integrated solutions for protection, automation and control systems. ALSTOM T&D India also provides training, commissioning and refurbishment support.

Network Management Solutions

Today's utilities are facing new challenges, such as integration of

renewable and distributed generation and smart grid technologies. As the world's leading supplier of network management solutions, ALSTOM T&D India's NMS serves over 70% of the deregulated energy markets. ALSTOM T&D India's smart grid offer provides utilities with mission-critical energy management technologies supporting global energy infrastructures. ALSTOM T&D India is leading the way in offering an integrated energy management solution for efficiency and control while ensuring highest level of grid security and stability.

SERVICE

ALSTOM T&D India offers prompt service support for high voltage products and services to optimise our customer's electrical infrastructure, increase return on investment and support the lifecycle of our customer's assets. Making the most of our global transmission expertise, ALSTOM T&D India's service specialists provide customised transmission services to fit the customer's needs, from network planning to asset maintenance, long term operations and maintenance partnership. Our team of engineers provide emergency support, predictive maintenances, training and customised competence management program. ALSTOM T&D India's service units are managed by strict quality management systems and fulfill the requirements of ISO 9001, environmental standard ISO 14001, and OHSAS 18001.

"ALSTOM T&D India's Service team is available round the clock through a 24x7 contact centre"



ALSTOM T&D INDIA LIMITED

8 manufacturing units

14 sales offices across India

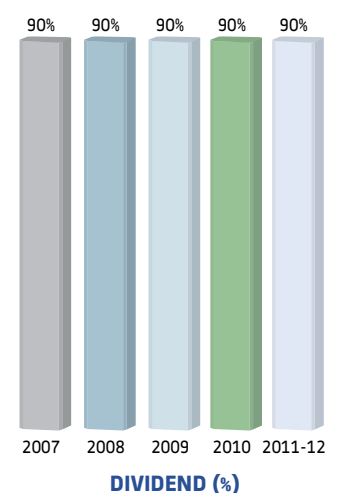
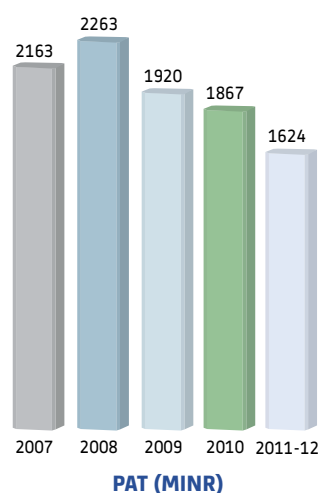
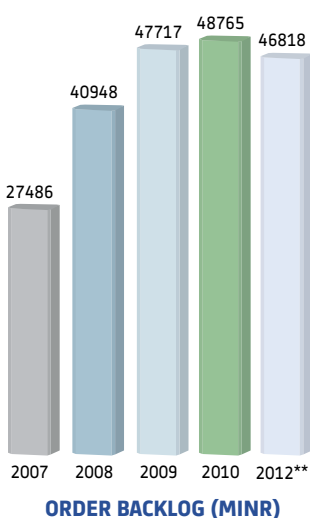
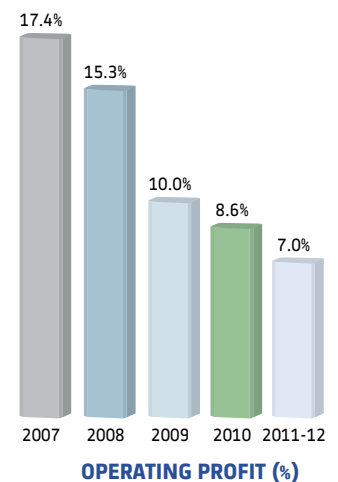
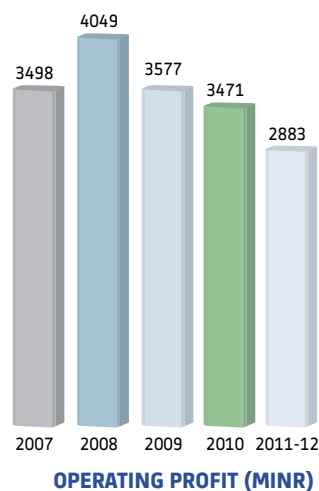
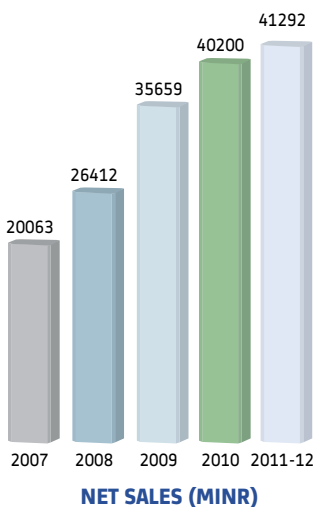
3597 employees

41292 MINR Sales for 2011-12

Market leader since 2008

FINANCIAL HIGHLIGHTS*

2011-12



* 2011-12 figures are for 15 months period and are not comparable because of scheme of arrangement for demerger of Company's distribution business effectuated in accordance with law from April 1, 2011.

** represents current scope after demerger.

DIRECTORS' REPORT

Your Directors take pleasure in presenting the Fifty-sixth Annual Report and Audited Accounts of the Company for the fifteen months period ended March 31, 2012.

The Performance of the Company (hereinafter also referred to as the 'Company' or 'ALSTOM T&D India') for the period under report is not comparable with the previous year for the reasons of change in the financial year resulting in a fifteen months reporting period and the Scheme of arrangement for Demerger of Company's 'Distribution Business' having been effectuated in accordance with law from April 1, 2011. The financial results of the Company for the period under report thus reflect the pre-demerger business upto March 31, 2011 and thereafter the business relating to products, projects and systems for electricity transmission and the related. The financial results may be viewed accordingly.

FINANCIAL RESULTS

(Rupees Thousands)

Particulars	Period ended March 31, 2012 (15 months period)	Year ended December 31, 2010 (12 months period)
Sales and Services (Net)	41,291,890	40,200,358
Operating Profit before interest	2,882,776	3,471,235
(As percentage of net sales)	7.0%	8.6%
Interest (Net)	652,035	655,011
Operating Profit after Interest	2,230,741	2,816,224
Exceptional Items (Profit on Sale of Property)	145,018	-
Profit Before Tax	2,375,759	2,816,224
Tax Expense	(751,654)	(948,811)
Profit After Tax	1,624,105	1,867,413
Balance brought forward from previous year	6,696,949	5,518,405
Profit available for appropriations	8,321,054	7,385,818
Appropriations		
Proposed Dividend	430,387	430,387
Corporate Dividend Tax	69,820	71,482
General Reserve	165,000	187,000
Balance carried forward	7,655,847	6,696,949

The Company transferred the relevant assets and liabilities of the demerged business and vested unto the transferee Company with an equivalent withdrawal from the reserves of Rs. 2383.32 million, the details whereof are given elsewhere in this report.

DIVIDEND

Your Directors take pleasure in recommending a dividend of 90% (Rs.1.80 per share) for the fifteen months period ended March 31, 2012. This will absorb Rs. 500.21 million (inclusive of tax) based on existing capital.

CHANGE IN NAME

The name of your Company was changed to ALSTOM T&D India Limited from AREVA T&D India Limited, effective January 31, 2012, to reflect its name with that of Promoter group. The change of name of the Company does not change the legal status or constitution of the Company, nor does it affect any rights or obligations of the Company.

CHANGE IN FINANCIAL YEAR

Your Company changed its financial year to April 1 through the following March 31 from the Calendar Year. Accordingly, the current financial year/period is for fifteen months from January 1, 2011 till March 31, 2012.



“Performed well in the market place resulting in achieving the highest ever order backlog”

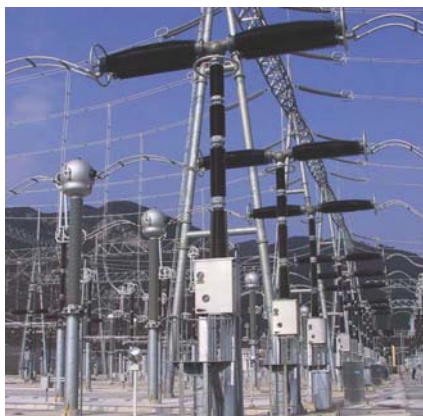
PERFORMANCE REVIEW

MAINTAINED MARKET LEADERSHIP IN A DIFFICULT ENVIRONMENT

The period under report has been historic for the Company on many counts as it completed the carve-out of distribution business, announced the name change of the legal entity and braved many challenges in a tough market environment. Significant effort was put in maintaining continued market leadership of your Company in a very difficult environment.

Most of the Company's customers were grappling with issues related to

infrastructure (delay in land clearance, coal linkages, environmental clearances, etc) resulting in postponement of capital investments. As a result, power generation segment of the market was highly impacted. Notwithstanding the adverse market conditions and demerger process, the Company performed well in the market place resulting in achieving a stronger order backlog, highest ever till date, and continued to maintain its primacy in the market place.



India's first 765 kV substation at NTPC's Sipat Power Plant commissioned by ALSTOM T&D India



India's first indigenous 765 kV Power Transformer built by ALSTOM T&D India for LANCO's Anpara C Power Station

“ALSTOM T&D India products will be installed in 28 out of 40 substations being built at EHV 765 kV level in the country”

LEADERSHIP IN 765 kV EXTRA HIGH VOLTAGE (EHV) PRODUCTS AND SOLUTIONS, STRONG GROWTH IN UTILITY SEGMENT

You might recall that India's Power sector decided to introduce 765 kVAC EHV technology in the electrical grid in the 11th plan. Your Company closely followed this plan and invested in world class manufacturing facilities in Vadodra, Padappai/ Chennai and in Hosur to localise these high technology products. Your Company has won the highest number of EHV 765 kV substations ordered in the country. 28 out of the 40 EHV 765 kV substations ordered till date in India will be equipped with ALSTOM T&D technologies in products and solutions.

Among the notable 765 kV EHV substation orders won from Power Grid are Aurangabad, Aurangabad Extension, Vindhyachal and Bareilly. In the SEBs Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPL) chose your Company for their large 765 kV Substation at Anta.

In the private sector, Sterlite Industries chose your Company to place turnkey orders for their two 765 kV substations at Bhopal and Dhule which they won on BOOT basis.

Similarly Jaypee Group also chose your Company to supply the 765 kV Generator Transformers, Interconnecting Transformers and the Reactors for their 3x660 MW Super Critical Power Project in Uttar Pradesh.

Lanco Group chose your Company to deliver the 765 kV Substation as a turnkey for their power plant at Vidarbha.

Your Company also succeeded in winning several large product orders from Power Grid such as the bulk order for 765 kV Circuit Breakers for EHV substations located at Dharamjaygarh, Jabalpur, Bhiwani, Satna (Extension), Gwalior (Extension) and Rajgarh Pooling (near Kotra). In addition, the Company won multiple orders for 765 kV Transformers and Reactors from Power Grid.

Your Company also secured several orders for 765 kV class products, such as Circuit Breakers, Instrument Transformers and Substation Automation from major Contractors/ Channel Partners for Power Grid's EHV substations at Jabalpur, Nellore, Raigarh, Bina and Piranha.

The Company, thus, is well poised to capture the growth in the 12th plan period when 765 kVAC is expected to become the transmission backbone voltage for India's electrical grid.

The Company also registered significant gains in the Utility segment by winning orders from North Eastern Electric Power Corporation Limited (NEEPCO) for the supply of a switchyard, transformers package for Pare Hydro Electric project 2x55 MW, turnkey 400 kV substation for Chattisgarh State Power Transmission Co. Ltd (CSPTCL).



Mrs. Sheila Dikshit, Hon'ble Chief Minister of Delhi and Mr. Haroon Yusuf, Hon'ble Minister of Power, Govt of Delhi inaugurated 220 kV GIS Substation at AIIMS, New Delhi

“First Company in India to localise GIS upto 400 kV”

“Over 200 GIS bays commissioned in India, largest by any manufacturer”

“Successfully delivered India’s largest eBOP 2x600 MW project at Salaya”

PIONEER IN GAS INSULATED SWITCHGEAR (GIS) AND TURNKEY SUBSTATION

Members may be aware that your Company was the first in India to localise the manufacturing of GIS at their world-class manufacturing plant in Padappai, near Chennai. During the period under report, your Company won a GIS package of 11 bays of 420 kV GIS from BHEL for Rampur Hydro project in Himachal Pradesh which shall be delivered from the Company’s factory at Padappai.

Your Company was selected by MSETCL as the winner for a large 400 kV GIS turnkey project at Hinjewadi. RKM Powergen placed the 400 kV GIS switchgear order for their power plant at Utchipinda in Chattisgarh. BGR Energy chose ALSTOM T&D India to supply the 400 kV Gas Insulated Substation for the 2x660 MW Krishnapatnam power plant. Surana Power, for their 2x210 MW power plant, chose ALSTOM T&D India to supply the 400 kV GIS on a turnkey basis.

We delivered and commissioned the 220 kV GIS turnkey substation at AIIMS Trauma Center, New Delhi for Delhi Transco Limited which was inaugurated by Smt. Sheila Dikshit,

Honourable Chief Minister of Delhi in August, 2011.

In Pune, at Rastapeth, your Company delivered and commissioned a 132 kV turnkey GIS project which was inaugurated by Mr. Ajit Pawar, the Honourable Deputy Chief Minister of the Government of Maharashtra in August, 2011.

TREND SETTER IN E-BOP (ELECTRICAL BALANCE OF PLANT) FOR SUPER CRITICAL PLANTS

ALSTOM T&D India started its e-BoP activity in 2008. Since then, the Company has come a long way by winning several contracts with a leading position in the large as well as super critical segment of the power generation market. It enjoys the confidence of major power generators such as ESSAR, Reliance Power, GMR and Power EPCs such as L&T Power for delivering their turnkey e-BoP solutions.

Your Company, during the period under review, delivered and commissioned India’s largest eBoP project for ESSAR (2 units of 600 MW Super Critical Plants) at Salaya. Your Company also delivered and commissioned 600 MW e-BoP project at Malwa for L&T Power.



Delivered India’s largest eBOP (2x600 MW) for Salaya



“Successfully commissioned 765 kV Substation in a record time of eight months at Bhiwani”

FAST TRACK DELIVERY OF PROJECTS

ALSTOM T&D India is the market leader in delivering turnkey projects for Utilities, Power Generation and Industry/ Infra segments.

During the period under review, your Company delivered and commissioned 36 major substation projects, both AIS and GIS, right up to 765 kV class.

Power Grid’s 765 kV Bhiwani substation was commissioned, within a record time of 8 months, after allocation of land in July 2011. This was an extraordinary achievement for which your Company is thankful to Power Grid for extending their support to your Company.

Your Company was also called upon to deliver a 220 kV substation for Reliance Power for India’s largest Solar power plant of 350 MW at Doorsar, Rajasthan. The project was delivered and commissioned in a

record time of 129 days. We remain thankful to Reliance Power for their strong support to your Company in achieving this feat.

You might recall that your Company was selected by MSETCL, under an EPC programme, to deliver and commission 36 substations over 4 year period. During the period under review we delivered and commissioned 9 substations at various kV class such as 220 kV and 132 kV.

Your Company also plays a major role in building power distribution projects in Industry and Infrastructure. The large power distribution system for Delhi’s new International terminal T3 was earlier delivered and commissioned by your Company. The Company has now delivered and commissioned 132 kV GIS based power distribution package for the new International terminal for Chennai Airport.



“ALSTOM T&D India has delivered Power Distribution Package for 2 new airports out of 4 metros”



Dr. Farooq Abdullah, Hon’ble Minister of MNRE; Mr. Ashok Gehlot, Hon’ble Chief Minister of Rajasthan and Mr. Anil Ambani, Chairman Reliance Infrastructure Limited at the commissioning of India’s largest photovoltaic solar power plant at Doorsar Pokhran, Rajasthan.



“Commissioned 220 kV Sub Station for India’s largest Solar Power Plant”



Mr Yeshey Zima, Hon'ble Deputy Prime Minister of Bhutan inaugurated BPCL's NLDC at Thimphu, Bhutan - commissioned by ALSTOM T&D India



NLDC Bhutan

“Delivered three National Load Dispatch Centres in the SAARC Region (India, Bhutan and Bangladesh)”

AUTOMATION TECHNOLOGIES- MAKING THE ELECTRICAL GRID SMARTER

Network Management Systems (NMS)

Your Company is well recognised for building India's three Regional Load Dispatch centres (North, East and North East), two Data Com Networks (South and East) and the National Load Dispatch Centres. Thanks to strong initiatives taken by Power Grid, over the last decade, India's electrical Transmission Grid is embedded with smart technology. 70% of India's +200 GW power flow is managed by Alstom Grid's automation and control technology.

ALSTOM T&D India also supplied the National Load Dispatch Centre of Bangladesh which manages 100% power flow of Bangladesh's Transmission Grid.

Your Company made further progress, in this leading edge technology domain, by delivering the National Load Dispatch Center (NLDC) for Bhutan which manages 100% of the power flow of Bhutan's Transmission Grid. This NLDC system, located in Thimphu, Bhutan, was inaugurated by the Hon'ble Deputy Prime Minister of Bhutan, Mr Yeshey Zima, in December 2011.

You would be happy to know that your Company is providing 24x7 support for maintaining real-time software and

hardware at 43 Load Dispatch Centres situated in Northern, Eastern and North-Eastern Region of India.

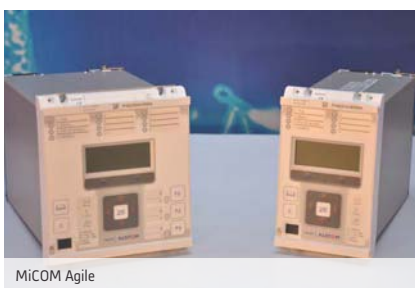
Your Company also bagged contract for providing 24x7 support for National and Backup control Centre at Dhaka, Bangladesh.

Substation Automation Systems (SAS)

During the year under review, your Company had a significant increase of orders in the SAS business. The gains came from almost all segments of the market such as the high end 765 kV EHV, the 400 kV Utility and Power Generation, Industry and Infrastructure and Channel Partners.

Among the leading customers who confirmed their continuous confidence in us are MSETCL, UPPTCL, RRVNPL, GETCO, Reliance Power, L&T, JSL, TECHNO etc. Our focus on power generation segment, led to receiving orders from Reliance Sasan UMPP, RKM, Rajpura Power, DB Power, Bhavnagar Energy and Hinduja National Power. Your Company has also made inroads into clean energy segment by securing orders for windmill through ENERCON, Nepal Hydro and Reliance Doorsar Solar.

These new products provide an integrated feeder management solution for a complete protection, control and monitoring of electrical power systems, serving tomorrow's digital substations.



MiCOM Agile

“ALSTOM T&D India provides 24x7 after sales service”



Preparation for high voltage testing of a 132 kV GIS at project site

SERVICES

The goal of the Service business of your Company is to be distinct in the market place and be the preferred partner for customers in their asset value maximisation by extending product life cycle.

The portfolio of offerings of your Company include all the service support the customer would need for the product, such as technical training, maintenance including long term contracts, repair and overhauling, technical consulting, retrofit and spares.

Apart from the core service activities, Service business increased its portfolio by undertaking brown field projects in the field of Renovation, Modernization and Extension (RME) of substations.

During the period under review the Service business had a significant increase in order intake. Your Company won long term maintenance contract from RRVPNL for the Anta 765 kV substation. One of the major orders booked under RME segment was the Renovation of 220/132 kV Switchyard of NTPC Kanthi Vidyut Utpadan Nigam Limited (KBUNL).

The Company made important capital investments at its Technical Institute

at Padappai to further enhance the 'hands-on' training capability for its customers on Grid products.

Your Company has also made significant progress by offering 24x7 after sales services to its major customers.

The Company's Service division has been carrying out the operations and maintenance of the main receiving substation of Terminal 3 of Indira Gandhi International Airport at Delhi. The substation was built by your Company and the customer also entrusted the operations and maintenance activity to the Company for a period of 5 years. The substation is manned on 24x7 basis and all operations, preventive and corrective maintenances, are managed by a team of skilled and dedicated experts in close coordination with DIAL.

“Technical Institute at Padappai offers training on advanced technology product and solutions”



Mr. R N Nayak, CMD - Power Grid attends the commissioning of Power Grid's 1200 kV UHV National Test Station at Bina

“First Company to test the 1200 kV CVT for Power Grid’s Bina test station”

FUTURE READY WITH NEXT GENERATION TECHNOLOGY PRODUCTS AND SOLUTIONS

1200 kV Ultra High Voltage (UHV)

Your Company is focused in following the national electricity plan in bringing new products and solutions for the ever evolving power transmission needs.

You might recall that Power Grid of India took the initiative in building world’s highest 1200 kV class test substation at Bina. Your Company took the initiative to design, manufacture and type test the 1200 kV CVT, which was flagged off in August 2011 from the Hosur factory in presence of VIP customers. This has been installed in the 1200 kV Bina Substation and has been electrically charged.

The council of Power Utilities awarded your Company with - 'India Power Award 2011' in recognition of our contribution in developing and type testing Ultra High Voltage (1200 kV) CVT.

ALSTOM T&D India has also designed and manufactured the 1200 kV Disconnecter for the 1200 kV Bina Test Station.

Smart Grid Initiatives

Your Company, as you are aware, is the leader in Network Management Systems (NMS) that make the transmission grid smart. In the entire SAARC region, your Company is the leader in this technology domain.

Your Company recently received an order from Maharashtra State Electricity Transmission Co. Ltd. (MSETCL) for a Smart Grid pilot project. As part of this pilot project, Situational Awareness Software (part of E-terra suit), shall be implemented at MSETCL’s Load Dispatch Centre.

The main advantages for MSETCL, once the system is implemented, shall be:

- Mitigation and prevention of black-out or large scale incidents
- detection of instabilities (early warning)
- Assist the dispatcher in decision making including during islanded conditions
- Improve state estimator solution
- Improve security via model-based stability analysis
- Improve reliability via look-ahead analysis
- Capability to provide continuous validation of operation models

Power Grid India has taken initiatives to build a smart city pilot project in Puducherry (Pondicherry). Your Company has accepted an invitation to join Power Grid India to participate with ALSTOM T&D India’s suite of products and software for this prestigious pilot project.

Digital Substations

Your Company bagged its first pilot project in the country for supply of non-conventional instrument transformers and IEC 61850 protocol relays to GETCO. This is a step towards future Digital Substations which will be operational on high technology process bus. This technology will reduce usage of copper control cables running from the switchyard to the control rooms, converting them in to very thin fiber optic cables which would improve the communication speed and the bandwidth resulting in improvement in reliability and efficiency of the substations.

During the ELECRAMA January 2012, India’s largest electrical T&D exhibition, ALSTOM T&D India launched the new MiCOM P40 Agile intelligent Relays, the backbone of next generation in substation protection, and the MiCOM S1 Agile - the universal PC tool suite for the entire MiCOM protection range. This product will redefine standards in feeder and motor protection industry.



10th international exhibition of electrical and industrial electronics industry

ELECHEMA-2012

THE INDIA POWER FACTOR

18-22 JANUARY 2012, BOMBAY EXHIBITION CENTRE, MUMBAI, INDIA

organised by



your link to electricity



“Our Grid India Organization aims to be an expert in our domains, constantly working to improve the Indian electrical grid’s efficiency and quality, be the trendsetters by pioneering new technologies and being opinion leaders in the field.

It will be my principal endeavour to support them to retain this leadership position in India.

Grégoire Poux-Guillaume, President Alstom Grid

Mr. Grégoire Poux-Guillaume, President – Alstom Grid, appointed as Brand Ambassador for Elecrama 2012

“Continued focus on building Customer Intimacy”

BUILDING A STRONG CUSTOMER CONNECT

Customer Intimacy is one of your Company’s strategic priorities to reach its ambition of being the leading reference in Grid Performance. Your Company has focused on building a strong customer engagement rigour through events like “GridNxt” held across all major metros in India as well as in Thimphu, Bhutan, Technical Days - two day seminar focused on emerging technologies in Grid Management, and Automation Day to showcase our Smart Grid technology. These events were an opportunity to position “ALSTOM T&D India” brand and to further strengthen the Company’s commitment to superior customer intimacy.

The Company connected well with customers during these flagship events to strengthen our reach and to build awareness on our contribution to India’s emerging super-highways for efficient transmission flow in the country. The events were well represented by the Company’s key customers and highly appreciated by leading technical experts.

ALSTOM T&D India is a leading reference in transmission business and has been prominently present in various industry forums, seminars and exhibitions. The Company made a

grand presence at the world’s largest electrical Transmission and Distribution (T&D) exhibition - ELECRAMA, held in Mumbai, India, between 18 and 22 January 2012. Mr. Grégoire Poux-Guillaume, President-Alstom Grid, was appointed as global Brand Ambassador for Elecrama 2012. He was felicitated at the ceremony and participated in special events like “CEO Nite”, to debate opportunities in the power industry sector, among key players.

GridTech 2011 was another big industry event where your Company participated to show its manufacturing capability in India and establish itself as a leading solution provider in transmission sector.



Mr. N N Mishra, Director (Operations) NTPC, Mr. Rathin Basu and Mr. S Sen, Director (Thermal) Jaiprakash Power lighting the lamp at GridNxt customer event in Delhi



Mr. N S Sodha, Executive Director, Power Grid attends the Automation Day at Mumbai



Mr. R N Nayak, CMD, Power Grid visits the ALSTOM Grid Technical Days exhibition area for a product demo



Mr. Shyam Bagrodia, Executive Director - ESSAR Projects at the inaugural session of Grid Nxt Customer meet at Mumbai



Mr. Grégoire Poux-Guillaume, President - Alstom Grid joined a panel discussion by IEEMA and Bloomberg UTV

RESEARCH AND DEVELOPMENT

Research and Development (R&D) plays an important part in your Company's leadership strategy. The Company continued to invest in several R&D programmes across the product categories from time to time. ALSTOM T&D India benefits from Global R&D effort of Alstom worldwide. The Company derives the benefit of global value engineering efforts, which among others helps in reduced lead time and is adaptive of specific customer requirement.

Your Company has set up a global R&D centre at Vadodara and Hosur. The centres help in evolving appropriate technology for the market environment.

CORPORATE SOCIAL RESPONSIBILITY (CSR) / SUSTAINABLE DEVELOPMENT

Your Company is committed to providing products and solutions that combine economic development, social progress and respect for the environment. CSR is at the heart of your Company's business imperatives. Leveraging the Alstom Foundation, an Alstom Group's effort, your Company is driving sustainable community development initiatives.

With eight manufacturing units spread across the country, your Company is



able to support local communities through social and cultural projects with participation from employees. Automation Unit at Pallavaram organised training on road and domestic safety for the local community. Plantation initiatives are regular feature at most of Company's facilities and their neighborhoods under Company's Green Initiative for sustainable development.

The Company remains committed to welfare of people in the areas where it operates and is demonstrative of its responsible Corporate citizenry. ALSTOM T&D India organised free eye checking camps. A blood donation drive was conducted at various units through the year. Padappai unit supported the infrastructure development of Salamangalam village public school with donations of computers for all class rooms thereby enabling the learning of 250 school children through e-learning module.





ALSTOM T&D India Team taking an oath to be committed to EHS

COMMITTED TO ENVIRONMENTAL HEALTH AND SAFETY (EHS)

Your Company is environmentally conscious in shaping a sustainable future for the planet. The Company has designed reliable solutions through innovation and excellence in project execution with commitment to maintain high standards of Environmental Health and Safety. All industrial units of the Company have achieved accreditation for Occupational Health and Safety Management System (OHSAS 18001) and Environmental management System (ISO 14001) from renowned international certification bodies.

The Company adheres to practice of EHS communication prior to all business meetings and activities and all employees are encouraged to participate and commit to EHS and sustainable development programs.

Your Company has process and a protocol in ensuring environmental safeguard measures in all its business

units. As part of EHS initiatives, high level management visits are made, aimed towards audit of EHS standards to ensure that employees are aware and updated of EHS standards and these are adhered by all employees.

E-training is used to train employees for safe use of electrical equipments. The Company has an Event Reporting Management System to capture vital EHS statistics related to near misses or incidents. This has helped in achieving zero environmental incidents and zero fatalities across all business units. During the period under report, Weeklong EHS Campaign was held on the occasion of National Safety Week and included workshops at Company's offices and customer sites on various issues like road safety, work at height, lifting tools and tackles, housekeeping/ material storage etc.





Dr. Prabhat Kumar, Project Director - Bhavini (Atomic Energy) and a distinguished scientist, attends the Quality & Industrial Excellence Conference 2012

QUALITY AND INDUSTRIAL EXCELLENCE

Alstom Production System (APS) the global model of Alstom Grid that drives the units towards Industrial Excellence was deployed in all manufacturing units of the Company. APS model provides the necessary road maps and standards to improve and sustain Safety, Quality, Cost and Delivery (SQCD) performance and measures progress towards industrial excellence.

Your Company is committed to continuous improvement towards industrial excellence, such as:

- Improvement in 36 Lean 6 Sigma projects contributing to significant operational performance.
- Test labs in PTI (Naini) and RMK Unit Hosur received NABL accreditation.
- All manufacturing units have certified Management systems for Quality and EHS.

- Suggestion Scheme - "Ideas to Win" at our Automation Pallavaram Site continue to receive good response with total of 159 suggestions received, several of which were accepted for implementation. Such suggestions were selected for Motivational Awards.
- Annual Q&IE conference 2011 held in April 2011 provided a platform for networking and sharing best practices among the Q&IE Community of ALSTOM T&D India. Thirty five best practices posters covering lean, Lean 6 sigma, EHS process improvement actions were displayed.

The Company during the period under review received Awards for excellence. For its innovation project titled "Unique Civil Foundation Technique for building a Switchyard" from ALSTOM T&D India (Solutions unit), the Company won the GOLD Award under the category "Green Innovation" in this year's Alstom's Global Innovation Awards.



Senior Leadership Team presenting quality awards to project teams



ALSTOM T&D India Leadership Team

HUMAN RESOURCE

During the period under report, your Company continued its focus on effective talent management for successful business partnership. Resource ramp-up by continuous hiring to meet the growth in demand and people engagement have been the highlights. The Country Recruitment Team at ALSTOM T&D India enabled successful on-boarding of 531 engineers, managers, professionals and workmen-technicians for different production and business units.

Different strategies including Alstom Strategic Talent Acquisition Programme (ASAP) have helped in attracting best of the talents from industry. Your Company has also done strategic hiring in the areas of Project Engineering Management and Construction Management by visiting the reputed institutes and campuses.

The Company aims to be 'the employer of choice' in the Industry.

The Company has series of communication sessions like round table meetings with senior management and business leaders, reward and recognition initiatives, employee integration program like Grid Connect and business facilitation workshops like PACE - Powering Alstom's Competitive Edge to perpetually engage these resources towards achieving the goals of the Company. Persistent efforts have been made during the year to familiarize employees with the Group's core values of Trust, Team and Action alongside ethics and compliance.

Team encouragement by celebrating project successes, connecting with people at remote work-sites, social and sports activities at different locations have been done to maintain employee connect and increase motivation. Community welfare programs conducted through the year helped create appreciation and involvement of employees in social activities.



Mr. Michel Serra, Sr. VP - Products, ALSTOM Grid addressing ALSTOM T&D India employees



ALSTOM T&D India employees participate in group activity at Grid Connect employee integration event



Mr. Patrick Kron, Chairman and CEO of ALSTOM Group addressing the employees of ALSTOM T&D India during his visit to Vadodara, Power Transformer Unit.

PARTICULARS OF EMPLOYEES

A statement, as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time is attached as Annexure and forms part of this Report.

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 the Board of Directors) Rules, 1988 are given in the Annexure which forms part of this report.

INFORMATION SYSTEMS AND TECHNOLOGY

Information Systems and Technology is used by your Company to enhance business performance and improve operational excellence. The Company has deployed various tools and policies for its IT infrastructure and IT security. The Company also ensures that the business needs are supported by investing in Network Upgrades, Mobility Solutions and various audio visual devices. The Company has ERP system in place which improves performance of the business via information sharing and integration.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, the Directors of your Company confirm:

- that the applicable Accounting Standards have been followed in the preparation of final accounts and that there are no material departures;
- that such accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2012 and of the profit of your Company for the fifteen months period ended on that date;
- 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 your Company and for preventing and detecting fraud and other irregularities; and
- that the annual accounts have been prepared on a going concern basis.

DIRECTORS

In the course of financial period under report, Mr. T.S. Vishwanath, was co-opted as Director and non-executive Chairman in the Casual Vacancy caused by the resignation of Dr. Ajay Dua at the Board Meeting held on February 4, 2011. Mr. Chandan Roy was appointed as Additional Director at the Board Meeting held on August 6, 2011. They hold office upto the date of ensuing Annual General Meeting. The Company has received requisite notices from the members u/s 257 of the Companies Act, 1956, proposing their names for appointment as Directors. Considering expertise, rich experience and profile of Mr. Vishwanath and Mr. Roy, the Board is of the opinion that appointment of these Directors will immensely benefit the Company and would be in interest of the Company and commends their appointment.

Mr. Rathindra Nath Basu was re-appointed as Managing Director of the Company by the Board of Directors for a period of two years with effect from February 1, 2012 and his re-appointment was approved by the Shareholders at an Extra-ordinary General Meeting held on January 23, 2012.

In terms of Section 256 of the Companies Act, 1956 and Articles 104 and 105 of Articles of Association of the Company, Mr. Michel Serra, Director, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-election. The Board commends re-appointment of Mr. Serra as a Director.

Mr. Arvind Pachauri resigned as Alternate Director to Mr. Pierre Laporte with effect from August 6, 2011, following which Mr. Ravi Kumar Krishnamurthy was appointed as an Alternate Director to Mr. Pierre Laporte on August 6, 2011. Further due to Mr. Laporte's presence in India at various times, Mr. Krishnamurthy ceased to be an Alternate Director for short spells of time and was intermittently re-appointed as an alternate Director to Mr. Pierre Laporte from time to time.

Mr. C M A Nayar resigned as Director with effect from February 25, 2011. Mr. Alexandre Tagger, Mr. Vinod Kumar Dhall and Mr. Anil Chaudhry who were co-opted on the Board as Additional Directors at the Board meeting held on February 4, 2011, following demerger of the Distribution Undertaking of the Company, resigned as Directors at the Board Meeting held on December 12, 2011 as part of the re-constitution of the Board. The Board places on record its deep appreciation for the services rendered by these Directors during their tenure and particularly their immense contribution in the context of reorganization.

The Board, at a meeting (at which non-executive Directors resident in India - Mr. T. S. Vishwanath and Mr. Chandan Roy – did not attend and recused themselves from any discussion in the matter), decided to recommend payment of remuneration by way of commission to such of the non-executive directors, resident in India, of such amount and proportion, as it may determine, from time to time, within the overall limit not



Mr. Grégoire Poux-Guillaume, President, Alstom Grid addressing ALSTOM T&D India employees at Noida Unit.

exceeding one per cent of the net profits of the Company in aggregate in any financial year/ period, in accordance with law, subject to the approval of the members. In such determination, Board shall have regard to the time spent by such non-executive directors and, in the case of non-executive Chairman, to the time to be spent in discharging such role, over and above the time spent normally by other non-executive directors. The Board has recommended that, for the financial period ended March 31, 2012, a provision in this regard of Rs. 4 million be made in the financial statements. The approval of members in the matter is being sought at the ensuing Annual General Meeting.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, Reports on Management Discussion and Analysis and on Corporate Governance have been included elsewhere in this Report as separate sections. A certificate from M/s. Price Waterhouse confirming compliance with Clause 49 of the Listing Agreement has also been included in the Annual Report.

Further, as required under Clause 49, your Company has adopted a 'Code of Conduct and Ethics for its Directors and Senior Executives'. We wish to record here that this is in addition to the Alstom Code of Ethics which is applicable to all employees of the Alstom Group.

BUSINESS REORGANISATION - DEMERGER

Members are aware, as reported last, pursuant to the 'consortium agreement' between Alstom Holdings and Schneider Electric Industries SAS

in respect of the global T&D business of Areva SA, the distribution business was agreed to be allocated to the Schneider Group of Companies. The shareholders of the Company were appropriately informed in the past about the intention of proposed transfer of 'distribution business' in India.

In the course of the financial period under report, the Company decided and gave effect to the transfer of 'distribution business' through a Scheme of Arrangement for demerger. Accordingly, the Company's 'distribution business' was demerged as per the Court approved Scheme of Arrangement (the Scheme) into the then Smartgrid Automation Distribution and Switchgear Limited (now called Schneider Electric Infrastructure Limited) – the (Transferee Company) being sanctioned by the Hon'ble High Courts of Gujarat and Delhi, respectively on September 19, 2011 and October 24, 2011 with the appointed date of April 1, 2011. The Scheme was given effect to on November 26, 2011 (effective date) with the filing of certified true copies of orders of Hon'ble High Courts with the respective Registrars of Companies, Gujarat, Dadra and Nagar Haveli and NCT of Delhi and Haryana. The above transfer of demerged business undertaking has been accounted for by the Company as of the effective date in terms of the approved Scheme by recording the transfer of relevant assets and liabilities of the 'demerged business' at their book values as on the appointed date (April 1, 2011) with an equivalent withdrawal from the Company's reserves of Rs. 2,383,318,000 as under resulting in no net gain or loss to the Company:

Adjustment/Withdrawal from Reserves	Amount in Rupees
Share premium	812,729,200
Capital reserve	47,165,739
Capital Redemption reserve	60,000
Amalgamation reserve	28,500,000
General reserve	1,494,863,061
	2,383,318,000

In consideration of the demerger as above of the 'distribution business', the transferee company has issued and allotted one equity share of Rs. 2 (Rupees Two) each fully paid up to the members of the Company for every equity share of Rs. 2 (Rupees Two) each held by them in the Company as on the record date of December 15, 2011.

Subsidiary Companies

Your Company did not have any subsidiary company as at the end of the period under report. In the context of re-organisation the three enabling wholly owned subsidiary companies incorporated were suitably divested/ transferred with requisite approvals in the course of the period under report. Also, there were no effective transactions with the subsidiaries save in the context of divestiture/ transfer.

PROMOTERS

The shares held by the Promoters, as intimated to the Company, have undergone inter-se transfer within the promoter group, without any change in the extent of Promoters' shareholding among the qualified persons in terms of Regulation 10(1)(a)(iii) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

COST AUDITORS

The Company has re-appointed M/s Shome and Banerjee as Cost Auditors, to audit the cost accounts of the Company related to the manufacturing of Transformers at its units at Naini and Vadodara for the period under report with the approval of the Central Government. The Cost Audit Report for

Financial Year ended December 31, 2010, related to the above products for both the Units was filed on June 29, 2011, within the time limit prescribed under Cost Audit Report Rules, 2001.

AUDITORS

M/s Price Waterhouse, Chartered Accountants, the retiring Auditors, have indicated their willingness to be re-appointed.

The Company's units relating to the then 'Distribution business', for which the Branch Auditors were appointed, have ceased to be units of the Company following the demerger with the appointed day of April 1, 2011 and accordingly no Branch Auditors are being proposed for appointment. The Branch Auditors, M/s S.R. Batliboi & Co., have also communicated that they do not wish to offer themselves for reappointment.

ACKNOWLEDGMENTS

The Directors sincerely appreciate the commitment, dedication, devotion and unstinted services rendered by the Employees who have contributed significantly in the performance of the Company. Their grateful thanks are due for the co-operation extended by the various Government authorities, customers, vendors, Banks and Members during the period under review and look forward to their continued support.

For and on behalf of the Board

New Delhi
May 25, 2012

T.S. Vishwanath
Chairman

ANNEXURE TO DIRECTORS' REPORT

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo
(Particulars under Section 217(1)(e) of the Companies Act, 1956 read with the Companies
(Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988)

A. CONSERVATION OF ENERGY

NAINI UNIT

Measures taken to conserve energy

- Improvement in power factor
- Procurement of 3 EOT cranes with Variable Frequency Drive (VFD)
- Use of day light by putting transparent sheets in the shops
- Procurement of new ACs with 3 star rating

Additional investments and proposals being implemented to reduce energy consumption

- Power factor to be further improved by using additional APFC panels costing Rs. 900,000
- Implement energy monitoring system to control MDI costing Rs. 2,500,000.
- Procurement of new EOT cranes with VFD costing Rs. 7,700,000

Impact of the measures on reduction of energy consumption

- Power factor improved from 0.86 to 0.96
- Estimated saving of Rs 1,430,000 per year with the usage of VFD in EOT cranes
- Estimated saving Rs.130,000 per year with the usage of transparent sheet in the shops
- Estimated saving Rs. 180,000 with usage of 3 star ACs

VADODARA UNIT

Measures taken to conserve energy

- Application of Thermography to identify hot spot losses and initiate correction

- Pumping power reduction by impeller diameter reduction from 205 mm to 184 mm resulting Rs. 100,000 per year savings
- Optimized nozzles in thermo-fluid heater leading to increase in efficiency up to 83%

Impact of the measures on reduction of energy consumption

- Total 36,000 kWh savings compared to last year

Improvement / Expansion in products

- Cost optimised design of reactors and interconnecting transformers
- New product 765 kV 500 MVA interconnecting transformers is in the process of manufacturing otherwise would have been imported

HOSUR UNIT

Measures taken to conserve energy

- Ensuring the temperature controllers are set at 22 deg celcius
- HVAC being run at 70% efficiency
- AC Optimisation in administration department
- Identification and plugging of all leakages and reduce the friction losses in the drive
- Optimise energy consumption for lighting purpose in production shop floor by changing bulbs and LED lighting for winding rooms
- Conversion of heater load from electrical heating to LPG heating system in autoclave and chamber hot oil tank

Additional investment and projects being implemented to reduce energy consumption

- Setting of temperature controllers at 22 deg C will lead to estimated annual saving of Rs. 905,000
- Operating HVAC at 70% efficiency will save energy of Rs. 107,000
- In production shop floor by optimising the lighting and modification in lighting system will result annual saving of Rs. 1,117,000 and is in process
- Conversion of heater load and chamber hot oil tank will lead to annual saving of Rs. 484,000

Regulating Transformers of capacity 188 MVA 220 kV class for Hindalco with technology support of group entity in Turkey

This has resulted in addition of new product in Company's portfolio which otherwise would have been imported

Expenditure on Research and Development (R&D)

Expenditure on R&D Rs. 250,128,000 (0.61% on turnover)

For details regarding imported technology and status regarding their absorption, please see the Schedule annexed hereto.

PALLAVARAM UNIT**Measures taken to conserve energy**

- Conventional tube lights changed to CFL
- Relocation of all SMP offices in one single location to optimise space leading to energy saving
- Old Air conditioners in CDG, MiCOM blocks changed to new energy efficient ACs - 81TR

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Forex earnings	Rs. 3,667,476,103
Forex outgo	Rs. 7,819,552,000

For and on behalf of the Board

New Delhi
May 25, 2012

T.S. Vishwanath
Chairman

B. TECHNOLOGY ABSORPTION ADAPTATION AND INNOVATION

- The Company produced first time in India large rating

SCHEDULE OF IMPORTED TECHNOLOGY

Sl.No.	Technology	Year of Import	Status regarding absorption
1	220 kV Gas-insulated switchgear – type B105	2008	Under absorption
2	420 kV Gas-insulated switchgear – type T155	2009	Fully absorbed
3	800 kV, 240 MVA GT and 333 MVA ICT	2009	Fully absorbed
4	110 MVAR, 63 MVAR	2009	Fully absorbed
5	Large rating Furnace Transformer (80 MVA rating)	2009	Fully absorbed
6	72.5 kV & 145 kV Dead Tank Circuit Breakers 2011	2010	Fully absorbed

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MARKET OVERVIEW

The onset of the fiscal problems that started in October 2008 cast a dark shadow on the Indian economy throughout 2009. Indian market had a partial recovery in 2010, thanks to positive response from the FII investments mainly due to some quick initiatives from the government. The economy started showing signs of recovery in first half of 2011, but went retrograde due to several problems that cropped up affecting the sentiments of the investors.

Most of the problems were concerning allocation of land for new projects, allocation of fuel linkages for power plants and delay in environmental clearances for projects. While the investors in the Power Generation segment were keen to invest but could not do so at their speed (due to the above factors), the private sector went into wait and watch mode for investments in the Industry and Infrastructure segments of the market.

All of these factors, amongst others, led to the lower GDP growth of the Indian economy.

During 2011 the Financial Institutions and the Bankers started noticing the increasing level of losses in the State Electricity Boards (SEBs) who were primarily distributing 90% of the electricity as the last point of sale in the electricity market. This led to the setting up of the Shunglu committee, under Planning Commission, to study the SEB losses, who came out with recommendation/remedies.

The Shunglu committee report unfolded the huge cumulative losses (over Rs.800,000 Million) in the books of the SEBs. The committee recommended that the State Electricity regulators should be more active in passing revised tariff orders and should ask SEBs to significantly improve the collections. The committee also recommended that a Special Purpose Vehicle (SPV) be created at the level of the Central Government to help the SEBs to clean up their book losses with special measures with the concerned States.

The poor financial health of the SEBs led to poor off- take of electricity by the SEBs who preferred load shedding to increasing losses. This led to an even bigger problem with the Power Generation Companies who were forced to back down their generating plants due to poor demand from the SEBs. Consequently several of these Generation Companies performed far below the Plant Load Factor (PLF) that they could have delivered. The overall PLF of India came down, as a consequence.

Several private power generators, with their new assets and high depreciation, got badly hit leading to huge cash flow problems.

However, the Transmission segment of the market remained positive, mainly driven by the investments by Power Grid and some selected SEBs who were keen to upgrade their transmission infrastructure. Both 765 kV AC and in HVDC segments of the transmission business witnessed significantly increased investments.

The Industry, the Infrastructure segment and the Power Generation segments continue to be in a state of despair. Strong and positive sentiments from the Government only can infuse confidence in the investors.

The impact of the above factors led to contraction in the available market for the T&D segments.

Consequently the prices fell significantly in 2011 mainly due to supply exceeding demand in the market. The Chinese and Korean companies are very active in the Indian market. They are very aggressive with prices, especially in power transformers and GIS businesses.

In a very challenging environment, such as above, your Company fared quite well, by retaining the market leadership, through strong actions on cost controls, operational improvement and competitive pricing of products and solutions. Strong leadership and team work by the entire work force led to good performance of your Company.

OPPORTUNITIES AND THREATS

OPPORTUNITIES

You might recall that India, during the 11th plan period, added about 54,000 MW of new generation capacities to the electrical grid, most of which were funded by the private sector. Government wants the electricity sector to grow faster as a key driver for the growth of GDP.

Planning Commission and the Ministry of Power are yet to finalise the power generation target for the 12th five year plan. It is expected to be between 76,000 MW and 100,000 MW. These investments will open up new opportunities for your Company provided the bottlenecks in implementing the power generation projects are removed by the Government.

Power Grid invested about Rs.550,000 Million in the 11th plan, in line with their target. For the 12th plan Power Grid would like to invest Rs.1,000,000 Million towards building the Transmission infrastructure.

During the 12th plan, the 765 kV AC transmission voltage is expected to be the backbone of India's grid. In addition significant investment has been planned for HVDC interconnection for bulk power transfer.

Some SEBs are also expected to upgrade their transmission infrastructure, mostly in 400 kV/220 kV and some in 765 kV class, to improve the power flow within the state and at the same time improve the power exchange with other states/ central grid. Both Power Grid and SEBs are also expected to invest in FACTs (Flexible AC Transmission Systems)/ Utility Static VAR Compensators (SVCs) to improve the power flow capacities of the existing grids.

Additionally, to sustain and protect this electric grid backbone, it will be absolutely necessary to implement advanced network management technologies, digital substations and Smart Grid in the Transmission & Distribution Grid.

Some of the Transmission corridors are also to be offered on PPP/ BOOT basis to the private sector. You might recall your Company is already engaged in a BOOT project with Sterlite Grid, as a supplier of the 765 kV substations.

Land acquisition issues have also opened up new and growing opportunity for GIS and mobile substation technology. With significant increase of land prices the GIS technology, which requires about 20% of the AIS substation footprint, is



Mr. Patrick Kron, Chairman and CEO of ALSTOM Group, during his visit to Power Transformer Unit at Vadodara.



going to be the preferred choice for many of our customers.

Your Company is well poised for delivering such technologies and solutions from the world class factories built in India.

THREATS

SEBs need to go back to profitability to make a positive push for the entire power sector. The bottlenecks, such as land, fuel linkages and environment clearances, need to be smoothened to make the Power Generation sector financially viable.

Chinese and Korean players continue to be the major threats towards pulling down the market prices.

Lack of investment in Industry and Infrastructure segments would be a major threat to the growth of the market in which your Company operates.

Your Company is well aware of such adversities and is continuously monitoring and taking measures to counter the adverse effects.

BUSINESS PROJECTIONS

Your Company is well respected for the technology portfolio that is offered to the Customers. Your Company also enjoys a strong brand image for the past performances in the T&D sector. All these factors would help your Company to ensure a sustainable growth in the future.

SUPPORT FUNCTIONS - BUSINESS PARTNER

HUMAN RESOURCES

The employee strength of the Company stood at 3,597 at the end of the period, i.e. March 31, 2012. The Human Resource team successfully

addressed various challenges during the period and was able to bring down the attrition rate below the industry benchmark while inducting 531 new employees. Your Company has run several integration and harmonising programme with the employees. Initiatives were also taken towards talent development across all businesses, functions throughout the period.

FINANCE

Your Company faced strong challenges with the year long demerger process alongwith the financial situation of some of our customers putting strain on timely collection of the dues. Initiatives were undertaken to efficiently optimize the finance function to seek improved efficiency, risk mitigation, control and obtain savings through deployment of experts in specialist services of risk management from tender to execution stage, treasury and project control and performance measurement of all business segments.

INVESTOR RELATIONS

Your Company maintained a good level of communication with the investors keeping them fully informed of all major developments in the Company and the business environment in which the Company operates. Your Company also kept the Investors informed, through public communication, of the demerger process that your Company went through during the period under review.

Senior Executives of your Company held regular investor conference call based interactive sessions, after each quarter, to discuss the progress and performance of the Company.

RISK AND INTERNAL CONTROLS

The Company has a focused approach towards Risk and Internal Controls through a well defined hierarchical and authority structure which covers all aspects of its businesses.

The management, through a well established governance process of regular meetings, conducts review of its actual performance and potential risks of all its manufacturing, project organisation and of its various functions. The effectiveness of Internal Controls is assessed regularly through procedures/processes which cover all critical areas of business and reinforced by periodic updation of the same by the management. The diagnostic tools such as Internal Control Questionnaire, Integrity reviews, its confirmations, Compliance Committee meetings, use of 'Compliance Manager' tool and certification process is utilised along with action plans to ensure the effectiveness in implementation of risk identification, mitigation and control.

OUTLOOK

While your Company is optimistic on the growth of the Transmission sector, the scenario in the Power Generation, in the Industry and in the Infrastructure segments is not encouraging.

Your Company is well prepared to capture the growth in the high end of the Transmission segment with technologies such as 765 kV AC, HVDC and 1,200 kV AC. India's electrical grid is expected to integrate digital substations and smart grid in making the grid secure, safe and high performing in terms of managing power flow at lower transport cost. Your Company has all the hardware and software necessary to make this happen.

Your Company recognizes that the current market condition in India is indeed challenging due to prevailing sentiments in the market place. Market prices are not expected to increase in the current T&D market scenario.

Your Company's management team, notwithstanding, remains holistically focused to meet the challenges and is committed to deliver the best and increase value for its stake holders.

For and on behalf of the Board

New Delhi
May 25, 2012

T.S. Vishwanath
Chairman

CORPORATE GOVERNANCE

Report on Corporate Governance

In terms of the Clause 49 of the Listing Agreement with the Stock Exchanges, this Report along with the chapter on Management Discussion and Analysis reports Company's (ALSTOM T&D India Limited, hereinafter also referred to as the 'Company' or 'ALSTOM T&D India') compliance on Corporate Governance provisions applicable to Listed Companies in India.

Company's philosophy on Corporate Governance

Your Company continues to maintain its industry leadership, by pursuing excellence in everything it does including standards of business conduct. The Company's philosophy on Corporate Governance emanates from principles of ethical governance and is aimed at conduction of business in an efficient and transparent manner and in meeting its obligations to shareholders and other stakeholders. This objective is achieved by adopting corporate practices based on principles of transparency, accountability, fairness and integrity to create long term sustainable value for all its stakeholders.

Board of Directors

For ALSTOM T&D India corporate governance begins at the top of its Governance structure, its Board of Directors, which comprises of eminent experts who are committed to the key underlying principles and values that constitute the best standards of corporate governance.

A. Composition of the Board

The present strength of the Board of Directors is six. Of the total six Directors, five Directors are non-executive including two independent Directors, one of whom is Chairman of the Board. The composition of the Board is in conformity with the Clause 49 of the Listing Agreement, which stipulates that at least 50 per cent of the Board should consist of non-executive Directors and in case the Chairman is a non-executive independent Director, at least one-third of the Board should be independent. The Company also has one Alternate Director to Mr. Pierre Laporte.

B. Brief particulars of the Directors

Mr. T.S. Vishwanath – Chairman (Non - Executive - Independent)

Mr. T.S. Vishwanath, 64, is a Bachelor of Commerce (Honours) from Delhi University and a Fellow Member of The Institute of Chartered Accountants of India. He is a distinguished Alumni Awardee - Shriram College of Commerce - Delhi University - 1996.

Mr. Vishwanath is a Practicing Chartered Accountant and served as President of The Institute of Chartered Accountants of India (ICAI) during 1996-1997 and as President of South Asian Federation of Accountants in 1999. He is the Chairman of the Standing Committee on Accounting Issues (SCAI) of the Insurance Regulatory & Development Authority and co-chairman of Indo-UK Accountancy Task Force. He was on the Board of International Accounting Standards Board (IASB) of International Accounting Standards Committee (IASC) during 1998-2000.

He was a member of Committee on Substantial Acquisition of Shares and Takeover Regulations constituted by Securities and Exchange Board of India (SEBI) and Advisory Committee on the Primary Markets constituted by SEBI in 1996. He has served on many committees constituted by the Government of India, regulatory authorities, professional bodies and chambers of commerce from time to time.

He is Chairman of the Audit Committee and Share Transfer and Shareholders/Investors Grievance Committee of the Company.

He is also on the Board of Karnataka Bank Limited and LIC NOMURA Mutual Fund Asset Management Company Limited.

He is chairman of Audit Committee of LIC NOMURA Mutual Fund Asset Management Company Limited and also member of Shareholders'/Investors' Grievance Committee of Karnataka Bank Limited.

Mr. Rathindra Nath Basu - Managing Director

Mr. Rathindra Nath Basu, 57, is Country President & Managing Director of ALSTOM T&D India Limited. In this position, Mr. Basu is a member of Indian National Committee of Power under Confederation of Indian Industry (CII). He has 34 years of rich experience in organisations like ALSTOM, AREVA and NTPC. He started his career in 1978 with NTPC and then moved on to Cegelec India in 1985 as Head of the Energy Division and was posted in Cegelec Paris head office during 1986-87. He was appointed as CEO of Cegelec India in June 1989. In 1998, post Cegelec's merger with ALSTOM (erstwhile GEC ALSTHOM), he was nominated as Managing Director of two separate business divisions of ALSTOM T&D India – the Turnkey Systems BU (AC Substation and HVDC Substations) and the Automation BU. He then moved to ALSTOM T&D Paris in a global role where he led the Power Distribution Product Line during 2003-2007 period.

He holds a Bachelors Degree in Physics Honors from St. Xavier's College, Calcutta and B.Tech (Electronics) degree from Calcutta University. He has also attended Advanced Management Program at Insead, France and a program on Global Electricity Markets at London Business School.

He is also member of the Share Transfer and Shareholders/Investors Grievance Committee of the Company.

Mr. Michel Augonnet - Director (Non-Executive)

Mr. Michel Augonnet, 61, is a Graduate in Electrical Engineering from Ecole Superieure d'Electricite (France). His career started in 1974 at CEGELEC Energy Division. In a career span of 36 years, he has held several key positions in CEGELEC, Alstom and ABB Alstom. At present, he is Senior Vice President - Commercial Solutions, Alstom Grid and member of the Board of Alstom Grid global organisation.

Mr. Pierre Laporte - Director (Non-Executive)

Mr. Pierre Laporte, 50, has a Masters Degree in Business Law. His career started in 1987 as an Attorney specializing in Business Law. He has held several key positions in Baker Mackenzie, General Electric and AREVA T&D, where he was the General Counsel. He has worked in Europe, Middle East, Africa and in Asia Pacific. Currently, he is working as Senior Vice President Legal with ALSTOM Grid.

Mr. Laporte is a member of the Audit Committee of the Company.

Mr. Michel Serra - Director (Non-Executive)

Mr. Michel Serra, 55, is a graduate of the Ecole Nationale Superieure des Arts et Metiers (ENSAM). In 1981, he began his career at Alstom (Transmission & Distribution). Having held various management positions in Germany and Switzerland (1993-1999), Michel Serra was appointed Senior Vice-President of High-Voltage Products in 2001.

Following AREVA's acquisition of the Transmission & Distribution sector in 2004, Michel Serra managed the reorganisation as Chairman of the work council at AREVA T&D SA.

He joined Alstom Transport in June, 2006 and was appointed Director General of Alstom Transport SA in July 2007.

At present he is Senior Vice President, Grid Products, Alstom Grid and member of the Board of Alstom Grid global organisation.

Mr. Chandan Roy - Director (Non-Executive - Independent)

Mr. Chandan Roy, 61, is a graduate in Mechanical Engineering. He has served in NTPC for 33 years and retired as one of the Board Member - Director (Operations), wherein he was responsible for the operation and maintenance of more than 30,000 MW power station fleet. Under his leadership, the NTPC plant performance levels achieved record breaking plant load factors and plant availability of more than 92%.

Mr. Roy has held other senior management positions in the subsidiary companies and joint venture companies of NTPC like, Chairman of Ratnagiri Power Project Limited (earlier known as Dhabol Power Project Limited) and Bhartiya Rail Bijlee Company Limited, Board Member of NTPC Vidyut Vyapar Nigam Limited, Nuclear Power Corporation of India Limited and West Bengal Power Development Corporation Limited.

Mr. Roy has been in the power sector for more than 35 years and has exposure in all facets of Power Sectors, viz, Project Appraisal, Engineering, Contract Management, Construction Project Management, Operation and Maintenance, Regulatory Advocacy, etc.

After retirement from NTPC, Mr. Roy is holding Board positions on various Companies. At present he is on the Board of L&T Power Development Limited, VISA Power Limited, Lanco Operation & Maintenance Co. Limited and Maithon Power Limited.

He is also member of Audit Committee and Share Transfer and Shareholders/Investors Grievance Committee of the Company.

Mr. Ravi Kumar Krishnamurthy - (Alternate Director to Mr. Pierre Laporte)

Mr. Ravi Kumar Krishnamurthy, 44, is a member of the Institute of Cost Accountants of India and Institute of Company Secretaries of India and has rich experience of 19 years in finance, legal, sourcing, Information Technology and Human Resource functions. He is working as Head - AIS Business of the Company.

C. Attendance of Directors at Board Meetings, last Annual General Meeting and their Directorships and committee positions

Details of attendance of the Directors at Board Meetings, last Annual General Meeting and their Directorships and committee positions during the period under report is as under :

Sl.No.	Name of Director	Category	Number of Board Meetings		Attendance at the last AGM held on 04.05.2011	No. of outside Directorships of public companies*	No. of Outside Board-level Committees where chairperson or member	
			Held during their tenure	Attended			Member	Chairman
1	Mr. T.S. Vishwanath ¹ (Chairman)	Non-Executive -Independent	17	17	Yes	2	1	1
2	Mr. Rathindra Nath Basu (Managing Director)	Executive	17	17	Yes	-	-	-
3	Mr. Michel Augonnet	Non-Executive	17	4	Yes	-	-	-
4	Mr. Pierre Laporte	Non-Executive	17	8	Yes	-	-	-
5	Mr. Michel Serra ²	Non-Executive	17	3	Yes	-	-	-
6	Mr. Chandan Roy ³	Non-Executive -Independent	8	6	NA	4	-	-
7	Mr. Ravi Kumar Krishnamurthy (Alternate Director) ⁴	Executive	8	1	NA	-	-	-
8	Dr. Ajay Dua ⁵	Non-Executive - Independent	1	1	NA	NA	NA	NA
9	Mr. Karim Vissandjee ⁵	Non-Executive - Independent	1	1	NA	NA	NA	NA
10	Mr. C.M.A. Nayar ⁶	Non-Executive - Independent	2	Nil	NA	NA	NA	NA
11	Mr. Anil Chaudhry ⁷	Non-Executive	13	4	Yes	NA	NA	NA
12	Mr. Vinod Kumar Dhall ⁷	Non-Executive -Independent	13	12	Yes	NA	NA	NA
13	Mr. Alexandre Tagger ⁷	Non-Executive	13	11	Yes	NA	NA	NA
14	Mr. Arvind Pachauri (Alternate Director) ⁸	Executive	10	Nil	NA	NA	NA	NA

*Excludes foreign directorships and private limited companies.

¹ Appointed as a Director in Casual Vacancy on 04.02.2011. ² Appointed on 04.02.2011. ³ Appointed as an Additional Director on 06.08.2011. ⁴ Appointed as an Alternate Director to Mr. Pierre Laporte on 06.08.2011 and due to Mr. Laporte's presence in India at various times, Mr. Krishnamurthy ceased to be an Alternate Director for short spells of time and was intermittently re-appointed as an Alternate Director to Mr. Pierre Laporte from time to time. ⁵ Resigned on 04.02.2011. ⁶ Resigned on 25.02.2011. ⁷ Appointed on 04.02.2011 and resigned on 12.12.2011. ⁸ Appointed as Alternate Director to Mr. Pierre Laporte on 04.02.2011 and Resigned as Alternate Director on 06.08.2011.

As mandated by the Clause 49 of the Listing Agreement, none of the Directors is a member of more than ten Board-level committees of public limited Indian companies; nor are they Chairperson of more than five committees in which they are members. Moreover, none of the Directors of the Company is related to the other, or to any other employee of the Company.

D. Number of Board Meetings

During the fifteen months period ended March 31, 2012, the Company had 17 Board meetings on - February 4, 2011, February 25, 2011, March 16, 2011, April 11, 2011, May 3, 2011, May 4, 2011, May 13, 2011, May 28, 2011, June 24, 2011, August 6, 2011, November 14, 2011, December 2, 2011, December 12, 2011, December 24, 2011, January 4, 2012, January 23, 2012, February 12, 2012.

E. Code of Conduct and Ethics for Directors and Senior Executives

In line with the Clause 49 of the Listing Agreement, the Company's Board of Directors has laid down a 'Code of Conduct and Ethics for the Board of Directors and Senior Executives of the Company. The Code is posted on the Company's website- www.alstom.com/India.

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

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

All Directors and senior management have affirmed compliance with the Code for the financial year ended March 31, 2012.

Remuneration to Directors

Details of remuneration paid to Directors, both executive and non-executive, during the fifteen months period ended March 31, 2012 are as under:

A. Non - Executive Directors

(Amount in Rs.)

Sl.No.	Name of the Director	Position	Sitting Fee	Commission*	Total
1	Mr. T.S. Vishwanath ¹	Chairman – Non Executive	630,000	3,600,000	4,230,000
2	Mr. Michel Augonnet	Director	Nil	Nil	Nil
3	Mr. Pierre Laporte	Director	Nil	Nil	Nil
4	Mr. Michel Serra ²	Director	Nil	Nil	Nil
5	Mr. Chandan Roy ³	Director	185,000	400,000	585,000
6	Dr. Ajay Dua ⁴	Director	20,000	Nil	20,000
7	Mr. Karim Vissandjee ⁴	Director	20,000	Nil	20,000
8	Mr. C.M.A. Nayar ⁵	Director	Nil	Nil	Nil
9	Mr. Anil Chaudhry ⁶	Director	Nil	Nil	Nil
10	Mr. Vinod Kumar Dhall ⁶	Director	385,000	Nil	385,000
11	Mr. Alexandre Tagger ⁶	Director	Nil	Nil	Nil

* The amount stated is a provision, subject to the approval of the shareholders.

¹ Appointed as a Director in Casual Vacancy on 04.02.2011. ² Appointed on 04.02.2011. ³ Appointed as an Additional Director on 06.08.2011. ⁴ Resigned on 04.02.2011. ⁵ Resigned on 25.02.2011. ⁶ Appointed on 04.02.2011 and resigned on 12.12.2011.

Notes:

- In addition to the sitting fees, for attending the Board and/or Committee meetings, such of the non-executive Directors resident in India are entitled to remuneration by way of commission of such amount, proportion and manner, as may be determined by the Board. The amounts stated is a provision, subject to the approval of the shareholders.
- The criteria for payments, including the extent, amount, proportion and manner of payment, to non-executive Directors, resident in India, is determined by the Board having regard to the time spent by such Directors for the Company's business and in the case of non-executive Chairman, also the time spent in discharging the said role, over and above the time ordinarily spent by other non-executive Directors.
- No sitting fees was paid to the non-executive Directors employed within Promoter Group for attending Board or Committee Meetings.

B. Executive Directors

(Amount in Rs.)

Sl.No.	Name of the Director	Designation	All elements of remuneration package i.e., Salary, Benefits, Allowances, Bonus, Contributions and Perquisites	Commission	Sitting Fee	Total
1	Mr. Rathindra Nath Basu	Managing Director	17,422,033	-	-	17,422,033
2	Mr. Ravi Kumar Krishnamurthy ¹ (For period August 6, 2011 to March 31, 2012)	Head - AIS Business	4,799,536	-	-	4,799,536
3	Mr. Arvind Pachauri ² (February 4, 2011 to August 5, 2011)	Associate Director - HR	2,775,319	-	-	2,775,319

¹ Appointed as an Alternate Director to Mr. Pierre Laporte on 06.08.2011 and due to Mr. Laporte's presence in India at various times, Mr. Krishnamurthy ceased to be an Alternate Director for short spells of time and was intermittently re-appointed as an Alternate Director to Mr. Pierre Laporte from time to time. ² Appointed as Alternate Director to Mr. Pierre Laporte on 04.02.2011 and resigned as Alternate Director on 06.08.2011.

Notes:

- The Company has entered into an Agreement with Managing Director for a period of two years w.e.f. February 1, 2012.
- Notice period and severance fees: Three months notice or three month salary in lieu of notice may be given either by the Company or Executive Directors subject to terms of their employment.
- Remuneration to Executive Directors excludes cost of employee share based payments for stocks of ALSTOM SA France, the ultimate parent Company, as the same is not recharged to the Company.
- Remuneration to Executive Directors excludes expenditure for compensated leave and gratuity, as the expense is booked based on actuarial valuation done on a total Company basis.

Shareholding of Directors

None of the Directors holds any equity shares or convertible instruments in the Company.

CEO/CFO Certification

In line with the requirements of Clause 49 (V) of the Listing Agreement, the Managing Director, Mr. Rathindra Nath Basu and the Chief Finance Officer, Mr. Sunil Mathur, have submitted a certificate to the Board, certifying inter alia, that the Financial Statements and the Cash Flow Statements for the period January 1, 2011 to March 31, 2012 were reviewed to the best of their knowledge and belief, that they do not contain any untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with. The CEO and CFO certification of the financial statements for the period under report is given at the end of the report.

Committees of the Board of Directors

A Audit Committee

The Company has an adequately qualified and independent Audit Committee. As on March 31, 2012, the composition of the Committee was as under:

Sl.No.	Name	Category
1.	Mr. T.S. Vishwanath	Independent Director with Financial Management Expertise – Chairman
2.	Mr. Chandan Roy	Independent Member
3.	Mr. Pierre Laporte	Director

The above composition duly meets the requirement under Clause 49 of the Listing Agreement.

Mr. Rathindra Nath Basu, Managing Director, is a permanent invitee to all Audit Committee meetings. The Chief Finance Officer, Director Finance, Internal Auditors and the representatives of Statutory Auditors and Cost Auditors are invitees to the relevant meetings of the Audit Committee. The terms of reference of the Audit Committee are wide enough covering the matters stipulated in Clause 49 of the Listing Agreement and the Companies Act, 1956.

The terms of reference and powers of the Audit Committee shall be as mentioned in Clause 49 II (D) of the Listing Agreement entered into with the Stock Exchanges and include, inter-alia, overseeing the Company's financial reporting process, reviewing with the management the financial statements and the adequacy of the internal audit function and to discuss significant internal audit findings, statutory compliance issues and issues related to risk management and compliances.

The Audit Committee acts as a link between the management, external and internal Auditors and the Board of Directors.

During the period January 1, 2011 to March 31, 2012, the Audit Committee met six times and the attendance of the Audit Committee Members at the said meetings is detailed below:

Sl.No.	Names of Directors	Number of Meetings held during their tenure	Number of Meetings attended
1	Mr. T.S. Vishwanath ¹	6	6
2	Mr. Pierre Laporte	6	3
3	Mr. Chandan Roy ²	2	2
4	Mr. Vinod Kumar Dhall ³	5	5

¹ Appointed as a Director in Casual Vacancy on 04.02.2011. ² Appointed as an Additional Director on 06.08.2011. ³ Appointed on 04.02.2011 and resigned on 12.12.2011.

Mr. T. S. Vishwanath, Chairman of Audit Committee attended the last Annual General Meeting of the Company.

B. Share Transfer and Shareholders / Investors Grievance Committee

The Board of Directors have constituted a "Share Transfer and Shareholders / Investors Grievance Committee" in terms of the Listing Agreement. The Committee is responsible for all matters concerning the share transfers, transmissions, issue of duplicate share certificates and attending to the grievances of the shareholders.

The present composition of the Committee is as under:

Mr. T.S. Vishwanath - Chairman

Mr. Rathindra Nath Basu

Mr. Chandan Roy

The Company has appointed Mr. Manoj Prasad Singh, Company Secretary as the 'Compliance Officer', who may be contacted for any matter relating to share transfers/transmissions, non-receipt of Annual Reports, Dividend, etc.

During the period under report, the Company received seven complaints from shareholders. These were replied suitably to the satisfaction of the shareholders except one, which was received through National Stock Exchange of India Limited (NSE) and the same is being attended to in concert with Registrars and Share Transfer Agents. The National Stock Exchange of India Limited is being kept posted in the matter.

The Company did not have any pending transfers as at March 31, 2012.

C. Remuneration Committee

The Company has not constituted Remuneration Committee as the same is not required in terms of the Listing Agreement and the Companies Act, 1956.

The remuneration paid to Mr. Rathindra Nath Basu, Managing Director and Mr. Ravi Kumar Krishnamurthy, Head - AIS Business and Alternate Director is as per the applicable provisions of the Companies Act, 1956 and within the limits specified under Schedule XIII thereto.

In addition to above committees as mentioned in Clause 49 of the Listing Agreement, the Company has also constituted Committee of Directors on Valuation and Disposal of Assets.

General Body Meetings

The details of General Body Meetings held during the last three years are given below:

Sl.No.	Date	Time	Venue
Annual General Meetings			
1.	May 12, 2009	10:00 a.m.	Kalamandir Auditorium, 48 Shakespeare Sarani, Kolkata-700 017
2	April 23, 2010	10:00 a.m.	FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi 110 001
3	May 4, 2011	9:30 a.m.	Air Force Auditorium, Subroto Park, New Delhi – 110 010
Extra-ordinary General Meetings			
4	July 30, 2011*	10:00 a.m.	The Auditorium, Iskcon Temple Complex, Sant Nagar, East of Kailash, New Delhi- 110 065
5	January 23, 2012	9:30 a.m.	The Auditorium, Iskcon Temple Complex, Sant Nagar, East of Kailash, New Delhi- 110 065

*convened as per direction of Hon'ble High Court of Delhi for approving Scheme of Arrangement for Demerger

A. Special resolutions passed in General Meetings during last three years

Annual General Meetings (AGM)

In the previous three years, one Special resolution was passed at AGM held on May 4, 2011 for appointment of Mr. Arvind Pachauri, already holding the position of Associate Director - Human Resource, as Alternate Director to Mr. Pierre Laporte.

Extra-Ordinary General Meetings

July 30, 2011

- Approval of Scheme of Arrangement for Demerger under Section 391 to 394 of the Companies Act, 1956 (with requisite majority).

January 23, 2012

- Change in name of the Company from AREVA T&D India Limited to ALSTOM T&D India Limited.
- Appointment of Mr. Ravi Kumar Krishnamurthy, already holding the position of Head of Hosur Unit, as Alternate Director to Mr. Pierre Laporte.

B. Resolutions by Postal Ballot

None of the resolutions was required to be passed through postal ballot during the period under report.

Disclosures

Materially significant related party transactions

There were no materially significant related party transactions during the period under report having conflict with the interests of the Company.

Details of non-compliance

The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any other statutory authority on matters relating to capital markets during the last three years. The Company has not made any rights or public issue during the period covered by this report.

Whistle Blower policy

The Company has not adopted any formal Whistle Blower policy, but no personnel has been denied access to the Audit Committee.

Compliance with Clause 49

The Company has complied with all the applicable mandatory requirements of the Clause 49. The Company has adopted non mandatory requirements wherever necessary. Also, the Company's financial statements are free from any qualifications by the Auditors.

Code of Conduct for Prevention of Insider Trading

In compliance with the SEBI Prevention of Insider Trading Regulations, the Company has adopted a Code of Conduct for its Directors, management and staff. The Code lays down guidelines which advise management and staff on procedures to be followed and disclosures to be made while dealing with Shares of the Company, and cautions them of the consequences of violations.

Management Discussion and Analysis

Management Discussion and Analysis report is annexed to the Directors's Report.

Means of Communication

Financial Results:

The Company intimates un-audited as well as audited financial results to the Stock Exchanges, immediately after the Board meetings at which they are approved. The results of the Company are also published in at least one prominent national and one regional newspaper having wide circulation. Normally the results are published in The Economic Times (English) in all editions, Times of India (English) in Delhi and Nav Bharat Times (Hindi) in Delhi. The financial results are also displayed on the Company's website www.alstom.com/india and posted on Corporate Filing and Dissemination System at www.corpfiling.co.in.

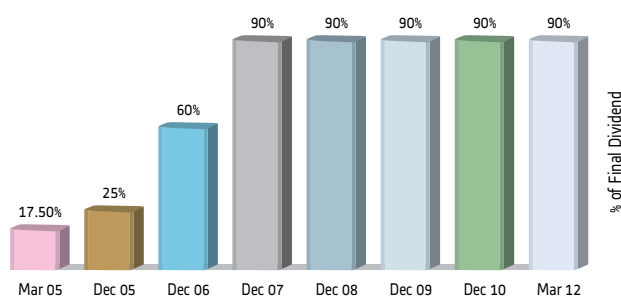
News Release, Analyst Presentation, etc.:

The official news releases, detailed presentations made to institutional investors, financial analysts etc. are displayed on the Company's website www.alstom.com/india.

Website :

The website www.alstom.com/india contains a separate dedicated section for the Company's 'Investor Relations' where shareholders' information is available. The full Annual Report, shareholding pattern and Corporate Governance Report is also available in the 'Investor Relations' sections on the website of the Company.

Dividend History of the Company



Unclaimed Dividend

The amount of Dividends lying unclaimed for a period of seven years in the Unpaid Dividend Accounts of the Company will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government under Section 205C of the Companies Act, 1956.

During the period January 1, 2011 to March 31, 2012 an amount of Rs.467,581/- was transferred to IEPF in respect of Dividend for the Financial Year ended on March 31, 2004.

The due dates for the transfers of unclaimed dividends to IEPF are as follows:

Financial Year ended	Amount outstanding as on 31.03.2012 (Rs.)	Due date for transfer
31.03.2005	7,42,016.00	12.10.2012
31.12.2005	11,06,135.01	21.06.2013
31.12.2006	25,79,646.00	11.12.2014
31.12.2007	39,27,447.00	01.06.2015
31.12.2008	40,57,718.40	17.06.2016
31.12.2009	43,88,441.40	29.05.2017
31.12.2010	38,47,993.20	09.06.2018

The Company shall respond to all such valid requests received from the shareholders before the amounts are statutorily transferred on the abovementioned dates.

General Shareholder Information

A Annual General Meeting (AGM)

- Date : Friday, the 27th day of July, 2012
 Time : 9:30 A.M.
 Venue : Air Force Auditorium, Subroto Park, New Delhi – 110 010

B Financial Calendar

: April to following March (The accounting year of the Company changed from January to following December as a result, the Accounting period under report is for fifteen months period from January 2011 to March 2012)

Announcement of Financial Results for

- Quarter ending June 30, 2012 : Upto August 14, 2012
- Quarter ending September 30, 2012 : Upto November 14, 2012
- Quarter ending December 31, 2012 : Upto February 14, 2013
- Financial year ending on March 31, 2013 : Upto May 30, 2013
 (audited)and for the fourth quarter ending on that date

C Dates of Book Closure

: From Wednesday, July 18, 2012 to Friday, July 27, 2012 (both days inclusive)

D Dividend Payment Date

: Dividend of Rs. 1.80 per share on Equity Shares of Rs. 2/- each have been recommended by the Board. Dividend, if approved at the AGM, will be paid on or after August 1, 2012.

E Listing on Stock Exchanges

: BSE Limited
 Phiroze Jeejeebhoy Towers
 Dalal Street, Mumbai 400 001.
 National Stock Exchange of India Limited
 Exchange Plaza, Bandra Kurla Complex
 Bandra (E), Mumbai 400 051.
 The Calcutta Stock Exchange Limited
 7 Lyons Range, Kolkata 700 001.

F Listing Fee

: Annual Listing Fee for the year 2011-12 and 2012-13, as applicable has been paid to all the three Stock Exchanges

G Company Identification Number

: L31102DL1957PLC193993

H Stock Code/Symbol

- BSE Limited : 22275 for physical and 522275 for demat scrips
 National Stock Exchange of India Limited : ALSTOMT&D
 The Calcutta Stock Exchange Limited : 17035 for physical and 10017035 for demat scrips
 ISIN Number for NSDL and CDSL : INE200A01026

I Market Price Data

Monthly High-Low price of Equity Shares at BSE and comparison with BSE Sensex :

Month	ALSTOM T&D India Ltd Share prices on BSE		BSE SENSEX	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
January '11	349.90	300.50	20664.80	18038.48
February '11	321.70	253.35	18690.97	17295.62
March '11	284.90	223.40	19575.16	17792.17
April '11	297.85	246.60	19811.14	18976.19
May '11	284.00	232.80	19253.87	17786.13
June '11	273.80	241.25	18873.39	17314.38
July '11	266.00	242.50	19131.70	18131.86
August '11	249.00	204.10	18440.07	15765.53
September '11	236.90	212.05	17211.80	15801.01
October '11	231.00	208.50	17908.13	15745.43
November '11	221.20	189.05	17702.26	15478.69
December '11*	211.00	132.50	17003.71	15135.86
January '12	196.90	157.00	17258.97	15358.02
February '12	207.00	169.15	18523.78	17061.55
March '12	203.45	178.00	18040.69	16920.61

(Source www.bseindia.com)

* The share price became ex-value of demerged business with record date being December 15, 2011.

Monthly High-Low price of Equity Shares at NSE and comparison with S&P CNX Nifty:

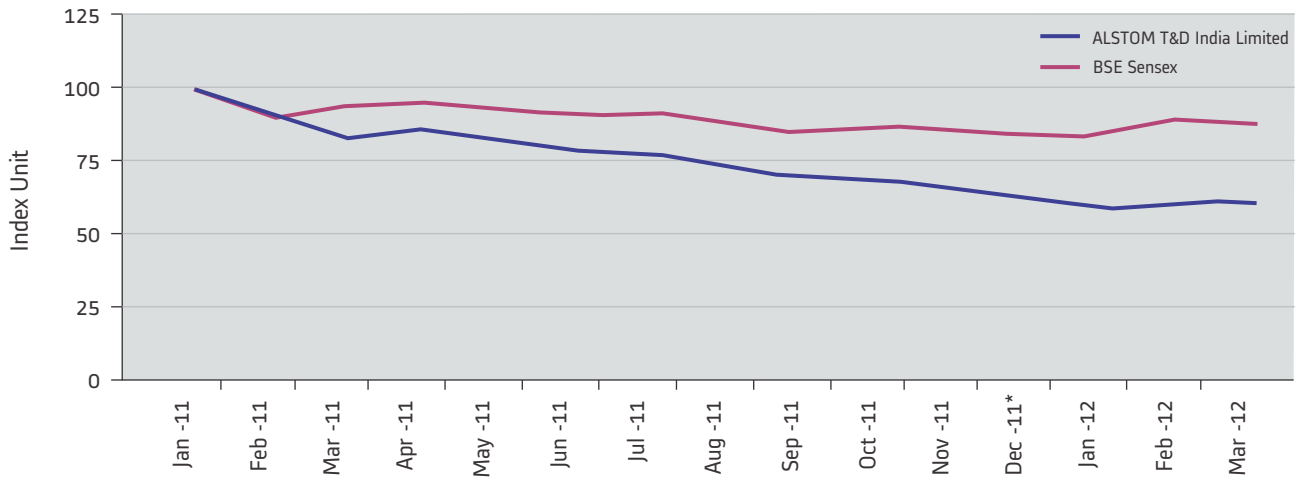
Month	ALSTOM T&D India Ltd Share prices on NSE		S&P CNX NIFTY	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
January '11	349.90	300.25	6181.05	5416.65
February '11	321.00	252.55	5599.25	5177.70
March '11	285.05	210.85	5872.00	5348.20
April '11	297.50	245.05	5944.45	5693.25
May '11	283.60	233.00	5775.25	5328.70
June '11	273.35	240.00	5657.90	5195.90
July '11	265.90	215.50	5740.40	5453.95
August '11	250.25	203.00	5551.90	4720.00
September '11	236.50	213.25	5169.25	4758.85
October '11	231.00	208.50	5399.70	4728.30
November '11	221.45	189.15	5326.45	4639.10
December '11*	212.50	132.00	5099.25	4531.15
January '12	196.70	157.15	5217.00	4588.05
February '12	207.00	168.65	5629.95	5159.00
March '12	203.90	174.55	5499.40	5135.95

(Source www.nseindia.com)

* The share price became ex-value of demerged business with record date being December 15, 2011.

J Stock Performance of ALSTOM T&D India Ltd vs. BSE Sensex

Monthly high Indexed comparison - ALSTOM T&D India Limited Share Price with BSE Sensex



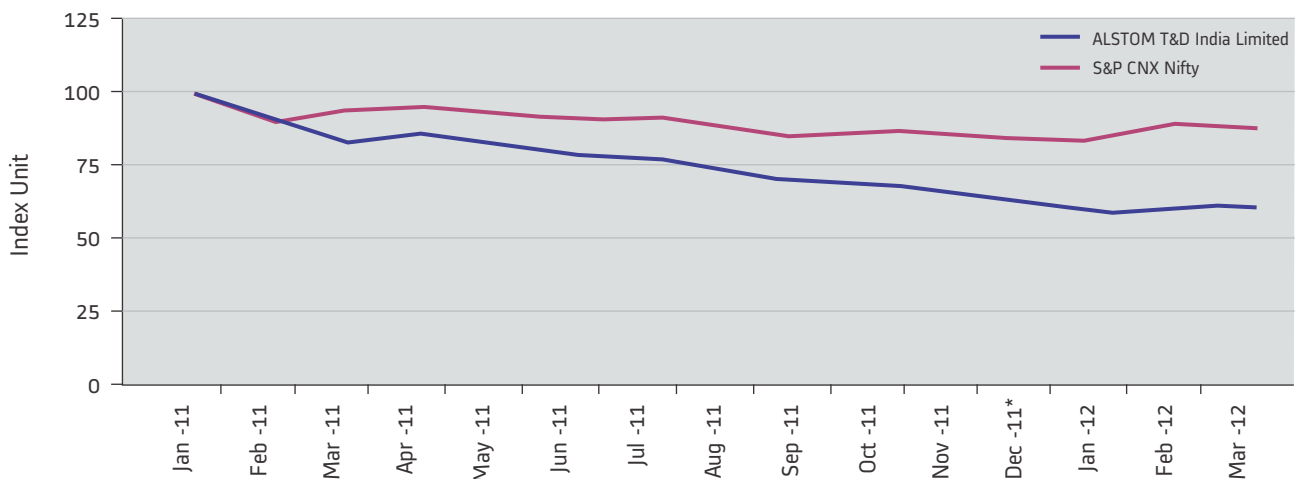
* The share price became ex-value of demerged business with record date being December 15, 2011.

ALSTOM T&D India Limited Share price as in January 2011 Rs. 349.9 = 100 units

BSE Sensex as in January 2011 Rs. 20664.8 = 100 units

Stock Performance of ALSTOM T&D India Ltd vs. S&P CNX Nifty

Monthly high Indexed comparison - ALSTOM T&D India Limited Share Price with S&P CNX Nifty



* The share price became ex-value of demerged business with record date being December 15, 2011.

ALSTOM T&D India Limited Share price as in January 2011 Rs. 349.9 = 100 units

S&P CNX Nifty as in January 2011 Rs. 6181.05 = 100 units

K Shareholding pattern as on March 31, 2012

Sl. No.	Category	No. of Equity Shares held	Percentage (%)
1	Promoter - Grid Equipments Limited	175492524	73.40
2	Insurance Companies	21362424	8.94
3	Financial Institutions and Banks	124415	0.05
4	UTI and other Mutual Funds	13296561	5.56
5	Foreign Institutional Investors	2421279	1.01
6	Corporate Bodies	4022491	1.68
7	Non-resident Indians, Overseas Corporate Bodies and Foreign Nationals	697339	0.29
8	Directors and their Relatives	-	-
9	General Public	21542469	9.01
10	Others - Clearing Member	135253	0.06
	- Trust	8675	0.00
	- State Government	605	0.00
	Total	239104035	100.00

L Distribution of Holdings as on March 31, 2012

Category	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)
1 - 500	48512	86.16	5979986	2.50
501 - 1000	3538	6.28	2781842	1.16
1001 - 2000	1987	3.53	2979877	1.25
2001 - 3000	840	1.49	2145421	0.90
3001 - 4000	421	0.75	1520675	0.64
4001 - 5000	277	0.49	1294010	0.54
5001 - 10000	452	0.80	3290692	1.38
10001 - 50000	223	0.40	3911460	1.63
50001 - 100000	14	0.02	993068	0.41
100001 - and above	43	0.08	214207004	89.59
	56307	100.00	239104035	100.00

M Registrars and Share Transfer Agents

C B Management Services (P) Limited
 P-22, Bondel Road, Kolkata - 700 019.
 Tel.No.: 91 33 40116700(100 lines)
 Fax : 91 33 40116739
 E-mail : rta@cbmsl.com

N Share Transfer System

A Committee of Directors - Share Transfer and Shareholders / Investors Grievance Committee, is constituted to approve the transfers and transmissions of shares, issue of duplicate share certificates and allied matters. In addition to the above, to expedite the share transfer process Mr. Manoj Prasad Singh, Company Secretary and the Registrars and Share Transfer Agents, M/s. CB Management Services (P) Limited have been severally authorised to approve share transfers and transmission requests upto a limit of 10000 Shares. Such transfer and transmission requests are attended once in a fortnight.

The Company has appointed CB Management Services (P) Limited as its Registrars and Share Transfer Agents. All share transfers and related operations are conducted by CB Management Services (P) Limited, which is registered with the SEBI.

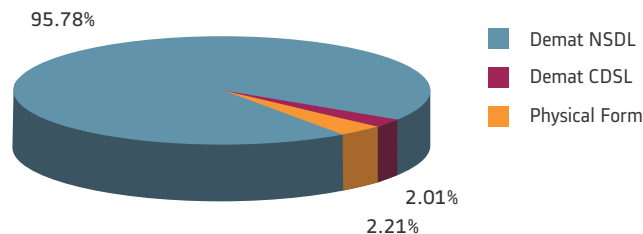
The Company's Registrars, CB Management Services (P) Limited have adequate infrastructure to serve the shareholders and process the share transfers. In compliance with the Listing Agreement every six months the share processing system is audited by a practicing Company Secretary and a Certificate to that effect is issued. The Company's scrip forms part of the SEBI's compulsory demat segment.

Investor correspondence should be addressed to the Registrars and Share Transfer Agents or the Company, as per contact details as given at the end of the Report.

O Dematerialisation of shares and liquidity

The Company's scrip forms part of the compulsory demat segment for all investors effective 26th June, 2000. To facilitate the investors in having an easy access to the Demat System, the Company has signed up with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through the Company's Registrars CB Management Services (P) Limited. As at March 31, 2012 a total of 233823943 Equity Shares of the Company, constituting 97.79% of the paid-up share capital, stand dematerialised.

Dematerialisation of Shares



P Share Capital Reconciliation Report

As stipulated by the SEBI, a qualified Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted Capital with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total Issued and Listed Capital. The Audit is carried out every quarter and the Report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The Report inter alia, confirms the total listed and paid up share capital of the Company is in agreement with the aggregate of the total dematerialized shares and those in the physical mode.

Q Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on Equity

The Company does not have any outstanding GDRs / ADRs / Warrants or any Convertible Instruments.

R Plant Locations

In all, the Company has works/manufacturing locations listed hereunder.

Hosur : Plot No. 46, SIPCOT Industrial Complex, Hosur 635 126, Tamil Nadu.

Naini : P.O. Naini, Allahabad 211 008.

Noida : A7, Sector 65, Noida 201 301, U.P.

Padappai : Plot No. 142, Salamangalam Village, Padappai, Sriperumbudur T.K., Kancheepuram 601 301, Tamilnadu.

Pallavaram : 19/1, GST Road, Pallavaram, Chennai 600 043.

Vadodara : Kotambi Village, Taluka Waghodia, Vadodara District, Gujarat.

S Address for Correspondence/Investor Complaints

Registrars and Share Transfer Agents

C B Management Services (P) Limited
 P-22, Bondel Road, Kolkata - 700 019
 Tel.No. : 91 33 40116700(100 lines)
 Fax : 91 33 40116739
 E-mail : rta@cbmsl.com

Company

Registered Office :
 E-48/7, Okhla Industrial Area
 Phase II, New Delhi 110020
 Tel. No.: 91 11 47629100
 Fax No.: 91 11 47629129/30
 www.alstom.com/india

Contact Person :
 Mr. Manoj Prasad Singh
 Company Secretary
 Tel. No.: 91 120 4790000
 Fax No.: 91 120 4790286/88
 Email : company.secretary@alstom.com

For and on behalf of the Board

New Delhi
 May 25, 2012

T.S. Vishwanath
 Chairman

CEO/ CFO CERTIFICATION

We, Rathindra Nath Basu, Managing Director and Sunil Mathur, Chief Finance Officer, certify that:

- a) We have reviewed the financial statements and cash flow statement for the fifteen months financial year ended on March 31, 2012 and to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. 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.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the fifteen months financial year ended on March 31, 2012 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take, to rectify these deficiencies.
- d)
 - i. There has not been any significant change in internal control over financial reporting for the fifteen months financial year ended on March 31, 2012 under reference;
 - ii. There has not been any significant change in accounting policies for the fifteen months financial year ended on March 31, 2012 on Employee Benefits, requiring disclosure in the notes to the financial statements; and
 - iii. We are not aware of any instance for the fifteen months financial year ended on March 31, 2012 of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Rathindra Nath Basu
Managing Director

Date : May 14, 2012
Place: New Delhi

Sunil Mathur
Chief Finance Officer

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT

I, Rathindra Nath Basu, Managing Director of ALSTOM T&D India Limited, hereby declare that all the members of the Board of Directors and the Senior Management Executives have affirmed compliance with the Company's "Code of Conduct and Ethics for Directors and Senior Executives" for the fifteen months financial year ended on March 31, 2012.

Rathindra Nath Basu
Managing Director

Date : May 14, 2012
Place: New Delhi

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of ALSTOM T&D India Limited (formerly AREVA T&D India Limited)

We have examined the compliance of conditions of Corporate Governance by ALSTOM T&D India Limited, for the 15 months period from January 1, 2011 to March 31, 2012 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

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

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

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

For **Price Waterhouse**
Firm Registration Number: 012754N
Chartered Accountants

Suchita Sharma
Partner
Membership Number: 73897

Place : Gurgaon
Date : May 25, 2012

AUDITORS' REPORT

Auditors' Report to the Members of ALSTOM T&D India Limited (formerly AREVA T&D India Limited)

1. We have audited the attached Balance Sheet of ALSTOM T&D India Limited (formerly AREVA T&D India Limited) (the "Company") as at March 31, 2012, and the related Profit and Loss Account for the fifteen months period from January 1, 2011 to March 31, 2012 (the period) and the Cash Flow Statement for the period ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As described in Note 5 on Schedule 19, the distribution business of the Company was demerged with the appointed date of April 1, 2011. We did not audit the financial results of Company's branches and establishments engaged in production, processing and manufacturing of Company's distribution products, at its Units located at Vadodara, Kolkata, Noida and Naini (Allahabad) considered in the preparation of the financial statements and which constitute total revenue of Rs. 2,449,787 thousand and net profit before tax of Rs. 5,518 thousand within the period ended March 31, 2012 relating to the demerged business. Those financial information have been audited by a Branch Auditor whose report has been furnished to us in accordance with Section 228(3)(c) and have been appropriately considered in preparing this Report and our opinion on the financial statements to the extent they have been derived from such financial information, is based solely on the report of such Branch Auditor.
4. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
5. Further to our comments in paragraph 3 above and the Annexure referred to in paragraph 4 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) in the case of the Profit and Loss Account, of the profit for the period ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For **Price Waterhouse**
FRN No.: 012754N
Chartered Accountants

Suchita Sharma
Partner

Membership Number 73897

New Delhi
May 14, 2012

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 4 of the Auditors' Report of even date to the members of ALSTOM T&D India Limited (formerly AREVA T&D India Limited) on the financial statements for the period from January 1, 2011 to March 31, 2012

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the period and no material discrepancies between the book records and the physical inventory have been noticed.
(c) The Company has disposed of a substantial part of fixed assets, relating to the distribution business pursuant to a Scheme approved by the Court, during the period (Refer Note 5 on schedule 19). On the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, in our opinion, the disposal of the said part of fixed assets has not affected the going concern status of the Company.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management at the period end. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The Company has neither taken nor granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses iii (b) to iii (d), iii(f) and iii (g) are not applicable.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the period to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

Annexure To Auditors' Report

Annual Report

ALSTOM T&D India Limited 2011-12

8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government of India for the maintenance of cost records prescribed under clause (d) of sub-section (1) of Section 209 of the Act in respect of the production and processing activities of the Company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, wealth-tax, customs duty and cess as at March 31, 2012 which have not been deposited on account of any dispute. The particulars of dues of sales-tax, service-tax and excise duty as at March 31, 2012 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of dues	Amount of demand (in Rs. thousands)	Period	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty including interest and penalty as applicable	44,401 *	1996-97, 1998-99, 1990-91, 2003-04, 2010-11 and 2011-12	Appellate Authority- upto Commissioner level
			2008-09 to 2011-12	Central Excise and Service Tax Appellate Tribunal
			2008-09 and 2009-10	Madras High Court,
Service Tax (Finance Act, 1994)	Service tax including interest and penalty as applicable	322,541 **	2008-09, 2010-11 & 2011-12	Appellate Authority- upto Commissioner level
			2005-06, 2007-08, 2008-09, 2010-11 and 2011-12	Central Excise and Service Tax Appellate Tribunal
			2009-10	Madras High Court
Central Sales Tax Act and Local Sales Tax Acts (including works contract tax)	Sales tax including interest and penalty as applicable	526,398 ***	1986-87, 1988-89 to 1990-91, 1992-93, 1993-94, 1998-99, 2000-01 to 2009-10, 2011-12	Appellate Authority- upto Commissioner level
			1983-84, 1986-87 and 1991-92	Sales Tax Appellate Tribunal

*Amount deposited against the demand is Rs. 1,340 thousands.

**Amount deposited against the demand is Rs. 242 thousands.

***Amount deposited against the demand is Rs. 127,526 thousands.

10. The Company has no accumulated losses as at March 31, 2012 and it has not incurred any cash losses in the financial period ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions as at the balance sheet date. The Company did not have any outstanding debentures as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period.

Annexure To Auditors' Report

Annual Report

ALSTOM T&D India Limited 2011-12

16. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the period.
19. The Company has not issued any debentures during the period; and does not have any debentures outstanding as at the period end.
20. The Company has not raised any money by public issues during the period.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the period, nor have we been informed of such case by the Management.

For **Price Waterhouse**
FRN No.: 012754N
Chartered Accountants

Suchita Sharma
Partner
Membership Number 73897

New Delhi
May 14, 2012

Balance Sheet

as at March 31, 2012

(All figures in Rs. Thousand unless otherwise stated)

	Schedule No.	As at March 31, 2012	As at December 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	478,208	478,208
Reserves and surplus	2	8,286,091	9,545,511
		8,764,299	10,023,719
Loan Funds			
Unsecured loans	3	5,936,676	8,952,751
		5,936,676	8,952,751
Deferred tax liability (Net)	13	149,703	38,130
		14,850,678	19,014,600
APPLICATION OF FUNDS			
Fixed Assets			
	4		
Gross block		10,163,310	11,948,871
Less: Accumulated depreciation		3,526,708	3,233,483
Net block		6,636,602	8,715,388
Capital work-in-progress (including Capital advances)		199,166	223,870
		6,835,768	8,939,258
Investments	5	34	2,034
Current Assets, Loans and Advances			
Inventories	6	5,553,536	4,808,383
Sundry debtors	7	18,128,362	21,400,177
Cash and bank balances	8	331,052	1,199,271
Other current assets	9	3,692,477	5,140,808
Loans and advances	10	2,891,615	3,191,592
		30,597,042	35,740,231
Less: Current Liabilities and Provisions			
Liabilities	11	21,552,159	24,639,868
Provisions	12	1,030,007	1,027,055
		22,582,166	25,666,923
Net Current Assets		8,014,876	10,073,308
		14,850,678	19,014,600

Significant Accounting Policies and Notes to Accounts

19

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

For Price Waterhouse

Firm Registration Number : 012754N
Chartered Accountants

Suchita Sharma

Partner
Membership Number: 73897

Place: New Delhi
Date : May 14, 2012

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

For and on behalf of the Board of Directors

Rathindra Nath Basu
Managing Director

Pierre Laporte
Director

Sunil Mathur
Chief Financial Officer

Manoj Prasad Singh
Company Secretary

Place: New Delhi
Date : May 14, 2012

Profit and Loss Account

For the Fifteen Months period From January 1, 2011 To March 31, 2012

(All figures in Rs. Thousand unless otherwise stated)

	Schedule No.	For the period ended March 31, 2012	For the year ended December 31, 2010
INCOME			
Sales and services (Gross)		44,197,436	42,672,144
Less : Excise duty		(2,905,546)	(2,471,786)
Sales and services (Net)		41,291,890	40,200,358
Other income	14	217,544	169,421
		41,509,434	40,369,779
EXPENDITURE			
Materials and contract related cost	15	28,798,511	27,776,762
Employee cost	16	3,620,175	3,465,864
Other manufacturing, administration and selling cost	17	5,193,723	4,719,908
Interest (Net)	18	652,035	655,011
Depreciation / Amortisation	4	1,014,249	936,010
		39,278,693	37,553,555
Profit before exceptional items and tax		2,230,741	2,816,224
Exceptional items	19(27)	145,018	-
Profit Before Tax		2,375,759	2,816,224
Tax Expense:			
Current Tax		(708,369)	(810,592)
Deferred Tax	13	(43,285)	(138,219)
Profit After Tax		1,624,105	1,867,413
Balance brought forward		6,696,949	5,518,405
Profit available for appropriations		8,321,054	7,385,818
Appropriations			
Proposed dividend		430,387	430,387
Corporate dividend tax		69,820	71,482
General reserve		165,000	187,000
Balance carried over to the Balance Sheet		7,655,847	6,696,949
		8,321,054	7,385,818
Earnings per share (EPS)-Face value per share Rs. 2 each			
Basic and diluted EPS (Rs.)	19(17)	6.79	7.81
Significant Accounting Policies and Notes to Accounts	19		

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

For Price Waterhouse

Firm Registration Number : 012754N

Chartered Accountants

Suchita Sharma

Partner

Membership Number: 73897

Place: New Delhi

Date : May 14, 2012

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

For and on behalf of the Board of Directors

Rathindra Nath Basu

Managing Director

Sunil Mathur

Chief Financial Officer

Place: New Delhi

Date : May 14, 2012

Pierre Laporte

Director

Manoj Prasad Singh

Company Secretary

Cash Flow Statement

For the Fifteen Months Period From January 1, 2011 To March 31, 2012

(All figures in Rs. Thousand unless otherwise stated)

	For the period ended March 31, 2012	For the year ended December 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	2,375,759	2,816,224
Adjustments for:		
Exceptional items	(145,018)	-
Provision for contract losses	6,230	-
Provision for doubtful debts	80,563	91,565
Excess provisions / liabilities no longer required written back	(92,262)	(4,717)
Bad debts / advances written off (net)	541,363	269,248
Exchange fluctuation unrealised (net)	(160,215)	421,969
Depreciation/ Amortisation	1,014,249	936,010
Interest income	(34,453)	(1,685)
Interest expense	686,488	656,696
Profit on sale of fixed assets (net)	(4,949)	(241)
Operating profit before working capital changes	4,267,755	5,185,069
Adjustments :		
Change in Sundry Debtors	(2,205,282)	(5,896,234)
Change in Other Current Assets, Loans and Advances	1,145,028	(791,381)
Change in Inventories	(2,648,217)	(1,017,923)
Change in Current liabilities and Provisions	2,605,080	4,208,646
Cash generated from operations	3,164,364	1,688,177
Income tax paid, net of refunds	(643,265)	(595,000)
Net cash generated from operating activities (A)	2,521,099	1,093,177
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure (including capital advances)	(1,078,101)	(1,137,424)
Proceeds from sale of fixed assets	185,645	2,264
Proceeds from sale of investments	1,000	-
Interest received	34,453	1,685
Net cash used in investing activities (B)	(857,003)	(1,133,475)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / Repayment short term loans, (Net)	(3,312,512)	1,079,322
Proceeds from Inter corporate deposit	10,800,000	-
Repayment of Inter corporate deposit	(8,350,000)	-
Interest paid	(655,959)	(650,187)
Dividend and Unclaimed dividend paid / remitted, including Dividend tax	(499,041)	(500,289)
Net cash used in financing activities (C)	(2,017,512)	(71,154)
Net decrease in cash and cash equivalents (A + B + C)	(353,416)	(111,452)
Opening balance of cash and cash equivalents	1,199,271	1,310,723
Transfer of cash balance to demerged business	(514,803)	-
Closing balance of cash and cash equivalents	331,052	1,199,271

Notes

- The Significant Accounting Policies and Notes to Accounts (Schedule 19) form an integral part of the Cash Flow Statement.
- The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting standard (AS 3) Cash Flow Statement issued under section 211(3c) of Companies Act, 1956.
- The above Cash Flow Statement excludes assets and liabilities transferred on demerger being non cash in nature (Refer Note 5 on Schedule 19).
- Proceeds from short term loans (Net) represents net amount of multiple borrowings and repayments during the period towards short term loans.
- Cash and cash equivalent includes unpaid dividend of Rs. 20,649 thousand (Previous year-Rs. 17,821 thousand)
- Figures in brackets represents cash outflows.

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

For Price Waterhouse

Firm Registration Number : 012754N
Chartered Accountants

Suchita Sharma

Partner
Membership Number: 73897

Place: New Delhi
Date : May 14, 2012

For and on behalf of the Board of Directors

Rathindra Nath Basu
Managing Director

Sunil Mathur
Chief Financial Officer

Place: New Delhi
Date : May 14, 2012

Pierre Laporte
Director

Manoj Prasad Singh
Company Secretary

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

	As at March 31, 2012	As at December 31, 2010
1. SHARE CAPITAL		
Authorised 627,500,000 (Previous year - 627,500,000) equity shares of Rs 2/- each	1,255,000	1,255,000
Issued 239,106,635 (Previous year - 239,106,635) equity shares of Rs 2/- each	478,213	478,213
Subscribed and paid up 239,104,035 (Previous year - 239,104,035) equity shares of Rs 2/- each fully paid up	478,208	478,208
	478,208	478,208

Notes

- a) 175,492,524 (73.4%) equity shares of Rs 2/- each are held by Grid Equipments Ltd. The ultimate holding Company is ALSTOM SA, France
As at December 31, 2010 172,585,900 equity shares of Rs 2/- each held by:

	No. of Shares	Percentage
ALSTOM Grid SAS France	132,919,225	55.59%
T&D Holding, France	27,893,950	11.67%
Long & Crawford Limited	11,772,725	4.92%
Total	172,585,900	72.18%

In addition, as at December 31, 2010, 2,906,624 shares (1.22%) were held in Trust for the Promoter Group by the Registrar to the Public Offer made by the Company in December 2010, tendered in the public offer by them and not transferred to their name in the Company's records.

- b) The equity shares of Rs 10/- each of the Company were sub-divided into five shares of Rs 2/- each with effect from October 31, 2008.
- c) Prior to subdivision of shares:
- i) 15,750,000 equity shares of Rs 10/- each were allotted as fully paid bonus shares by capitalisation of general reserve, share premium and profit and loss account balance.
 - ii) 19,871,327 equity shares of Rs 10/- each were issued and allotted as fully paid up shares pursuant to the scheme of amalgamation with The General Electric Company of India Limited in 1992-93 (11,520,000 shares), GEC Power Engineering Services of India Limited (PESIL) in 1993-94 (330,000 shares), ALSTOM T&D Distribution Transformers Limited in 2000-01 (87,992 shares) and with AREVA T&D Systems India Limited, AREVA T&D Instrument Transformers India Private Limited and AREVA T&D Lightning Arresters Private Limited, in 2007, (7,933,335 shares) without payment being received in cash.
 - iii) During 1994-95, the Company offered 9,950,000 equity shares of Rs 10/- each to the existing shareholders in the ratio of 1 share for every 3 shares held at a premium of Rs 40/- per share as per letter of offer dated May 10, 1994. The shares, barring 1,034 shares, which were kept in abeyance for technical reasons, were allotted at the meeting of Committee of Directors held on July 28, 1994. Of the 1,034 shares of Rs 10/- each, kept in abeyance, 514 shares of Rs 10/- each, were allotted upto 2001-02.

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

	As at March 31, 2012	As at December 31, 2010
2. RESERVES AND SURPLUS		
Capital reserve		
Opening Balance	47,166	47,166
Additions during the period	-	-
Transferred on Demerger	47,166	-
Closing Balance	-	47,166
Capital redemption reserve		
Opening Balance	60	60
Additions during the period	-	-
Transferred on Demerger	60	-
Closing Balance	-	60
Securities premium account		
Opening Balance	812,729	812,729
Additions during the period	-	-
Transferred on Demerger	812,729	-
Closing Balance	-	812,729
Amalgamation reserve		
Opening Balance	28,500	28,500
Additions during the period	-	-
Transferred on Demerger	28,500	-
Closing Balance	-	28,500
Fixed asset revaluation reserve		
Opening Balance	4,624	12,362
Additions during the period	-	-
Withdrawals during the year	-	7,738
Closing Balance	4,624	4,624
General reserve		
Opening Balance	1,955,483	1,768,483
Additions during the period	165,000	187,000
Transferred on Demerger	1,494,863	-
Closing Balance	625,620	1,955,483
Profit and Loss Account		
	7,655,847	6,696,949
	8,286,091	9,545,511
3. UNSECURED LOANS		
Short term loan from banks:		
Packing credit	1,783,068	4,591,950
Other loans (including accrued interest Rs.2,318 thousand, (Previous year-Rs.842 thousand))	1,057,540	3,789,224
Inter corporate deposit	2,450,000	-
Long term loan from other than banks:		
External Commercial Borrowings ("ECB")	646,068	571,577
	5,936,676	8,952,751

Notes:

- ALSTOM Holdings and T&D Holdings, France (Previous year- ALSTOM Grid SAS, France) has provided comfort letter to the bankers for loans taken by the Company.
- Short term loans from banks includes
 - Overdraft of Rs.809,787 thousand (Previous year - Rs.262,294 thousand) and foreign currency loan of US\$ 3,831 thousand and Euro 739 thousand (Previous year - US\$ 85,800 thousand and Euro Nil) which is repayable within six months from the date of loan and carries varying interest rates of 8% to 11.5%, (Previous year- 5% - 9%)
 - Overdraft of Rs.380,447 thousand (Previous year- Rs.247,931 thousand) from Standard Chartered Bank Qatar. Maximum amount outstanding during the year Rs.561,861 thousand (Previous year- Rs.2,125,542 thousand)
- Inter corporate deposits represents amount borrowed from ALSTOM Projects India Limited and are repayable on demand.
- The Company utilised ECB loan of Euro 9,493 thousand till date (out of the sanctioned amount of Euro 13,000 thousand) from ALSTOM Grid SAS, France, for financing expansion plans at its manufacturing units. The borrowing carries a rate of interest of 37.5 basis points over six months EURIBOR, and is repayable on June 30, 2012.
- Amounts due for repayment within one year Rs.5,936,676 thousand (Previous year- Rs.8,381,174 thousand)

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

4. FIXED ASSETS

Description	As at January 1, 2011	Additions during the period	Disposals / adjustments during the period	Transferred on Demerger during the period	As at March 31, 2012
GROSS BLOCK					
Tangible assets					
Freehold land	532,840	-	-	103,356	429,484
Leasehold land	9,655	-	-	772	8,883
Buildings (including those on leasehold land)	3,933,606	123,319	14,187	1,070,852	2,971,886
Leasehold improvements	217,237	368	2,390	11,548	203,667
Plant and machinery	5,517,176	703,197	55,585	1,189,942	4,974,846
Furniture and fittings and Office equipment	1,157,340	174,472	45,273	252,539	1,034,000
Motor vehicles	21,633	371	909	3,945	17,150
Intangible assets					
Goodwill	323,538	-	-	-	323,538
Assets held for Sale					
Freehold land	82,824	-	10,413	-	72,411
Leasehold land	753	-	-	753	-
Buildings	152,269	-	16,343	8,481	127,445
	11,948,871	1,001,727	145,100	2,642,188	10,163,310
Previous year	10,838,634	1,277,243	167,006	-	11,948,871
ACCUMULATED DEPRECIATION					
Tangible assets					
Freehold land	-	-	-	-	-
Leasehold land	8,194	-	-	59	8,135
Buildings (including those on leasehold land)	377,996	170,943	9,174	76,854	462,911
Leasehold improvements	185,624	10,913	1,934	8,374	186,229
Plant and machinery	1,600,982	625,028	46,747	378,039	1,801,224
Furniture and fittings and Office equipment	658,359	198,988	34,512	142,524	680,311
Motor vehicles	15,789	2,427	711	3,641	13,864
Intangible assets					
Goodwill	323,538	-	-	-	323,538
Assets held for Sale					
Freehold land	-	-	-	-	-
Leasehold land	177	-	-	177	-
Buildings	62,824	5,950	16,343	1,935	50,496
	3,233,483	1,014,249	109,421	611,603	3,526,708
Previous year	2,454,718	943,748	164,983	-	3,233,483
NET BLOCK					
Tangible assets					
Freehold land	532,840			103,356	429,484
Leasehold land	1,461			713	748
Buildings (including those on leasehold land)	3,555,610			993,998	2,508,975
Leasehold improvements	31,613			3,174	17,438
Plant and machinery	3,916,194			811,903	3,173,622
Furniture and fittings and Office equipment	498,981			110,015	353,689
Motor vehicles	5,844			304	3,286
Intangible assets					
Goodwill	-			-	-
Assets held for Sale					
Freehold land	82,824			-	72,411
Leasehold land	576			576	-
Buildings	89,445			6,546	76,949
	8,715,388			2,030,585	6,636,602
Previous year	8,383,916			-	8,715,388
Capital work-in-progress (including capital advances)	223,870			101,078	199,166

Notes:

- Land and buildings were revalued on March 31, 1992, based on the estimated current replacement cost after considering depreciation upto that date as per valuers' reports, and the resultant surplus of Rs. 343,712 thousand (December 2010 Rs. 343,712 thousand) was credited to fixed asset revaluation reserve. Of this reserve, Rs 339,088 thousand (December 2010 Rs 339,088 thousand) relating to reserves with respect to buildings has been transferred to Profit and Loss Account as an adjustment of depreciation / sale of assets. The balance represents revaluation reserve with respect to land.
- Renewal of lease agreement (for which the company has an option) in respect of 4.84 acres of land at Chennai (which expired on September 13, 1989) is still under process. The Company has contested the hike in rent by the State Government and the matter is sub-judice. An application of the Company for specific performance of the Lease Agreement was rejected by the Trial Court, and the Company has preferred an appeal against the said Judgement, which is pending, before the District Court, Kancheepuram.

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

	As at March 31, 2012	As at December 31, 2010
5. INVESTMENTS (Long term Unquoted at cost unless otherwise stated)		
TRADE :		
175,000 (Previous year- 175,000) equity shares of Rs. 10/- each fully paid up in Genelec Limited	35	35
Less : Written off during the period	(35)	-
Less : Provision for diminution in value	-	(35)
	-	-
NON-TRADE :		
1,000 (Previous year- 1,000) equity shares of Rs. 10/- each fully paid up in The English Electric Company Employees' Co.-operative Stores Limited	10	10
2 (Previous year- 2) 5% Non-redeemable registered debenture stocks of Rs 11 thousand and Rs 6 thousand fully paid up in the Woodlands Hospital and Medical Research Centre Limited	17	17
65 (Previous year- 65) ½% registered mortgage debentures of Rs 100/- each fully paid up in the Woodlands Hospital and Medical Research Centre Limited	7	7
Investments in subsidiary companies*:		
Nil (Previous year- 500,000) equity shares of Rs 2/- each fully paid up in Grid Equipments Limited	-	1,000
Nil (Previous year- 500,000) equity shares of Rs 2/- each fully paid up in Energy Grid Automation Transformers and Switchgears India Limited	-	1,000
	34	2,034
Aggregate value of unquoted investments	34	2,034
* Refer Note 6 on Schedule 19		
6. INVENTORIES (At lower of cost or net realisable value)		
Stores and spare parts	193	2,396
Raw materials and components (including Rs.133,607 thousand (Previous year- Rs.160,564 thousand) lying with third parties) Including goods in transit Rs 119,230 thousand (Previous year- Rs 250,367 thousand)	1,616,187	1,715,960
Work-in-progress	2,594,482	2,724,292
Finished goods	1,342,674	365,735
	5,553,536	4,808,383
7. SUNDRY DEBTORS (Unsecured)		
Debts outstanding for a period exceeding six months		
- considered good	6,040,748	4,801,553
- considered doubtful	232,395	468,864
	6,273,143	5,270,417
Less : Provision for doubtful debts	(232,395)	(468,864)
	6,040,748	4,801,553
Other debts - considered good	12,087,614	16,598,624
	18,128,362	21,400,177

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

	As at March 31, 2012	As at December 31, 2010
8. CASH AND BANK BALANCES		
Cheques in hand	-	497,733
Remittances in transit	-	36,113
Balances with scheduled banks in		
Current accounts	294,129	638,824
Deposit accounts	1,674	1,674
Unpaid dividend accounts	20,649	17,821
Balances with other Banks in		
Current accounts		
Citi Bank, Kenya (Maximum amount outstanding during the year - Rs.35,661 thousand (Previous year - Rs 72,508 thousand))	14,600	7,106
	331,052	1,199,271
9. OTHER CURRENT ASSETS		
Contract revenue in excess of billing	3,692,477	5,140,808
	3,692,477	5,140,808
10. LOANS AND ADVANCES		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	1,443,447	1,726,253
Less: Provision for doubtful advances	(20,579)	(20,579)
	1,422,868	1,705,674
Deposits	301,017	361,317
Advance tax and tax deducted at source (Net of provision for tax Rs.4,584,478 (Previous year- Rs 4,176,969 thousand))	191,750	158,172
Balances with excise authorities	956,038	949,702
Balances with customs and port trust authorities	19,942	16,727
	2,891,615	3,191,592
11. CURRENT LIABILITIES		
Acceptances	344,942	691,210
Sundry creditors		
Dues to Micro enterprises and Small enterprises	910,917	828,486
Dues to creditors other than Micro enterprises and Small enterprises	14,992,791	17,469,762
Other liabilities	385,682	684,969
Payments received in advance from customers	4,897,178	4,947,620
Unclaimed dividend*	20,649	17,821
	21,552,159	24,639,868
Note : Sundry creditors include liability relating to employee voluntary separation schemes [Amount payable within one year is Rs.5,728 thousand (Previous year- Rs.11,034 thousand)]	13,252	23,929

* Represents dividend warrants issued but not encashed. There are no amount due to be transferred to the Investor Education and Protection Fund as at March 31, 2012

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

	As at March 31, 2012	As at December 31, 2010
12. PROVISIONS		
Contract losses	36,890	41,872
Warranties	302,653	228,370
Compensated leave	167,364	212,330
Gratuity	22,893	42,614
Proposed dividend	430,387	430,387
Tax on proposed dividend	69,820	71,482
	1,030,007	1,027,055
13. DEFERRED TAX		
Deferred tax assets arising on timing differences on account of :		
Voluntary separation schemes	15,163	32,030
Disallowances under Section 43B of the Income tax Act, 1961	61,729	81,282
Provisions	122,345	219,055
Others	11,873	-
	211,110	332,367
Deferred tax liabilities arising on timing differences on account of :		
Depreciation on fixed assets	360,813	353,214
Others	-	17,283
	360,813	370,497
Deferred tax (liability) / asset (Net)*	(149,703)	(38,130)
* excludes 68,288 thousand transferred on demerger (Refer note 5 on schedule 19)		
	For the period ended March 31, 2012	For the year ended December 31, 2010
14. OTHER INCOME		
Profit on sale of fixed assets (net)	4,949	241
Scrap sales	98,819	130,182
Rent	1,428	1,226
Excess provisions / liabilities no longer required written back	92,262	4,717
Miscellaneous income	20,086	33,055
	217,544	169,421
15. MATERIALS AND CONTRACT RELATED COST		
Raw materials and components consumed	29,645,640	29,003,052
Work-in-progress		
Opening stock	2,724,292	1,672,849
Less : Closing stock	2,594,482	2,724,292
(Increase) / Decrease in Work-in-progress	129,810	(1,051,443)
Finished goods		
Opening stock	365,735	190,888
Less : Closing stock	1,342,674	365,735
(Increase) / Decrease in Finished goods	(976,939)	(174,847)
	28,798,511	27,776,762

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

	For the period ended March 31, 2012	For the year ended December 31, 2010
16. EMPLOYEE COST		
Salaries, wages allowances, bonus etc.*	2,965,754	2,882,034
Contribution to provident and other funds	319,539	313,278
Workmen and staff welfare expenses	334,882	270,552
	3,620,175	3,465,864
*Refer Note 11 on Schedule 19.		
17. OTHER MANUFACTURING, ADMINISTRATION AND SELLING COST		
Consumption of stores and spare parts	130,712	146,760
Power and fuel	249,373	239,727
Rent	127,976	144,246
Rates and taxes	160,181	164,252
Repairs and maintenance		
Buildings	165,346	157,918
Plant and machinery	167,224	94,971
Others	172,520	173,592
Insurance	68,450	92,546
Directors' sitting fees	1,240	575
Commission to non executive Directors (Refer note 24 on Schedule 19)	4,000	-
Royalty and technical know-how	187,909	272,850
Freight and octroi	742,616	511,646
Travelling	625,846	657,117
Postage and telephone	91,797	90,662
Auditors remuneration (Refer note 26 on Schedule 19)	14,805	10,000
Bank charges	157,473	99,679
Foreign exchange fluctuation (net)	533,263	393,816
Contract losses	6,230	-
Provision for doubtful debts	80,563	91,565
Bad debts written off (net)	541,363	269,248
Trade mark fees	376,869	328,579
Data management charges	162,989	314,002
Warranty cost (net)	169,920	7,364
Miscellaneous expenses	255,058	458,793
	5,193,723	4,719,908
18. INTEREST, NET		
Interest on		
- fixed loans	500,756	466,038
- others	185,732	190,658
	686,488	656,696
Less: Interest earned on deposits with banks* (Gross) and others	(34,453)	(1,685)
	652,035	655,011

* Tax deducted at source Rs 13 thousand (Previous year - Rs 133 thousand)

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

19. NOTES TO THE FINANCIAL STATEMENTS

1 BACKGROUND

ALSTOM T&D India Limited ('ATDIL' or 'the Company') (formerly AREVA T&D India Limited) is a publicly listed company, incorporated on March 13, 1957 as The English Electric Company of India (Private) Limited with its registered office at NCT of Delhi and Haryana. The Company's operations encompass the operations of some of the erstwhile companies (inter-alia including the operations of The General Electric Company of India Limited formed in the year 1911) which merged into the Company.

The Company has been building the power transmission and distribution infrastructure to support economic growth in the country. It has a portfolio of products, solutions and services, comprising the entire range of transmission equipment up to Extra and Ultra High Voltages (765 kV and beyond) including air-insulated switchgear (AIS) and locally manufactured power transformers and gas-insulated switchgear (GIS). It also provides power electronics solutions (HVDC, FACTS) to create super highways and offers highly advanced power management Smart Grid solutions for transmission and distribution including renewable energies integration.

During the year 2009, ALSTOM Holdings, France and Schneider Electric Industries SAS entered into consortium agreement to acquire the global T&D business of AREVA SA, the then holding company, such that transmission business would be allocated to ALSTOM group and the distribution business to Schneider group of companies.

During the current period, the demerger of the distribution business of the Company was completed. The name of the Company was changed to ALSTOM T&D India Limited from AREVA T&D India Limited on January 31, 2012.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. These financial statements have been prepared under the historical cost convention on an accrual basis except in case of land and buildings which have been revalued. The accounting policies have been consistently applied by the Company and are consistent with those applied in the previous year.

The Company's financial year was changed from calendar year to April through following March. Accordingly, the current period figures represent fifteen months beginning from January 1, 2011 to March 31, 2012. In accordance with the notification by the Ministry of Corporate Affairs no 538 dated March 30, 2011 the revised Schedule VI to The Companies Act, 1956 is not applicable for the current period as the accounting period commenced before April 1, 2011. The financial statements for the fifteen month period ended March 31, 2012 have therefore been prepared and presented as per the pre revised Schedule VI to The Companies Act, 1956.

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, which are shown at estimated replacement cost as determined by the valuers), less accumulated depreciation and impairment losses, if any. Special tools are capitalised as plant and machinery. Cost comprises purchase price and any other attributable cost of bringing the asset to its working place and condition for its intended use.

The cost of fixed assets not ready for their intended use before such date is recorded as capital work in progress. Cost of construction that relate directly to specific fixed assets and that are attributable to construction activity in general and can be allocated to specific fixed assets are included in capital work-in-progress.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lesser of their net book value and net realisable value and are shown separately in the financial statements and any expected loss is recognised immediately in the Profit and Loss Account.

2.4 Depreciation

Fixed assets, other than land, but including revalued buildings, are depreciated pro-rata based on straight line method over the estimated useful lives of the assets, at the following annual rates which are equal to or higher than the rates specified under Schedule XIV of the Companies Act, 1956:

	Percentage
Buildings	2.50 - 4.00
Leasehold improvements	33.33
Plant and machinery	10.00, 20.00 and 33.33
Furniture, fittings and office equipment	10.00, 15.00 and 20.00
Motor vehicles	25.00
Computers and EDP equipment	33.33 and 50.00
Goodwill	20.00

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

Leasehold assets are amortised over the period of the lease or the estimated useful life whichever is lesser. Assets costing below Rs. 5,000/- 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.

2.5 Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date to assess 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 higher of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows from the continuing use of an asset and from its disposal at end of its useful life, are discounted to their present value at the weighted average cost of capital.

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

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.

2.6 Foreign currency transactions

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.

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.

In accordance with Accounting Standard AS-11, "The effects of changes in foreign exchange rates", the branches located outside India have been classified as "Integral foreign operation" and exchange differences on translation is charged to Profit and Loss Account.

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 Derivative instruments

The Company uses derivative financial instruments, such as forward contracts, to hedge the risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable transactions. The use of forward contracts is governed by the Company's policies on the use of such financial derivatives consistent with the Company's risk management strategy.

In cases where the Company has entered into forward exchange contracts, which are not intended for trading or speculative purposes and covered under Accounting Standard 11, the difference between the forward rate and the initial spot rate is recognised as an income or expense over the life of the contract. Exchange gains / losses on intermediary forward contracts relating to firm commitments are recognised in the Profit and Loss Account based on fair value changes as at the balance sheet date.

In line with the principle of prudence as enunciated in Accounting Standard 1, Disclosure of Accounting Policies and as per the announcement of Institute of Chartered Accountant of India dated March 29, 2008, the other foreign exchange contracts entered into and not intended for trading or speculative purposes, 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.

Any profit or loss arising on cancellation or renewal of the forward exchange contracts is recognised as income or expense for the year.

2.8 Inventories

Inventories comprising of raw material, work in progress, finished goods and stores and spares are valued at lower of cost and net realisable value. Cost includes cost of purchase (net of CENVAT, where applicable), cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of various categories of inventories is arrived at as follows:

- Stores, spares, raw materials and components - at cost determined on the weighted average cost method.
- Work-in-progress and finished goods – based on weighted average cost of production, including appropriate proportion of costs of conversion. Excise duty payable on dispatch 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 being purchased 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.

Provisions/ write downs for obsolescence, damaged and slow moving inventory are made, wherever necessary and inventory is stated net of such provisions / write downs.

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

2.9 Revenue recognition

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 immediately. Such losses are based on technical assessments and on Management's analysis of the risks and exposures on a case to case basis.

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

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

2.9.2 Revenues from sale of products and services

Revenues from sale of products are recognised in accordance with the terms of contract which corresponds to transfer of significant risk and rewards of ownership and are net of sales tax and trade discounts. Revenues from services are recognised when such services are rendered as per contract terms.

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

2.9.4 Export Benefits are accounted for to the extent there is reasonable certainty of utilisation of the same, at the estimated realisable value / actual credit earned during the year.

2.10 Employee benefits

Retirement benefits in the form of Provident Fund comprise in case of certain employees contributions made to the Regional Provident Fund Commissioner under a defined contribution plan and are expensed to the Profit and Loss Account as and when such contributions are due. The Company has no further obligation under the above fund plans beyond its monthly contributions. In other cases, the Company contributes to a recognized Provident Fund Trust set up by the employer under a defined contribution scheme and contributions to the Trust are expensed to the Profit and Loss Account when such amounts are due. The interest rate payable by the Trust to the beneficiaries every year is as notified by the Government. The Company has an obligation to make good the shortfall of such interest, if any, as compared to the net return from the investments of the Trust and recognizes such obligation as an expense based on its actuarial valuation.

Gratuity liability is a defined benefit obligation and is provided on the basis of its actuarial valuation based on the projected unit credit method made at each balance sheet date. The Company funds gratuity benefits for its employees within the limits prescribed under The Payment of Gratuity Act, 1972 through contributions to a Scheme administered by the Life Insurance Corporation of India ('LIC'). In case of managerial employees in addition to the ceiling defined under the Gratuity Act, certain additional amounts are paid depending upon the period served for the Company. This additional gratuity liability is also determined on the basis of its actuarial valuation based on the projected unit credit method as on the balance sheet date. Such liability is not funded.

Long term compensated absences are provided for on the basis of its actuarial valuation as per the projected unit credit method as on the balance sheet date. Actuarial gains and losses arising from effects of changes in actuarial valuations are recognised in the Profit and Loss Account in the period in which they arise.

In the case of Voluntary Separation Schemes which may be offered to employees on closure of Business Units, lump sum separation payouts are expensed when the Scheme is accepted by an employee. In respect of Schemes where payments are to be made over a longer period till the age of retirement or death of an employee, whichever is earlier, the liability is estimated at each Balance Sheet date and interest implicit in the payout is expensed during the period.

Actuarial gains and losses arising from effects of changes in actuarial valuations are recognised in the Profit and Loss Account in the period in which they arise.

2.11 Leases

Operating Leases

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

2.12 Investments

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 the long term investments.

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

2.13 Taxes

Tax expense comprises of current and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences from 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 a 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 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 the deferred tax asset can be realized in future. Any such write-down is subsequently reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized.

2.14 Provisions and Contingencies

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

2.15 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.

2.16 Technical know-how, Testing and Certification fees

Technical know-how, testing and certification fee in respect of new products is expensed in the year in which it is incurred.

2.17 Excise Duty

Excise Duty on sales for the year has been disclosed as a reduction from the turnover. Excise duty relating to the difference between closing stock and opening stock has been included in Schedule 17 "Other Manufacturing, Administration and Selling cost".

2.18 Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised till the month in which each asset is put to use as part of the cost of the asset.

	As at March 31, 2012	As at December 31, 2010
3. COMMITMENTS		
Estimated amount of contracts remaining to be executed on capital account and not provided for in these accounts (net of advances).	311,541	207,349
4. CONTINGENT LIABILITIES IN RESPECT OF		
(i) Income Tax matters relating to disallowances which are under litigation before the various appellate forums for various assessment years upto March 31, 2012 (Net of provisions)	-	150,051
(ii) Sales tax matters primarily relating to demands on account of non collection of declaration forms	172,123	138,897
(iii) Claims against the Company not acknowledged as debts	46,770	123,575

The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible outflows are dependent on the outcome of the legal proceedings and therefore cannot be predicted.

The Company engages reputed professional advisers to protect its interest and has been advised that it has reasonable chances of success in these appeals.

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

5. REORGANISATION OF ALSTOM TRANSMISSION AND DISTRIBUTION BUSINESS

On January 20, 2010, ALSTOM Holdings and Schneider Electric Industries SAS ("acquirers") entered into a share purchase agreement with AREVA SA., through ALSTOM Sextant 5 SAS, a special purpose vehicle, for acquisition of the Global T&D Business of AREVA SA effective from June 7, 2010. In terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, in India, the acquirers during the previous year made a public announcement on May 28, 2010 to the shareholders of the Company and made an open offer to purchase up to 20% of the issued share capital of the Company. The offer opened on November 6, 2010 and closed on November 25, 2010. On December 3, 2010, the acquirers had informed the Company confirming the completion of the open offer formalities. Thereafter the Promoter Group's holding stood increased to 175,492,524 (73.40%) equity shares after acquiring 2,906,624 (1.22%) equity shares from the open offer.

Pursuant to the open offer, a Scheme of Arrangement (the "Scheme") between the Company (Transferor Company), Smartgrid Automation Distribution and Switchgear Limited (now called Schneider Electric Infrastructure Limited) (the Transferee Company) and their respective Shareholders and Creditors for demerger of Company's "Distribution business" into the Transferee Company under Section 391-394 of The Companies Act, 1956, was sanctioned by the Hon'ble High Courts of Gujarat and Delhi, respectively on September 19, 2011 and October 24, 2011.

The Scheme contained a detailed plan for separation of operations and under the Scheme, ALSTOM T&D India Limited (formerly AREVA T&D India Limited) shareholders will continue to remain the shareholders of ALSTOM T&D India Limited (formerly AREVA T&D India Limited), and they will also be issued shares in Smartgrid Automation Distribution and Switchgear Limited in the ratio of 1:1. The Scheme has been given effect to on November 26, 2011 (effective date) with the filing of certified true copies of orders of Hon'ble High Courts with respective Registrar of Companies at 'Gujarat, Dadra and Nagar Haveli' and 'NCT of Delhi and Haryana'.

The transfer of demerged business undertaking has been transferred and vested as of the effective date and the Company has accounted for the same by recording the transfer of relevant assets and liabilities of the demerged business in terms of the approved Scheme at their book values as on the appointed date with an equivalent withdrawal from the Company's reserves for Rs. 2,383,318 thousand resulting in no net gain or loss to the Company as follows:

Adjustment/Withdrawal from Reserves

Securities Premium	812,729
Capital Reserve	47,166
Capital Redemption Reserve	60
Amalgamation Reserve	28,500
General Reserve	1,494,863
	2,383,318

Represented by :

Fixed Assets (including capital work in progress Rs. 101,078 thousand)	2,131,663
Investments	2,000
Deferred tax asset	68,288
Net working capital:	
Inventories	1,903,065
Sundry Debtors	4,994,770
Cash and Bank Balances	514,803
Other Current Assets	76,592
Loans and Advances	525,688
Liabilities	(5,727,584)
Provisions	(188,429)
Loan funds	(1,917,538)
	2,383,318

The following statement shows the revenue and expenses from the demerged (discontinued distribution business) and the continuing (transmission business) operations of the Company during the financial period ended March 31, 2012:

	Transmission business (Continuing Operations) (For the period ended March 31, 2012)	Distribution business (Discontinued Operations)(For the period January 1, 2011 to March 31, 2011)	Total (For the period ended March 31, 2012)
Revenue (Net of Excise duty)	38,600,121	2,691,769	41,291,890
Other Income	205,318	12,226	217,544
Operating Expenses	35,959,723	2,666,935	38,626,658
Interest	613,938	38,097	652,035
Exceptional item	145,018	-	145,018
Profit before tax	2,376,796	(1,037)	2,375,759
Tax	751,998	(344)	751,654
Profit after tax	1,624,798	(693)	1,624,105

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

6. INVESTMENT IN SUBSIDIARY COMPANIES

- (i) A wholly owned subsidiary company, Smartgrid Automation Distribution and Switchgear Limited (now called Schneider Electric Infrastructure Limited, the Transferee company) was incorporated to vest the Company's distribution business with 500,000 shares of Rs 2/- each as issued, subscribed and nil-paid up share capital for which the Company contributed Rs 1000 thousands. Following issuance and allotment of shares by the Transferee company in terms of the Scheme, the shares held by the Company and its nominees in the Transferee company were cancelled and the liability, if any, of the Company and its nominees stood discharged. Accordingly, Smartgrid Automation Distribution and Switchgear Limited (now called Schneider Electric Infrastructure Limited) ceased to be a subsidiary of the Company following the Scheme having been given effect to on November 26, 2011, with an appointed date April 1, 2011.
- (ii) The entire shareholding of 500,000 (Previous year - 500,000) Equity Shares of Rs. 2 each in the wholly owned subsidiary - Energy Grid Automation Transformers and Switchgear India Limited have been transferred as part of Net Assets of the 'Distribution business' to the Transferee Company, Smartgrid Automation Distribution and Switchgear Limited (now called Schneider Electric Infrastructure Limited).
- (iii) The entire shareholding of 500,000 (Previous year - 500,000) Equity Shares of Rs. 2 each in wholly owned subsidiary, Grid Equipments Limited has been transferred by way of sale at face value, with requisite approvals, on January 4, 2012 to ALSTOM Grid Finance BV, a member of the promoter group.

Following above, the Company does not have any subsidiaries as at March 31, 2012. During the current period, there were no transactions with the subsidiaries other than those described above including final divestiture in them by the Company.

7. SEGMENT INFORMATION

Based on the dominant source and nature of risks and returns of the Company, management has identified its business segment as primary reporting format. The Company has been engaged in the business of designing, manufacturing and commissioning products, projects and systems for electricity transmission and distribution and accordingly had only one business segment. As described in detail in note 5 above, during the current financial period, pursuant to obtaining the Court orders and their filing with the Registrar of Companies on November 26, 2011, the Company demerged its distribution business with the appointed date being April 1, 2011. However, having regard to the in-principle approval to the proposed Scheme of Arrangement for demerger of the Distribution Undertaking of the Company in April 2011, the Company decided to identify and report the Transmission and Distribution businesses as segments for the quarter ended March 31, 2011. Thereafter the Distribution business comprised discontinuing operations till November 26, 2011 when the Court Orders were filed with the Registrar of Companies. Following the vesting of the Distribution business to the transferee company during the quarter ended December 31, 2011 with the appointed date being April 1, 2011, within the current period, the Company has only one business segment i.e. business relating to products, projects and systems for electricity transmission. Accordingly, disclosures requirements as per Accounting Standard 17 – Segment Reporting, are not applicable.

The secondary segment by geographical location is given below.

	Revenue from External Customers	Segment Assets	Capital Expenditure
Domestic	40,442,598	34,403,799	977,023
	(37,391,689)	(42,977,008)	(982,238)
Overseas	3,754,838	3,029,045	-
	(5,280,455)	(1,546,343)	-
Total	44,197,436	37,432,844	977,023
	(42,672,144)	(44,523,351)	(982,238)

Note: Figures in brackets are for the previous year.

The accounting policies applicable to the reportable geographical segments are the same as those used in the preparation of the financial statements as set out above. Segment revenue from external customers includes amounts which can be directly identified to the geographical segment or allocated on a reasonable basis and does not include interest income. Segment assets include all operating assets used by the segment and consist primarily of debtors, inventories and fixed assets. Capital expenditure comprises additions to fixed assets including capital work in progress by geographical area in which assets are located.

8.1 RELATED PARTY DISCLOSURES

- (i) Ultimate Holding Company ALSTOM SA, France
- (ii) Intermediate Holding Companies T&D Holding, France (upto January 23, 2012)
ALSTOM Sexant 5 SAS, France (upto March 30, 2012)
ALSTOM Grid Finance BV, Netherlands (w.e.f February 1, 2012)
- (iii) Immediate Holding Company Grid Equipments Limited, India (w.e.f February 1, 2012)
ALSTOM Grid SAS, France (upto January 23, 2012)
- (iv) Subsidiaries Grid Equipments Limited, India (upto January 3, 2012)
Energy Grid Automation Transformers and Switchgears India Limited, India (upto November 26, 2011)
Smartgrid Automation Distribution and Switchgear Limited, India (upto November 26, 2011)
- (v) Other related parties with whom transactions have taken place during the period

Schedules to the Financial Statements

Annual Report

ALSTOM T&D India Limited 2011-12

Fellow Subsidiaries

ALSTOM (Yanghou) High voltage bus ducts Co Ltd, China	ALSTOM Hydro Malaysia Sdn Bhd
ALSTOM Austria GmbH, Austria	ALSTOM Grid, Indonesia
ALSTOM Colombia S.A, Colombia	ALSTOM Grid Inc., USA
ALSTOM Grid Vietnam Co Ltd, Vietnam	ALSTOM Power Sp.zo.o, Poland
ALSTOM Grid Australia Limited, Australia	ALSTOM S A Transport, France
ALSTOM Grid Canada Inc, Canada	ALSTOM Grid S.p.A., Italy
ALSTOM Grid Energia Ltda, Brazil	PT UNELEC, Indonesia
ALSTOM Grid Enerji Endüstrisi AS, Turkey	PT Schneider, Indonesia
ALSTOM Grid Finance, France	ALSTOM Grid S.A. de C.V, Mexico
ALSTOM Projects India Limited, India	ALSTOM T&D HVDC India Limited
ALSTOM Grid GMBH, Germany	Schneider Electric Brasil Ltda., Brazil
ALSTOM Grid Huadian Switchgear, China	Schneider Electric Canada Inc, Canada
ALSTOM Power Conversion SAS, France	Schneider Electric De Colombia S.A., Colombia
ALSTOM Grid Marco, Morocco	Schneider Electric Energy GmbH, Germany
ALSTOM Grid Middle East FZE, Dubai	Schneider Electric Energy Sp Zoo, Poland
ALSTOM Grid Panama S.A., Panama	Schneider Electric India Private Limited, India
ALSTOM Grid Portugal LTda, Portugal	Schneider Electric Industries SA, UAE
ALSTOM Grid Protection Control, France	Schneider Electric Industries SAS, France
ALSTOM Grid Pte Ltd, Singapore	Schneider Electric Infrastructure Ltd, India
ALSTOM systems(Shanghai) Co Ltd, China	Schneider Electric Protection & Controle, France
ALSTOM Grid SAS, France (w.e.f February 1, 2012)	Schneider Electric Sachsenwerk GmbH
ALSTOM Grid SA, Spain	Schneider-Electric Energy Hungary Ltd, Hungary
ALSTOM Grid Sdn Bhd, Malaysia	Shanghai Schneider Electric Power Automation Co Ltd, China
ALSTOM Grid, Moscow	Suzhou Alstom Switchgear Co Ltd, China
ALSTOM Grid UAE, UAE	ALSTOM Instrument Transformers (Shanghai) Co Ltd., China
ALSTOM Grid UK Limited, UK	ALSTOM Suzhou High Voltage Switchgear Co. Ltd, China
ALSTOM Grid AG, Switzerland	ALSTOM Grid Transformateurs demesures, France
ALSTOM Grid, Finland	Schneider-Electric Energy, Zalatnai
ALSTOM Grid, Thailand	Schneider Electric Maroc, Morocco
ALSTOM Hungaria KFT, Hingeria	Schneider Panama S.A., Panama
ALSTOM Hydro France, France	ALSTOM Grid Finance BV, Netherlands (upto January 31, 2012)
Energy Grid Automation Transformers and Switchgears India Limited, India (w.e.f November 27, 2011)	
Smartgrid Automation Distribution and Switchgear Limited, India (w.e.f November 27, 2011)	
T&D Holding, France (w.e.f. January 23, 2012 to March 29, 2012)	

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

8.2 Related party transactions and balances:

Description	For the period ended March 31, 2012				For the year ended December 31, 2010			
	Immediate Holding Company	Intermediate Holding Company	Fellow Subsidiaries	Key management personnel	Immediate Holding Company	Intermediate Holding Company	Fellow Subsidiaries	Key management personnel
(i) Transaction during the period								
Sales, services and other income (net of excise duty)								
ALSTOM Grid UK Ltd, United Kingdom	-	-	522,681	-	-	-	447,997	-
ALSTOM Grid Energia Ltda, Brazil	-	-	489,765	-	-	-	251,891	-
Schneider Electric Infrastructure Ltd, India	-	-	368,802	-	-	-	-	-
ALSTOM Grid SAS, France	163,124	-	-	-	108,362	-	-	-
Others	-	-	2,070,988	-	-	-	1,009,017	-
Purchase of raw materials and components / services								
ALSTOM Grid SAS, France	877,181	-	-	-	1,120,892	-	-	-
ALSTOM Grid UK Ltd, United Kingdom	-	-	537,979	-	-	-	372,462	-
ALSTOM Grid AG, Switzerland	-	-	295,791	-	-	-	401,109	-
Schneider Electric Infrastructure Ltd, India	-	-	293,497	-	-	-	-	-
Others	-	-	379,556	-	-	-	1,127,865	-
Purchase of Fixed assets								
ALSTOM Grid UK Ltd, United Kingdom	-	-	-	-	-	-	143	-
ALSTOM Grid SAS, France	-	-	-	-	22	-	-	-
ALSTOM Grid AG, Switzerland	-	-	41,974	-	-	-	-	-
Expenditure on Royalty and Technical know-how and other assistance								
ALSTOM Grid UK Ltd, United Kingdom	-	-	130,223	-	-	-	65,382	-
ALSTOM Grid SAS, France	115,671	-	-	-	98,965	-	-	-
ALSTOM Grid AG, Switzerland	-	-	55,187	-	-	-	108,758	-
ALSTOM Grid Inc., USA	-	-	46,001	-	-	-	-	-
Others	-	-	620	-	-	-	25,851	-
Trademark Fee								
T&D Holding, France	-	376,869	-	-	-	328,579	-	-
Interest Expense								
ALSTOM Projects India Limited, India	-	-	229,780	-	-	-	-	-
ALSTOM Grid SAS, France	15,466	-	-	-	8,003	-	-	-
Dividend remitted								
ALSTOM Grid SAS, France	239,255	-	-	-	239,255	-	-	-
T&D Holding, France	-	50,209	-	-	-	50,209	-	-
Others	26,422	-	-	-	21,191	-	-	-
Loan Transactions								
Loan taken from ALSTOM Projects India Limited, India	-	-	10,800,000	-	-	-	-	-
Loan repaid to ALSTOM Projects India Limited, India	-	-	8,350,000	-	-	-	-	-
(iii) Managerial Remuneration: (Refer note 24 on Schedule 19)								
Rathindra Nath Basu	-	-	-	17,422	-	-	-	18,008
K.Ravikumar	-	-	-	4,800	-	-	-	-
Aravind Pachauri	-	-	-	2,775	-	-	-	-
(ii) Outstanding Balances								
Debtors outstanding								
ALSTOM Grid SAS, France	244,455	-	-	-	227,471	-	-	-
ALSTOM Grid AG, Switzerland	-	-	176,518	-	-	-	1,816	-
Schneider Electric Infrastructure Ltd, India	-	-	211,871	-	-	-	-	-
Others	-	-	663,586	-	-	-	404,979	-
Creditors outstanding								
ALSTOM Grid SAS, France	834,354	-	-	-	324,142	-	-	-
ALSTOM Grid UK Ltd, United Kingdom	-	-	452,502	-	-	-	164,117	-
Schneider Electric Infrastructure Ltd, India	-	-	385,629	-	-	-	-	-
T&D Holding, France	-	171,213	-	-	-	-	-	-
Others	-	-	453,939	-	-	-	512,734	-
Loan Payable								
ALSTOM Projects India Limited, India	-	-	2,450,000	-	-	-	-	-
ALSTOM Grid SAS, France	646,068	-	-	-	571,577	-	-	-

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

	For the period ended March 12, 2012	For the year ended December 31, 2010
9. CONSTRUCTION CONTRACTS		
Contract revenue recognised for the period	20,001,718	20,351,186
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) for all contracts in progress upto the period ended	50,656,495	56,601,782
Gross amount due from customers for contracts in progress	10,271,792	15,027,533
Gross amount due to customers for contracts in progress	2,452,085	2,348,358

10. EMPLOYEE BENEFITS

10.1 Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to 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.

The details of actuarial valuation as per the certificate furnished by independent actuary are given below:

	For the period ended March 31, 2012	For the year ended December 31, 2010
(I) Change in Benefit Obligation		
Liability at the beginning of the year	477,460	431,343
Interest Cost	50,338	22,687
Current Service Cost	32,401	30,267
Business Divestiture	(115,214)	-
Benefit Paid	(38,517)	(29,729)
Actuarial (gain)/loss on obligations	(32,445)	22,892
Liability at the end of the year	374,023	477,460
(II) Fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	311,457	287,952
Expected Return on Plan Assets	34,069	21,572
Contributions	145,860	29,070
Benefit Paid	(38,517)	(29,729)
Business Divestiture	(115,214)	-
Actuarial gain/(loss) on Plan Assets	13,475	2,592
Fair value of plan assets at the end of the year	351,130	311,457
(III) Actual Return on Plan Assets		
Expected Return on Plan Assets	34,069	21,572
Actuarial gain/(loss) on Plan Assets	13,476	2,592
Actual Return on Plan Assets	47,545	24,164
(IV) Amount Recognised in the Balance Sheet		
Liability at the end of the year	374,023	477,460
Fair Value of Plan Assets at the end of the year	351,130	311,457
Difference (Funded Status)	22,893	166,003
Amount Recognised in the Balance Sheet	22,893	166,003

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

	For the period ended March 31, 2012	For the year ended December 31, 2010
(V) Expenses Recognised in the Income Statement		
Current Service Cost	32,401	30,267
Interest Cost	50,338	22,687
Expected Return on Plan Assets	(34,069)	(21,572)
Net Actuarial (Gain)/loss to be recognised	(45,920)	82,224
Past Service Cost (Vested Benefit) Recognised	-	(61,924)
Net Expenses	2,750	51,682
(VI) Balance Sheet Reconciliation		
Opening Net Liability	166,003	143,391
Expense as above	2,750	51,682
Employers Contribution	(145,860)	(29,070)
Amount Recognised in Balance Sheet	22,893	166,003
(VII) Actuarial Assumptions : For the year		
Discount Rate Current	8.6%	8.0%
Rate of Return on Plan Assets Current	9.0%	8.0%
Salary Escalation Current	7.5%	7.5%
Mortality table	LIC (1994-96)	LIC (1994-96)

Details	For the period ended March 31, 2012	For the year ended			
		December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007
Fair value of Plan assets, end of period	351,130	311,457	287,952	284,561	242,700
Projected Benefit Obligation, end of Period	374,023	477,460	431,343	361,403	292,701
(Surplus) / Deficit in the Plan	22,893	166,003	143,391	76,842	50,001
Experience adjustment on plan assets	13,475	2,592	7,665	3,578	3,707
Experience (gain) / Loss on PBO and Change in assumptions	(4,502)	(61,924)	48,775	48,347	23,998

Note: In the absence of relevant information from the actuary, the above details do not include the composition of Plan assets.

10.2 Provident Fund

a) The Company contributes Provident Fund for certain selected employees to the Regional Provident Fund Commissioner. The amounts debited to the Profit and Loss Account in this regard during the current period were Rs 24,003 thousand.

b) Provident Fund - defined benefit plan

The Company also contributes Provident Fund for other selected employees into a recognised Provident Fund Trust set up for the Company and contributions to the Trust are expensed to Profit and Loss Account when such amounts are due. The Company has an obligation to make good the shortfall of income on investments earned by the Trust, if any, with regard to the interest due on contributions as per the rate notified by the Government.

During the current period, the liability for the interest differential has been recognised based on its actuarial valuation. The details of actuarial valuation as per the certificate furnished by independent actuary are given below:

	For 12 months period ended March 31, 2012*
(I) Change in Benefit Obligation	
Liability at the beginning of the year	772,684
Interest Cost	66,480
Current Service Cost	60,221
Transfer In	36,353
Employee Contributions	130,120
Settlements	(140,668)
Change in Reserves	147
Actuarial (gain)/loss on obligations	(18,748)
Liability at the end of the year	906,589

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

	For 12 months period ended March 31, 2012*
(II) Fair value of Plan Assets	
Fair value of plan assets at the beginning of the year	772,684
Expected Return on Plan Assets	64,737
Employer Contribution	60,221
Transfer In	36,355
Employee Contribution	130,119
Benefit Paid	(140,668)
Change in Reserves	-
Actuarial gain/(loss) on Plan Assets	(10,098)
Fair value of plan assets at the end of the year	913,350
(III) Actual Return on Plan Assets	
Expected Return on Plan Assets	64,737
Actuarial gain/(loss) on Plan Assets	(10,098)
Actual Return on Plan Assets	54,639
(IV) Amount Recognised in the Balance Sheet	
Projected Benefit Obligation	906,589
Fair Value of Plan Assets	913,350
Fund Status (Surplus) / Deficit	(6,761)
Unfunded Projected Benefit Obligation (PBO)	-
Past Service Cost not yet Recognised	-
(Asset)/Liability Recognised in the Balance Sheet	(6,761)
(V) Expenses Recognised in the Income Statement	
Current Service Cost	60,221
Interest Cost	66,480
Expected Return on Plan Assets	(64,737)
Net Actuarial (Gain)/loss to be recognised	(8,650)
Net Expenses	53,314
(VI) Reconciliation of Amounts Recognised in the Balance Sheet	
Incremental Liability [Asset (+) / Liability (-)]	6,761
Change in Reserves	147
Expense as above	53,314
Less Contribution Paid	(60,222)
Balance (Income(-)/Expense(+))	(6,761)
(VII) Actuarial Assumptions : For the year	
Discount Rate Current	8.6%
Rate of Return on Plan Assets Current	9.0%
Salary Escalation Current	7.5%
Mortality table	LIC (1994-96)

* As the Provident Fund Trust follows the April to March year for accounting, the information provided by the Actuary is for the twelve months period ended March 31, 2012.

- c) Total contribution charged to Profit and Loss Account for the aforesaid schemes amounts to Rs. 120,249 thousand (Previous year - Rs 107,195 thousand).

Notes:

- (i) In the absence of relevant information from the Actuary, the above details do not include the composition of Plan assets.
- (ii) The current year is the first year of actuarial valuation being done for Provident Fund, in view of the issuance of the Guidance Note by the Institute of Actuaries of India. Accordingly, previous year figures have not been provided.
- (iii) The excess of the plan assets over the liability for the benefit obligation as at March 31, 2012 has not been recognised in the books in line with the principle of prudence enunciated in Accounting Standard on Disclosure of Accounting Policies AS-1.

11. EMPLOYEE SHARE BASED PAYMENTS

Certain employees of the Company have been granted stock options, stock appreciation rights and free performance shares by the Company's ultimate parent ALSTOM SA France. However, cost for such grant is not recharged by the ultimate parent to the Company. Accordingly, the Company has not accounted for such options in its books of account.

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

	For the period ended March 31, 2012	For the year ended December 31, 2010
12. PROVISIONS		
Provision for Warranties		
Opening Balance	228,370	220,689
Additions	224,150	69,600
Releases	(54,230)	(61,919)
Transferred on Demerger	(95,637)	-
Closing Balance	302,653	228,370
Provision for Contract losses		
Opening Balance	41,872	72,239
Additions	6,230	-
Application	(4,852)	-
Transferred on Demerger	(6,360)	(30,367)
Closing Balance	36,890	41,872

Notes :

1. Provision for Warranties are estimated based on past obligations and are expected to be settled within next 15 to 24 months with the average period being 18 months.
2. Provision for Contract losses are based on difference between total estimated revenues and total estimated costs.

13. UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	As at March 31, 2012	As at December 31, 2010
Import Creditors	752,371	1,059,730
Export Debtors	1,327,542	1,995,332

14. DERIVATIVE INSTRUMENTS

Premium on account of forward contracts taken during the year pertaining to future accounting period

The Company uses forward contracts to hedge its risks associated with foreign currency fluctuations having underlying transaction and relating to firm commitments or highly probable forecast transactions for transactions more than 10,000 Euros.

The Company does not enter into any forward contract which is intended for trading or speculative purposes.

	For the period ended March 31, 2012	For the year ended December 31, 2010
Premium on account of forward contracts taken during the year pertaining to future accounting period	33,376	50,494
i) Forward cover for export debtors outstanding	598,378	1,171,213
ii) Forward cover for import creditors / unsecured loans outstanding	3,813,527	5,470,611
iii) Forward cover for expected future sales or highly probable forecast transaction	1,960,810	3,154,589

Pursuant to the announcement by The Institute of Chartered Accountants of India in respect of Accounting for Derivatives in March 2008 and in view of the principle of prudence as enunciated in Accounting Standard 1 - "Disclosure of Accounting Policies", the entity has provided for losses in respect of all outstanding derivative contracts at the balance sheet date by marking them to market. The Company has recognised mark to market net losses Rs.73,817 thousand (Previous year- Rs.199,136 thousand) relating to foreign exchange derivatives in the Profit and Loss Account and included in foreign exchange fluctuation (net)' in Schedule 17 above.

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

Significant forward contracts outstanding as at March 31, 2012:

Foreign Currency	No. of Contracts	Amount in Foreign currency	Value
Imports / Loans			
Swiss Franc (CHF)	17	3,297	190,819
	(9)	(2,174)	(106,897)
Euro (EUR)	101	32,604	2,257,423
	(207)	(51,695)	(3,489,721)
US Dollar (USD)	33	41,485	2,136,135
	(99)	(102,558)	(4,655,455)
Pound Sterling (GBP)	-	-	-
	(3)	(166)	(11,665)
Exports			
Euro (EUR)	48	8,989	631,820
	(42)	(6,068)	(367,347)
Pound Sterling (GBP)	1	17	1,390
	(23)	(1,181)	(82,737)
US Dollar (USD)	106	20,089	1,056,777
	(135)	(40,394)	(1,860,416)
Qatari Riyal (Hedged with USD)	1	1,022	14,539
	(8)	(52,719)	(189,660)

Note: Figures in brackets are for the previous year.

15. LEASE COMMITMENTS

The Company has taken office premises on non cancellable operating lease with varying lock-in periods

	For the period ended March 31, 2012	For the year ended December 31, 2010
Rent charged to Profit and Loss Account in respect of the aforesaid leases	107,926	77,256
Minimum lease commitments		
Within one year	88,902	86,353
Later than one year and not later than five years	381,903	165,900

16. Non funded facilities from certain banks are secured by way of first charge on inventories, book debts and other moveable assets

17. EARNINGS PER SHARE (EPS)

	For the period ended March 31, 2012	For the year ended December 31, 2010
Net profit after tax available for equity shareholders	1,624,105	1,867,413
Weighted average number of shares outstanding during the year	239,104,035	239,104,035
Basic and diluted earnings per share of Rs 2/- each (in Rupees)	6.79	7.81

The Company does not have any dilutive potential equity shares

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

18. CONSUMPTION OF RAW MATERIALS AND COMPONENTS

Details	Unit	For the period ended March 31, 2012		For the year ended December 31, 2010	
		Quantity	Value	Quantity	Value
Raw Materials and components					
Ferrous Metals	MT	19,351	2,434,530	21,563	2,900,892
Non Ferrous Metals	MT	8,185	3,825,014	8,711	3,504,672
Components	*		23,386,096		22,597,488
Total			29,645,640		29,003,052

* In view of the various types of components (individually less than 10%) it is not practicable to give quantitative details of each type of component.

Details	For the period ended March 31, 2012		For the year ended December 31, 2010	
	Value	%	Value	%
Imported	5,480,535	18%	4,290,787	15%
Indigenous	24,165,105	82%	24,712,265	85%
Total	29,645,640	100%	29,003,052	100%

19. SUPPLEMENTARY PROFIT AND LOSS DATA

19.1 Capacities, production and stock

Class of goods	Annual capacity		Opening stock of finished goods		Production of finished goods Quantity	Closing stock of finished goods	
	Units	Installed	Quantity	Value		Quantity	Value
1 Switchgear All Types	Nos	259,370 (280,850)	3,258 (3,161)	225,229 (96,797)	353,849 (272,773)	3,227 (3,258)	54,709 (225,229)
2 Control Panels	Nos	2,200 (2,000)	- -	- -	2,460 (1,801)	- -	- -
3 Line Traps	Nos	2,000 (1,500)	150 (76)	18,081 (6,578)	2,988 (1,407)	136 (150)	30,766 (18,081)
4 Current Transformers	Nos	3,888 (3,393)	230 (186)	71,578 (38,845)	4,388 (2,854)	256 (230)	78,973 (71,578)
5 Bushings	Nos	7,000 (7,000)	77 (33)	2,428 (488)	4,467 (3,309)	80 (77)	2,195 (2,428)
6 Transformers	MVA	36,075 (30,075)					
	Nos		141 (177)	32,055 (25,948)	236 (1,741)	37 (141)	1,046,184 (32,055)
7 Others				16,364 (22,232)			129,847 (16,364)
Total				365,735 (190,888)			1,342,674 (365,735)

Notes:

- 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
- Figures in brackets represent previous year figures
- Capacities :
Installed capacities are as certified by the management, but not verified by the auditors, being a technical matter.
- Production :
 - Production of finished goods is inclusive of production for captive use.
 - "Others" represent internally manufactured components, meant for sale. Since the quantitative denominations of these items are dissimilar in nature it is impracticable to disclose the quantitative information in respect thereof.
 - Production for the period excludes production for demerged business

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

19.2 TURNOVER

Class of goods	Units	For the period ended March 31, 2012		For the year ended December 31, 2010	
		Quantity	Value	Quantity	Value
Switchgear All Types	Nos	307,250	7,237,462	240,636	9,332,183
Control Panels	Nos	1,512	848,590	1,801	501,720
Line Traps	Nos	2,665	506,472	1,023	218,627
Current Transformers	Nos	2,659	949,924	1,490	569,629
Bushings	Nos	3,601	307,954	2,287	245,596
Transformers	Nos	195	9,753,586	1,602	12,280,443
Project Items (Including Erection and Services)*			19,163,197		18,286,722
Others Including Spares and Distribution products			5,430,251		1,237,224
TOTAL			44,197,436		42,672,144

Note:

- Sales for the period excludes quantity sold for demerged business

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

	For the period ended March 31, 2012	For the year ended December 31, 2010
20. VALUE OF IMPORTS ON CIF BASIS		
Raw materials and components	5,469,768	5,658,507
Spares	399,036	8,356
Capital goods	203,699	148,309
	6,072,503	5,815,172
21. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)		
Royalty and technical know-how	187,909	272,850
Interest	151,073	103,615
Trade mark fees	376,869	328,579
Travelling expenses	73,464	62,068
Data management charges	162,989	223,704
Other expenses	478,859	538,310
	1,431,163	1,529,126
22. EARNINGS IN FOREIGN EXCHANGE		
FOB value of exports	3,589,289	5,280,455
IDA / IBRD aided projects	35,499	895,136
Service income	42,688	39,463
	3,667,476	6,215,054
Note : FOB value of exports include milestone revenue on Qatar contract and excludes deemed exports Rs. 2,981,354 thousand (Previous year- Rs.1,021,187 thousand)		
23. DIVIDEND REMITTED IN FOREIGN CURRENCY		
Number of non-resident shareholders	Four	Three
Number of equity shares held (at Rs.2/- each)	175,492,524	172,585,900
Amount remitted	315,886	310,655
Year to which dividend relates	December 31,2010	December 31,2009

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

	For the period ended March 31, 2012	For the year ended December 31, 2010
24. DIRECTORS' REMUNERATION		
(i) Executive Directors		
Salaries and bonus*	17,576	15,246
Contribution to provident and other funds	2,859	1,964
Perquisites	4,562	798
(ii) Non Executive Directors		
Sitting fees	1,240	575
Commission**	4,000	-
	30,237	18,583

Notes : Remuneration to Executive Directors excludes:

- (i) Expenditure for compensated leave and gratuity, as actuarial valuation is done on a total Company basis.
- (ii) Cost of employee share based payments for stocks of ALSTOM SA France, the ultimate parent Company not recharged to the Company (Refer Note 11 on Schedule 19)

* Includes supplementary bonus of Rs.Nil (Previous year - Rs 6,353 thousand), reimbursed by the ultimate parent company.

** Commission provided for in the books for Non Executive Directors resident in India is subject to approval of shareholders in the ensuing Annual General Meeting.

	For the period ended March 31, 2012
(iii) Computation of net profit in accordance with Section 349/198 of the Companies Act, 1956	
Profit before tax	2,375,759
Add : Provision for doubtful debts	80,563
Add : Depreciation charged during the period	1,014,249
Less : Profit on sale of fixed asset	(149,967)
Less : Depreciation charged during the period as per Section 350 of the Companies Act 1956	(1,014,249)
Less : Provision no longer required written back	(6,615)
Net Profit as per Section 349 of the Companies Act 1956	2,299,740
Add : Managerial Remuneration	28,997
Net profit as per Section 198 of the Companies Act 1956	2,328,737
Maximum permissible to Non Executive directors @ 1% under Section 198 of the Act	23,287
Maximum permissible for all Whole Time Directors @ 10% under Section 198 of the Act	232,874
Maximum permissible for Managing Director @ 5% under Section 198 of the Act	116,437

Commission to Non executive directors restricted to Rs 4,000 thousand

No commission was paid / payable to the Non executive Directors for the year ended December 31, 2010

Schedules to the Financial Statements

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

	For the period ended March 31, 2012	For the year ended December 31, 2010
25. MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ("MSMED")		
The Company has amounts due to suppliers under MSMED as at March 31, 2012. The disclosure pursuant to the said Act is as under:		
Principal amount due to suppliers under MSMED	910,917	814,682
Interest accrued and due to suppliers under MSMED on the above amount, unpaid	9,439	13,804
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to the suppliers under the MSMED	-	-
Interest due and payable towards suppliers under MSMED towards payment already made	-	-
Note : The information relates to such vendors identified as micro, small and medium enterprises, on the basis of information available with the Company.		
26. AUDITORS REMUNERATION*		
Statutory audit	3,600	6,300
Tax audit fee	2,600	1,000
Quarterly / Half yearly review	4,400	1,500
Other audit services/ Certification	3,400	1,000
Out of pocket expenses	805	200
	14,805	10,000

* excluding service tax

27. EXCEPTIONAL ITEMS

Exceptional items represent profit on sale of land and building at Puducherry, and a portion of the land including part of the building appurtenant thereto at Bengaluru which was acquired by the National Highway Authority, for a consideration of Rs.33,000 thousand and Rs.122,431 thousand respectively.

28. PREVIOUS YEAR CORRESPONDING FINANCIAL INFORMATION

The Company's financial year was changed from calendar year to April through following March. Accordingly, the current period figures represent the period of fifteen months from January 01, 2011 to March 31, 2012 whereas the previous year financial statements were for the year ended December 31, 2010.

As described in note 5 above, the distribution business of the Company was demerged during the current period effective from 26 November 2011, with the appointed date of April 1, 2011. The current period financial statements include the financial information for the demerged business only for the quarter ended March 31, 2011 whereas the previous year financial statements include the financial information for the demerged business for the full year.

Therefore, the current period and previous year financial information is not strictly comparable.

The previous year figures have been regrouped / reclassified, wherever necessary, to conform with current period's presentation.

For Price Waterhouse

Firm Registration Number : 012754N
Chartered Accountants

Suchita Sharma

Partner
Membership Number: 73897

Place: New Delhi
Date : May 14, 2012

For and on behalf of the Board of Directors

Rathindra Nath Basu
Managing Director

Pierre Laporte
Director

Sunil Mathur
Chief Financial Officer

Manoj Prasad Singh
Company Secretary

Place: New Delhi
Date : May 14, 2012

Balance Sheet Abstract and Company's General Business Profile

(All figures in Rs. Thousand unless otherwise stated)

Annual Report

ALSTOM T&D India Limited 2011-12

I. REGISTRATION DETAILS

Registration no.:	L31102DL1957PLC193993
State code:	55
Balance sheet date:	March 31, 2012

II. CAPITAL RAISED DURING THE YEAR

Public issue	-
Rights issue	-
Bonus issue	-
Private placement	-

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total liabilities	37,432,844
Total assets	37,432,844
Sources of funds	
Paid up capital	478,208
Reserves and Surplus	8,286,091
Secured loans	-
Unsecured loans	5,936,676
Net deferred tax liability	149,703
Application of funds	
Net fixed assets	6,835,768
Investments	34
Net deferred tax asset	-
Net current assets	8,014,876
Miscellaneous expenditure	-
Accumulated losses	-

IV. PERFORMANCE OF THE COMPANY

Turnover	44,414,980
Total expenditure	42,184,239
Profit/(Loss) before tax	2,230,741
Other items	(606,636)
Profit/(Loss) after tax	1,624,105
Earnings per share (in rupees)	6.79
Dividend rate (in per cent)	90%

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY

(As per monetary terms)	
Item code no. (ITC Code)	85.35
Product description:	Switchgear - All Types
Item code no. (ITC Code)	85.04
Product description:	Transformers and reactors
Item code no. (ITC Code)	85.37
Product description:	Control Panels

For and on behalf of the Board of Directors

Rathindra Nath Basu
Managing Director

Pierre Laporte
Director

Sunil Mathur
Chief Financial Officer

Manoj Prasad Singh
Company Secretary

Place: New Delhi
Date : May 14, 2012

Glossary

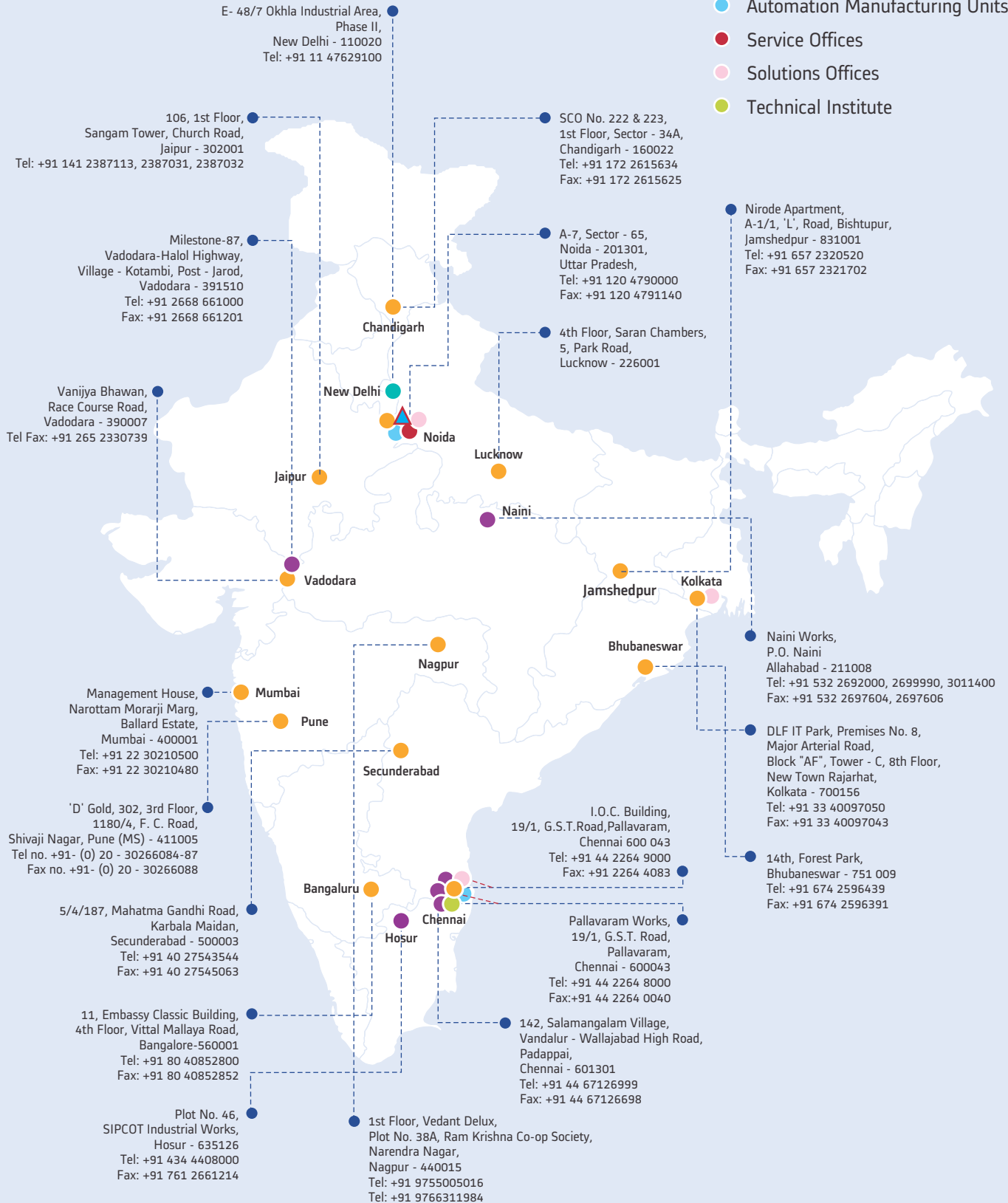
Annual Report

ALSTOM T&D India Limited 2011-12

AGM	: Annual General Meeting	L&T	: Larsen & Toubro
Board	: The Board of Directors ALSTOM T&D India Limited	MNRE	: Minister for New and Renewable Energy
AIIMS	: All India Institute of Medical Science	MSETCL	: Maharashtra State Electricity Transmission Company Limited
AIS	: Air Insulated Substations	MW	: Mega Watt
CBR	: Circuit Breakers	NABL	: National Accreditation Board for Testing and Calibration Laboratories
APS	: Alstom Production System	NICMAR	: National Institute of Construction Management and Research
ASAP	: Alstom Strategic Talent Acquisition Programme	NLDC	: National Load Dispatch Center
BHEL	: Bharat Heavy Electricals Limited	NCT	: National Capital Territory
BOOT	: Build Own Operate Transfer	NMS	: Network Management Systems
CSPTCL	: Chattisgarh State Power Transmission Company Limited	NEEPCO	: North Eastern Electric Power Corporation Limited
CSR	: Corporate Social Responsibility	O&M	: Operations & Maintenance
CVT	: Capacitive Voltage Transformer	OHSAS	: Occupational Health and Safety Advisory Services
DB Power	: Diligent Power Pvt. Limited	PACE	: Powering Alstom's Competitive Edge
DTL	: Delhi Transco Limited	PMC	: Performance Management Cycle
DIAL	: Delhi International Airport Limited	PPP	: Public Private Partnership
DSC	: Disconnectors	PTR	: Power Transformer
PTR	: Power Transformers	RLDC	: Regional Load Dispatch Centres
DSP	: Distribution System Operators	RME	: Renovation, Modernisation and Extension
e-BOP	: Electrical Balance of Plants	R&D	: Research and Development
EHS	: Environmental Health and Safety	RRVPNL	: Rajasthan Rajya Vidyut Prasaran Nigam Limited
EPC	: Engineering, Procurement and Construction	SAARC	: South Asian Association For Regional Cooperation
ERP	: Enterprise Resource Planning	SQCD	: Safety, Quality, Cost and Delivery
EHV	: Extra High Voltage	SPV	: Special Purpose Vehicle
FACTS	: Flexible Alternating Current Transmission Systems	SEB	: State Electricity Boards
GIL	: Gas Insulated Lines	SVC	: Static VAR Compensators
GDP	: Gross Domestic Product	SAS	: Substation Automation Solution
GETCO	: Gujarat Energy Transmission Corporation Limited	T&D	: Transmission and Distribution
GW	: Giga Watt	T3	: Terminal 3
HNP	: Hinduja National Power	TSO	: Transmission System Operators
HVAC	: High Voltage Alternating Current	UHV	: Ultra High Voltage
HVDC	: High Voltage Direct Current	UPPTCL	: Uttar Pradesh Power Transmission Corporation Limited
ITR	: Instrument Transformers		
ISO	: International Organization for Standardization		
JSL	: Jindal Stainless Limited		
KBUNL	: Kanti Bijlee Utpadan Nigam Limited		

OUR GEOGRAPHICAL SPREAD IN INDIA

- ▲ Country Office
- Registered Office
- Sales Offices
- Products Manufacturing Units
- Automation Manufacturing Units
- Service Offices
- Solutions Offices
- Technical Institute



ALSTOM T&D India Limited

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Country Office :
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Uttar Pradesh - 201 301
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