



## Annual Report 2013

**Alfa Laval (India) Limited**

**DIRECTORS**

Ray Field, Chairman

Henrik Holm

Jan Hedemann, Managing Director (from 7th October, 2013)

Manoj Barve, Director – Finance

K.B. Gorane, Director – Operations

Jose Hernanz - Managing Director (upto 6th October, 2013)

**SECRETARY**

V. Chandrasekhar

**BANKERS**

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

**LEGAL ADVISERS**

Crawford Bayley & Co.

**AUDITORS**

S.R. Batliboi & Associates, LLP

**REGISTERED OFFICE**

Mumbai Pune Road, Dapodi, Pune 411012

Phone : 020 27107100, 66119100

**HEAD OFFICE**

Office No. 301, 302, 401, 402

Global Port, Mumbai-Bengaluru Highway,  
Baner, Pune 411045

Phone : 020 67341100

Homepage : [www.alfalaval.in](http://www.alfalaval.in)

Email : [india.info@alfalaval.com](mailto:india.info@alfalaval.com)

**SHARE TRANSFER AGENTS**

Link Intime India Private Limited

Block No. 202, 2nd floor, Akshay Complex,  
Dhole Patil Road, Pune 411001

Phone : 020 26160084, 26161629

Fax : 020 26160503

Email : [pune@linkintime.co.in](mailto:pune@linkintime.co.in)

**MANUFACTURING SITES**

- Dapodi, Pune 411012
- E-7/E-8, MIDC Estate,  
Satara - 415004
- Gat Nos. 30 to 33 & 74 to 82  
Sarole Veer Road, Sarole 412205  
Tal. Bhore, Dist. Pune

**SALES & SERVICE NETWORK**

Bengaluru	Kanpur
Baroda	Kochi
Chandigarh	Kolkata
Chennai	Mumbai
Dhaka, Bangladesh	New Delhi
Hyderabad	Raipur
Indore	Visakhapatnam
Jamshedpur	

**CUSTOMER SERVICE CENTER**

Plot No. R-674, MIDC Reale  
TTC Industrial Area, Post Ghansoli  
Navi Mumbai 400701

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

Plot No. 9, Phase-IV,  
Sector 57 Kundli Industrial Estate  
Kundli Haryana 131028

As a measure of economy the practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued. Members are, therefore, requested to bring their own copies of the Report to the Meeting.



# Directors' Report

Dear Members,

The Board of Directors have pleasure in presenting herewith their 76th Annual Report together with the Audited Accounts of the Company for the year ended 31st December, 2013.

## OPERATIONS AND FINANCIAL RESULTS

The sales revenues of the Company for the year under review grew by 6% to Rs.11,168.23 M as compared with the sales turnover of Rs.10,511.80 M mainly on the back of efficient deliveries. With the other income at Rs.289.38 M remaining constant, the total income

of the Company for the year was at Rs.11,457.61 M (2012:Rs.10,800.98 M). Despite the modest increase in the sales revenues, the overall profitability was better with the profit before tax crossing the two billion rupee mark for the first time. The financial performance of the Company for the year 2013 was as under:-

(Rs. in Million)

Particulars	2013		2012	
Gross profit for the year after meeting all operating expenses but before depreciation and amortisation, finance costs and taxation		2,237.91		1,897.10
Less:				
a) Finance Costs	27.81		26.93	
b) Depreciation and amortisation	207.81		182.88	
		235.62		209.81
Profit before tax		2,002.29		1,687.29
Less: Provision for taxation				
a) Income tax	676.41		598.37	
b) Deferred tax	(28.46)		(61.00)	
		647.95		537.37
Profit after taxation		1,354.34		1,149.92

## DIVIDEND

Considering the need to conserve resources for the Company's ongoing capital expenditure programme, the Board of Directors of the Company do not recommend any dividend on the equity shares for the year ended 31st December 2013.

## APPROPRIATIONS

In view of the Board not recommending any dividend for the year under review, transfer of any amount to General Reserve was not considered. Accordingly the net profit after tax for the year amounting to Rs.1,354.34 M (2012:Rs.1,149.92 M) is retained in the Profit and Loss account whereby the net surplus in the Profit and Loss account as at 31st December 2013 stood at Rs.5,266.27M (Rs.3,911.93 M as at 31st December, 2012).

## DELISTING OF EQUITY SHARES

The Promoters of the Company, Alfa Laval Corporate AB, Sweden, initiated a proposal in September 2011 for voluntary delisting of the equity shares of the Company from Bombay Stock Exchange and National Stock Exchange of India Limited in accordance with Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. Pursuant to the equity shares tendered in the Delisting offer and the Exit offer which closed on 18th April, 2013, the shareholding of Alfa Laval Corporate AB, Sweden stood increased to 17,832,718 shares constituting 98.20% of the paid-up equity share capital of the Company.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of foreign exchange spent and earned are given in Note Nos.37 and 38 respectively forming part of the Accounts.

## PROSPECTS

Notwithstanding the uncertainty over the political climate, policy reforms and economic recovery across the globe, the Company, in such testing times, looks forward to a year similar to the year under review barring unforeseen contingencies.

The Company will continue to invest in expansion of its capacities and for enhancing the effectiveness of its factories for which a sizeable capital expenditure is proposed for the current year mainly for enhancing the manufacturing efficiency besides development of infrastructure to achieve optimum productivity.

## CONSERVATION OF ENERGY

Efforts are continued to monitor the power consumption with a view not only to generate savings in the energy bills but also to reduce the wastage of energy in all forms.

## ABSORPTION OF TECHNOLOGY

The Company has been periodically introducing newer models of decanters, separators and heat exchangers while phasing out their older models for a variety of applications with suitable technological inputs from the Principals. During the last five years, technology absorption in respect of separators, heat exchangers and decanters for a variety of applications has been successful leading to indigenisation of certain high value critical components.

## DIRECTORS

Mr. Henrik Holm retires by rotation and being eligible, offers himself for re-election.

Mr. Jose Hernanz's request for retirement was accepted by the Board with effect from 31st December, 2013 even as Mr. Hernanz left his position as Managing Director of the Company with effect from the close of business hours on 6th October, 2013 in order to facilitate smooth transition of powers and responsibilities to his successor. The Board while acknowledging the contribution made by Mr. Hernanz to the development of the Company during his tenure as a member of the Board, placed on record their appreciation of the services rendered by Mr. Jose Hernanz for over three decades of his association with Alfa Laval Group of companies.

Mr. Jan Hedemann was appointed as Managing Director of the Company with effect from 7th October 2013 subject to necessary statutory approvals under the Companies Act, 1956.

## DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirm that:-

In the preparation of the annual accounts for the year ended 31st December, 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures;

The accounting policies, which have been selected, have been applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st December, 2013 and of the Profit of the Company for the year ended on that date;

Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

The annual accounts for the year ended 31st December, 2013 have been prepared on a going concern basis.



## EMPLOYEES

Employee relations continue to be cordial. The Board wishes to place on record their appreciation for the services rendered by the employees of the Company at all levels.

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders of the Company excluding the information relating to the statement of particulars of employees. Any shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy.

## ACKNOWLEDGEMENT

The Board places on record their appreciation of the contribution of the customers, suppliers and all other stakeholders towards the performance of the Company during the year under review.

For and on behalf of the Board of Directors,

**Jan Hedemann**  
Managing Director

**Manoj Barve**  
Director-Finance

Place : Pune  
Dated : 3rd March, 2014

# Addendum To The Directors' Report For The Year Ended 31st December 2013

Dear Members,

Consequent to the signing of the Directors' Report for the year ended 31st December, 2013 on 3rd March, 2014, the following developments have taken place which are brought to the attention of the Members of the Company:-

## AUDITORS

The present Auditors M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Pune, retire and though eligible for reappointment, have expressed their intention not to seek reappointment on their retirement at the conclusion of the ensuing Annual General Meeting. M/s. BSR & Associates LLP, Chartered Accountants, Pune have signified their consent in writing to act as Auditors of the Company, if appointed.

The Board place on record their appreciation for the guidance and advice rendered by M/s. S.R. Batliboi & Associates LLP during their tenure as Auditors of the Company for more than a decade.

For and on behalf of the Board of Directors,

**Jan Hedemann**  
Managing Director

**Manoj Barve**  
Director-Finance

Place : Pune  
Dated : 14th May, 2014



## NOTICE

Notice is hereby given that the 76th Annual General Meeting of the Shareholders of Alfa Laval (India) Limited will be held at Conference Hall No.6, A Wing, 5th Floor, MCCIA Trade Tower, Senapati Bapat Road, Pune 411 016 on Thursday, June 19, 2014 at 11.00 a.m. to transact the following business:-

1. To receive, consider, and adopt the audited Balance Sheet as at 31st December, 2013, the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors.
2. To appoint a Director in the place of Mr. Henrik Holm who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:-

"RESOLVED, pursuant to Section 140 and other applicable provisions, if any, of the Companies Act, 2013, that M/s.BSR & Associates LLP, Chartered Accountants, Pune, be and they are hereby appointed as Auditors of the Company in place of the retiring Auditors M/s. S.R. Batliboi & Associates LLP to hold office from the conclusion of this Annual General Meeting till the conclusion of the 81st Annual General Meeting of the Company, subject to ratification by the Members of the Company at every Annual General Meeting, at such remuneration as may be agreed to between the Board of Directors of the Company ("the Board") and M/s. BSR & Associates LLP, plus such travelling and out-of-pocket expenses as may be authorised by the Board".

**By Order of the Board of Directors  
Alfa Laval (India) Limited**

**V. Chandrasekhar**  
Company Secretary

Dated : 14th May, 2014

**Regd. Office:**  
Mumbai-Pune Road  
Dapodi, PUNE - 411 012

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 5th June, 2014 to Thursday, 19th June, 2014, both days inclusive.
3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under item 3 is annexed hereto.
4. Shareholders who have not yet encashed the dividend warrants in respect of the dividend for the year ended 31st December, 2007 or of the dividend in respect of any subsequent financial years are requested to send their claims to the Head Office of the Company at 301, 302, 401, 402, Global Port, Mumbai Bengaluru Highway, Baner, Pune 411 045. It may be noted that the dividend remaining unclaimed or unpaid for more than a period of 7 years from the date of transfer to unpaid dividend account will be transferred to the Investor Education and Protection Fund established by the Central Government.
5. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements

have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the general meeting.

The process and instructions for e-voting are as under:

- i) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii) Now click on "Shareholders" to cast your votes.
- iii) Now, select the Electronic Voting Sequence Number- "EVSN" along with "ALFA LAVAL (INDIA) LIMITED" from the drop down menu and click on "SUBMIT"
- iv) Now, fill up the following details in the appropriate boxes:

User-ID	For Members holding shares in Demat Form:- For NSDL :-8 Character DP ID followed by 8 Digits Client ID For CDSL :-16 digits beneficiary ID  For Members holding shares in Physical Form:- Folio Number registered with the Company
Password	Your Unique password is printed on the Attendance / Proxy form annexed to this Notice
PAN*	Enter your 10 digit alphanumeric PAN issued by Income Tax Department.

\* Members who have not updated their PAN with the Company/ Depository Participant are requested to use default number 'ALIL12345Z' in the PAN field.

- v) After entering these details appropriately, click on "SUBMIT" tab.
- vi) Members holding shares in physical form will then reach directly to the voting screen.
- vii) Members holding shares in demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@, #, \$, etc). Kindly note that this password is to be also used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii) You can also update your mobile number and e-mail Id in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- ix) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
- x) For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Notice.
- xi) On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
- xii) Click on the Resolution File Link if you wish to view the entire Notice.





- xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - xiv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
  - xv) Corporate/Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc., together with attested specimen signature(s) of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer at e-mail ID: deulkarcs@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com. The scanned copy image of the above mentioned documents should be in the naming format "Corporate Name\_EVSN."
  - xvi) The e-voting period commences on June 13, 2014 (9.00 a.m.) and ends on June 15, 2014 (5.00 p.m.). In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com.
- 6. The Company has appointed Mr. S. V. Deulkar, Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
  - 7. A copy of this notice has been placed on the website of the Company and the website of CDSL.

### **Explanatory Statement (pursuant to Section 102 of the Companies Act, 2013)**

#### **Item 3**

The present Auditors of the Company, M/s. S.R. Batliboi & Associates LLP, have expressed their intention not to seek reappointment as Auditors of the Company on their retirement at the conclusion of this Annual General Meeting. M/s. BSR & Associates LLP, Chartered Accountants, Pune, have signified their consent in writing to act as Auditors of the Company, if appointed, and to hold office from the conclusion of this Annual General Meeting till the conclusion of the 81st Annual General Meeting of the Company, subject to ratification by the Members of the Company at every Annual General Meeting, at such remuneration as may be agreed to between the Board of Directors of the Company ("the Board") and M/s. BSR & Associates LLP, plus such travelling and out-of-pocket expenses as may be authorised by the Board.

None of the Directors is concerned or interested in this item of business.

**By Order of the Board of Directors  
Alfa Laval (India) Limited**

**V. Chandrasekhar  
Company Secretary**

Dated : 14th May, 2014

**Regd. Office:**  
Mumbai-Pune Road  
Dapodi, PUNE - 411 012

## INDEPENDENT AUDITOR'S REPORT

**To**  
**The Members of Alfa Laval (India) Limited**

### Report on the financial statements

We have audited the accompanying financial statements of Alfa Laval (India) Limited ("the Company"), which comprise the Balance sheet as at December 31, 2013, and the Statement of profit and loss and Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 (the 'Act'), read with General Circular 15/2013 dated 13 September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance sheet, of the state of affairs of the Company as at December 31, 2013;
- (b) in the case of the Statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash flow statement, of the cash flows for the year ended on that date.

### Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.