Alstom India
Strategic Player in Power, Transport

Global power major Alstom, which has had a long presence in India, is looking at rapid growth in the coming years, especially in sectors like power generation and transportation.
By **Nayantaraa Lama.**

POWER and transport are among the fastest-growing sectors in India. Billions of dollars are being invested by both domestic (public and private) and international firms in these sectors, as demand for electricity and transport facilities soars, and is expected to continue to expand over the coming years.

One of the oldest multinationals present in India – Alstom Projects India Ltd (APIL), part of French major Alstom SA – is uniquely positioned to take advantage of the rapid growth in these two key sectors. The $26.6 billion (sales revenue) global leader in power generation and rail infrastructure nurtures a long-term commitment to India.

APIL manufactures a range of generation systems and equipment and offers power generation services, including repair, performance improvement, lifetime extension services, on-site field services and full-operation and maintenance solutions.

APIL also offers a composite range of services for transportation systems covering traction, signalling and train control for the railways and energy management for a variety of industries.

The company, which has been operating in India since 1910, employs over 3,000 people across its six engineering centres, including a software technology facility at Bangalore, four manufacturing units (Hydro in Vadodara, Boilers in Durgapur and Shahabad and Transport in Coimbatore) and sales offices in Mumbai, Gurgaon and Kolkata.

The company has a turnover of about $300 million and is listed on the Bombay and National Stock Exchanges.

"India is one of the fastest growing economies in the world today," notes Sunand Sharma, country president, Alstom India, and chairman, APIL. "In the years ahead, as the Indian economic growth story unfolds, APIL will be well poised to respond to the demands of the market in the two sectors in which we operate – power and transport."

Last year, Alstom bagged a contract worth over $50 million from the Delhi Metro Rail Corporation (DMRC). The contract involves design, manufacture, supply, installation and commissioning of train control and signalling for DMRC's

DELHI METRO: Alstom sees tremendous potential in India, as metro systems are being planned for several cities

metro line 1 and 2 extensions. The extensions, covering 37 km, will be completed by March 2010. Alstom will provide its information and train control system, URBALISTM, on both the above and underground sections of the metro.

"Our capabilities cover the complete range of transport business worldwide," explains Philippe Mellier, executive vice-president, Alstom, and president, Alstom Transport. "With India moving towards urban and rapid transport systems, the transport sector is entering a strong growth period. Through our proven technology in Europe and elsewhere in the world, Alstom Transport is well positioned to help India realise this potential."

According to him, over the next five years the transport sector in India is expected to witness a total investment of almost $100 billion.

Further, there will be 10,000 km of new lines, heavy haul freight corridors, station upgrades, port connectivity and capacity upgradation of existing lines.

"We are very excited with this dynamic and potential market scenario and are keen to participate in this growth effort," adds Mellier.

Sharma says "The contract from DMRC stands as a testimonial to Alstom's worldwide expertise, state-of-the-art technology and commitment to the Indian market. It confirms the growing success of customer confidence in our offerings." The French major is equally bullish about the power sector in India, and has been expanding its presence significantly. Alstom's power division, for instance, executed the 280 MW Dhauliganga project in the Kumaon region of Uttarakhand. It also handed over the gas-based Jegurupadu Phase II Combined Cycle Power Plant (CCPP) in record time to GVK industries. The 228 MW CCPP in Andhra Pradesh uses Alstom's gas turbines.

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Alstom is also involved in the largest hydro project in India, the 2000 MW Subansiri Lower Hydroelectric Power Plant in Assam and Arunachal Pradesh. Alstom will supply turbines, generators, digital governing system and main inlet valve.

The company has also won a contract worth $235 million from Gujarat State Electricity Corporation Ltd (GSECL) for the construction of the first Alstom GT26-based CCPP in India. This 370 MW plant will be an extension of the existing CCPP located at Utran in Gujarat.

The plant will be the fourth CCPP constructed by Alstom in Gujarat, after Kawas, Gandhar and Hazira. It will add up to 10 per cent to the generating capacity of GSECL.

"Thanks to our strong engineering base and increasing presence, we are proud of our contribution to the expansion of the Indian power sector, especially in Gujarat," says Philippe Joubert, president, Alstom Power Systems. "The turbine's excellent efficiency in combined cycle gives more electricity for the same amount of fuel and hence less emissions of CO_2."

The company has ramped up operations at its Vadodara facility in Gujarat, making it a world-class hub for hydro business, along with its locations in Brazil, China, France, Switzerland, Spain and Canada.

In India, Alstom has full capabilities in engineering, manufacturing, project management and supply of power generation equipment.

The company has a rich talent pool of over 10,000 engineers across all the engineering centres in the country.

The French major has entered into strategic partnerships with strong local players to bring in frontline technologies to enhance the quality and efficiency of the power sector.

Alstom and state-owned Bharat Heavy Electricals Ltd (BHEL) entered into a 15-year agreement for manufacture, supply and technology transfer for super critical boilers.

The tie-up between the two companies on coal-fired boilers using super critical technology will support large capacity expansion of power generation in the country and also provide the energy sector with the latest in clean coal technologies.

Alstom has teamed up with Infosys, a global consulting and IT services firm,

TOWERING GROWTH: With its strong engineering base, Alstom is able to contribute significantly to India's power sector

to set up an R&D centre at the Infosys campus in Bangalore. Created on the strength of a multi-year relationship, the R&D centre will provide engineering solutions that give Alstom a competitive edge, thanks to rapid design and deployment, thereby reducing time-to-market.

These solutions, by using new materials, increase the life span and efficiency of mechanical components, thus improving performance and cost-effectiveness.

NTPC-Alstom Power Services Ltd (NASL), is a 50:50 joint venture between Alstom Power Service Ltd and the National Thermal Power Corporation (NTPC). NASL undertakes renovation, modernisation, retrofit and refurbishment of old and aging power plants. It gets full support from Alstom Global Technology Centres in Europe, USA and India.

APIL has recently won two international orders: one for a water and power plant in the United Arab Emirates worth nearly $60 million, and the other for a power station in Uganda worth about $85 million.

The UAE contract would complete by June 2009, while the Uganda contract will be completed by June 2011.

Globally, Alstom has supplied more than 25 per cent of the world's installed power generation capacity. The group employs 65,000 people and operates in 70 countries.

For Alstom, which has invested in a strong local manufacturing base and high value engineering capabilities, India continues to remain a strategic market. And APIL is looking at playing a major role in the expansion of the country's power generation capacity.

SPEEDING AHEAD

ALSTOM has an 18 per cent market share in rail transportation worldwide. In India, it has a significant presence in the transport sector, providing railway equipment and technology solutions.

Internationally, Alstom has tremendous expertise in the area of metro systems. One in four metros presently in operation in the world is an Alstom metro.

Alstom Transport has built and equipped several other metro systems, including Singapore's metro system, the most extensive, completely automatic metro in the world, and Lausanne's metro system in Switzerland. In China, Alstom Transport is upgrading the signalling on Beijing's line 2 metro system, to be ready in time for the Olympic Games.

Alstom Transport currently equips over 45 cities throughout the world and enjoys the number one position in high speed and very high speed trains. Its metro business is growing, thanks to the success of the Metropolis range and is expected to account for 10 per cent of sales. Recently, Alstom in partnership with Societe Nationale des Chemins de fer Francais (SNCF) and Reseau Ferre de France (RFF), successfully tested the world's fastest train at 574.8 km/hr. The company is a world leader in very high speed trains and holds the number two market position in urban rail transport. It has an 18 per cent share of the full accessible rail transport equipment and service market. With an annual turnover of $8 billion generating an operating margin of 6.3 per cent, Alstom Transport has established itself as the most profitable integrated solutions provider in the industry. Its range of offerings includes rolling stocks products, rail infrastructure equipment, signalling systems and maintenance services.

ON THE FAST TRACK: Alstom enjoys top position in high speed and very high speed trains

As several Indian cities opt for metro systems – besides Delhi, which has already rolled out the first phase of its metro, the other cities with concrete plans include Mumbai, Bangalore and Hyderabad – Alstom will be able to leverage its strengths and international expertise, offering the latest technology to customers here.