



Reaching out for the well being of mankind

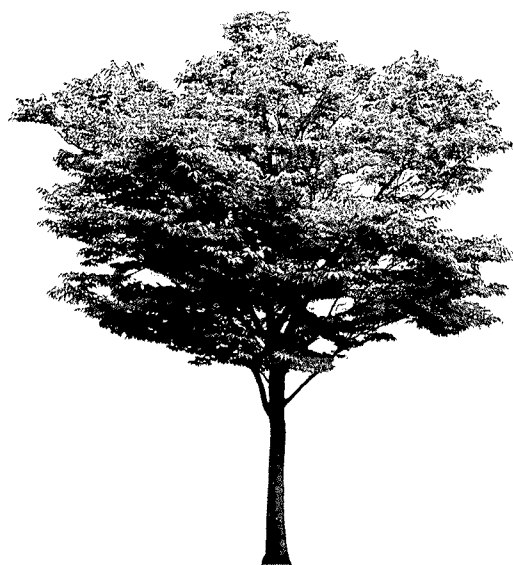
Annual Report 2009



Alfa Laval (India) Limited

Fruit beverage, water, foodstuff, oil, milk,
chemicals, starch, pharmaceuticals, metals,
paper. . . . You name it. Alfa Laval is
present in some form or the other helping
these industries to refine and improve their
products and to optimize the performance of
their processes time and time again with the
underlying commitment towards nature and
environment thereby reaching out for the well
being of mankind.

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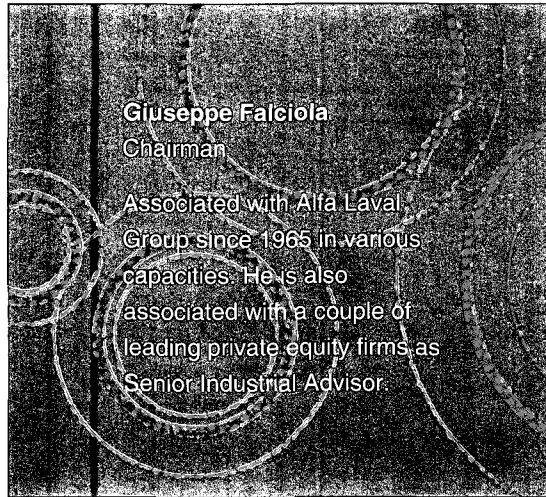
Board of Directors

Chairman Emeritus
Kamaljit Singh



Giuseppe Falciola
Chairman

Associated with Alfa Laval Group since 1965 in various capacities. He is also associated with a couple of leading private equity firms as Senior Industrial Advisor.



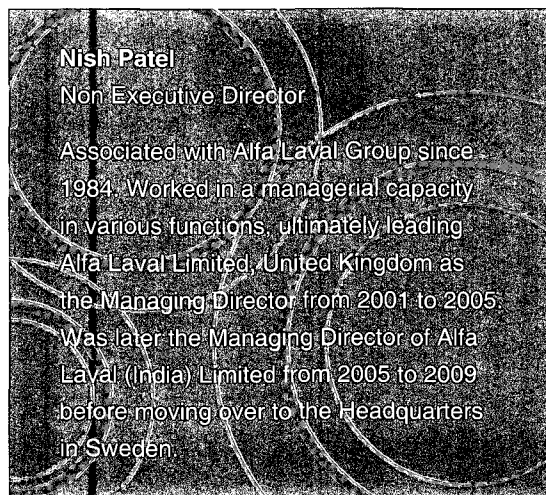
Jose Hernanz
Managing Director

Associated with Alfa Laval Group since 1983. Served on very demanding managerial positions in various international locations. Before taking over as Managing Director of the Company in January 2010, he was the Managing Director of Alfa Laval Iberia SA responsible for Portugal and Spain.



Nish Patel
Non-Executive Director

Associated with Alfa Laval Group since 1984. Worked in a managerial capacity in various functions, ultimately leading Alfa Laval Limited, United Kingdom as the Managing Director from 2001 to 2005. Was later the Managing Director of Alfa Laval (India) Limited from 2005 to 2009 before moving over to the Headquarters in Sweden.





Ashok M Advani

Non-executive Independent Director

Chairman of Blue Star Limited, Vice-Chairman of Blue Star Infotech Limited and Director of few other companies. Past President of Bombay Chamber of Commerce & Industry



Kewal Handa

Non-executive Independent Director

Managing Director of Pfizer Limited and Wyeth Limited; Director of Organization of Pharmaceuticals Producers of India. Office bearer in various organizations related to pharmaceutical industry



Ravi Krishnamurthi

Non-executive Independent Director

Presently employed with Bosch Ltd. as Vice President-Sales-Automotive After Market. Actively involved on the governing bodies of the various institutions related to automotive business



Secretary

V. Chandrasekhar

Legal Advisers

Crawford Bayley & Co.

Auditors

S. R. Batliboi & Associates

Registered & Head Office

Mumbai-Pune Road,

Dapodi, Pune 411 012

Ph.: 020 - 2710 7100, 6611 9100

Fax: 020 - 2714 7711

Web: www.alfalaval.com

Bankers

- Bank of India
- Standard Chartered Bank
- Bank of Maharashtra
- Industrial Development Bank of India Limited
- The Hongkong and Shanghai Banking Corporation Limited

Manufacturing Sites

- Dapodi, Pune 411 012
- Gat Nos. 30 to 33 & 74 to 82,
Sarole Veer Road, Sarole 412 205,
Tal. Bhor, Dist. Pune
- E-7/ E-8, MIDC Estate,
Satara 415 004

Customer Service Center

Plot No. R-674, MIDC Rebale

TTC Industrial Area, Post Ghansoli,

Navi Mumbai 400 701

C-6, Industrial estate, S. No. 39, Kapparada
Village, Dwarakanagar, Visakhapatnam.

Share Transfer Agents

Link Intime India Private Limited

Block No. 202, 2nd Floor,

Akshay Complex, Dhole Patil Road,

Pune 411 001

Ph.: 020 - 2605 1629, 6250 3395

Fax: 020 - 2605 3503

E-mail: pune@linkintime.co.in

Sales & Service Network

Bangalore

Baroda

Chandigarh

Chennai

Dhaka, Bangladesh

Hyderabad

Indore

Jamshedpur

Kanpur

Kochi

Kolkata

Mumbai

Nagpur

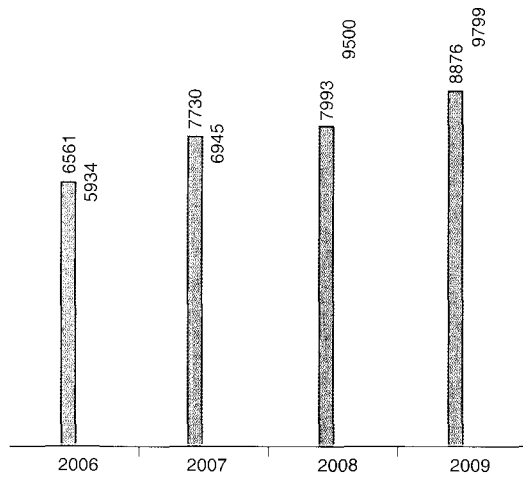
New Delhi

Pune

Raipur

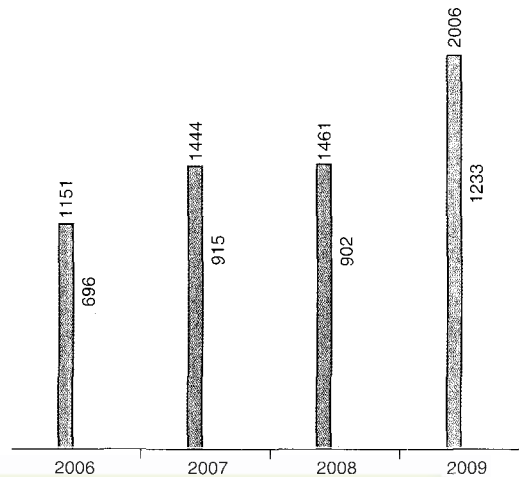
Visakhapatnam

Financial highlights



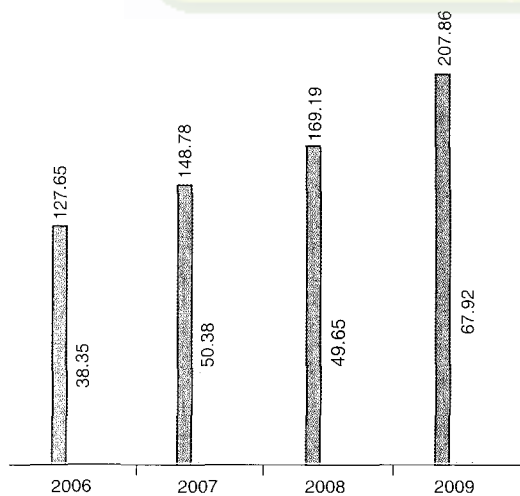
Sales Turnover / Order Intake (Rs. in millions)

■ Sales Turnover
■ Order Intake



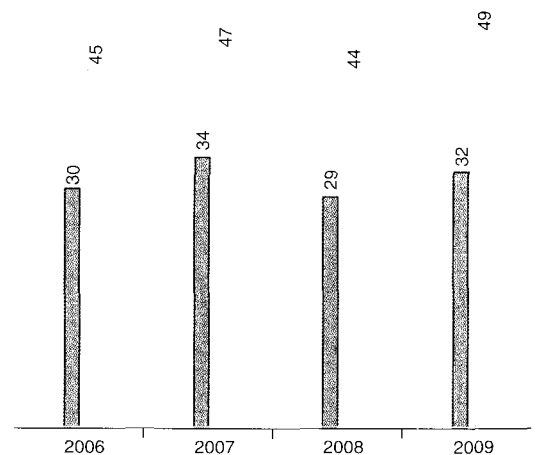
EBDIT / Net Profit (Rs. in millions)

■ Operating Profit
■ Net Profit



Book Value / Earning per Share (Face Value : Rs.10)

■ Book Value
■ Eps



Return on Networth / Return on Capital Employed (%)

■ RONW
■ ROCE



Chairman's Communique

The capital goods sector will have a significant role to play in this transitional period and your Company will be one among those in this league trying to garner a fair share of business with its well suited products and process solutions.

Dear Shareholders,

The year 2009 heralded with the fright of the global economic downturn further denting the business climate. However, as the year moved on, the world economy gave tentative indications of improvement, though the pace of recovery could not be gauged with certainty because of mixed and conflicting signals. In that context, the economic recovery in India has been a revelation. While there is an optimism on further recovery, inflationary pressures and a possible upward movement of interest rates in the medium term - not to forget that major global economies are still struggling to stay afloat – could contain the revival process.

In the midst of this unstable economic situation, your Company delivered a remarkable performance reaching new highs on order booking and sales turnover. While this was on the expected lines, the substantial rise in profitability was achieved much because of the contribution of very specific factors and the profit protection plan in place. This underlines your Company's focus on Growing Profitably in this still tough international financial and business environment which calls for conservation of resources in order to be well placed to counter any adverse shift in the market conditions. This was the thought process which rode on the Board of Directors of your Company to maintain the dividend distribution for the year 2009 at the same level as the previous year.

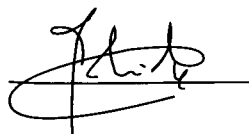
The quick turnaround in the Indian economy so far, boosted by the Government response in the form of fiscal stimulus, has given rise to further optimism for a continued economic revival in the medium term. The recent budget, termed as progressive, is expected to consolidate the gains from the recovery process though the planned and phased roll back of stimulus, has raised concerns about the recovery losing momentum for some time. Added to this are the higher than expected inflation and the consequences thereof threatening to pose hurdles for a broad-based economic recovery. However, the resumption of investments, though on a slower pace, and rise in consumption are expected to drive up the manufacturing sector, already in a positive mode. The capital goods sector will have a significant role to play in this transitional period and your Company will be one among those in this league trying to garner a fair share of business with its well suited products and process solutions.

As you are now aware, Jose' Hernanz has succeeded Nish Patel at the helm of affairs of the Company with effect from 1st January 2010, following the latter's decision to move over to the Headquarters of Alfa Laval Group to take up a major assignment. I would like to take this opportunity to thank Nish for leading the Company to new and remarkable heights in the last four years. Jose' has a long association with Alfa Laval Group, where he has successfully served over the years in very demanding managerial positions in several international locations. With the wealth of experience behind him, he is well suited to lead the Company in its build-up to meet the challenges ahead. The message from the Managing Director has a clear direction on the way forward to emerge stronger and healthier in its pursuit of sustaining the performance on all key parameters.

The Principals continue to express strong confidence in the Indian operations and plans are afoot for further developing and extending the Indian manufacturing base for both domestic and worldwide requirements. With the quality and reliability established, more models of products are being sourced and your Company continues to derive the benefits in terms of knowledge, expertise and utilization of capacities.

The bar of corporate governance has been raised by Alfa Laval Group and your Company has already expressed its desire for compliance while at the same time adhering to the local norms in the same way.

I take this opportunity to thank all my colleagues on the Board for their extensive co-operation and professional contribution while conveying my best wishes to Jose Hernanz and his team for great success in the years to come. I would also like to thank all other stakeholders including the employees at all levels for their strong dedication and proficient support in this growth journey and expect this commitment to continue in the years ahead.



Giuseppe Falciola



MD's thoughts

Our strategy of focusing on promising sectors has been encouraging and we intend to broaden this process to certain other upcoming sectors which are growth oriented while at the same time we will keep a tab on our costs and review the efficiencies so as to remain competitive.