LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a shareholder(s) of Alfa Laval India Limited. If you require any clarifications about the action to be taken, you should consult your stock broker or investment consultant or the Manager / Registrar to the Offer. In case you have sold your shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

CASH OFFER AT Rs. 950/- (Rupees Nine Hundred and Fifty only) PER FULLY PAID-UP EQUITY SHARE

("**Offer Price**")

Pursuant to The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "**Regulations**")

TO ACQUIRE

2,408,604 Fully Paid-Up Equity Shares of face value Rs. 10/- each ("**Offer**")

representing 13.26% of the Paid-up Equity Share Capital

OF

Alfa Laval India Limited

Registered Office: Mumbai Pune Road, Dapodi Pune, 411 012

Tel: +91 20 2710 7100 Fax: +91 20 2714 7711

(the "Target")

BY

Alfa Laval Corporate AB

Registered Office: P.O. Box 73, SE 221 00, Lund, Sweden

Tel: + 46 46 36 65 00 Fax: + 46 46 32 35 79

(the "Acquirer")

and

Alfa Laval AB (publ)

Registered Office: P.O. Box 73, SE 221 00, Lund, Sweden

Tel: + 46 46 36 65 00 Fax: + 46 46 32 35 79

The ultimate holding company of the Acquirer, which is acting in concert

(the "Person Acting in Concert" or "PAC")

Note:

1. **The Offer is being made pursuant to and in accordance with the provisions of Regulation 11(2A) of the Regulations and subsequent amendments thereto.**
2. The Reserve Bank of India ("**RBI**") vide its letter dated December 16, 2008, granted approval to the Acquirer / PAC under the Foreign Exchange Management Act, 1999 and the regulations thereunder for the acquisition of Shares under the Offer. Besides the above, no other approvals are required to acquire Shares tendered pursuant to this Offer.
3. The procedure for acceptance of this Offer is set out in this Letter of Offer. A Form of Acceptance-cum-Acknowledgement and transfer deed (where applicable) along with Form of Withdrawal are enclosed with this Letter of Offer.
4. Should the Acquirer / PAC decide to revise the Offer Price upward, such upward revision will be made in terms of Regulation 26 of the Regulations not later than January 21, 2009. If there is any upward revision in the Offer Price, the same would be notified by way of a public announcement in the same newspapers in which the Public Announcement ("**PA**") appeared. Such revised offer price would be payable to all shareholders who have accepted this Offer and tendered their shares at any time during the term of the Offer to the extent to which their acceptance and tenders have been found valid and accepted by the Acquirer / PAC.
5. The Acquirer / PAC may withdraw the Offer in accordance with the conditions specified in Regulation 27 of the Regulations. In the event of such withdrawal, the same would be notified by way of a public announcement in the same newspapers in which the PA appeared.
6. Shareholders who have accepted the Offer by tendering the requisite documents in accordance with the procedures set forth in the PA and this Letter of Offer can withdraw the same up to three (3) working days prior to the date of closure of the Offer viz. Monday, February 2, 2009.
7. A copy of the Public Announcement and a copy of this Letter of Offer (including Form of Acceptance-cum-Acknowledgement and the Form of Withdrawal) would be available on SEBI's website at www.sebi.gov.in from the Offer opening date viz. Wednesday, January 14, 2009. The Form of Acceptance-cum-Acknowledgement may be downloaded and used to accept the Offer only in jurisdictions where legally permissible. Persons outside India accessing these pages are required to inform themselves of and observe any relevant restrictions.
8. This document has not been filed, registered or approved in any jurisdiction outside India. Recipients of this document resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements.
9. **If there is competitive bid, the public offers under all the subsisting bids shall close on the same date. As the offer price cannot be revised during the 7 (seven) working days prior to the closing date of the offers/bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**
10. **This Offer is not a competitive bid. There has been no competitive bid as of the date of the Letter of Offer.** All future correspondence, if any, should be addressed to the Registrar to the Offer shown below:

Manager to the Offer	*Registrar to the Offer*
DSP Merrill Lynch **DSP Merrill Lynch Limited** Mafatlal Centre, 10th Floor, Nariman Point, Mumbai 400 021 Telephone: +91 22 6632 8000 Facsimile: +91 22 2204 8518 Contact Person: Ms. Meetali Jain Email: alil_openoffer@ml.com	**Bigshare Services Private Limited** E-2 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072 Telephone: +91 22 2847 0652 / +91 22 4043 0200 Facsimile: +91 22 2847 5207 Contact Person: Mr. Ashok Shetty E-mail: openoffer@bigshareonline.com

OFFER OPENS ON : Wednesday, January 14, 2009 | **OFFER CLOSES ON: Monday, February 2, 2009**

(For Schedule of Major Activities relating to the Offer please refer to the next page)

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER:

Activity	Original Schedule	Revised Schedule
Public Announcement (“**PA**”) Date	Friday, October 24, 2008	Friday, October 24, 2008
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	Friday, November 21, 2008	Friday, November 21, 2008
Last date for a competitive bid	Friday, November 14, 2008	Friday, November 14, 2008
Date by which individual Letters of Offer will be dispatched to the shareholders	Friday, December 5, 2008	Friday, January 9, 2009
Offer Opening date	Thursday, December 18, 2008	Wednesday, January 14, 2009
Last date for revising the Offer Price	Friday, December 26, 2008	Wednesday, January 21, 2009
Last date for withdrawal by shareholders	Thursday, January 1, 2009	Wednesday, January 28, 2009
Offer Closing date	Tuesday, January 6, 2009	Monday, February 2, 2009
Date by which acceptance / rejection would be intimated and the corresponding payment for the acquired equity shares and / or the share certificates for the rejected / withdrawn equity shares will be dispatched and/or credited to the beneficiary account in case of dematerialized equity shares	Wednesday, January 21, 2009	Wednesday, February 11, 2009

All owners (registered or unregistered) of Shares (except the Acquirer and the PAC) are eligible to participate in the Offer anytime before the closing of the Offer.

RISK FACTORS

1) The Reserve Bank of India ("RBI") has vide its letter dated December 16, 2008, granted approval to the Acquirer / PAC under the Foreign Exchange Management Act, 1999 and the regulations thereunder for the acquisition of Shares under the Offer. There are no other statutory approvals required to implement the Offer, other than the approval mentioned above. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals. The Acquirer / PAC will be entitled to not to proceed with the Offer in terms of Regulation 27 of the Regulations in the event any other statutory approval is not received by the Acquirer. In the event the Acquirer is allowed not to proceed with the Offer, in terms of Regulation 27 of the Regulations, the Bank Guarantee will be withdrawn / cancelled from the date on which the Acquirer / PAC withdraw from the Offer and the amount deposited in the Escrow Account - Cash shall be released to the Acquirer.

2) In the event of regulatory approvals not being received in a timely manner or litigation leading to a stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders whose Shares have been accepted in the Offer as well as the return of the Shares not accepted by the Acquirer may be delayed. In case of delay due to non-receipt of statutory approvals, as per Regulation 22(12) of the Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to the willful default or negligence on part of the Acquirer / PAC, grant an extension for the purpose of the completion of the Offer.

3) The Acquirer / PAC make no assurance with respect to the market price of the Shares during / after the Offer.

4) The Shares tendered in the Offer will lie to the credit of the Depository Escrow account till the completion of the Offer formalities, and the shareholders will not be able to trade such Shares. During such period there may be fluctuations in the market price of the Shares. Accordingly, the Acquirer / PAC make no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.

5) Acquirer / PAC do not make any assurance with respect to the continuation of the past trend in the financial performance of the Target.

6) In the event of oversubscription in the Offer, the acceptance of the tendered Shares will be on a proportionate basis and will be contingent on the level of oversubscription.

The risk factors set forth above are not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirer and the PAC, but are only indicative. They do not relate to the present or future business or operations of the Target or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. The shareholders are advised to consult their stockbroker, investment consultant or tax advisor, if any, for further risks with respect to their participation in the Offer.

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Attached: Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed (where applicable)

DEFINITIONS/ABBREVIATIONS

Acquirer	Alfa Laval Corporate AB
Alfa Laval Group / Alfa Laval / Group	Consists of the Alfa Laval Corporate AB, Alfa Laval AB (publ) and other affiliated companies
Board of Directors / Board	Board of Directors of the Target
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services Limited
Depository Escrow account	The depository account called "Escrow Account – Alfa Laval Open Offer", opened by the Registrar with DSPML at National Securities Depository Limited (NSDL). The DP ID is IN302638 and the beneficiary client ID is 10049688
DP	Depository Participant
Eligible Person(s)	All shareholders (registered and unregistered) of the Target other than the Acquirer and the PAC anytime before Offer Closing Date
FEMA	Foreign Exchange Management Act, 1999
Public Announcement / PA	The public announcement relating to the Offer made by the Acquirer / PAC as appeared in the newspapers on October 24, 2008
Manager to the Offer / DSPML	DSP Merrill Lynch Limited
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
Offer	Cash offer being made by the Acquirer / PAC to all the shareholders, except the Acquirer and PAC, of the Target on the terms contained in this Letter of Offer
Offer Closing Date	February 2, 2009
Offer Opening Date	January 14, 2009
Offer Price	Rs. 950/- (Rupees Nine Hundred and Fifty only) per Share
PAC	Persons Acting in Concert, Alfa Laval AB (publ)
RBI	Reserve Bank of India
Registrar to the Offer	Bigshare Services Private Limited
Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
Share(s)	Fully paid-up equity shares of face value Rs. 10/- each of the Target
Specified Date	Date for the purpose of determining the names of shareholders, as appearing in the Register of Members of the Target or the beneficial records of the relevant DPs, to whom the Letter of Offer will be sent. This date has been determined as November 21, 2008
Target	Alfa Laval India Limited

CURRENCY OF PRESENTATION

Please note that all financial data contained in this Letter of Offer has been rounded off to the nearest million, except where stated otherwise.

Certain financial details contained in this public announcement are denominated in Swedish Krona ("**SEK**") United States Dollar ("**USD**") and Danish Krone ("**DKK**"). The rupee equivalent quoted in each case for SEK is calculated in accordance with the average of the buying and selling TT exchange rates appearing in the Economic Times on October 22, 2008 which is Rs. 6.5200 per SEK and Rs. 6.6200 per SEK, respectively. The rupee equivalent quoted in each case for USD is calculated based on the RBI reference rate of Rs. 49.2900 per USD as on October 22, 2008. The rupee equivalent quoted in each case for DKK is calculated in accordance with the average of the buying and selling TT exchange rates appearing in the Economic Times on October 22, 2008 which is Rs. 8.6875 per DKK and Rs. 8.8200 per DKK, respectively.

This Letter of Offer is being issued by DSP Merrill Lynch Limited ("**DSPML**" or the "**Manager to the Offer**"), on behalf of the Acquirer and the PAC pursuant to Regulation 11(2A) (Consolidation of holdings) and other applicable provisions of the Regulations.

Disclaimer

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF ALFA LAVAL INDIA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PAC OR OF THE TARGET WHOSE SHARES/CONTROL ARE/IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT, WHILE THE ACQUIRER / PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY, AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER / PAC DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, DSP MERRILL LYNCH LIMITED, THE MANAGER TO THE OFFER HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 7, 2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT(S) THERETO. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER / PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

1. **Background to the Offer**

1.1. The Acquirer forms part of the Promoter group of the Target and holds 13,934,014 Shares of the Target equivalent to 76.73% of the fully paid up equity share capital as on the date of the PA. The Acquirer is desirous of consolidating its holding in the Target, while ensuring that the public shareholding in the Target does not fall below the minimum level of shareholding required to be maintained under the Listing Agreements entered into by the Target with the Bombay Stock Exchange Limited (the "**BSE**"), and the National Stock Exchange of India Limited (the "**NSE**"). The Target through a prospectus dated May 9, 1969 had offered less than 25% but more than 10% of its total number of issued shares to the public in terms of Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957. Pursuant to Circular No. SEBI/CFDDIL/LA/2006/13/4 issued by the SEBI on April 13, 2006, the minimum level of shareholding required to be maintained under the Listing Agreements entered into by the Target with the BSE and the NSE is 10%. Therefore, pursuant to Regulation 11(2A) and other applicable provisions of the Regulations, the Acquirer is making an open offer (the "**Offer**" or the "**Open Offer**") to all the shareholders of the Target, except the Acquirer and the PAC, to acquire 2,408,604 fully paid up equity shares of Rs.10/- each of the Target (each a "**Share**"), representing 13.26% of the total paid-up voting equity share capital of the Target as on September 30, 2008. There are no partly paid Shares in the Target or any instruments convertible into Shares of the Target at a future date.

1.2. The Offer is being made at a price of Rs. 950/- (Rupees Nine Hundred and Fifty only) for each Share (the "**Offer Price**"), to be paid in cash, in accordance with the provisions of the Regulations and subject to the terms and conditions mentioned in this letter of offer in relation to the Offer (the "**Letter of Offer**").

1.3. The Offer is voluntary and in accordance with Regulation 11(2A) of the Regulations and has not been triggered by any agreement of the Acquirer or the PAC with any person for the purpose of acquisition of Shares in the Target.

1.4. Alfa Laval India Limited (the "**Target**") was incorporated on December 15, 1937 under the name Vulcan Trading Company Limited. In May, 1965, Alfa Laval Limited, the Indian subsidiary of Alfa Laval AB (publ), Sweden was amalgamated with the Target and its name was changed to Vulcan Laval Limited in October 1965. The Target acquired its present name in May 1987. The Target is a part of the Alfa Laval Group (the "**Group**") and is engaged in the business of manufacture and sale of plant, machinery and equipment used in edible oil processing, food and beverages, energy, environment, pharmaceuticals, chemicals, fertilizer, petrochemicals, ship building, paper and other allied industries and general engineering.

1.5. Neither the Acquirer nor the PAC nor the Target nor any of its directors has been prohibited by SEBI from dealing in securities, in terms of direction issued under Section11B of the SEBI Act or under any of the regulations made thereunder.

1.6. The Acquirer or the PAC does not propose to make any change in the Board of Directors after the Offer except in ordinary course.

2. **Details of the Offer**

2.1. The Public Announcement of the Offer appeared on October 24, 2008 in the following newspapers in accordance with Regulation 15 of the Regulations:

Newspapers	Language	Edition
Business Standard	English	All Editions
Prathakal	Hindi	All Editions
Navshakti	Marathi	Mumbai
Loksatta	Marathi	Pune

A copy of the Public Announcement is also available on SEBI website at **www.sebi.gov.in**

2.2. This Offer to all the shareholders of the Target, except the Acquirer and the PAC, is to acquire 2,408,604 fully paid up equity shares of Rs 10/- each of the Target representing 13.26% of the present fully paid up equity share capital of the Target at the Offer Price of Rs. 950/- (Rupees Nine Hundred and Fifty only) per Share, to all shareholders of the Target who tender their Shares and whose Shares are acquired by the Acquirer / PAC. There are no partly paid Shares in the Target or any instruments convertible into Shares of the Target at a future date.

2.3. The Offer Price will be payable in cash, subject to the terms and conditions mentioned in this Letter of Offer.

2.4. The Offer is not conditional upon any minimum level of acceptance. Accordingly, the Acquirer / PAC will accept all Shares tendered by the shareholders pursuant to the Offer at the Offer Price subject to the Shares tendered not exceeding 2,408,604 Shares. In case the number of Shares tendered exceeds this number, the acceptance will be made on a proportionate basis.

2.5. Neither the Acquirer, nor the PAC has acquired any further Shares in the Target after the date of PA and up to the date of this Letter of Offer.

2.6. Any decision for the upward revision in the Offer Price by the Acquirer till the last date of revision (January 21, 2009) or withdrawal of the Offer would be communicated by way of a public announcement in the same newspapers in which the Public Announcement had appeared. In case of an upward revision in the Offer Price, the Acquirer would pay such revised price for all the Shares validly tendered any time during the Offer and accepted under the Offer. The acquisition of Shares, which are validly tendered, by the Acquirer under this Offer will take place on or before February 11, 2009, in accordance with the schedule of events set out in this Letter of Offer and not at any point earlier in time.

2.7. There has been no competitive bid to this Offer as on the date of this Letter of Offer.

2.8. As the Offer Price cannot be revised during 7 (seven) working days prior to the closure of the Offer, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final offer price and tender their acceptance accordingly.

2.9. Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer. Applications in respect of Shares that are the subject matter of litigation wherein the shareholders may be prohibited from transferring the Shares during the pendency of such litigation are liable to be rejected if the directions / orders permitting transfer of these Shares are not received together with the Shares tendered under the Offer.

3. **Object of the acquisition / Offer**

3.1. The Offer to all the shareholders of the Target, except the Acquirer and the PAC, is made in accordance with Regulation 11(2A) of the Regulations for consolidating the Acquirer's holding in the Target while ensuring that the public shareholding in the Target does not fall below 10%, the minimum level of public shareholding required to be maintained under the Listing Agreements entered into by the Target with the BSE and NSE.

3.2. The Group strives to be the market leader in its chosen product areas within each defined geographical market. The area of activity of the Target is technology and capital intensive and in order to justify greater commitment and support from the Acquirer (the Promoter of the Target) and the Group, in terms of resources and know-how, the Acquirer wishes to consolidate and enhance its stake in the Target to 89.99%.

3.3. The Group has been operating successfully in several parts of the world and the centrally adopted strategy of the Group has been to control majority, if not owning 100%, of all its operating units. The ownership of the Acquirer in the Target is sought to be brought in line with the standard practice of the Group across the globe.

4. **Background of the Acquirer and PAC**

4.1. **The Acquirer**

Alfa Laval Corporate AB is a private limited company incorporated on September 30, 1907 (Registration Number 556 007 – 7785) under the laws of Sweden. It has its registered office at P.O. Box 73, SE 221 00, Lund, Sweden (Tel: + 46 46 36 65 00 Fax: + 46 46 32 35 79). The shares of Alfa Laval Corporate AB are not listed on any stock exchange.

Alfa Laval AB (publ) is the ultimate holding company of Alfa Laval Corporate AB and the beneficial owner of 100% of its share capital.

4.1.1. **Brief History & Major areas of operation**

4.1.1.1. Alfa Laval Corporate AB was incorporated on September 30, 1907 as Svenska Sockerfabriks Aktiebolaget. It changed its name to Alfa Laval Corporate AB on March 13, 2002.

4.1.1.2. Alfa Laval Corporate AB is engaged in the development, production & sales of components and systems within the product areas centrifugal separators, heat exchangers, valves, pumps, and pipe fittings. Alfa Laval Corporate AB has a management function, a shared service function and an internal finance and treasury function for the Group.

4.1.2. **Identity of promoters**

Alfa Laval Corporate AB, is a wholly owned subsidiary of Alfa Laval AB (publ). Alfa Laval AB (publ) is the ultimate holding company and the beneficial owner of 100% of the share capital.

4.1.3. **Compliance with Chapter II of the Takeover code**

The Acquirer has complied with applicable provisions of the Regulations (including Chapter II) / other applicable Regulations under the Securities and Exchange Board of India Act, 1992, as amended (the "**SEBI Act**") and other statutory requirements, as applicable. Except that the compliance under Regulation 6(1), 6(3), 8(1) and 8(2) for the year 1997 was made in terms of SEBI Regularization Scheme 2002. See Annexure II for details.

4.1.4. **Name & Residential Addresses of the Board of Directors of the Acquirer**

Name	Residential Address	Date of Appointment
Lars Renström	Karl XI-Gatan 17 A, 7tr, 222 20 LUND	October 1, 2004
Thomas Thuresson	Caritasgatan 14, 216 18 LIMHAMN	October 15, 2000
Mikael Wahlgren	Liseå Gård, Genarp 134, 240 13 GENARP	August 29,2006
Jacob Malmros	Åbovägen 3, 245 62, HJÄRUP	October 15, 2000
Dag Olsson	Örnahus Dörröd, 1201, 247 96 VEBERÖD	October 15, 2000

Source: Alfa Laval Corporate AB as on November 6, 2008

None of the above directors is on the Board of the Target.

4.1.5. **Details of experience of the Board of Directors of the Acquirer**

Lars Renström, was born in 1951 and has done B.Sc. in Engineering and B.Sc. in Economics. He has been with the Group since 2004. Currently, he is the President and Chief Executive Officer of Alfa Laval AB (publ). Prior thereto, he worked with Seco Tools AB, wherein he was the President and CEO from 2000 to 2004. Prior thereto, he worked as Division Manager at Ericsson AB and Atlas Copco AB.

Thomas Thuresson, was born in 1957 and has done B.Sc. in Economics. He has been with the Group since 1988. Currently, he is the Executive Vice President and Chief Financial Officer of Alfa Laval AB (publ). Prior thereto, he worked as the Controller of Flow business area and Group Controller of the Group.

Dag Olsson, was born in 1961 and has done B.Sc. in Economics. He has been with the Group since 1985. Currently, he is the Group Controller of Alfa Laval AB (publ).

Jacob Malmros, was born in 1962 and has done B.Sc. in Economics. He has been with the Group since 1992. Currently, he is the Tax Manager of Alfa Laval AB (publ). Prior thereto, he worked as an authorized public accountant at Price Waterhouse Coopers.

Mikael Wahlgren, was born in 1965 and has done LLM. He has been with the Group since 2006. Currently, he is the General Counsel of Alfa Laval AB (publ). Prior thereto, he worked as a legal counsel at Skanska, ABB, Rolls Royce and NCC.

4.1.6. **Brief financial statements of Alfa Laval Corporate AB for the last three years and interim financials for the 6 month period ending June 30, 2008**

Profit & Loss Statement	12 month period ending December 31,						6 month period ending June 30,	
	2005		2006		2007		2008	
	(SEK mn)	(Rs. lacs)	(SEK mn)	(Rs. lacs)	(SEK mn)	(Rs. lacs)	(SEK mn)	(Rs. lacs)
Income from operations	5,519	362,572	6,735	442,503	8,838	580,650	4,434	291,314
Other Income	216	14,171	248	16,261	225	14,802	148	9,724
Total Income	**5,734**	**376,744**	**6,983**	**458,763**	**9,063**	**595,452**	**4,582**	**301,037**
Total Expenditure	5,277	346,712	6,128	402,629	7,597	499,136	3,678 (1)	241,645
Profit before depreciation, interest and tax	**457**	**30,031**	**854**	**56,134**	**1,466**	**96,316**	**904 (1)**	**59,393**
Dividend	97	6,379	73	4,790	95	6,228	265	17,411
Depreciation & Amortization	84	5,506	95	6,228	109	7,148	NA (1)	NA
Interest	74	4,868	151	9,934	56	3,692	114	7,490
Profit before tax	545	35,774	984	64,629	1,508	99,089	1,283	84,293
Appropriations to Untaxed Reserves	116	7,601	(49)	(3,186)	123	8,088	-	-
Provision for Tax	97	6,393	288	18,915	390	25,643	295	19,382
Profit after tax	**332**	**21,780**	**744**	**48,901**	**995**	**65,358**	**988**	**64,912**

Source: Based on audited financials from Annual Reports - December 2005, December 2006 and December 2007; Based on Interim Financials (Certified by Auditors of the Acquirer) as on June 30, 2008

(1) Total expenditure includes depreciation and amortization as the split not available for interim period

Balance Sheet	As on December 31,						As on June 30,	
	2005		2006		2007		2008	
	(SEK mn)	(Rs. lacs)	(SEK mn)	(Rs. lacs)	(SEK mn)	(Rs. lacs)	(SEK mn)	(Rs. lacs)
Sources of Funds								
Paid up Share Capital	696	45,727	696	45,727	696	45,727	696	45,727
Reserves and Surplus	435	28,566	286	18,803	308	20,216	1,296	85,147
Net Worth	**1,131**	**74,294**	**982**	**64,531**	**1,004**	**65,943**	**1,992**	**130,874**
Untaxed reserves	261	17,115	212	13,922	335	22,010	335	22,010
Secured Loans	-	-	-	-	-	-	-	-
Unsecured Loans	1,455	95,594	1,468	96,474	3,104	203,959	3,152	207,086
Non-current Provisions	13	848	34	2,247	44	2,878	50	3,285
Total	**2,859**	**187,849**	**2,697**	**177,173**	**4,487**	**294,789**	**5,529**	**363,255**
Uses of Funds								
Net Fixed Assets	735	48,283	876	57,560	981	64,425	994	65,306
Financial Investments	491	32,272	499	32,811	2,028	133,220	2,038	133,897
Other Non-current Assets	25	1,662	22	1,426	14	913	NA(1)	NA
Net Current Assets	1,608	105,632	1,281	84,129	1,454	95,508	2,485	163,265
Deferred Tax Asset	0	0	19	1,248	11	723	12	788
Total	**2,859**	**187,849**	**2,697**	**177,173**	**4,487**	**294,789**	**5,529**	**363,255**

Source: Based on audited financials from Annual Reports - December 2005, December 2006 and December 2007; Based on Interim Financials (Certified by Auditors of the Acquirer) as on June 30, 2008
(1) Not available for the interim period

Other Financial data	As on December 31,					
	2005		2006		2007	
	(SEK)	(Rs.)	(SEK)	(Rs.)	(SEK)	(Rs.)
Dividend (%)	45%		0.0%		0.0%	
Earnings per share	23.81	156.46	53.47	351.30	71.47	469.53
Return on Networth	29.3%		75.8%		99.1%	
Book Value per share	81.25	533.81	70.55	463.51	72.13	473.89
Number of shares	13,920,000		13,920,000		13,920,000	

Source: Based on audited financials from Annual Reports - December 2005, December 2006 and December 2007

4.1.7. The total income has increased during the last three years due to a good development of the order intake.

4.1.8. Alfa Laval Corporate AB has contingent liabilities of SEK 991 million (equivalent Rs. 6,511 lacs) as on December 31, 2007.

4.1.9. **Significant accounting policies of the Acquirer**

Accounting principle

The annual report has been established according to the Annual Accounts Act and The Swedish Accounting Standards Board. Group contributions and related taxes have been recorded against equity capital.

All amounts are disclosed in SEK million unless otherwise stated.

Classification

Fixed assets, long term debt and provision are amounts that are expected to be held or paid after more than twelve months after the balance sheet day. Current receivables and current liabilities are amounts that are expected to be held or paid within twelve months from the balance sheet day.

Valuation principles

Receivables and liabilities

Receivables and liabilities in foreign currencies have been valued at year-end rates of exchange. Exchange rate gains and losses on receivables and payables in the operation are reported as operating items while exchange rate gains and losses on financial receivables and liabilities are reported as financial items.

Receivables are reported to the lower of nominal amount and the amount expected to be received.

Inventory

The inventory has been valued to the lower of cost and actual value, taken into account obsolescence.

Fixed assets

Fixed assets have been accounted for after deduction of accumulated depreciation according to plan. The difference between planed booked value and booked value is shown as untaxed reserves.

The depreciations according to plan are based on the Group's acquisition values and are calculated according to the estimated economic lives of the assets. The following depreciation periods (in years) have been used:

Computer programs and computers	3.3
Office equipment	4
Vehicles	5
Intangible assets	4-10
Goodwill	5
Machinery and equipment	10-14
Buildings	15-50

Intangible assets mainly relate to patents and trademarks where the economic life has been estimated to be 10 years. The depreciation period for intangible assets has therefore been set to 10 years, unless the economic life is known to be shorter in which case the shorter life is used.

Goodwill refers to goodwill arising from purchase of assets and liabilities and is depreciated over 5 years.

Financial assets are valued to the lower of acquisition value and actual value.

The depreciation plan for industrial buildings in Sweden is 25 years and for office buildings 50 years. The building in Ukraine is located on non-freehold property and is depreciated over 15 years.

Upon sales and scrapping of assets, the results are calculated in relation to the net book value after depreciation according to plan. The result on sales is included in operating income.

Revenues

Revenues have been reported to actual value of what has been received or will be received. Revenues are reported to the extent that it is probable that the economic benefits will come to the company and can be calculated in a reliable way. The following criteria must be met before revenues can be reported:

Sale of goods

The revenue is reported when the essential risks and benefits that are connected with the ownership of the goods have past on to the buyer and when the revenue amount can be calculated in a reliable way.

Construction in progress

For larger projects the percentage of completion method is applied. This means that revenue that belongs to a project is recognised as revenue based on the completion of the project. The conditions for percentage of completion method are that revenue, costs and percentage of completion can be calculated in a reliable way. Percentage of completion has been set by comparing cost spent in comparison to total expected cost for the project. Cost for loss orders is taken immediately.

Interest

Interest income is recognised on an accrual basis.

Dividend

Revenues for dividend are recognised when the stockholders right to dividend is established.

Taxes

Deferred tax is reported according to the balance sheet method meaning that deferred tax is calculated for all identified temporary differences between the taxable value of all assets and liabilities and their reported value.

Deferred tax liability is reported in the balance sheet for all taxable temporary differences except when the deferred tax liability refers to or an asset or liability in a transaction that at the time of the transaction, neither affected reported or taxable profit or loss.

Deferred tax asset is reported for all deductible temporary differences in the extension that it is probable that the future taxable gains will be available and against which the temporary differences or unused loss carry-forward might be used.

The deferred tax assets reported values are tested at each balance day and are decreased to the extent that it is not likely that an adequate taxable gain within reasonable time will be available use all or parts of the deferred tax assets.

Deferred tax assets and liabilities are calculated with the tax rate that is expected to be for the period in which the assets or liabilities are settled, based on the tax rate (and tax legislation) that is available or in practice is available on the balance sheet day.

Provisions

Provisions are reported in the balance sheet when the company has an obligation (legal or informal) due to a past event and it is likely that an out flow of resources that is associated with economic benefits will be required to meet the obligation and the amount can be calculated in a reliable way. If the company expects to be compensated for the provision, e.g. throw insurance, the compensation is reported as an asset in the balance sheet, but this only takes place when the compensation is almost certain.

Leasing

Leasing agreements where, in all essential, all the risks and benefits associated with ownership are on the lessor are classified as operational leasing agreements. The leasing fee in operational leasing is reported as a cost in the profit and loss statement and is recognized on a linier basis over the leasing period.

All leasing agreements are reported as right of use agreements and are taken on a linier basis over the leasing period.

Research and development

Research and development costs are charged to the income statement in the year in which they are incurred.

4.1.10. **Disclosure of earlier acquisitions made in the Target**

Details of prior acquisitions made by the Acquirer in the Target:

Particulars	No. of shares acquired/sold	Capital as on date of acquisition/sale	Resultant shareholding %
Issued on merger (1965)	53,280(1)	463,000(1)	11.50
Bought from STAB (1966)	97,813(1)	463,000(1)	32.63
Rights shares (5:1) (1966)	755,465(1)	2,749,080(1)	32.97
Rights shares (4:3) (1968)	1,208,744(1)	6,391,333(1)	33.09
Addl. right shares(for rounding up) (1969)	8(1)	846,124(2)	25.00
Bonus shares (11:17) (1975)	136,873(2)	1,443,008	24.14
Sold to financial institutions (1978)	(400,00)	2.317,500	13.30
Acquired from STAB (1980)	616,808	2,317,500	39.92
Rights shares (1:2) (1985)	462,606	3,476,250	39.92
Bonus shares (1:2) (1986)	693,909	5,214,375	39.92
Bonus shares (1:2) (1989)	1,040,863	7,821,562	39.92
Bonus shares (1:2) (1991)	1,561,295	11,732,343	39.92
Preferential allotment (1993)	4,578,004	18,160,483	51.00
Open offer (2001)	2,378,229	18,160,483	64.10
Open offer (2007)	2,293,896	18,160,483	76.73
Net holding of Promoter as on date of PA	**13,934,014**	**18,160,483**	**76.73**

(1) Shares of Re.1 each
(2) Shares of Rs.10 each

Alfa Laval Corporate AB (earlier known as Alfa Laval AB) as the Acquirer along with Alfa Laval AB (publ) as the PAC, through an open offer in 2007 increased its stake in the Target to 76.73%. The offer was in compliance with applicable provisions of the Regulations / other regulations under the SEBI ACT 1992 and other statutory requirements, as applicable.

4.2. **The PAC**

4.2.1. The PAC is a public limited company incorporated on March 27, 2000 (Registration Number 556 587 – 8054) under the laws of Sweden. It has its registered office at P.O. Box 73, SE 221 00, Lund, Sweden (Tel: + 46 46 36 65 00 Fax: + 46 46 32 35 79). It is listed on the OMX Nordic Exchange.

4.2.2. **Brief History & Major areas of operation**:

The PAC was incorporated on March 27, 2000 as Lagrummet December nr 681 Aktiebolag. It subsequently changed its name to the present name Alfa Laval AB (publ) on March 13, 2002.

Alfa Laval AB (publ) is a leading global provider of specialized products and engineered solutions. The capital sales are organized in two divisions:

(i) **The Process Technology Division**, which offers unique solutions that help customers optimize their processes. The division supplies everything from components to systems and is based upon extensive process and product expertise in combination with innovative technologies.

(ii) **The Equipment Division,** which offers a wide range of high-performance products for customers who have well-defined and regular needs. Sales are channelled through their own sales companies, distributors, contractors, installers, system builders and OEMs.

The key technologies are as follows:

Heat transfer technology: The heat exchangers are used in a variety of industries for applications such as heating, cooling, ventilation and condensation of fluids. Heat exchangers work by passing fluids or gases close together, with heat moving from the hot substance to the colder one. Examples of industries using these heat exchangers include the food processing, chemical and power generation industries.

Centrifugal separation technology: The centrifugal separation equipment, systems and decanters are used to separate liquids from liquids and solid particles from liquids and are an integral part of a wide variety of industrial processes. Centrifugal separators work by rotating a vessel at very high speeds in order to create a centrifugal force which separates the contents of the vessel. Examples of applications include fuel oil cleaning systems for ship engines and power stations, the separation of cream from milk in the dairy industry and the removal of sludge from water in waste-waste treatment plants.

Sanitary flow technology: The pumps, valves and installation material, including piping and connections are used for fluid handling applications such as the production of dairy products, beverages, food, health and beauty products and pharmaceutical products. These products perform supportive functions with an overall process and are used with our heat transfers and centrifugal separation products.

Primary customer segments : Comfort & Refrigeration; Marine & Diesel; Sanitary; Fluids & Utility; OEMs; Food Technology; Energy & Environment; Process Industry; Water Technology; and Life Science Technology. Major customers are some of the world's leading blue-chip manufacturers, distributors and OEMs, such as Bayer, Coca-Cola, Exxon, Tetra Pak and Unilever.

The customer segments are organized into two divisions, the Equipment division and the Process Technology division. In the Equipment division, they sell and market products to customers that have a well-defined and regular product based equipment need, such as OEMs that require a large number of small plate heat exchangers and air dryers for integration into boilers, diesel engines and air conditioning units. In the Process Technology division, they sell and market to customers with specialized or unique solutions for industrial systems and processes, such as for the production of beverages, dairy products, beer and vegetable oils, as well as the purification of fuel and lubricating oil within power plants.

4.2.3. **Identity of promoters and shareholders of the PAC**

PAC is the parent company of the Group. PAC is a listed company with 23,789 shareholders as on September 30, 2008. The largest owner is Tetra Laval B.V., the Netherlands which holds 18.39% stake in Alfa Laval AB (publ). The other top nine shareholders are institutional investors who hold 43.14% stake in the PAC. Further, Alfa Laval AB (publ) is a professionally managed public company and accordingly no single shareholder has been identified as a Promoter having control over the PAC.

4.2.4. **Compliance with Chapter II of the Takeover code**

As the PAC does not directly hold any Shares of the Target, provisions of Chapter II of the Regulations are not applicable.

4.2.5. **Name and Residential address of the Board of Directors of the PAC**

Name	Residential Address	Date of Appointment
Anders Narvinger	Östermalmsgatan 94, 114 59, STOCKHOLM	May 8, 2003
Gunilla Berg	Högvretens Gård, 194 92, UPPLANDS VÄSBY	April 27, 2004
Björn Hägglund	54 Cornwall Gardens, flat 1, SW7, 4BG LONDON, STORBRITANNIEN, OCH, NORDIRLAND	April 27, 2005
Ulla Litzén	Tysta gatan 6, 115 20, STOCKHOLM	April 27, 2006
Finn Rausing	Box 5088, 102 42 , STOCKHOLM	August 24, 2000
Jörn Rausing	1 Longwalk Road, Stockley Park, UBllD UXBRIDGE, STORBRITANNIEN, OCH, NORDIRLAND	August 24, 2000
Lars Renström	Karl XI-Gatan, 17 A, 7 tr, 222 20 LUND	April 27, 2005
Waldemar Schmidt	Amaliegade, 24, 1256, KÖPENHAMN, DANMARK	August 24, 2000
Arne Kastö	Box 4061, 227 21 LUND	August 24, 2000
Jan Nilsson	Skarpnäcks Gårdsväg 83, 128 31, SKARPNÄCK	August 24, 2000
Susanna Norrby	Hästhagsvägen 16, 131 33 NACKA	May 8, 2003

Source: Alfa Laval AB (publ) as on November 6, 2008

None of these directors is a director on the Board of the Target.

4.2.6. **Details of experience of the Board of Directors of the PAC**

Anders Narvinger was born in 1948 and has done B.Sc. in Engineering and B.Sc. in Economics. He is the Chairman of Alfa Laval AB (publ) since 2003. He is the President of Teknikföretagen and was previously the President and CEO of ABB Sweden. He is also the Chairman of Trelleborg AB, Vin & Spirit AB and Board member of Volvo Car Corporation.

Gunilla Berg was born in 1960 and has done B.Sc. in Economics. She has been a Board member of Alfa Laval AB (publ) since 2004. Currently, she is the CFO of SAS Group Board member of LE Lundbergföretagen AB. Previously, she was the Executive Vice President and CFO of KF Group.

Björn Hägglund was born in 1945 and has done Ph.D. (For.). He is a Board member of Alfa Laval AB (publ) since 2005. Currently, he is the Board Chairman of Swedish Industrial Institute for Economics and Social Research and Worldwide Fund for Nature (WWF), Sweden. He is also the Board member of Bergvik Skog AB, Karl Hedin AB, SweTree Technologies AB, the Knut and Alice Wallenberg Foundation, and Mistra. He is Vice Chairman at IVA (Royal Academy of Engineering Science). His former positions include Deputy CEO of Stora Enso.

Ulla Litzén was born in 1956 and has done B.Sc. in Economics from the Stockholm School of Economics and M.B.A. from Massachussetts Institute of Technology. She is a Board member of Alfa Laval AB (publ) since 2006. Currently, she is the Board member of Atlas Copco AB, Boliden AB, Karo Bio AB, Posten AB and SKF AB. Previously, she was President of W Capital Management and held various senior positions at Investor.

Finn Rausing was born in 1955 and has done B.L., M.B.A. from Insead. He is a Board member of Alfa Laval AB (publ) since 2000. He is the Chairman of R.R. Institute of Applied Economics AB, Board member of Tetra Laval Group, De Laval Holding AB and Swedeship Marine AB.

Jörn Rausing was born in 1960 and has done B.Sc. in Economics. He is a Board member of Alfa Laval AB (publ) since 2000. Currently, he is the Head of Mergers and Acquisitions (M&A) in the Tetra Laval Group and Board member of the Tetra Laval Group and DeLaval Holding AB.

Lars Renström was born in 1951 and has done B.Sc. in Engineering and B.Sc. in Economics. He has been with the Group since 2004. Currently, he is the President and CEO of Alfa Laval AB (publ). Prior thereto, he worked with Seco Tools AB, wherein he was the President and CEO from 2000 to 2004. Prior thereto, he worked as Division Manager at Ericsson AB and Atlas Copco AB**.**

Waldemar Schmidt was born in 1940 and has done B.Sc. in Engineering. He is a Board member of Alfa Laval AB (publ) since 2000. Currently, he is the Chairman of Superfos Industries A/S and Thrane & Thrane A/S, Vice Chairman of Majid Al Futtaim Group LLC, Dubai, Board Member of Enodis plc, Welzorg Group BV, Cicor S/A and Kwintett AB. His previous positions include President and CEO of ISS Group.

Arne Kastö was born in 1948. He is a Board member of Alfa Laval AB (publ) as an Employee representative since 2000. He is the employee representative for the Swedish Union of Clerical and Technical Employees in Industry (SIF). He has been with the Group since 1980.

Jan Nilsson was born in 1952. He is a board member of Alfa Laval AB (publ) as an Employee representative since 2000. He is the employee representative for the Swedish Metal Workers Union (Metall). He has been with the Group since 1974.

Susanna Norrby was born in 1967. She is board member of Alfa Laval AB (publ) as an Employee representative since 2003. She is the employee representative for the Swedish Association of Graduate Engineers (CF). She has been with the Group since 1992.

4.2.7. **Brief financial details of Alfa Laval AB (publ) for the last three years and interim financials for the 6 month period ending June 30, 2008**

Profit & Loss Statement	12 month period ending December 31,						6 month period ending June 30,	
	2005		2006		2007		2008	
	(SEK mn)	(Rs. lacs)	(SEK mn)	(Rs. lacs)	(SEK mn)	(Rs. lacs)	(SEK mn)	(Rs. lacs)
Income from operations	16,330	1,072,881	19,802	1,300,991	24,849	1,632,579	13,122	862,115
Other Income	324	21,287	281	18,462	362	23,783	120	7,884
Total Income	**16,654**	**1,094,168**	**20,083**	**1,319,453**	**25,211**	**1,656,363**	**13,242**	**869,999**
Total Expenditure	14,697	965,593	16,930	1,112,301	19,912	1,308,218	10,113	664,424
Profit before depreciation, interest and tax	**1,957**	**128,575**	**3,153**	**207,152**	**5,299**	**348,144**	**3,129**	**205,575**
Dividend	5	329	2	131	2	131	1	66
Depreciation & Amortization	580	38,106	601	39,486	608	39,946	267	17,542
Interest	(283)	(18,593)	(179)	(11,760)	(136)	(8,935)	(151)	(9,921)
Profit before tax	1,099	72,204	2,375	156,038	4,557	299,395	2,712	178,178
Provision for Tax	171	11,235	650	42,705	1,377	90,469	776	50,983
Profit after tax	**928**	**60,970**	**1,725**	**113,333**	**3,180**	**208,926**	**1,936**	**127,195**

Source: Based on audited financials from Annual Reports - December 2005, December 2006 and December 2007; Based on Interim Financials (Certified by Auditors of the PAC) on June 30, 2008 as filed with OMX Nordic Exchange

Balance Sheet	As on December 31,						As on June 30,	
	2005		2006		2007		2008	
	(SEK mn)	(Rs. lacs)	(SEK mn)	(Rs. lacs)	(SEK mn)	(Rs. lacs)	(SEK mn)	(Rs. lacs)
Sources of Funds								
Paid up Share Capital	3,887	255,343	3,887	255,376	3,887	255,376	3,887	255,376
Reserves and Surplus	1,793	117,813	2,826	185,668	3,959	260,106	4,331	284,547
Attributable to minority interest	132	8,653	118	7,753	91	5,979	90	5,913
Net Worth	**5,811**	**381,809**	**6,831**	**448,797**	**7,937**	**521,461**	**8,308**	**545,836**
Secured Loans	-	-	-	-	-	-	-	-
Unsecured Loans	2,802	184,065	2,226	146,248	3,420	224,694	3,526	231,658
Non-current Provisions	1,210	79,490	1,259	82,716	1,286	84,490	1,273	83,636
Total	**9,823**	**645,365**	**10,316**	**677,761**	**12,643**	**830,645**	**13,107**	**861,130**
Uses of Funds								
Net Fixed Assets	7,151	469,814	7,412	486,968	8,558	562,261	8,610	565,677
Financial Investments	85	5,611	57	3,745	45	2,957	NA(1)	NA
Other Non-current Assets	67	4,408	69	4,533	111	7,293	1,202(2)	78,971
Net Current Assets	2,682	176,188	3,016	198,151	4,007	263,260	4,278	281,065
Net Deferred Tax Asset	(162)	(10,657)	(238)	(15,637)	(78)	(5,125)	(983) (3)	(64,583)
Total	**9,823**	**645,365**	**10,316**	**677,761**	**12,643**	**830,645**	**13,107**	**861,130**

Source: Based on audited financials from Annual Reports - December 2005, December 2006 and December 2007; Based on Interim Financials (Certified by Auditors of the PAC) on June 30, 2008 as filed with OMX Nordic Exchange

(1) Not available for the interim period
(2) Other non-current assets may include financial investments and deferred tax asset
(3) Represents deferred tax liability only as deferred tax asset not available separately for the interim period

Alfa Laval AB (publ) had contingent liabilities of SEK 3,161 million (equivalent Rs. 20,768 lacs) as on December 31, 2007

Contingent Liabilities	2007 (SEK mn)	2007 (Rs. lacs)
Discounted bills	80	526
Performance guarantees	1,064	6,990
Other contingent liabilities	2,017	13,252
Total	**3,161**	**20,768**

Source: Annual Report – December 2007

Other Financial Data	As on December 31,					
	2005		2006		2007	
	(SEK)	(Rs.)	(SEK)	(Rs.)	(SEK)	(Rs.)
Earning Per Share(1)	1.98	13.01	3.78	24.83	7.12	46.78
Dividends (%)(2)	64%		41%		31%	
Return on Net Worth	16.0%		25.3%		40.1%	
Book value per share(1)	13.01	85.48	15.29	100.47	18.01	118.35
Average number of shares(3)	446,687,972		446,687,972		440,611,504	

Source: Based on audited financials from Annual Reports - December 2005, December 2006 and December 2007
(1) Recalculated due to 4:1 split in 2008
(2) Dividends in relation to net income for the year attributable to owners of the parent
(3) Average number of shares has been affected by the repurchase of shares in 2007 and the 4:1 split in 2008

4.2.8. **Reasons for fall / rise in total income and Profit after tax**

Continued very high demand in most of the final markets for the PAC, primarily the energy industry and energy-related sectors, contributed to the increase in order intake with 18% compared with 2006 by SEK 27.6 billion. Sales also increased by about 4% on account of acquisitions of new companies in 2007. These factors contributed towards 25% growth in the Net Sales in 2007 compared to 2006.

Further, there was an improvement in the product mix along with realization of higher efficiencies in production, sales and administration. These factors contributed to the 84% increase in net income in 2007 compared to 2006.

4.2.9. **Significant accounting policies of the PAC**

Accounting principles

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments including derivatives that are valued at fair value. The statements are presented in SEK millions, unless otherwise stated.

Statement of compliance

As from January 1, 2005 Alfa Laval applies International Financial Reporting Standards (IFRS). Furthermore, the Financial Accounting Standards Council in Sweden recommendation RR 30:06 “Supplementary accounting principles for consolidated groups” is applied.

The accounting and valuation principles of the parent company comply with the Swedish Annual Accounts Act and the recommendation RR 32:06 “Accounting for legal entities” issued by the Financial Accounting Standards Council in Sweden.

4.2.10. **The status of corporate governance and pending litigation matters**

Asbestos-related lawsuits

The Alfa Laval Group was as of September 30, 2008, named as a co-defendant in a total of 286 asbestos-related lawsuits with a total of approximately 366 plaintiffs. Alfa Laval strongly believes the claims against the Group are without merit and intends to vigorously contest each lawsuit.

Based on current information and Alfa Laval’s understanding of these lawsuits, Alfa Laval continues to believe that these lawsuits will not have a material adverse effect on the Group’s financial condition or results of operation.

4.2.11. **Details of merger/demerger, spin offs during last three years involving the Acquirer / PAC**

Acquirer

In 2007, Alfa Laval Corporate AB acquired 100% of Alfa Laval Kolding AS in Denmark for a total cost of SEK 1,014 million (equivalent Rs. 6,662 million).

In 2007, Alfa Laval Corporate AB acquired an additional 12.6% up to 76.7% in Alfa Laval India Ltd for a total cost of SEK 496.8 million (equivalent Rs. 3,264 million).

In 2006 Alfa Laval Corporate AB together with PHE Holding AB established a wholly owned subsidiary of Tranter India Private Ltd by way of subscription of SEK 4.7 million (equivalent Rs. 30.9 million) to its equity share capital in connection with the Alfa Laval Group's acquisition of Tranter.

In 2005 Alfa Laval Corporate AB subscribed to 1 equity share representing 0.01% in the newly established company Alfa Laval Support Services Private Ltd in India.

PAC

On August 15, 2008 Alfa Laval acquired the U.S. company Hutchison Hayes Separation, which is a leading provider of separation equipment, parts and services, mainly to the U.S. energy related industries. The company's sales in 2007 were about SEK 150 million (equivalent Rs. 986 million). Hutchison Hayes will operate as a separate organisation and adds a complementary channel for centrifugal separation equipment and service, primarily to the energy related industries in the USA.

On July 31, 2008 Alfa Laval acquired the German company Pressko AG, which is specialized in developing and manufacturing fully welded heat exchangers. Pressko's estimated sales for 2008 are about SEK 50 million (equivalent Rs. 329 million). Pressko AG will be integrated into Tranter, which is a separate organisation within the Alfa Laval Group.

On June 13, 2008 Alfa Laval acquired about 45% of the Swedish company Ageratec that develops innovative process solutions for the biodiesel industry. Ageratec's estimated sales for 2008 are about SEK 80 million (equivalent Rs. 526 million).

On June 1, 2008 Alfa Laval acquired the U.S. company Standard Refrigeration, a leading supplier of shell-and-tube heat exchangers for a variety of refrigeration, air-conditioning and industrial applications in the North American market. In 2007, the company had sales of about SEK 220 million (equivalent Rs. 1,445 million) and some 185 employees. Standard Refrigeration will be integrated into Alfa Laval in order to capture synergies such as a wider product portfolio combined with an enhanced market presence.

On April 4, 2008 Alfa Laval acquired 91% of an Indian company called Nitrile India Private Limited (now known as MCD Nitrile India Private Limited).

On February 11, 2008 Alfa Laval acquired the Danish company Høyer Promix A/S. The company has a turnover of approximately Danish Krone ("**DKK**") 12 million (equivalent Rs. 105 million) and develops, produces and markets agitators mainly for the food and pharma industry. The company will be merged into Alfa Laval Tank Equipment A/S.

On December 3, 2007 Alfa Laval finalized the acquisition of the Finnish company Fincoil. The acquisition of Fincoil is in line with Alfa Laval's strategy to expand the presence in the European air heat exchanger market. Fincoil has a turnover of approximately SEK 375 million (equivalent Rs. 2,464 million) and 150 employees. The company has a well-established position in the Nordic countries, the Baltic countries and Russia. Approximately 80 percent of the sales are exported. Fincoil has one manufacturing site outside Helsinki in Finland. The intention is to fully integrate Fincoil into Alfa Laval's operations.

On July 2, 2007 Alfa Laval acquired the American company AGC Engineering, Inc. The company provides sanitary plate heat exchanger service and equipment to the dairy and food processing industries. AGC has a turnover of approximately SEK 70 million (equivalent Rs.

460 million) and 65 employees. The acquisition adds a complementary channel for sanitary plate heat exchangers to the dairy and food processing industries mainly in the USA. This applies to new units as well as parts and service. AGC will not be integrated into Alfa Laval. The two organizations will go to market independent of each other according to a multi-brand strategy.

Through a public offer that closed on May 26, 2007 Alfa Laval increased the ownership in the Indian subsidiary Alfa Laval India Ltd with 12.6% to 76.7%. The total cost for the acquisition was SEK 497 million (equivalent Rs. 3,265 million).

On April 4, 2007 Alfa Laval acquired the Dutch company Helpman. Helpman is a leading company in the European market for air heat exchangers used in the sensitive logistical chain for food, i.e. refrigeration and temperature control to secure the final quality of the products. Helpman had a turnover in 2006 of about SEK 200 million (equivalent Rs. 1,314 million) and has approximately 130 employees within R&D, sales and at two manufacturing units, in Groningen, the Netherlands and in Sofia, Bulgaria. The intention is to fully integrate Helpman into Alfa Laval's operations.

On March 16, 2007 Alfa Laval acquired the American company DSO Fluid Handling. The acquisition strengthens Alfa Laval's position within sanitary processing industries in the USA. DSO is a supplier of predominantly parts for pumps and valves and adds a complementary channel for replacement parts. In line with Alfa Laval's multi-brand strategy, DSO will continue to sell its products under its own brand. DSO had a turnover in 2006 of about SEK 50 million (equivalent Rs. 329 million) and has approximately 20 employees. DSO is based in Irvington (Newark), New Jersey, USA.

On September 23, 2005, Alfa Laval AB (publ) announced that the company had signed an agreement to acquire 100 percent of Tranter PHE from the U.S. company, Dover Corporation.

On March 6, 2006, Alfa Laval AB (publ) obtained approval to acquire Tranter PHE for a purchase price of USD 150.4 million (equivalent Rs. 7,413 million) in cash. Tranter was a major competitor for the group in the United States and this acquisition facilitated a double branding strategy in the American market.

During the first quarter 2006, Alfa Laval AB (publ) acquired the fruit preparation activity from Tetra Pak for SEK 10.2 million (equivalent Rs. 67 million).

On February 15, 2005 Alfa Laval AB (publ) acquired 100 percent of Packinox S.A. in France for SEK 542.3 million (equivalent Rs. 3,563 million). Packinox is a world leader in large welded plate heat exchangers for oil & gas and refinery applications.

4.2.12. Divestments

On December 13, 2006, Alfa Laval AB (publ) announced that it has taken the strategic decision to divest its engineering activity for the biopharm industry. It is divesting this activity through a purchase agreement with the Management of this activity. The primary reason for divesting the engineering activity for the biopharm industry, which comprises the offering of engineering and validation services, is the limited connection to Alfa Laval AB's core business of process solutions and heat transfer, separation and fluid handling products. The divestment is not anticipated to have any negative impact on Alfa Laval AB (publ)'s Life Science activity. The turnover of the divested activity is slightly more than SEK 100 million and it employs approximately 110 people. The divestment caused a non-recurring charge to the profit and loss statement in the fourth quarter 2006 of SEK 125.5 million. The transaction was finalized on December 29, 2006.

4.2.13. Date of Registration of Current and Previous company names

2002-03-13 : Alfa Laval AB (publ)

2000-07-12: Alfa Laval International Aktiebolag

2000-03-27: Lagrummet December nr 681 Aktiebolag

4.2.14. **Details of the companies promoted by the Acquirer / PAC in India**

In India, other than the Target, the Acquirer has promoted Tranter India Private Limited the details of which are as follows:

Name of Company	**Tranter India Private Limited**
Date of incorporation	November 9, 2005
Nature of Business	To carry on in India and abroad, the business of providing research and development, design, manufacturing and supply services of heat exchangers and to provide related engineering and projects services, computer aided designing and designing work, component design and specifications and pressure vessel calculation and design specifications
Equity capital, Reserves (excluding revaluation reserves)	Equity Capital: Rs. 3,01,00,000 divided into 30,10,000 equity shares of Rs.10/- each Reserves: Rs.311.04 lacs
Total Income	FY 2007: Rs. 5,916.69 lacs FY 2006: Rs. 2,490.01 lacs
Profit after tax (PAT)	FY 2007: Rs. 248.36 lacs FY 2006: Rs. 43.56 lacs
Earnings Per Share (EPS)	FY 2007: Rs. 8.25 FY 2006: Rs. 7.02
Net Asset Value (NAV)	Rs. 14.49
Mention if any of the companies is a sick industrial company	Not applicable

Alfa Laval has promoted Alfa Laval Support Services Private Limited; details of which are as follows:

Name of Company	**Alfa Laval Support Services Private Limited (ALSS)**
Date of incorporation	February 14, 2005
Nature of Business	ALSS is in the business of providing engineering and project related services, administrative support including human resource services and to carry out research and development work relating to certain Alfa Laval products
Equity capital, Reserves (excluding revaluation reserves),	Equity capital: Rs. 100,000 divided into 10,000 equity shares of Rs.10/- each Reserves: Rs. Nil
Total Income	FY 2007: Rs. 1,450.87 lacs FY 2006: Rs. 309.20 lacs FY 2005: Rs. 70.58 lacs
Profit/(Loss) after tax (PAT)	FY 2007: Rs. 13.68 lacs FY 2006: Rs. (164.73) lacs FY 2005: Rs. (76.29) lacs
Earnings Per Share (EPS)	FY 2007: Rs. 136.78 FY 2006: Rs.(1647.27) FY 2005: Rs. (762.88)
Net Asset Value (NAV)	Rs. (2,536.93)
Mention if any of the companies is a sick industrial company	Not applicable

On April 4, 2008, Alfa Laval acquired 91% of an Indian company called Nitrile India Private Limited (now known as MCD Nitrile India Private Limited); details of which are as follows:

Name of Company	**MCD Nitrile India Private Limited (formerly known as Nitrile India Private Limited)**
Date of incorporation	October 19, 1990
Nature of Business	MCD Nitrile India Private Limited is engaged inter alia in the manufacture and sale of gaskets for plate heat exchangers, seals, caps and insulating products made out of rubber, taflon and other hydrocarbon compound materials for plate heat exchangers involved in evaporation, sterilization and drying applications.

Equity capital, Reserves (excluding revaluation reserves)	Equity Capital: Rs. 27,02,500 divided into 27,025 equity shares of Rs.100/- each Reserves: Rs. 46.79 lacs
Total Income	FY 2007-08: Rs. 104.35 lacs FY 2006-07: Rs. 106.35 lacs
Profit after tax (PAT)	FY 2007-08: Rs. 10.30 lacs FY 2006-07: Rs. 16.74 lacs
Earnings Per Share (EPS)	FY 2007-08: Rs. 38.12 FY 2006-07: Rs. 61.95
Net Asset Value (NAV)	Rs. 273.15
Mention if any of the companies is a sick industrial company	Not applicable

4.2.15. **Name and details of Compliance Officer**

Mikael Wahlgren
Alfa Laval Corporate AB
P.O. Box 73,
SE-221 00, Lund,
Sweden
Tel: +46 46 36 72 20
Mobile: + 46 709 33 72 20
Fax: +46 46 36 71 87
Email: **mikael.wahlgren@alfalaval.com**

4.3. **Future plans / strategies of the Acquirer with regard to the Target**

4.3.1. The Offer to all the shareholders of the Target, except the Acquirer and the PAC, is made in accordance with Regulation 11(2A) of the Regulations for consolidating the Acquirer's holding in the Target while ensuring that the public shareholding in the Target does not fall below 10%, the minimum level of public shareholding required to be maintained under the Listing Agreements entered into by the Target with the BSE and NSE.

4.3.2. The Group strives to be the market leader in its chosen product areas within each defined geographical market. The area of activity of the Target is technology and capital intensive and in order to justify greater commitment and support from the Acquirer (the Promoter of the Target) and the Group, in terms of resources and know-how, the Acquirer wishes to consolidate and enhance its stake in the Target to 89.99%.

4.3.3. The Group has been operating successfully in several parts of the world and the centrally adopted strategy of the Group has been to control majority, if not owning 100%, of all its operating units. The ownership of the Acquirer in the Target is sought to be brought in line with the standard practice of the Group across the globe.

4.3.4. The Acquirer and the PAC presently do not have any plans to dispose off or otherwise encumber any assets of the Target in the following two years from the date of closure of the Offer, except in the ordinary course of business. Further, the Acquirer and the PAC undertake not to dispose off or otherwise encumber any assets of the Target, without the prior approval of the shareholders. The Target's future policy of disposal of its existing business or assets after the aforesaid period of two years, if any, will be decided by its Board of Directors in accordance with the applicable laws and regulations.

5. **Option in terms of Regulation 21(2)**

5.1. The Offer to the shareholders of the Target is made in accordance with Regulation 11(2A) of the Regulations for consolidating the Acquirer's holding in the Target while ensuring that the public shareholding in the Target does not fall below 10.0%, the minimum level of shareholding required to be maintained under the Listing Agreements entered into by the Target with the BSE and NSE.

5.2. Therefore, pursuant to Regulation 11(2A) and other applicable provisions of the Regulations, the Acquirer is making an Offer to the shareholders of The Target to acquire 2,408,604 fully paid up equity shares of Rs.10/- each of the Target representing 13.26% of the total paid-up voting equity share capital of the Target as on September 30, 2008.

5.3. In terms of Regulation 11(2A) of the Regulations, the Acquirer would acquire such number of equity shares in the Target through the Offer so as not to breach the minimum public shareholding requirement of 10% in conformity with the SEBI circular bearing reference number SEBI/CFD/DIL/LA/2006/13/4 dated April 13, 2006.

5.4. As on the date of the Public Announcement, the Acquirer does not intend to delist the Shares of the Target from the stock exchanges in the next three years. However, any future action for delisting of the Shares of the Target in the coming three years and thereafter shall be subject to the decision of the Board of Directors of the Target as well as the Shareholders of the Target; subject to compliance with applicable law.

6. Background of the Target

6.1. Address of Corporate and Registered Office (with phone numbers)

Corporate Office	Alfa Laval India Limited, Mumbai Pune Road, Dapodi, Pune 411 012 Tel: +91 20 2710 7100; Fax: +91 20 2714 7711
Registered Office	Alfa Laval India Limited, Mumbai Pune Road, Dapodi, Pune 411 012 Tel: +91 20 2710 7100; Fax: +91 20 2714 7711

6.2. Brief History and Major areas of operation

6.2.1. Alfa Laval India Limited (the "**Target**") was incorporated on December 15, 1937 under the name Vulcan Trading Company Limited. In May 1965, Alfa Laval Limited, the Indian subsidiary of Alfa Laval AB (publ), Sweden was amalgamated with the Target and its name was changed to Vulcan Laval Limited in October 1965. The Target acquired its present name in May 1987. The Target is a part of the Alfa Laval Group and is engaged in the business of manufacture and sale of plant, machinery and equipment used in edible oil processing, food and beverages, energy, environment, pharmaceuticals, chemicals, fertilizer, petrochemicals, ship building, paper and other allied industries and general engineering.

6.3. Location and details of other manufacturing facilities

S. No.	Unit / Location	Telephone / Fax
1	Mumbai Pune Road, Dapodi, Pune 411 012, Maharashtra	Tel.: +91 20 2710 7100 Fax: +91 20 2714 7711
2	E-7/E-8, MIDC Estate, Satara 415 004, Maharashtra	Tel.: +91 2162 24 4503 Fax: +91 2162 24 4628
3	Gat No.30 to 33 & 74 to 82, At & Post Sarole, Veer Road, Tal.Bhor, Dist. Pune 412 206, Maharashtra	Tel.: +91 2113 282 367 Fax: +91 2113 28 2301
4	Customer Service Centre at Plot No. R-674, TTC Industrial Area, MIDC Rabale, Post Ghansoli, Navi Mumbai 400 701, Maharashtra.	Tel.: +91 22 2769 1832 Fax: +91 22 2760 7834

Source: Alfa Laval India Limited

6.4. Share capital structure of the Target

	No. of Shares/voting rights	% of shares/voting rights
Fully Paid up Equity Shares	18,160,483	100
Partly Paid up Equity Shares	Nil	
Total Paid up Equity Shares	18,160,483	100
Total Voting Rights in Target S	18,160,483	100

Source: Alfa Laval India Limited

6.5. **Build up of the current capital structure since inception**

Date ofAllotment	No. & %age of Shares issued	Cumulative paid-up capital		Mode of Allotment	Identity of allottees	Status of Compliance
		Rs.	As on			
16/12/1937	2000[1] (0.11%)	200,000	Issue date	First issue of shares	Ex-Promoter	Complied
17/10/1961	2000[1] (0.11%)	400,000	Issue date	Further issue of shares	Ex-Promoter	Complied
29/5/1965	63,000[2] (0.03%)	463,000	Issue date	Share exchange on amalgamation	Ex-Promoter & Promoter	Complied
2/12/1966	2,315,000 (1.27%)	2,749,080	Issue date	Rights shares	Ex-Promoter & Promoter	Complied
14/10/1968	3,665,440 (2.02%)	6,391,333	Issue date	Rights shares	Ex-promoter & Promoter	Complied
12/8/1969	206,988[3] (1.14%)	8,461,240	Issue date	Public Issue	Public	Complied
18/10/1974	29,988 (0.17%)	8,761,120	Issue date	Conversion of loan into equity	ICICI Ltd.	Complied
13/10/1975	566,896 (3.12%)	14,430,080	Issue date	Bonus shares	Ex-promoter, Promoter & Public	Complied
21/3/1977	42,308 (0.23%)	14,853,160	Issue date	Rights shares	Public	Complied
18/12/1978	832,184 (4.58%)	23,175,000	Issue date	Right/new shares	Public & financial institutions	Complied
16/12/1985	1,158,750 (6.38%)	34,762,500	Issue date	Rights shares	Existing shareholders	Complied
26/8/1986	1,738,125 (9.57%)	52,143,750	Issue date	Bonus shares	Existing shareholders	Complied
5/10/1989	2,607,187 (14.35%)	78,215,620	Issue date	Bonus shares	Existing shareholders	Complied
22/11/1991	3,910,781 (21.53%)	117,323,430	Issue date	Bonus shares	Existing shareholders	Complied
4/3/1993	6,428,140 (35.39%)	181,604,830	Issue date	Right/Preferential allotment	Promoter & Existing shareholders	Complied

Source: Alfa Laval India Limited
(1) Face value Rs.100/-
(2) Face value Re.1/-
(3) Face value Rs.10/-

6.6. There has been no suspension of trading in shares of the Target.

6.7. Shares of the Target are listed on the BSE and NSE.

6.8. The Acquirer and the Target are in compliance with Chapter II of the Takeover Code except for the delay in compliance with the filings made in terms of Regulation 8 of the Regulations for the year 1997 & 2000 by the Target; details of which are indicated in Annexure I. In view of the above, SEBI had vide its letter dated July 21, 2004 sought a written consent from the Target for payment of a penalty of Rs.150,000 which was given by the Target vide its letter dated August 20, 2004 with a request to SEBI to further reconsider the penalty amount so imposed in the wake of submissions made therein. Suitable action may be taken by SEBI at a later stage.

6.9. Except for the above mentioned penalty imposed by SEBI on the Target, there is no other punitive action imposed on the Target as on the date of the Letter of Offer.

6.10. The Target has no outstanding convertible instruments.

6.11. The Target has conformed to the listing requirements at all times.

6.12. **Composition of the Board of Directors as on the date of PA**

S.No.	Name/Designation	Representing	Qualification	Experience/in years	Date of Appointment
1	Mr. Giuseppe Falciola[1] Chairman (non-executive)	Non-Independent	M.B.A.	42	23/2/2006
2	Mr. Ashok M. Advani	Independent	B.Sc (Hons.), B.E., M.B.A.	38	25/2/2004
3	Mr. Kewal Handa	Independent	M.Com., AICWA,ACS	32	25/2/2004
4	Mr. Ravi Krishnamurthi	Independent	M.Sc.(Physics), M.B.A., LLB	21	29/7/2005
5	Mr. Ray Field[1]	Non-Independent	B.E.(Control Systems)	23	27/10/2004
6	Mr. Nish Patel	Managing Director	B.E.(Chemical)	24	29/7/2005

S.No.	Name/Designation	Residential Address
1	Mr. Giuseppe Falciola(1) Chairman (non-executive)	Via De Gasperi 720057 Vedano Al Lamro (M1) Milan, Italy
2	Mr. Ashok M. Advani	105, Samudra Mahal Dr. Annie Besant Road, Mumbai 400 018
3	Mr. Kewal Handa	Apsara, Flat No. 21Bhojwani Enclave Nargis Dutt Road Near Dilipkumar's Bungalow Bandra, Mumbai 400 050
4	Mr. Ravi Krishnamurthi	537, 6th A, Cross3rd Stage, Bangalore 560 075
5	Mr. Ray Field*	41d, Ha Che TsuenPat HeungYuen Long, Hong Kong, China
6	Mr. Nish Patel	No. 135, National Society Aundh, Pune 411 007

Source: Alfa Laval India Limited
(1) Representative of the Acquirer

6.13. As on the date of the PA there were two non-executive directors representing the Acquirer on the Board of Directors of the Target.

6.14. Mr. Giuseppe Falciola and Mr. Ray Field who are the representatives of the Acquirer on the Board of the Target are in compliance with Regulation 22(9) of the Regulations and have not participated and shall not participate in any matter(s) concerning or 'relating' to the Offer including any preparatory steps leading to the Offer.

6.15. **Details of experience of the Board of Directors of the Target**

Mr. Giuseppe Falciola holds a Masters degree in Business Administration from the Bocconi University, Italy and is associated with Alfa Laval Group since 1965 when he joined Alfa Laval SpA, Italy. After a short break between 1968 and 1970, he returned to Alfa Laval fold and took over as Divisional Manager of Agri Division in Italy. Soon thereafter, he became the Managing Director of Alfa Laval SpA, Italy and served in that position for about 18 years. He was made the Executive Vice-President in 1993 which marked his entry as a Member of Alfa Laval Group Management. Between 1993 and 1997, he was the President of Business Area-Flow with the responsibility for four R&D centres, ten manufacturing sites, sales companies all over the world spread over five continents contributing a turnover above USD 600 million under his fold.

In 1997, Mr. Falciola as a Member of the Alfa Laval Group Management, assumed regional responsibilities for some part of Asia, Oceania and East Europe which he continued to hold till December 2001 when he retired. However, he continued his association with the Alfa Laval Group as a Senior Consultant with responsibility for mergers and acquisitions between 2002 and 2004 during which time the Alfa Laval Group completed four acquisitions.

Mr. Ashok M. Advani is an M.B.A. from the Harvard Graduate School of Business Administration, an Electrical Engineer from MIT, USA and a B.Sc. (Honours) from Mumbai University.

He joined Blue Star in 1969 and held a variety of senior positions in manufacturing and finance in the company before he took over the company's affairs as Chairman & Chief Executive Officer in 1984. He is also the Vice Chairman of Blue Star Infotech Limited.

He has been a member of the Local Advisory Board of The Chase Manhattan Bank and is a past President of the Bombay Chamber of Commerce & Industry.

Mr. Kewal Handa is a member of the Institute of Cost & Works Accountants of India and the Institute of Company Secretaries of India, besides holding a Post Graduate Degree in Commerce. He has also completed a Leadership Development Programme from Harvard University and an extensive course on Marketing Strategy from Columbia Business School. He has also completed a course of Harvard Business School on Strategy programme conducted by International Business Consultant Process Improvement and the Senior Management Development Programme conducted by Indian Institute of Management, Ahmedabad.

He joined his present employer Pfizer Limited in 1990 as Controller-MIS and took over as Executive Director-Finance before he rose to his present position as Managing Director in 2005. He has also been involved in the business development comprising of evaluation of business strategies including mergers, and supporting the organization at all levels. He is also an office bearer in various organizations related to pharma industry and is also actively involved in major trade associations.

Mr. Ray Field holds a degree in Control Systems Engineering and has been associated with Alfa Laval Group since 1985. He started as the General Manager of Alfa Laval's representative offices in Beijing and Shanghai. Subsequently, he took over as the President of Alfa Laval Korea and then as President of Alfa Laval, China. In 2004, he was elevated as the Executive Vice President. Presently, he is a member of Alfa Laval Group Management and in his position as Executive Vice President he has the regional responsibilities of the operations in the countries of Asia and Oceania zones.

Mr. Ravi Krishnamurthi has a Masters Degree in Physics with specialization in Solid State Physics supported by Masters Degree in Business Administration. In addition, he holds a Law degree from the University of Delhi and is also a Diploma holder in Company Law from Indian Law Institute, an affiliate of Supreme Court of India.

He is presently employed by Bosch Limited (formerly Motor Industries Co. Limited), Bangalore, a subsidiary of Robert Bosch Gmbh, Germany since 1987. Prior to this, he worked with Tata Iron & Steel Company Ltd. for 12 years. After serving in various managerial positions, he took over as Country Sales Director of the Power Tools Division in 1997. He has been credited for the improvement in market share in this business. In the same year, he also took upon the additional responsibility as Head of the Packaging Technology Division. In January 2005, he took charge as Business Head of the After Market and Blaupunkt Car Radio Division with a turnover of around Rs. 6,000 million while continuing to hold the other responsibilities.

Mr. Ravi Krishnamurthi also plays an active part on the governing bodies of the various institutions related to the business.

Mr. Nish Patel has a degree in Chemical Engineering from Aston University, United Kingdom. He joined Alfa Laval Group in 1984 and served on various managerial positions before he took over as Director of Food & Separation business in 2000. Subsequently, after a short stint as Director of Parts & Service business, he became the Managing Director of Alfa Laval Ltd., United Kingdom in 2001. In July 2005, he was appointed as Managing Director of the Target which is his current position.

6.16. **Details of merger/de-merger, spin offs during last three years involving the Target**

During the year 2005, the Target's wholly owned subsidiary Skansen Engineering and Consultancy Company Limited was amalgamated with the Target as per the Scheme of Amalgamation approved by the shareholders of the relevant companies and confirmed by the Hon'ble High Court of Judicature at Bombay vide its Order dated February 4, 2005 with the appointed date as April 1, 2004.

6.17. **Change of name since incorporation / listing**

Alfa Laval India Limited was incorporated as Vulcan Trading Company Limited was renamed Vulcan Laval Limited in 1965 and was subsequently renamed Alfa Laval India Limited in 1987.

6.18. Brief audited financial statements for the last three years and Interim financials for last three quarters

Profit & Loss statement	12 month period ending December 31,		
	2005	2006	2007
	(Rs. lacs)	(Rs. lacs)	(Rs. lacs)
Income from operations	**57,757**	**59,348**	**69,459**
Other Income	1,026	1,270	1,870
Total Income	58,783	60,618	71,329
Total Expenditure	48,129	49,099	56,888
PBDIT	10,654	11,519	14,441
Depreciation	676	706	751
Interest	67	70	53
PBT	9,911	10,743	13,637
Provision for Tax	3,426	3,779	4,487
PAT	**6,485**	**6,964**	**9,150**

Source: Annual Reports – December 2005, December 2006 and December 2007

Interim Financials for the last three quarters ending March 31, 2008; June 30, 2008 and September 30, 2008:

Profit & Loss statement	3 month period ending		
	March 31, 2008	June 30, 2008	September 30, 2008
	(Rs. lacs)	(Rs. lacs)	(Rs. lacs)
Income from operations	**16,601**	**19,423**	**20,211**
Other Income	316	203	328
Total Income	16,917	19,625	20,539
Total Expenditure	13,307	15,538	16,858
PBDIT	3,610	4,088	3,682
Depreciation	218	239	258
Interest	24	4	3
PBT	3,369	3,845	3,420
Provision for Tax	1,155	1,253	1,283
PAT	**2,214**	**2,592**	**2,138**

Source: Interim Financials on March 31, 2008, June 30, 2008 and September 30, 2008 as filed with the NSE

Balance Sheet	As on December 31,		
	2005	2006	2007
	(Rs. lacs)	(Rs. lacs)	(Rs. lacs)
Sources of Funds			
Paid up Share Capital	1,816	1,816	1,816
Reserves and Surplus (excluding revaluation reserves)	19,809	21,366	25,203
Net Worth	**21,625**	**23,182**	**27,019**
Secured Loans	0	0	1,279
Unsecured Loans	647	626	598
Total	**22,272**	**23,808**	**28,896**
Uses of Funds			
Net Fixed Assets	5918	6,224	8.314
Investments	4,565	3,418	2,084
Net Current Assets	11,789	13,976	18,227
Deferred tax assets		190	271
Total	**22,272**	**23,808**	**28,896**
Other Financial Data			
Dividend (%)	250	250	250
Earnings per Share (Rs.)	35.71	38.35	50.38
Return on Net Worth (%)	30.0%	30.0%	33.9%
Book Value Per Share (Rs.)	119.08	127.65	148.78

Source: Annual Reports – December 2005, December 2006 and December 2007

6.19. Reasons for fall/ rise in total income and Profit after tax

The total income for the year ended December 31, 2005 registered an increase of about 11% over the previous year mainly due to a higher sales turnover coming through some major projects. However, the profit after tax for the year ended December 31, 2005 was lower mainly due to cost overrun in a few long term projects.

The total income for the year ended December 31, 2006 registered a marginal increase of 3% over the previous year's total income mainly due to lower order backlog at the commencement of the year. The profit after tax for the year ended December 31, 2006 improved by 7% over the previous year's net profit mainly due to lower increase in expenditure in relation to sales growth and one time entitlement of export related benefit.

The total income for the year ended December 31, 2007 registered an increase of over 17% on the back of a good opening order backlog and smooth flow of orders. The profit after tax for the year ended December 31, 2007 improved by over 30% mainly due to a lower increase in expenditure in relation to sales growth and exchange gain.

6.20. **Pre and post offer shareholding pattern in the format prescribed by SEBI**

Shareholder Category	Shareholding/Voting rights prior to Offer (as on Date)		Shares/Voting rights to be acquired in the Offer (assuming full acceptances)		Shareholder/Voting rights after the Offer (assuming full acceptances)	
	(A)		(B)		(A+B)	
	No. of Shares	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
(a) Promoters other than Acquirer / PAC	Nil					
Total (1)(a)	**Nil**					
Acquirer / PAC	13,934,014	76.73	2,408,604	13.26	16,342,618	89.99
Total (2)	**13,934,014**	**76.73**	**2,408,604**	13.26	**16,342,618**	**89.99**
3. Public (other than Acquirer and PAC)			Nil		Nil	
Institutions			Nil		Will depend on response to the Offer	
Mutual Funds & UTI	65,349	0.36				
Banks, Financial Institutions, Insurance Companies	1,570,965	8.65				
FIIs/foreign mutual funds	20,844	0.11				
Sub Total	**1,657,158**	**9.12**	Nil			
Indian Public	**2,382,355**	**13.12**	Nil			
Others						
Private Corporate Bodies	154,650	0.85				
NRIs/OCBs	32,306	0.18				
Trust						
Foreign Nationals						
Balance with NSDL/CDSL						
Sub-Total	**2,569,311**	14.15				
Total (3)	**4,226,469**	**23.27**	**Nil**		**1,817,865**	**10.01**
TOTAL (1 to 3)	**18,160,483**	**100.00**			**18,160,483**	**100.00**

The total number of shareholders of the Target as on September 30, 2008 are 12,029 (excluding the Acquirer).

6.21. **Details of change in shareholding of Promoters**

Particulars	No. of shares acquired/sold	Capital as on date of acquisition/ sale	Resultant shareholding %	Status of Compliance with the provisions of Chapter II
Issued on merger (1965)	53,280(1)	463,000(1)	11.50	-
Bought from STAB (1966)	97,813(1)	463,000(1)	32.63	-
Rights shares (5:1) (1966)	755,465(1)	2,749,080(1)	32.97	-
Rights shares (4:3) (1968)	1,208,744(1)	6,391,333(1)	33.09	-
Addl. right shares(for rounding up) (1969)	8(1)	846,124(2)	25.00	-
Bonus shares (11:17) (1975)	136,873(2)	1,443,008	24.14	-
Sold to financial institutions (1978)	(400,00)	2.317,500	13.30	-
Acquired from STAB (1980)	616,808	2,317,500	39.92	-
Rights shares (1:2) (1985)	462,606	3,476,250	39.92	-
Bonus shares (1:2) (1986)	693,909	5,214,375	39.92	-
Bonus shares (1:2) (1989)	1,040,863	7,821,562	39.92	-
Bonus shares (1:2) (1991)	1,561,295	11,732,343	39.92	-
Preferential allotment (1993)	4,578,004	18,160,483	51.00	-
Open offer (2001)	2,378,229	18,160,483	64.10	-
Open Offer (2007)	2,293,896	18,160,483	76.73	Complied with Regulation 7(1) of the Regulations
Net holding of Promoter as on date of PA	**13,934,014**	**18,160,483**	**76.73**	

(1) Shares of Re.1 each
(2) Shares of Rs.10 each

The Acquirer and the Target have complied with all provisions of the Regulations, other regulations of SEBI and other statutory requirements as applicable to the above shareholding by the Acquirer.

6.22. **The provisions of Corporate Governance have been duly complied with and there is no material litigation pending against the company except as disclosed in the contingent liabilities.**

S. No.	Nature of contingent liability	As on December 31, 2007 (Rs. lacs)
1	Guarantees outstanding	1,584
2	Claims against the Company not acknowledged as debts	328
3	Advance license liability	103
	Total	**2,015**

Source: Annual Report - December 2007

6.23. **Name and details of the Compliance Officer**

V. Chandrasekhar
Company Secretary
Alfa Laval India Limited
Mumbai Pune Road,
Dapodi, Pune 411 012,
Maharashtra, India
Tel: +91 20 2710 7180
Fax: +91 20 2710 7188
Email: chandrasekhar.v@alfalaval.com

7. Offer Price and Financial Arrangements

7.1. Justification of Offer Price

7.1.1. Shares of the Target are listed on the BSE and NSE. The annualised trading turnover in the Shares of the Target in the BSE and NSE based on trading volume during the period April 1, 2008 to September 30, 2008 (six calendar months preceding the month in which the PA is made) is as given below:

Name of Stock Exchange	Shares Traded (April 1, 2008 – September 30, 2008)	Total No. of Listed equity shares	Annualised trading turnover (as % to total listed equity shares)
BSE	68,990	18,160,483	0.8%
NSE	108,130	18,160,483	1.2%

The annualised trading turn-over in the Shares of the Target in BSE and NSE is less than 5% of the total number of listed Shares and therefore the Shares are deemed to be infrequently traded on both the BSE and NSE in terms of the explanation (i) of Regulation 20(5) of the Regulations.

7.1.2. The Offer Price of Rs. 950.00, is justified in terms of Regulation 20(5) of the Regulations in view of the following:

7.1.2.1. Justification of Offer Price in terms of Regulation 20(5) of the Regulations:

A. Negotiated price under the agreement as in Regulation 14(1) of the Regulations	Not Applicable
B. Highest price paid by the acquirer or persons acting in concert with him for acquisitions including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of public announcement, referred to in clause (b) of Regulation 20(5) of the Regulations	Not Applicable
C. Other Parameters	As described below

7.1.2.2. **Other Parameters**: The financial parameters based on the audited financials for the year ended December 31, 2007 of the Target are as follows:

Parameter, as on December 31, 2007	(Rs. /Share)
Return on Networth (1)	33.9%
Book value per Share (2)	148.78
Earning per Share (3)	50.38
Price earning multiple (based on Offer Price) (4)	18.2x
Industry Price earning multiple (5)	13.2x

(1) Return on Networth calculated as Profit after tax / Networth as at the end of the year

(2) Book value per share calculated as Networth / Number of outstanding Shares as at the end of the year

(3) Earning per Share (EPS) calculated as Net Profit attributable to equity holders / weighted average number of basic Shares

(4) Calculation based on Trailing Twelve months EPS of Rs. 52.2 from Capital Markets dated October 06-19, 2008

(5) *Source*: Capital Markets dated October 06-19, 2008; Industry: Engineering

7.1.2.3. Mr. Rajen C Shah, Chartered Accountant, (Membership no. 47731), of Rajen C Shah & Company, has certified the fair value of the Shares of Target as Rs. 521 per Share as on October 23, 2008 based on the methodology suggested in the judgement of Hindustan Lever Employees' Union Vs. Respondent: Hindustan Lever Limited and others [(1995) 83 CompLJ30 SC].

7.2. **Financial Arrangements**

7.2.1. The Acquirer / PAC have adequate resources to meet the financial requirements of the Offer in terms of the Regulations and have made firm financial arrangements to meet their obligations in full under the Offer. For this purpose the Acquirer / PAC intend to utilize cash on hand and committed facilities provided by banks as reported in the Annual Report, December 2007 of the Acquirer / PAC and interim report of the PAC for the quarter ended June 30, 2008. The Acquirer / PAC estimates to fulfill the total fund requirement for the Offer by using cash on hand and the committed facilities to the extent of 10% and 90% of the total financial requirement for the Offer, respectively.

As on June 30, 2008, the Acquirer had cash and bank balance of SEK 31 million (equivalent Rs. 204 million) whereas the PAC had cash and bank balance of SEK 818 million (equivalent Rs. 5,374 million)

The Acquirer / PAC have credit facility up to USD 247 million and EUR 155 million with a Bank syndicate led by Skandinaviska Enskilda Banken AB (SEB) as of October 15, 2008. The credit facility is a revolving multicurrency facility and is valid until the 12th of April, 2012, the interest rate margin is EURIBOR or LIBOR +0.25%.

As per the Loan Agreement for the aforementioned credit facilities Alfa Laval AB (publ) shall procure that the:

- Net Debt/EBITDA Ratio at the end of any Test Period does not exceed 2.75:1;
- EBITDA/Total Interest Expense Ratio at the end of each Test Period, exceeds 3.0:1; and
- Net Debt/Equity Ratio does not exceed 1.70:1.

Test period means the preceding period of 12 months ending on 31st March, 30th June, 30th September and 31st December, as appropriate in each year.

7.2.2. The total fund requirement for the Offer is Rs. 2,288,173,800 (Rupees Two Billion Two Hundred and Eighty Eight Million One Hundred Seventy Three Thousand Eight Hundred only), assuming full acceptance of the Offer.

7.2.3. Ernst & Young AB (Torgattan 4, 211 40 Malmo; Tel.: 040 693 15 00; Fax: 040 23 70 91), who are the statutory auditors for the Acquirer / PAC, have vide their letter dated October 16, 2008 certified that the Acquirer / PAC have sufficient funds to fulfill their obligations arising out of the Offer.

7.2.4. The Acquirer / PAC have vide a certificate dated October 23, 2008 given an undertaking to the Manager to the Offer to meet their financial obligations under the Offer.

7.2.5. By way of security for performance of Acquirer's obligations under the Regulations, an unconditional, irrevocable and on demand bank guarantee dated October 22, 2008 ("**Bank Guarantee**") has been issued by Svenska Handelsbanken AB (publ) (P.O. Box 50104, SE-202 11 Malmö, Sweden), on behalf of the Acquirer in favour of the Manager to the Offer which is valid up to and including April 30, 2009 for an amount up to USD 10 million (equivalent to approximately Rupees 493 million) being in excess of the amount required under Regulation 28(2) of the Regulations, i.e, 25% of the first Rs. 1,000 million and 10% thereafter. The Acquirer has agreed to maintain the minimum amount as stipulated in the Regulations at all times irrespective of the fluctuations in the exchange rate.

Further, the Acquirer has created an Escrow Account ("**Escrow Account – Cash**") with The Hongkong and Shanghai Banking Corporation Limited (Shiv Building, Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (East), Mumbai – 400 057), and has deposited a sum of Rupees 25 million in the said Escrow Account – Cash. The amount deposited in Escrow Account – Cash being in excess of the amount required under Regulation 28(10) of the Regulations, i.e, at least 1% of the total consideration. The Bank Guarantee and Escrow Account – Cash are together referred to as "**Escrow Accounts**".

7.2.6. DSPML, as Manager to the Offer, has been duly authorized by the Acquirer / PAC to realize the value of the Escrow Accounts in terms of the Regulations.

7.2.7. Based on the above the Manager to the Offer is satisfied with the ability of the Acquirer / PAC to implement the Offer in accordance with the Regulations as firm financial arrangements are in place to fulfill the obligations under the Regulations.

8. **Terms and Conditions of the Offer**

8.1. The Letter of Offer together with a Form of Acceptance-cum-Acknowledgement will be mailed on or before January 9, 2009 to all shareholders of the Target whose names appear in the Register of Members of the Target and the beneficial owners of the Shares, whose names appear on the beneficial records of the respective depositories, in each case at the close of business hours on November 21, 2008 (the "**Specified Date**").

8.2. The Offer shall open on January 14, 2009 (the "**Offer Opening Date**") and will remain open until February 2, 2009 (the "**Offer Closing Date**").

8.3. **Shareholders holding Shares in physical form**: Shareholders holding Shares in physical form who wish to accept this Offer and tender their Shares will be required to send the Form of Acceptance-cum-Acknowledgement, original share certificate(s) and duly signed transfer deed(s) to the Registrar to the Offer, Bigshare Services Private Limited, (*Address*: E-2 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072 India *Tel*: +91 22 2847 0652 / +91 22 4043 0200 *Fax*: +91 22 2847 5207 *E-mail*: openoffer@bigshareonline.com *Contact Person*: Mr. Ashok Shetty) ("**Registrar**") either by hand delivery on weekdays or by Registered Post, on or before the close of the Offer, i.e. no later than Monday, February 2, 2009 so as to reach the Registrar on or before the close of business hours, i.e. no later than 4 pm in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement.

8.4. The Registrar to the Offer has opened a special depository account called "**Escrow Account – Alfa Laval India Open Offer**" with DSPML at National Securities Depository Limited ("**NSDL**"). The DP ID is **IN302638** and the Client ID is **10049688**.

8.5. **Shareholders holding Shares in dematerialised form**: Beneficial owners who wish to accept this Offer and tender their Shares will be required to send their Form of Acceptance-cum-Acknowledgement to the Registrar to the Offer in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance-cum-Acknowledgement, along with a photocopy of the delivery instructions in "Off–market" mode or counterfoil of the delivery instructions in "Off-market" mode, in favour of Escrow Account – Alfa Laval India Open Offer duly acknowledged by their respective depository participant. Shareholders having their beneficiary account in Central Depository Services (India) Limited ("**CDSL**") will in addition have to use an inter-depository delivery instruction slip.

8.6. Shareholders who have sent their Shares for dematerialization need to ensure that the process of getting their Shares dematerialised is completed well in time so that the credit in the special depository account is received on or before the date of closure of the Offer Closing Date (i.e., no later than Monday, February 2, 2009), else their application would be rejected.

8.7. All owners (registered or unregistered) of Shares are eligible to participate in the Offer anytime before the closure of the Offer. Unregistered owners can send their application in writing to the Registrar on a plain paper stating the Name, Address, number of Shares held, number of Shares offered, Distinctive numbers, Folio number, together with the original share certificate(s), valid transfer deed(s) and the original contract note(s) issued by the broker through whom they acquired their Shares so as to reach the Registrar on or before the close of the Offer, i.e. no later than Monday, February 2, 2009. No indemnity is required from the unregistered owners.

8.8. Locked in shares: There are no locked in shares in the Target.

9. Statutory Approvals

9.1. The Reserve Bank of India ("**RBI**") has vide its letter dated December 16, 2008, granted approval to the Acquirer / PAC under the Foreign Exchange Management Act, 1999 and the regulations thereunder for the acquisition of Shares of the Target under the Offer.

9.2. As at the date of the PA, no other statutory or regulatory approvals are required to implement this Offer or acquire the Shares tendered pursuant to this Offer, other than the approval mentioned above. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals. The Acquirer / PAC will have a right not to proceed with the Offer in terms of Regulation 27 of the Regulations in the event any other statutory approval(s) is not received by the Acquirer. Subject to the receipt of statutory and other approvals, the Acquirer / PAC shall complete all procedures relating to the Offer including dispatch of consideration or provide instructions to the clearing system for payment of consideration through Electronic Mode on or before February 11, 2009 to those shareholders whose share certificates and/or other documents are found valid and in order and are approved for acquisition by the Acquirer / PAC. In case of delay due to the non-receipt of statutory approvals, as per Regulation 22(12) of the Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to the willful default or negligence of the Acquirer / PAC or failure of the Acquirer / PAC to diligently pursue the applications for such approvals, grant an extension for the purpose of completion of this Offer, subject to the Acquirer / PAC agreeing to pay to the shareholders interest as may be specified by SEBI for any delay in dispatch of consideration or providing instructions to the clearing system for payment of consideration through Electronic Mode beyond February 11, 2009.

9.3. However, if the delay occurs on account of the willful default or negligence of the Acquirer / PAC in obtaining the requisite approvals the amount held in the Escrow accounts shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28(12) of the Regulations.

9.4. The Acquirer or the PAC does not require any approvals from financial institutions or banks for the Offer.

10. **Procedure for Acceptance and Settlement**

10.1. The Form of Acceptance-cum-Acknowledgement and the relevant documents can be submitted at the following centres either by hand delivery (between 10.00 a.m. and 4:00 p.m. on all working days and between 10:00 am and 1:00 pm on Saturdays) or by registered post, as specified below, on or before the Offer Closing Date:

S. No.	Center	Address	Contact Person	Tel. No.	Fax. No.	Mode of Delivery
1	**Mumbai**	Bigshare Services Pvt Limited, E2 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai 400 072	Mr. Babu Raphael	022 4043 0200	022 2847 5207	Post/ Courier/ Hand Delivery
2	**Pune**	Bigshare Services Pvt Limited C/o Skystock Financial Services,B2/204, Manmohan Park, Opp. Chintamani Nagar, Debrawadi, Pune - 411 037	Mr. Parag Uday Salvi	98227 90198		Hand Delivery
3	**Hyderabad**	Bigshare Services Pvt Limited, G10, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Raj Bhawan Road, Hyderabad 500 082	Mr. G S Dharama Veer	040 2337 4967	040 2337 0295	Hand Delivery
4	**Kolkata**	Bigshare Services Pvt Ltd, C/o Maheshwari Datamatics Pvt Limited, 2nd Floor, 6, Mangoe Lane(Surendra Mohan Ghosh Sarani), Kolkata - 700 001	Mr. Raj Gopal	033 2243 5029	033 2248 4787	Hand Delivery
5	**Ahmedabad**	Bigshare Services Pvt Ltd, C/o Srividya Consultancy, 101, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahemedabad - 380 009	Mr. Balasubramania m	079 6522 0996 / 98981 76213		Hand Delivery
6	**Chennai**	Bigshare Services Pvt Ltd, C/o Skystock Financial Services, 7/A, Laxman Nagar, East Main Road, Chennai - 600 082	Mr. B Srinivasan	044 2671 2611/ 96001 10024	044 2671 2611	Hand Delivery
7	**Bangalore**	Bigshare Services Pvt Ltd, C/o Skystock Financial Services, # 74, 1st Floor, Keshava Krupa, Jaya Nagar, 4th Block, Bangalore - 560 011	Mr. Umashankar	080 4121 1374/ 98451 58104		Hand Delivery
8	**New Delhi**	Bigshare Services Pvt Ltd, C/o Sterling Services, F-63, 1st Floor, Bhagat Singh Market, Near Gole Market, New Delhi - 110 001	Mr. Sridhar	011 6505 8126/ 98100 95311	011 2334 1292	Hand Delivery
9	**Jaipur**	Bigshare Services Pvt Ltd, C/o Maloo Finance & Innvest, 103 & 110, First Floor, Bri Anukampa, Opp. BSNL Office, Ashok Marg C Scheme, Jaipur 302 001	Mr. Ramesh Maloo	0141 236 0570/ 98290 06801	014 1236 0572	Hand Delivery

10.2. All owners (registered or unregistered) of Shares are eligible to participate in the Offer anytime before the closure of the Offer. Unregistered owners can send their application in writing to the Registrar on a plain paper stating the Name, Address, number of Shares held, number of Shares offered, Distinctive numbers, Folio number, together with the original share certificate(s), valid transfer deed(s) and the original contract note(s) issued by the broker through whom they acquired their Shares so as to reach the Registrar on or before the close of the Offer, i.e. no later than Monday, February 2, 2009. No indemnity is required from the unregistered owners.

10.3. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar, on a plain paper stating the Name, Address, number of Shares held, Distinctive numbers, Folio number, number of Shares offered along with documents as mentioned above so as to reach the Registrar on or before the close of the Offer, i.e. no later than February 2, 2009, or in case of beneficial owners, they may send the application in writing to the Registrar, on a plain paper stating the name, address, number of Shares held, number of Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar, on or before the close of the Offer, i.e. no later than Monday, February 2, 2009.

10.4. Shareholders can also download the Letter of Offer and Form of Acceptance-cum-Acknowledgement placed on the SEBI website at www.sebi.gov.in and send in their acceptance by filling the same.

10.5. The share certificate(s), share transfer deed(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to the Registrar to the Offer and not to the Manager to the Offer, Acquirer / PAC or the Target.

10.6. In accordance with Regulation 22(5A) of the Regulations, shareholders who have accepted the Offer by tendering the requisite documents in terms of the PA and this Letter of Offer can withdraw the same up to three working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before January 28, 2009.

- The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer.
- In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details:
    - In respect of physical Shares: names, address, distinctive numbers, folio number, number of Shares tendered.
    - In respect of dematerialised Shares: name, address, number of Shares tendered, DP name, DP ID, beneficiary account number, photocopy of the delivery instructions in "Off Market" mode duly acknowledged by the DP.
- Shareholders can also download the Form of Withdrawal placed on the SEBI website at **www.sebi.gov.in** and send in their withdrawal by filling the same.
- Partial withdrawal of tendered Shares can be done only by the registered shareholders / beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance-cum-Acknowledgement will stand revised to that effect.
- In case of partial withdrawal, valid share transfer deed(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target and duly witnessed at the appropriate place.
- In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target.
- The Form of Withdrawal should be sent only to the Registrar to the Offer.

10.7. The Registrar to the Offer will hold in trust the Shares /share certificates, Shares lying in credit of the special depository account and the transfer form(s), until the Acquirer / PAC complete their obligations under the Offer in accordance with the Regulations.

10.8. If the aggregate of the valid responses to the Offer exceeds the Offer size of 2,408,604 Shares, then Acquirer / PAC shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations. The Shares are compulsorily traded in dematerialized form; hence minimum acceptance will be one Share.

10.9. Unaccepted Share certificates, transfer forms and other documents, if any, will be returned by Registered post at the shareholders'/ unregistered owners' sole risk to the sole / first shareholder. Unaccepted Shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.

10.10. Compliance with tax and other regulatory requirements:

10.10.1. While tendering Shares under the Offer, non-resident Indians ("**NRI**"), Overseas Corporate Bodies ("**OCB**") and other non-resident shareholders will be required to submit RBI's approval (specific or general) that they would have obtained for acquiring the Shares of the Target. In the event that the previous RBI approvals are not submitted, Acquirer / PAC reserve the right to reject such tendered Shares.

10.10.2. While tendering their Shares under the Offer, NRIs, OCBs and other non-resident shareholders will be required to submit a No Objection Certificate ("**NOC**") or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by the Acquirer / PAC before remitting the consideration, failing which the Acquirer / PAC will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

10.10.3. As per the provisions of Section 196D (2) of the Income Tax Act, 1961, no deduction of tax at source will be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, 1961 to a Foreign Institutional Investor as defined in Section 115AD of the Income Tax Act, 1961. However, the interest payment for delay in payment of consideration, if any, will not be governed by this provision. For interest payments, if any, NRIs, OCBs and other non-resident shareholders will be required to submit a No Objection Certificate or Tax Clearance Certificate ("**TCC**") or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirer / PAC before remitting the consideration, failing which Acquirer / PAC will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

In case of resident shareholders, tax will be deducted on the interest component exceeding Rs. 5,000/- at the applicable current prevailing rates. If the resident shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such shareholders will be required to submit a No Objection Certificate or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirer / PAC or a self-declaration in Form 15G of Form 15H as may be applicable. Shareholders eligible to receive interest component exceeding Rs. 5,000/- would be required to submit their Permanent Account Number for Income Tax purposes. Clauses relating to payment of interest will become applicable only if the Acquirer / PAC become liable to pay interest for delay in release of purchase consideration.

10.11. Payment to those shareholders whose share certificates and / or other documents are found valid and in order and are approved by the Acquirer / PAC will be through Electronic mode as detailed below or by way of a crossed account payee cheque / demand draft / pay order. The decision regarding the acquisition (in part or full), or rejection of, the Shares tendered pursuant to this Offer and (i) any corresponding payment for the acquired Shares and / or (ii) share certificates for any rejected Shares or Shares withdrawn, will be dispatched to the shareholders by registered post or by ordinary post as the case may be [*], at the shareholder's sole risk. Shares held in dematerialized form to the extent not acquired or Shares withdrawn will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance-cum- Acknowledgement.

[*] Dispatches involving payment of a value in excess of Rs. 1,500/- will be made by Registered Post at the shareholder's sole risk. All other dispatches will be made by ordinary post at the shareholder's sole risk.

10.11.1. Payment of Consideration through Electronic Mode:

Credit for the consideration will be paid to the shareholders who have tendered Shares in the Offer by Electronic Clearing service ("**ECS**"), Direct Credit, Real Time Gross Settlement ("**RTGS**"), National Electronic Fund Transfer ("**NEFT**") or crossed account payee cheques / pay orders/ demand drafts.

The payment of consideration, if any, would be done through various modes as given hereunder:

- **ECS**: Payment of consideration would be done through ECS for applicants having an account at the following 15 cities which have ECS centres managed by the Reserve Bank of India:

  - Ahmedabad
  - Bangalore
  - Bhubneshwar
  - Chandigarh
  - Chennai
  - Guwahati
  - Hyderabad
  - Jaipur
  - Kanpur
  - Kolkata
  - Mumbai
  - Nagpur
  - New Delhi
  - Patna
  - Thiruvananthapuram
  - Kanpur

  This mode of payment of consideration would be subject to availability of complete bank account details in the Form of Acceptance-cum-Acknowledgement.

- **Direct Credit**: Applicants having bank accounts with the same bank through which payment consideration shall be made shall also be eligible to receive consideration through direct credit in their respective bank accounts as mentioned in the Form of Acceptance-cum-Acknowledgement.

- **RTGS**: Applicants having a bank account at any of the above mentioned centres and whose payment consideration exceeds Rs. 1 lakh, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive consideration through RTGS are required to provide the Indian Financial System Code ("**IFSC**") code in the Form of Acceptance-cum-Acknowledgement. In the event the same is not provided, payment consideration shall be made through other electronic modes or by cheques, pay orders or demand drafts payable.

- **NEFT**: Payment of consideration shall be undertaken through NEFT wherever the shareholders bank has been assigned the IFSC, which can be linked to a Magnetic Ink Character Recognition ("**MICR**"), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the shareholder has registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of consideration will be made to the applicants through this method. The process flow in respect of consideration by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

- For all other applicants, including those applicants whose payment consideration is not credited by ECS / Direct credit due to technical errors or incomplete / incorrect bank account details, payment consideration will be dispatched by registered post or by ordinary post as the case may be [*], at the shareholder's sole risk. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered.

[*] Dispatches involving payment of a value in excess of Rs. 1,500/- will be made by Registered Post at the shareholder's sole risk. All other dispatches will be made by ordinary post at the shareholder's sole risk.

In case of payment consideration is rejected through the ECS / Direct credit facility, the Registrar would endeavor to dispatch the payment consideration within 3 working days of such rejection.

The bank account details for ECS / Direct Credit / RTGS / NEFT will be directly taken from the depositories' database or from the details as mentioned by the shareholders in the Form of Acceptance-cum-Acknowledgement.

10.12. All cheques / demand drafts / pay orders will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the cheque / demand draft / pay order.

10.13. The Acquirer / PAC reserve the right to withdraw the Offer pursuant to Regulation 27 of the Regulations. Any such withdrawal will be notified in the form of a public announcement in the same newspapers in which the PA appeared.

11. Documents for Inspection

11.1. The following documents are regarded as material documents and are available for inspection at the office of DSP Merrill Lynch Limited, Mafatlal Centre, 10th Floor, Nariman Point, Mumbai 400 021 from 10.30 am to 3.00 pm on any day except Saturdays, Sundays, and Public / Bank Holidays until the Offer Closing Date

11.2. Certificate of Incorporation and Memorandum & Articles of Association of the Acquirer and PAC

11.3. Letter from Ernst & Young AB dated October 16, 2008, certifying that the Acquirer / PAC have adequate financial resources to fulfill their obligations arising out of the Offer

11.4. Annual reports of the Target for the years ending December 31, 2005, 2006, 2007 and Interim financials for the 3 month period ending March 31, 2008; June 30, 2008 and September 30, 2008 as filed with the NSE

11.5. Annual reports of Alfa Laval Corporate AB and Alfa Laval AB (publ) for the years ending December 31, 2005, 2006 and 2007 and Interim financials for the 6 month period ending June 30, 2008

11.6. Copy of the Bank Guarantee issued by Svenska Handelsbanken AB (publ) dated October 22, 2008 for USD 10 million

11.7. Copy of the letter dated October 23, 2008 from HSBC confirming the amount of Rupees 25 million kept in the Escrow account

11.8. Copy of the Public Announcement dated October 24, 2008 and Corrigendum to the Public Announcement dated December 15, 2008

11.9. Copy of the letter dated December 19, 2008 from SEBI in terms of proviso to Regulation 18(2) of the Regulations

11.10. Copy of certificate from the Chartered Accountant Rajen C Shah dated October 23, 2008 certifying the offer price justification

11.11. Copies of the approvals received from RBI

11.12. Copy of the agreement between the Registrar and DSP Merrill Lynch Limited as the Depository Participant for opening the Depository Escrow Account for the purpose of the Offer

11.13. Copy of Memorandum of Understanding between the Acquirer and the Registrar for the purpose of the Offer

11.14. Loan Agreement of multi-currency facilities arranged by SEB Merchant Banking, Skandinaviska Enskilda Banken AB (publ) for the Alfa Laval Group

12. **Declaration by the Acquirer and the PAC**

12.1. The Acquirer and the PAC accept full responsibility for the information contained in this Letter of Offer. Each of the Acquirer and the PAC is jointly and severally liable for ensuring compliance with the Regulations.

Thomas Thuresson	Dag Olsson
Place: Sweden Date: January 7, 2009	Place: Sweden Date: January 7, 2009

The persons signing the Letter of Offer are duly and legally authorised by the Acquirer and PAC to sign the Letter of Offer.

Enclosed: **1. Form of Acceptance cum Acknowledgement**
2. Form of Withdrawal
3. Transfer deed for shareholders holding Shares in physical form

ANNEXURE – I

Status of compliance with the provisions of Chapter II of the Regulations by the Target

S. No.	Regulation/Sub-Regulation	Due date of Compliance mentioned in Regulation	Actual date of compliance	Delay, if any	Remarks
1	6(2)	May 20, 1997	May 6, 1997		
2	6(4)	May 20, 1997	May 6, 1997		
3	8(3)	April 30, 1997	May 6, 1997	6 days	Submissions made vide their letter dated 20th August, 2004
4	8(3)	April 30, 1998	April 9, 1998		
5	8(3)	April 30, 1999	April 29, 1999		
6	8(3)	April 30, 2000	November 11, 2000	191 days	Submissions made vide their letter dated 20th August, 2004
7	8(3)	April 30, 2001	April 20, 2001		
8	8(3)	April 30, 2002	April 5, 2002		
9	8(3)	April 30, 2003	April 29, 2003		
10	8(3)	April 30, 2004	April 15, 2004		
11	8(3)	April 30, 2005	April 12, 2005		
12	8(3)	April 30, 2006	April 10, 2006		
13	8(3)	April 30, 2007	April 10, 2007		
14	7(3)	June 28, 2007	June 22, 2007		
15	8(3)	April 30, 2008	April 30, 2008		

ANNEXURE – II

Status of compliance with the provisions of Chapter II of the Regulations by the Promoters / Acquirer

S. No.	Regulation/Sub-Regulation	Due date of Compliance mentioned in Regulation	Actual date of compliance	Delay, if any	Remarks
1	6(1)	April 20, 1997	-		Disclosures made in terms of SEBI Regularization Scheme, 2002
2	6(3)	April 20, 1997			
3	8(1)	April 21, 1997			
4	8(2)	April 21, 1997			
5	8(1)	April 21, 1998	April 13, 1998		
6	8(2)	April 21, 1998	April 13, 1998		
7	8(2)	September 22, 1998	September 15, 1998		
8	8(1)	April 21, 1999	April 14, 1999		
9	8(2)	April 21, 1999	April 14, 1999		
10	8(2)	May 6, 1999	April 30, 1999		
11	8(1)	April 21, 2000	April 14, 2000		
12	8(2)	April 21, 2000	April 14, 2000		
13	8(2)	June 6, 2000	May 31, 2000		
14	8(1)	April 21, 2001	April 20, 2001		
15	8(2)	April 21, 2001	April 20, 2001		
16	8(2)	June 28, 2001	June 25, 2001		
17	8(2)	October 24, 2001	October 21, 2001		
18	8(1)	April 21, 2002	April 5, 2002		
19	8(2)	April 21, 2002	April 5, 2002		
20	8(2)	June 4, 2002	June 1, 2002		
21	8(2)	June 18, 2002	June 14, 2002		
22	8(2)	December 20, 2002	December 12, 2002		
23	8(1)	April 21, 2003	April 18, 2003		
24	8(2)	April 21, 2003	April 18, 2003		
25	8(2)	May 21, 2003	May 18, 2003		
26	8(2)	September 19, 2003	September 15, 2003		
27	8(2)	January 9, 2004	January 8, 2004		
28	8(1)	April 21, 2004	April 7, 2004		
29	8(2)	April 21, 2004	April 7, 2004		
30	8(2)	May 19, 2004	May 13, 2004	`	
31	8(2)	December 9, 2004	December 6, 2004		
32	8(1)	April 21, 2005	April 5, 2005		
33	8(2)	April 21, 2005	April 5, 2005		
34	8(2)	May 18, 2005	April 29, 2005		
35	8(2)	September 9, 2005	August 23, 2005		
36	8(1)	April 21, 2006	April 5, 2006		
37	8(2)	April 21, 2006	April 5, 2006		
38	8(2)	May 18, 2006	May 10, 2006		
39	8(2)	November 28, 2006	November 26, 2006		
40	8(2)	April 6, 2007	April 2, 2007		
41	8(1)	April 21, 2007	April 6, 2007		
42	8(2)	April 21, 2007	April 6, 2007		
43	7(1)	June 23, 2007	June 21, 2007		
44	8(2)	December 12, 2007	December 7, 2007		
45	8(1)	April 21, 2008	April 16, 2008		
46	8(2)	April 21, 2008	April 16, 2008		

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OFFER

Opens on: Wednesday, January 14, 2009

Closes on: Monday, February 2, 2009

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to the Registrar to the Offer at its address given overleaf)

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

From:

Name: Status: Resident / Non-resident

Full Address

Tel No. Fax No. E-mail:

To,

Bigshare Services Private Limited
E-2 Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (East),
Mumbai 400 072
Telephone: +91 22 2847 0652 / +91 22 4043 0200
Facsimile: +91 22 2847 5207
E-mail: openoffer@bigshareonline.com

Cash offer at Rs. 950/- per equity share (“Offer Price”) to acquire 2,408,604 fully paid-up equity shares (“Offer”) representing 13.26% of the equity share capital (and 13.26% of the voting capital) of Alfa Laval India Limited.

Dear Sir,

I/We refer to the Letter of Offer dated January 7, 2009 constituting an offer to acquire the equity shares held by me/us in Alfa Laval India Limited. Capitalized terms used but not defined herein have the meaning ascribed to them in the Letter of Offer.
I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions mentioned therein.

For equity shares held in physical form

I/We hold equity shares in the physical form, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our equity shares as detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.	No. of equity shares
1				
2				
3				
Total Number of equity shares				

(In case of insufficient space, please use additional sheet and authenticate the same)

I/We confirm that the Offer is hereby accepted by me/us and that the equity shares which are being tendered herewith by me/us under this Offer are free from liens, charges and encumbrances of any kind whatsoever.
I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust by the Registrars to the Offer until the time the Acquirer / PAC make payment of the Offer Price as mentioned in the Letter of Offer.
I/We also note and understand that the Acquirer will pay the consideration only after documents are found valid and approved by the Acquirer.

For equity shares held in dematerialised form

I/We hold equity shares in dematerialised form, accept the Offer and enclose a photocopy of the delivery instructions duly acknowledged by the DP in respect of my/our equity shares as detailed below:

DP Name	DP ID	Client ID	Name of the Beneficiary	No. of equity Shares

---

Acknowledgement Receipt – Alfa Laval India Limited Open Offer

Received from Mr./Ms./M/s ____

Form of Acceptance cum Acknowledgement for Alfa Laval Open Offer as per details below:-

Folio No. _____________________No. of Certificates Enclosed _____________________Certificate No. __________________________

Total No. of equity shares enclosed ______________________Copy of Delivery Instruction to DP_________________________________
(Delete whichever is not applicable)

Date of Receipt: _______________

Stamp of collection center: Signature of Official:

I/We have done an off market transaction for crediting the equity shares to the "**Escrow Account – Alfa Laval India Open Offer**" whose particulars are:

DP ID **IN302638**	Client ID **10049688**
We note and understand that the equity shares would remain in the said account i.e. "**Escrow Account – Alfa Laval India Open Offer**" until the Acquirer makes payment of the Offer Price as mentioned in the Letter of Offer.	

If my/our equity shares are held in a beneficiary account with CDSL, I/we enclose a copy of the 'Inter Depository Instruction' for the transfer of my/our equity shares to the Depository Escrow Account.

I/We authorise the Acquirer:

1. To acquire the equity shares so tendered by me/us in acceptance of the Offer in terms of and subject to the Letter of Offer.
2. To the extent that the equity shares tendered by me/us are not acquired (in terms of and subject to the Letter of Offer), to return to me/us share certificate(s) and in the case of dematerialised equity shares to credit such equity shares to my/our depository account, in each case at my/our sole risk and specifying the reasons thereof.
3. If the equity shares so tendered are withdrawn by me/us (in terms of and subject to the Letter of Offer), to return to me/us share certificate(s) and in the case of dematerialised equity shares to credit such equity shares to my/our depository account, in each case at my/our sole risk.

I/We authorise the Acquirer or the Manager to the Offer or the Registrar to the Offer to send by Registered post / ordinary post (as described in the Letter of Offer) the crossed account payee cheque / demand draft / pay order as purchase consideration to the sole/first holder at the address mentioned below:

Yours faithfully
Signed and delivered

	1st Shareholder	**2nd Shareholder**	**3rd Shareholder**
Full Name			
PAN/GIR No. allotted under Income Tax Act 1961			
Signature			

Note: In case of joint holdings, all shareholders must sign. A body corporate must affix its company stamp.

Place:
Date:

In order to avoid fraudulent encashment of cheque / demand draft/pay order in transit, the applicants are requested to provide details of bank account of the sole/first shareholder and the crossed account payee cheque / demand draft/pay order will be drawn accordingly. Please indicate the preferred mode of receiving the payment consideration. (Please tick)

1. Electronic mode ______ 2. Physical mode ______

Name of Bank	
Branch Address	
Type of Account	
Account Number	
9 digit MICR code	
IFSC Code (for RTGS/NEFT transfers)	

All future correspondence, if any, should be addressed to Registrar to the Offer at the following address:

Bigshare Services Private Limited
E-2 Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (East),
Mumbai 400 072
Telephone: +91 22 2847 0652 / +91 22 4043 0200
Facsimile: +91 22 2847 5207
Contact Person: Mr. Ashok Shetty
E-mail: openoffer@bigshareonline.com

INSTRUCTIONS

1. **In the case of demat shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account, before the closure of the Offer. The Form of Acceptance-cum-Acknowledgement of such demat shares not credited in favour of the special depository account, before the closure of the Offer will be rejected.**

2. Shareholders should enclose the following:-.

i. <u>Shareholders holding Shares in dematerialized form:</u>-

<u>Beneficial owners should enclose</u>

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance-cum-Acknowledgement.

In case of non-receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted.

ii. Shareholders holding Shares in physical form:-

<u>Registered Shareholders should enclose:</u>

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- **Original Share Certificate(s).**
- **Valid Share transfer deed(s)** duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with **Alfa Laval India Limited** and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this Letter of Offer.

In case of registered shareholder, non-receipt of the aforesaid documents, but receipt of the share certificates alongwith the duly completed transfer form, the Offer shall be deemed to be accepted.

<u>Unregistered owners should enclose:</u>

- **Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.**
- **Original Share Certificate(s).**
- **Original broker contract note.**
- **Valid Share transfer deed(s) as received from the market.**

The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance-cum-Acknowledgement and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

3. The share certificate(s), share transfer deed(s) and the Form of Acceptance-cum-Acknowledgement should be sent **only** to the Registrar to the Offer and **not** to the Manager to the Offer or the Acquirer / PAC or **Alfa Laval India Limited.**

4. **Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in the favour of the special depository account with NSDL.**

5. **Non resident shareholders should enclose a copy of the permission received from RBI for the equity shares held by them in Alfa Laval India Limited. If, the shares are held under General Permission of RBI the non resident shareholder should state that the shares are held under General Permission and whether on repatriable basis or non repatriable basis.**

6. **Non resident shareholders should enclose No Objection certificate/ Tax Clearance certificate from the Income Tax Authorities under Income-Tax Act, 1961, indicating the tax to be deducted by the Acquirer before remittance of consideration otherwise tax will deducted at maximum marginal rate as may be applicable to the category of the shareholder on the consideration payable by the Acquirer / PAC.**

Details of Collection Centers of the Registrar

S. No.	Center	Address	Contact Person	Tel. No.	Fax. No.	Mode of Delivery
1	**Mumbai**	Bigshare Services Pvt Limited, E2 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai 400 072	Mr. Babu Raphael	022 4043 0200	022 2847 5207	Post/ Courier/ Hand Delivery
2	**Pune**	Bigshare Services Pvt Limited C/o Skystock Financial Services,B2/204, Manmohan Park, Opp. Chintamani Nagar, Debrawadi, Pune - 411 037	Mr. Parag Uday Salvi	98227 90198		Hand Delivery
3	**Hyderabad**	Bigshare Services Pvt Limited, G10, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Raj Bhawan Road, Hyderabad 500 082	Mr. G S Dharama Veer	040 2337 4967	040 2337 0295	Hand Delivery
4	**Kolkata**	Bigshare Services Pvt Ltd, C/o Maheshwari Datamatics Pvt Limited, 2nd Floor, 6, Mangoe Lane(Surendra Mohan Ghosh Sarani), Kolkata - 700 001	Mr. Raj Gopal	033 2243 5029	033 2248 4787	Hand Delivery
5	**Ahmedabad**	Bigshare Services Pvt Ltd, C/o Srividya Consultancy, 101, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahemedabad - 380 009	Mr. Balasubramaniam	079 6522 0996 / 98981 76213		Hand Delivery
6	**Chennai**	Bigshare Services Pvt Ltd, C/o Skystock Financial Services, 7/A, Laxman Nagar, East Main Road, Chennai - 600 082	Mr. B Srinivasan	044 2671 2611/ 96001 10024	044 2671 2611	Hand Delivery
7	**Bangalore**	Bigshare Services Pvt Ltd, C/o Skystock Financial Services, # 74, 1st Floor, Keshava Krupa, Jaya Nagar, 4th Block, Bangalore - 560 011	Mr. Umashankar	080 4121 1374/ 98451 58104		Hand Delivery
8	**New Delhi**	Bigshare Services Pvt Ltd, C/o Sterling Services, F-63, 1st Floor, Bhagat Singh Market, Near Gole Market, New Delhi - 110 001	Mr. Sridhar	011 6505 8126/ 98100 95311	011 2334 1292	Hand Delivery
9	**Jaipur**	Bigshare Services Pvt Ltd, C/o Maloo Finance & Innvest, 103 & 110, First Floor, Bri Anukampa, Opp. BSNL Office, Ashok Marg C Scheme, Jaipur 302 001	Mr. Ramesh Maloo	0141 236 0570/ 98290 06801	014 1236 0572	Hand Delivery

OFFER

Opens on: Wednesday, January 14, 2009
Last date of Withdrawal: Wednesday, January 28, 2009
Closes on: Monday, February 2, 2009

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
(Please send this form with enclosures to the Registrar to the Offer at its address given overleaf)

FORM OF WITHDRAWAL

From:

Name: Status: Resident / Non-resident
Full Address

To,
Bigshare Services Private Limited
E-2 Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (East),
Mumbai 400 072
Telephone: +91 22 2847 0652 / +91 22 4043 0200
Facsimile: +91 22 2847 5207
E-mail: openoffer@bigshareonline.com

Cash offer at Rs. 950/- per equity share ("Offer Price") to acquire 2,408,604 fully paid-up equity shares ("Offer") representing 13.26% of the equity share capital (and 13.26% of the voting capital) of Alfa Laval India Limited.

Dear Sir,

I/We refer to the Letter of Offer dated January 7, 2009 constituting an offer to acquire the equity shares held by me/us in Alfa Laval India Limited. Capitalised terms used but not defined herein have the meaning ascribed to them in the Letter of Offer.

I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our equity shares from the Offer and I/We further authorize the Acquirer to return to me/us, the tendered Share Certificate(s)/share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our equity shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. January 28, 2009.

I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the equity shares held in physical form and also for the non-receipt of equity shares held in the dematerialized form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s)/equity shares in dematerialized form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.

For equity shares held in physical form

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.	No. of equity shares
1				
2				
3				
Total Number of equity shares				

(In case of insufficient space, please use additional sheet and authenticate the same)

Acknowledgement Receipt – Alfa Laval India Limited Open Offer

Received from Mr./Ms./M/s ____
Form of Withdrawal for Alfa Laval India Limited Offer as per details below:-

Copy of depository instruction slip from DP ID _______________ Client ID _______________
Copy of acknowledgement slip issued when depositing dematerialized equity shares
Copy of acknowledgement slip issued when depositing physical equity

Date of Receipt: _______________
Stamp of collection center: Signature of Official:

For equity shares held in dematerialised form

I/We hold equity shares in dematerialized form and had executed an off-market transaction for crediting the equity shares to the "**Escrow Account – Alfa Laval India Open Offer**". Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by the DP. The particulars of the account from which my/our equity shares have been tendered are as follows:

DP Name	DP ID	Client ID	Name of the Beneficiary	No. of equity Shares

I/We note that the equity shares will be credited back only to that depository account, from which the equity shares have been tendered and necessary standing instructions have been issued in this regard.

I/We confirm that the particulars given above are true and correct.

In case of dematerialized equity shares, I/We confirm that the signatures have been verified by the DP as per their records and that the same have been duly attested.

Yours Faithfully,
Signed and delivered

	1st Shareholder	2nd Shareholder	3rd Shareholder
Full Name			
PAN/GIR No. allotted under Income Tax Act 1961			
Signature			

Note: In case of joint holdings, all shareholders must sign. A body corporate must affix its company stamp.

Place:
Date:

All future correspondence, if any, should be addressed to Registrar to the Offer at the following address:

Bigshare Services Private Limited
E-2 Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (East),
Mumbai 400 072
Telephone: +91 22 2847 0652 / +91 22 4043 0200
Facsimile: +91 22 2847 5207
Contact Person: Mr. Ashok Shetty
E-mail: openoffer@bigshareonline.com

INSTRUCTIONS

1. **Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the Collection Centers mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e no later than 4.00 pm on January 28, 2009.**

2. Shareholders should enclose the following:-

   i. **Shareholders holding Shares in dematerialized form**:-

   Beneficial owners should enclose:

   - Duly signed and completed Form of Withdrawal.
   - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
   - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction (TIFD) in "Off-market" mode, duly acknowledged by the DP.

   ii. **Shareholders holding Shares in physical form**:-

   Registered Shareholders should enclose:

   - Duly signed and completed Form of Withdrawal.
   - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
   - In case of partial withdrawal, Valid Share transfer deed(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Alfa Laval India Limited and duly witnessed at the appropriate place.

   Unregistered owners should enclose:

   - Duly signed and completed Form of Withdrawal.
   - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

3. The withdrawal of Shares will be available only for the share certificates/the Shares that have been received by the Registrar to the Offer/ special depository account.

4. The intimation of returned Shares to the shareholders will be at the address as per the records of the Target / Depository as the case may be.

5. The Form of Withdrawal should be sent only to the Registrar to the Offer.

6. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target. The facility of partial withdrawal is available only to registered shareholders.

7. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

8. The Form of Withdrawal and other related documents should be submitted at any of the collection centers of **Bigshare Services Private Limited** stated overleaf.

9. Applicants who cannot hand deliver their documents at the collection centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at Bigshare Services Private Limited, (*Address*: E-2 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072 India *Tel*: +91 22 2847 0652 / +91 22 4043 0200 *Fax*: +91 22 2847 5207 *E-mail*: openoffer@bigshareonline.com *Contact Person*: Mr. Ashok Shetty) so as to reach the Registrar on or before the last date of withdrawal i.e. **no later than 4.00 pm on January 28, 2009.**

Details of Collection Centers of the Registrar

S. No.	Center	Address	Contact Person	Tel. No.	Fax. No.	Mode of Delivery
1	**Mumbai**	Bigshare Services Pvt Limited, E2 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai 400 072	Mr. Babu Raphael	022 4043 0200	022 2847 5207	Post/ Courier/ Hand Delivery
2	**Pune**	Bigshare Services Pvt Limited C/o Skystock Financial Services,B2/204, Manmohan Park, Opp. Chintamani Nagar, Debrawadi, Pune - 411 037	Mr. Parag Uday Salvi	98227 90198		Hand Delivery
3	**Hyderabad**	Bigshare Services Pvt Limited, G10, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Raj Bhawan Road, Hyderabad 500 082	Mr. G S Dharama Veer	040 2337 4967	040 2337 0295	Hand Delivery
4	**Kolkata**	Bigshare Services Pvt Ltd, C/o Maheshwari Datamatics Pvt Limited, 2nd Floor, 6, Mangoe Lane(Surendra Mohan Ghosh Sarani), Kolkata - 700 001	Mr. Raj Gopal	033 2243 5029	033 2248 4787	Hand Delivery
5	**Ahmedabad**	Bigshare Services Pvt Ltd, C/o Srividya Consultancy, 101, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahemedabad - 380 009	Mr. Balasubramania m	079 6522 0996 / 98981 76213		Hand Delivery
6	**Chennai**	Bigshare Services Pvt Ltd, C/o Skystock Financial Services, 7/A, Laxman Nagar, East Main Road, Chennai - 600 082	Mr. B Srinivasan	044 2671 2611/ 96001 10024	044 2671 2611	Hand Delivery
7	**Bangalore**	Bigshare Services Pvt Ltd, C/o Skystock Financial Services, # 74, 1st Floor, Keshava Krupa, Jaya Nagar, 4th Block, Bangalore - 560 011	Mr. Umashankar	080 4121 1374/ 98451 58104		Hand Delivery
8	**New Delhi**	Bigshare Services Pvt Ltd, C/o Sterling Services, F-63, 1st Floor, Bhagat Singh Market, Near Gole Market, New Delhi - 110 001	Mr. Sridhar	011 6505 8126/ 98100 95311	011 2334 1292	Hand Delivery
9	**Jaipur**	Bigshare Services Pvt Ltd, C/o Maloo Finance & Innvest, 103 & 110, First Floor, Bri Anukampa, Opp. BSNL Office, Ashok Marg C Scheme, Jaipur 302 001	Mr. Ramesh Maloo	0141 236 0570/ 98290 06801	014 1236 0572	Hand Delivery