THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Offer Letter ("**Offer Letter**") is being sent to you as a Shareholder of Sulzer India Limited ("**Company**"). In case you have recently sold your shares in the Company, please hand over this Offer Letter and the accompanying documents to the member of the stock exchange through whom the sale was effected.

OFFER LETTER

for Delisting of Equity Shares

To the Shareholders of
Sulzer India Limited
Registered Office: Gat No. 304, At Kondhapuri, Taluka – Shirur, District – Pune, Pune - 412 209

From
Sulzer Limited ("Promoter")
Registered Office: Zürcherstrasse 14, CH-8401 Winterthur, Switzerland

inviting you to tender your fully paid-up Equity Shares of Rs. 10/- each of **Sulzer India Limited,** through the reverse book-building process in accordance with the Securities and Exchange Board of India (Delisting of Securities) Regulations, 2009.

Floor Price: Rs. 855.53 per Equity Share of face value of Rs. 10/- each

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ICICI Securities Limited ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai – 400020, India **Tel No.:** +91 22 2288 2460 **Fax No.:** +91 22 2282 6580 **E-mail:** sulzer.delisting@icicisecurities.com **Contact Persons:** Mr. Thomas Vincent / Mr. Mayank Lunawat	**Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup West, Mumbai – 400078, India **Tel No.:** +91 22 2596 0320 **Fax No.:** +91 22 2596 0329 **Email:** sulzer.offer@linkintime.co.in **Contact Person:** Mr. Nilesh Chalke

If you wish to tender your Shares to the Promoter, you should:

- read this Offer Letter and the instructions herein;
- complete and sign the accompanying Bid Form in accordance with the instructions therein and in this Offer Letter;
- ensure that you have credited your shares to the correct Special Depository Account (details of which are set out in paragraph 10 of this Offer Letter) and obtained a copy of your instruction to your depository participant, duly acknowledged and stamped in relation thereto;
- submit your Bid Form along with a copy of your depository participant instruction / Physical Share Certificate along with duly executed Share Transfer Deed, as applicable, **by hand delivery** to one of the Bid Centres set out in this Offer Letter or in case you reside in an area where no Bid Centre is located you may submit your bid by **registered post/courier (at your own cost and risk)**, clearly marking the envelope "Sulzer India Delisting Offer", to Mr. Prabir Kumar Singh, SMC Global Securities Limited, Dheeraj Sagar Co-operative Housing Society, Opp. Goregaon Sports Club, Link Road, Malad (West), Mumbai - 400064 latest by 3.00 p.m. on Friday, July 16, 2010.

Activity	Day and Date
Public Announcement	Tuesday, June 29, 2010
Specified Date*	Tuesday, June 29, 2010
Dispatch of Offer Letters / Bid Forms / Transfer Deeds to eligible Shareholders as on June 29, 2010 i.e. Specified Date	Thursday, July 1, 2010
Bid Opening Date (9.00 am)	Tuesday, July 13, 2010
Last Date of Revision (upwards) or Withdrawal of Bids by Shareholders	Thursday, July 15, 2010
Bid Closing Date (3.00 pm)	Friday, July 16, 2010
Announcement of minimum number of Equity Shares not acquired / Discovered Price / Exit Price and the Promoter's Acceptance / Non-acceptance of Discovered Price	Tuesday, July 27, 2010
Last Date for Payment of Consideration#	Friday, July 30, 2010
Last Date for return of Equity Shares to Shareholders in case of failure of Delisting Offer / Bids not accepted	Friday, July 30, 2010

**Specified Date is only for the purpose of determining the name of the Shareholders as on such date to whom the Offer Letter will be sent. However, all owners (registered or unregistered) of the Equity Shares of the Company are eligible to participate in the Delisting Offer any time before and on the Bid Closing Date.*

 # Subject to the acceptance of the Discovered Price or offer of an Exit Price, higher than the Discovered Price by the Promoter.

TABLE OF CONTENTS

DEFINITIONS

TERM	DEFINITION
Board	Board of Directors of the Company
BSE	The Bombay Stock Exchange Limited
Company	Sulzer India Limited
Delisting Offer / Offer	Offer made by the Promoter to the Public Shareholders in accordance with the Delisting Regulations
Delisting Regulations	Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
Escrow Bank	Citibank, N.A.
Equity Shares / Shares	Fully paid up equity shares of Rs. 10 each of the Company
Floor Price	Rs. 855.53
Manager to the Offer	ICICI Securities Limited
PA	Public Announcement
Promoter	Sulzer Limited
Public Shareholders	All shareholders of the Company other than the Promoter and the Promoter Group
Registrar to the Offer	Link Intime India Private Limited
Trading Member	SMC Global Securities Limited

Dear Shareholder,

Invitation to tender Shares held by you in the Company

The Promoter is pleased to invite you to tender, on the terms and subject to the conditions set out below, Shares held by you in the Company pursuant to the Delisting Regulations.

1. BACKGROUND OF THE OFFER

1.1. Sulzer India Limited, a public limited company incorporated under the Companies Act, 1956, is promoted by Sulzer Limited, which is based in Switzerland. The issued, subscribed and paid-up equity share capital of the Company is Rs. 3,45,00,000 (Rupees Three Crores Forty Five Lakhs), comprising of 34,50,000 Shares. The Promoter of the Company holds 27,59,992 Shares as on the date of this Offer Letter representing 80.00% of the paid-up equity share capital of the Company. Mr. Subodh S. Nadkarni, who is a director of the Company and his wife Mrs. Deepa Nadkarni, respectively hold 600 and 500 Shares of the Company as on the date of this Offer Letter, and are disclosed as being part of the Promoter Group in the Company's filings with the BSE. Hence the Promoter, along with the persons forming part of the Promoter Group, holds 27,61,092 Shares as on the date of this Offer Letter representing 80.03% of the paid-up equity share capital of the Company. The Public Shareholders currently hold 6,88,908 Shares constituting 19.97% of the paid-up equity share capital of the Company.

1.2. Through the Delisting Offer, the Promoter seeks to acquire up to 6,88,908 Shares representing 19.97% of the paid-up equity share capital of the Company from the Public Shareholders. If the Delisting Offer is deemed successful as defined in paragraph 11 of this Offer Letter, the Promoter will apply for delisting of the Shares of the Company from the BSE where they are currently listed, pursuant to the Delisting Regulations.

1.3. On March 4, 2010, the Promoter intimated its intention regarding the Delisting Offer to the Board for its approval and requested the Board to seek the approval of the shareholders of the Company for the proposed delisting by way of a special resolution through postal ballot in terms of Regulation 8(1)(b) of the Delisting Regulations. The Board, in its meeting on March 4, 2010 has approved the proposed delisting in terms of Regulation 8(1)(a) of the Delisting Regulations. The result of the Board meeting of the Company held for considering the Delisting Offer was notified to the BSE on March 4, 2010.

1.4. The shareholders of the Company have passed a special resolution through postal ballot, the result of which was declared on April 23, 2010 and notified to the BSE on April 26, 2010, approving the delisting of the Company's Shares from the BSE pursuant to the Delisting Regulations. The votes cast by the Public Shareholders in favour of the Delisting Offer were more than two times the number of votes cast by the Public Shareholders against it. The Company has on May 19, 2010 received the in-principle approval for the Delisting Offer from the BSE.

1.5. The Promoter has issued a PA in relation to the Delisting Offer in the following newspapers on Tuesday, June 29, 2010, in accordance with Regulation 10(1) of the Delisting Regulations:

Newspaper	Language	Editions
Business Standard	English	All
Prathkal	Hindi	All
Navshakti	Marathi	Mumbai

2. RATIONALE AND OBJECTIVE OF THE OFFER

2.1. The objective of the Promoter in making the Delisting Offer is to obtain full ownership of the Company and integrate it into its global operations, which will provide the Promoter with increased operational flexibility to support the Company's business and meet the needs of its customers. The Promoter also believes that the Delisting Offer is in the best interests of the Public Shareholders and provides them with an exit opportunity.

2.2. The Promoter hereby makes this Delisting Offer to the Public Shareholders of the Company. The Public Shareholders currently hold 6,88,908 equity shares constituting 19.97% of the paid-up equity share capital of the Company.

3. BACKGROUND OF THE PROMOTER

3.1. The Promoter is a listed company incorporated under the laws of Switzerland in 1834. The registered office of the Promoter is located at Zürcherstrasse 14, CH-8401 Winterthur, Switzerland, Tel No.: +41 52 262 1122, Fax No.: +41 52 262 0101, Website: www.sulzer.com.

3.2. The Promoter is a globally active engineering corporation with four business divisions: Sulzer Pumps (pumping solutions and services), Sulzer Metco (surface technology solutions and services), Sulzer Chemtech (components and services for separation columns and static mixers) and Sulzer Turbomachinery Services (services and repair for thermal turbomachinery).

3.3. The paid-up capital of the Promoter as on March 31, 2010 is CHF 342,623.70 consisting of 34,262,370 equity shares with a face value of CHF 0.01 per equity share.

3.4. The shares of the Promoter are listed on the SIX Swiss Exchange.

3.5. A brief summary of the consolidated audited financials of the Promoter for the financial years ended December 31, 2007, December 31, 2008 and December 31, 2009, being the last three financial years for which audited financials are available, is provided below:

Year Ending	**December 31, 2009**		**December 31, 2008**		**December 31, 2007**	
	(in Rs. Crores)	(in CHF Mn.)	(in Rs. Crores)	(in CHF Mn.)	(in Rs. Crores)	(in CHF Mn.)
Total Income	13,904.2	3,350.4	15,411.0	3,713.5	14,678.6	3,537.0
Profit Before Tax	1,533.8	369.6	1,874.1	451.6	1,691.5	407.6
Profit After Tax	1,144.6	275.8	1,360.0	327.7	1,192.7	287.4
As at	**December 31, 2009**		**December 31, 2008**		**December 31, 2007**	
	(in Rs. Crores)	(in CHF Mn.)	(in Rs. Crores)	(in CHF Mn.)	(in Rs. Crores)	(in CHF Mn.)
Equity Capital	1.2	0.3	1.2	0.3	0.4	0.1
Reserves	7,375.4	1,777.2	6,382.7	1,538.0	6,437.1	1,551.1
Minority Interests	47.3	11.4	33.2	8.0	34.0	8.2
Non-Current Liabilities	1,357.9	327.2	1,313.9	316.6	1,414.7	340.9
Current Liabilities	5,262.6	1,268.1	6,504.3	1,567.3	6,497.7	1,565.7
Total Equity and Liabilities	**14,044.4**	**3,384.2**	**14,235.3**	**3,430.2**	**14,383.9**	**3,466.0**
Non-Current Assets	4,981.7	1,200.4	4,992.4	1,203.0	5,370.5	1,294.1
Current Assets	9,062.8	2,183.8	9,242.9	2,227.2	9,013.4	2,171.9
Total Assets	**14,044.4**	**3,384.2**	**14,235.3**	**3,430.2**	**14,383.9**	**3,466.0**

(All amounts in CHF have been converted into Indian Rupees based on the exchange rate of 1 CHF = Rs. 41.5)

4. BACKGROUND OF THE COMPANY

4.1. The Company was incorporated on April 11, 1988 under the Companies Act, 1956 as a subsidiary of the Promoter. The Promoter launched Sulzer India as its full-fledged operations in India. The prime objective was the local value addition to the existing range of Sulzer products.

4.2. The registered office of the Company is situated at Gat No. 304, At Kondhapuri, Taluka – Shirur, District – Pune, Pune - 412 209, Maharashtra, India, Tel No.: +91 2137 304 000, Fax No.: +91 2137 304 111 / 222, Website: www.sulzerindia.com. Previously the registered office was at Sulzer House, Baner Road, Aundh, Pune - 411 007.

4.3. The Company is engaged in diversified business activities including manufacture of mass transfer devices such as mellapak, trays, internals and static mixers, which are used in the petroleum, chemical and other allied process industries. The Company was set up as a multi-product company to promote the products and services of various divisions of the Promoter. During the last few years, the Company has exited various businesses consequent to the restructuring of the Promoter and its business is now limited only to the products of Sulzer Chemtech division.

4.4. As on the date of this Offer Letter, the Company has over 292 employees working in facilities located at its registered office and works in Kondhapuri, Pune, and at its regional offices in Baroda, Delhi and Chennai in India.

4.5. The Company has an authorised share capital of Rs. 5,00,00,000 (Rupees Five Crores) divided into 50,00,000 Shares of Rs. 10 each. The issued, subscribed and paid-up share capital of the Company is Rs. 3,45,00,000 (Rupees Three Crores Forty Five Lakhs) divided into 34,50,000 Shares.

4.6. The Shares of the Company are listed only on the BSE. The Company does not have any outstanding partly paid-up shares, convertible instruments, warrants or stock-options as on the date of this Offer Letter.

4.7. The Company is in compliance with the requirements of the Listing Agreement including the continuous listing requirement as per Clause 40A of the Listing Agreement, pursuant to which the Company can continue to remain listed on the BSE with a minimum of 10% public shareholding, subject to compliance of any further circular issued in this regard by relevant regulatory authorities.

4.8. A brief summary of the consolidated audited financials of the Company for the financial years ended December 31, 2007, December 31, 2008 and December 31, 2009, being the last three financial years for which audited financials are available, is provided below:

(Rs. in Crores)

Particulars	**Year ended December 31,**		
	2009	**2008**	**2007**
Total Income	173.11	207.07	132.70
Profit/(Loss) after Tax (A)	29.96	27.01	15.48
Equity Capital	3.45	3.45	3.45
Reserves and Surplus	78.56	54.64	41.76
Net Worth (B)	82.01	58.09	45.21
Number of shares (in crores) (C)	0.35	0.35	0.35
Book Value per share (Rs.) = B / C	237.72	168.39	131.04
Earnings per share (Rs.) = A / C	86.83	78.29	44.86
Return on Net Worth (%) = A / B	36.5%	46.5%	34.2%

4.9. A brief summary of the financials of the Company based on the limited review for the last quarter ended is as follows:

(Rs. in Crores)

Particulars	**Quarter ended March 31, 2010**
Total Income	28.33
Profit/(Loss) after Tax	3.97
Earnings per share (Rs.)	11.51

5. STOCK EXCHANGE ON WHICH SHARES ARE LISTED

5.1. The Shares of the Company are currently listed on the BSE. The Promoter is seeking to delist the Shares of the Company from the BSE.

6. DETERMINATION OF THE FLOOR PRICE

6.1. The Promoter proposes to acquire the Shares of the Company from the Public Shareholders pursuant to a reverse book building process established in terms of Schedule II of the Delisting Regulations.

6.2. The Shares of the Company are listed on the BSE and are frequently traded on the BSE within the meaning of the explanation to Regulation 15(2) of the Delisting Regulations. The annualized trading turnover based on the trading volume in the Shares of the Company on BSE during September 2009 to February 2010 (Six (6) calendar months preceding the month in which the BSE was notified of the Board meeting of the Company in which the delisting proposal was considered, i.e. March 2010) is as under:

Stock Exchange	**Total no. of Shares traded during September 2009 to February 2010**	**Total no. of listed Shares**	**Annualized trading turnover (as a % of total listed Shares)**
BSE	6,25,483	34,50,000	36.7%

6.3. Based on the parameters as set out in Regulation 15(2) of the Delisting Regulations for frequently traded stocks, the floor price for the reverse book building process as stipulated by the Delisting Regulations is determined as under:

Particulars	Price (in Rs. per Share)
The average of the weekly high and low of the closing prices of the Shares of the Company on BSE during the twenty six weeks preceding the date on which the BSE was notified of the Board meeting of the Company in which the delisting proposal was considered i.e. March 4, 2010.	855.53
The average of the weekly high and low of the closing prices of the Shares of the Company on BSE during the two weeks preceding the date on which the BSE was notified of the Board meeting of the Company in which the delisting proposal was considered i.e. March 4, 2010.	805.93

6.4. Based on the above data, the floor price for the reverse book building process as per the terms of Regulation 15(2) of the Delisting Regulations has been determined by the Promoter to be Rs. 855.53 ("**Floor Price**").

7. DETERMINATION OF THE EXIT PRICE

7.1. All Public Shareholders may tender their Shares during the Bid Period (as defined in paragraph 9 of this Offer Letter).

7.2. In accordance with the Delisting Regulations, the price payable by the Promoter for the Shares it proposes to acquire pursuant to the reverse book building process will not be less than the price at which the maximum number of Shares have been tendered (the "**Discovered Price**") pursuant to the reverse book building process.

7.3. Subject to the number of Shares required for delisting being offered at this price and all regulatory approvals being obtained, the Promoter has indicated to the Board on March 4, 2010 that it may acquire the Shares offered to it in the Delisting Offer at a price of Rs. 870 per Share. However this should in no way be construed as (i) a ceiling or maximum price for the purposed of the reverse book building process contemplated herein and the Public Shareholders are free to tender their Shares at any price higher than the Floor Price in accordance with the Delisting Regulations or (ii) a commitment by the Promoter to accept up to 6,88,908 Shares tendered in the Delisting Offer, if the Discovered Price is Rs. 870 or less.

7.4. The Promoter is under no obligation to accept the Discovered Price.

7.5. The Promoter may at its discretion, acquire the Shares at the Discovered Price or at a price higher than the Discovered Price. Such price at which the Promoter accepts the Delisting Offer (which price shall be equal to or more than the Discovered Price) is hereinafter referred to as the exit price ("**Exit Price**").

7.6. The Promoter shall announce the Discovered Price and its decision to accept or reject the Discovered Price, and if accepted also announce the Exit Price as applicable, in the same newspapers in which the PA appeared, in accordance with the schedule set out in this Offer Letter.

7.7. Once the Promoter announces the Exit Price, the Promoter will acquire, subject to the terms and conditions of the PA and this Offer Letter, including but not limited to fulfillment of the conditions mentioned in paragraph 8 below, all the Shares tendered up to and equal to the Exit Price, for a cash consideration equal to the Exit Price for each such Share tendered.

7.8. If the Promoter does not accept the Discovered Price, the Promoter will have no right or obligation to acquire any Shares tendered pursuant to the Delisting Offer and the Delisting Offer will not be proceeded with, and the Shares deposited in the Special Depository Account specified in paragraph 10.4 will be returned to the respective Public Shareholders who have tendered them.

8. CONDITIONS TO THE DELISTING OFFER

8.1. The acquisition of Shares by the Promoter and the delisting of the Company are conditional upon:

(i) the Promoter accepting the Discovered Price or offering an Exit Price higher than the Discovered Price and a minimum of 3,44,454 Shares being tendered and accepted at or below the Exit Price;

(ii) no amendments of the Delisting Regulations or any applicable regulations or an order of a court or other authority or any other circumstance taking place, which in the opinion of the Promoter would prejudice the Promoter from proceeding with the Delisting Offer; and

(iii) the Promoter obtaining all requisite statutory and regulatory approvals as listed in paragraph 18 of this Offer Letter.

9. OFFER PERIOD

9.1. The period during which the Public Shareholders may tender their Shares ("**Bid**") to the Promoter in the reverse book building process (the "**Bid Period**") shall commence at 9 a.m. on Tuesday, July 13, 2010 (the "**Bid Opening Date**") and close at 3 p.m. on Friday, July 16, 2010 (the "**Bid Closing Date**"). The Promoter will inform the shareholders by issuing a corrigendum to the PA, if there are any changes in the Bid Period.

9.2. Bids received after 3 p.m. on the Bid Closing Date may not be considered for the purpose of determining the Discovered Price and for payment of Exit Price payable for the Shares accepted by the Promoter pursuant to the reverse book building process.

9.3. Once the Shares have been delisted, any Public Shareholder whose shares have not yet been acquired by the Promoter under the Delisting Offer may offer his Shares for sale to the Promoter at the Exit Price for a period of twelve months following the date of the delisting. A separate offer letter in this regard will be sent to these remaining Public Shareholders, who will be required to submit the required documents to the Registrar to the Offer within the stipulated time.

10. PROCEDURE FOR TENDERING THE SHARES

10.1. Public Shareholders may tender their Shares through an online electronic system facility, which will be provided by the BSE. In this regard, the Acquirer has appointed the Trading Member to facilitate the lodging of Bids on behalf of the Public Shareholders, whose name and address is **SMC Global Securities Limited, Dheeraj Sagar Co-operative Housing Society, Opp. Goregaon Sports Club, Link Road, Malad (West), Mumbai - 400064, Tel. No: +91 22 67341600-30, Fax: +91 22 28805606, Contact Person: Mr. Prabir Kumar Singh, E-mail: prabirsingh@smcindiaonline.com**.

10.2. The details of centres of the Trading Member where the Bids can be submitted by hand delivery ("**Bid Centres**") are as follows:

S. No.	Bidding City / Centre	Address	Contact Person	Contact Details
1	Mumbai	Dheeraj Sagar Co-operative Housing Society, Opp. Goregaon Sports Club, Link Road, Malad (West), Mumbai - 400064	Prabir Kumar Singh	Tel: 022 67341600-30 Fax: 022 28805606
2	Mumbai	3rd Floor, Mirchandani Business Park, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400072	Uday Powale	Tel: 022 67360754 / 67360748 Fax: 022 28805606
3	Mumbai	258, 1st Floor, Above Venus Glass, Perin Nariman Street, Fort, Mumbai - 400001	Mahesh Chandra Joshi	Tel: 022 40620803 Fax: 022 40620888
4	Thane	Office No. 2, 1st Floor, Sameer Arcade, Opp. Saraswat Bank, Jambli Naka, Thane - 400601	Suresh Kataria / Laxmikant R. Kabra	Tel: 022 25340000 Fax: 022 64170263 / 25438095
5	Delhi	11/6B, Shanti Chamber, Pusa Road, New Delhi - 110005	Devendra Mani Dwivedi	Tel: 011 30111000 Fax: 011 25754365
6	Delhi	17, Netaji Subhash Marg, Daryaganj, Delhi - 110002	M. K. Gupta / Shushil Joshi	Tel: 011 30111333 Fax: 011 23258397
7	Chennai	2nd Floor, Mookambika Complex, No. 4, Lady Desikachari Road, Mylapore, Chennai - 600004	Murli	Tel: 044 24661796 / 1797 Fax: 044 24661793
8	Kolkata	18, Rabindra Sarani, Poddar Court, Gate No.4, 4th Floor, Kolkata - 700001	N. N. Rao / Sankit	Tel: 033 39847000-04 Fax: 033 39847000

9	Ahmedabad	10-A, Kalapuram, C. G. Road, Ahmedabad, Gujarat - 380003	Hetal N. Shah	Tel: 079 26424801 / 05 Fax: 079 30615566 / 76
10	Bangalore	Premises 7-10, Ground Floor, Gold Tower, # 50 (Old no. 98), Residency Road, Bangalore - 560025	V. Mahesha	Tel: 080 40910034 / 35 Fax: 080 40910193
11	Bhavnagar	113, 1st Floor, Shoppers Plaza, Waghavadi Road, Bhavnagar, Gujarat - 364001	Prithvi Singh / Sagar / Jenti	Tel: 0278 3001129 / 30
12	Gurgaon	101-A, Apna Bazar, Gurgaon, Haryana - 122001	Ankur Jain / Anshul Jain	Tel: 0124 4108108
13	Hyderabad	103, Olbee Centre, First Floor, 6-3-1090/A/24, Raj Bhawan Road, Hyderabad - 500082	B. Praveen Kumar	Tel: 040 44545200-11 / 32561953 Fax: 040 40204454
14	Jaipur	Ganesham-I, 1st Floor, Opp. Standard Chartered Bank, M. I. Road, Jaipur, Rajasthan - 302001	Pankaj Maheswari	Tel: 0141 4000711 Fax: 0141 5001781
15	Nashik	Madhura Towers, 2nd Floor, Untawadi, Behind City Centre Mall, Above PNB, Nashik - 422009	Sujit Sonawane	Tel: 0253 6696101-05 / 10 Fax: 0253 6696111
16	Pune	1st floor, Dealing Chambers, Opp. Hotel Subdhra, Near Sai Petrol Pump, J. M. Road, Pune - 411004	Vedant Kabra	Tel: 020 66805805 / 66805888 Fax: 020 30496551
17	Rajkot	Office No: 302/B, 3rd Floor, Shivalik-5, Gondal Road, Rajkot, Gujarat - 360002	Amit Dhruv	Tel: 0281 2371980-82
18	Surat	801, Empire State Building, Near HDFC Bank, Ring Road, Udhana Darwaja, Surat, Gujarat - 395002	Viren Reshamwala	Tel: 0261 3926534 / 3926543-47
19	Vadodara	201/2/3, Shipra Complex, Near Manisha Crossing, Old Padra Road, Vadodara, Gujarat - 390015	Gopal Singhvi / Jinkal	Tel: 0265 3087761-64 Fax: 0265 3087765
20	Visakhapatnam (Vizag)	47-10/10, 3rd Floor, B395, Rednam Regency, 2nd Lane, Dwarka Nagar, Visakhapatnam - 530016	Ch. Sateesh Babu	Tel: 0891 6636681-83 / 3262681-82

10.3. Public Shareholders may submit their Bids by completing the bid forms accompanying their Offer Letters ("**Bid Forms**") and submitting these Bid Forms to the Trading Member at any of the Bid Centres set out above by hand delivery on or before 3 p.m. on the Bid Closing Date. Bid Forms submitted by hand delivery must be delivered to the Bid Centres during the following hours: from 9 a.m. to 3 p.m.

10.4. Public Shareholders (in particular those Public Shareholders who are resident in areas where no Bid Centres are located) may also submit their Bids by registered post (at their own risk and cost)), clearly marking the envelope "Sulzer India Delisting Offer", so as to ensure that their Bids are delivered to the Trading Member on or before 3 p.m. on the Bid Closing Date at the following address: **Mr. Prabir Kumar Singh, SMC Global Securities Limited, Dheeraj Sagar Co-operative Housing Society, Opp. Goregaon Sports Club, Link Road, Malad (West), Mumbai - 400064**. Under no circumstances should the Bids be dispatched to the Promoter or the Company or to the Registrar to the Offer or to the Manager to the Offer. If duly filled Bid Forms arrive before the Bid Period opens, the Bid will still be valid, however, the Trading Member will not submit the Bid until the commencement of the Bid Period.

10.5. The Manager to the Offer has opened a special depository account with National Securities Depository Limited ("NSDL") (the "**Special Depository Account**"), details of which are as follows:

Trading Member	SMC Global Securities Limited
Depository Account Name	Sulzer India Limited - Delisting Escrow A/c - ICICI Securities Limited
Depository Participant	SAM Global Securities Limited
Depository Identification No.	IN303655
Client Identification No.	10001170

10.6. In order for Bids to be valid, Public Shareholders, who hold Shares in dematerialized form, should transfer their Shares from their respective depository accounts to the Special Depository Account of the Manager to the Offer. All transfers should be in off-market mode. Multiple Bids from the same depository account are liable to be rejected. A photocopy of the delivery instructions or counterfoil of the delivery instructions submitted to the depository participant of the Public Shareholder’s depository account and duly acknowledged by such depository participant crediting the Public Shareholder’s Shares to the Special Depository Account, should be attached to the Public Shareholder’s Bid. Alternately Public Shareholders may mark a pledge for the same to the Manager to the Offer in favour of the said Special Depository Account and enclose along with their Bid, a photocopy of the pledge instructions to their depository participant with the due acknowledgement of such depository participant.

10.7. Public Shareholders who hold their Shares through Central Depository Services Limited will have to execute inter-depository delivery instructions for the purpose of crediting their Shares in favour of the Special Depository Account of the Manager to the Offer.

10.8. **It is the responsibility of Public Shareholders to ensure that their Shares are credited to or pledged in favour of the Special Depository Account on or before on or before 3 p.m. on the Bid Closing Date.**

10.9. In order for Bids to be valid, the Public Shareholders who hold Shares in physical form should send their Bid Form together with the share certificate and duly executed share transfer deed to the Trading Member through hand delivery / Registered Post / courier so as to reach the Trading Member on or before 3 p.m. on the Bid Closing Date. The transfer deed should be in favour of “Sulzer Limited”.

10.10. The Manager to the Offer will hold in trust the Shares/share certificates, Shares lying in credit of the Special Depository Account and the share transfer deed(s), until the Promoter completes its obligations under the Delisting Offer in accordance with the Delisting Regulations.

10.11. The ISIN for the Shares of the Company is INE297C01010.

10.12. If any Public Shareholder fails to receive or misplaces the Offer Letter, a copy may be obtained by writing to the Registrar to the Offer at their address given herein, clearly marking the envelope “Sulzer India Delisting Offer”. Alternatively, such Public Shareholder may obtain copies of Bid Forms at the Bid Centres or may download the same from the website of BSE.

10.13. The Shares to be acquired under this Delisting Offer are to be acquired free from all liens, charges and encumbrances and together with all rights attached thereto. Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

10.14. It shall be the responsibility of the Public Shareholders tendering in the Delisting Offer to obtain all requisite approvals (including corporate, statutory and regulatory approvals) prior to tendering their Shares in the Delisting Offer and the Promoter shall take no responsibility for the same. The Public Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Shares failing which the Bid may be considered invalid and may be liable to be rejected. On receipt of the Shares in the Special Depository Account of the Trading Member, the Acquirer shall assume that the Eligible Shareholders have submitted their Bids only after obtaining applicable approvals, if any. The Public Shareholders should attach a copy of any such approval to the Bid. The Acquirer reserves the right to reject those Bids which are submitted without attaching a copy of such required approvals.

10.15. In accordance with Clause 5 of Schedule II of the Delisting Regulations, Public Shareholders who have tendered their Shares by submitting Bids pursuant to the terms of the PA and the Offer Letter, may withdraw or revise their Bids upwards not later than one day before the Bid Closing Date. Downward revision of Bids shall not be permitted. Any such request for upward revision or withdrawal of the Bids can only be exercised by submitting the Bid Revision / Withdrawal Form which should reach the Trading Member on or before 3 p.m. as on one day before the Bid Closing Date i.e. Thursday, July 15,

2010. Any such request for upward revision or withdrawal of the Bids received after 3 p.m. on Thursday, July 15, 2010 will not be accepted.

11. DISCLOSURE REGARDING THE MINIMUM ACCEPTANCE CONDITION FOR SUCCESS OF THE DELISTING OFFER

11.1 As per Regulation 17 of the Delisting Regulations, the Delisting Offer made shall be deemed to be successful if post the offer, the shareholding of the Promoter and Promoter Group taken together with the Shares accepted in the reverse book building process through eligible bids at or below the Exit Price, reaches atleast 31,05,546 Shares constituting 90.02% of the paid-up equity share capital of the Company, being the aggregate percentage of pre offer Promoter and Promoter Group shareholding and fifty percent of the Delisting Offer size.

12. DETAILS OF THE ESCROW ACCOUNT

12.1 The estimated consideration payable under the Delisting Regulations, based on the Floor Price of Rs. 855.53 per Share multiplied by the number of Shares outstanding with the Public Shareholders, i.e., 6,88,908 Shares, is Rs. 58,93,81,461.24 (Rupees Fifty Eight Crores Ninety Three Lakhs Eighty One Thousand Four Hundred and Sixty One and Paise Twenty Four only).

12.2 In accordance with the Delisting Regulations, the Promoter has caused Citibank, N.A., a national banking association duly constituted, registered and in existence in accordance with the laws of the United States of America now in force, having its principal office in India at Citigroup Centre, C-61 Bandra-Kurla Complex, Bandra (East), Mumbai 400051 and acting through its branch at Jeevan Bharti Building, 4th Floor, 124, Connaught Circus, Connaught Place, New Delhi – 110 001 (the "**Escrow Bank"**) to issue a bank guarantee dated June 18, 2010 in favour of the Manager to the Offer for Rs. 58,93,81,462 representing 100% of the estimated consideration payable as calculated in paragraph 12.1 above.

12.3 On determination of the Discovered Price and making of the public announcement under Regulation 18 of the Delisting Regulations, the Promoter shall ensure compliance with Regulation 11(2) of the Delisting Regulations.

12.4 If the Promoter accepts the Discovered Price and offers an Exit Price, the Promoter will open a special account with the Escrow Bank and transfer thereto, the entire amount due and payable as consideration in respect of the Shares tendered in the Delisting Offer at the Exit Price.

13. SETTLEMENT OF THE CONSIDERATION FOR SHARES ACQUIRED

13.1 All the Public Shareholders whose bids are verified to be genuine shall be paid the Exit Price stated in this Offer Letter within ten working days from the closure of the Delisting Offer by way of a crossed account payee cheque/ demand draft/ pay order/ electronic credit. All cheques/ demand drafts/ pay orders/ electronic credits will be drawn in the name of the first holder, in case of joint holder(s).

13.2 Within ten working days from the closure of the Delisting Offer, share certificates for any invalid bid, will be dispatched to the shareholders by registered post or by ordinary post as the case may be* at the shareholders sole risk. Shares held in dematerialized form for any invalid bid will be credited back to the respective beneficiary account with their respective depository participants as per the details furnished by the beneficial owners in the Bid Form.
**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.*

13.3 If the Promoter does not accept or offer an Exit Price, all the Shares tendered/ pledged in the Special Depository Account shall be returned/released from pledge to the relevant shareholders within ten working days from the closure of the Delisting Offer.

14. PROPOSED SCHEDULE FOR THE DELISTING OFFER

14.1 The proposed time table for the reverse book building process is as follows:

Activity	Day and Date
Date of the Public Announcement	Tuesday, June 29, 2010
Specified Date	Tuesday, June 29, 2010
Dispatch of Offer Letters / Bid Forms to Public Shareholders as on Specified Date	Thursday, July 1, 2010
Bid Opening Date (9.00 am)	Tuesday, July 13, 2010
Last Date of Revision (upwards) or withdrawal of Bids	Thursday, July 15, 2010
Bid Closing Date (3.00 pm)	Friday, July 16, 2010
Announcement of minimum number of Shares not acquired / Discovered Price / Exit Price and the Promoter's Acceptance / Non Acceptance of Discovered Price	Tuesday, July 27, 2010
Last date for payment of consideration #	Friday, July 30, 2010
Last date for return of Shares to shareholders in case of failure of Delisting Offer / Bids not accepted	Friday, July 30, 2010

Subject to the acceptance of the Discovered Price or offer of an Exit Price higher than the discovered price by the Promoter.

15. INFORMATION REGARDING STOCK MARKET DATA

15.1 The Shares of the Company are listed only on the BSE.

15.2 The high, low and average market prices of the Shares of the Company for the preceding three years and the monthly high and low prices and the volume of Shares traded in each month for the six months preceding the date of the PA on the BSE are as follows:

Calendar Year	High*	Low*	Average**
2007	916.95	239.75	526.47
2008	901.95	447.00	677.39
2009	922.60	470.30	709.25

** High / low of the daily closing prices during the period in Rs.*
*** Average of the daily closing prices during the period in Rs.*
Source: www.bseindia.com

Month	High*	Low*	Volume**
November 2009	866.35	761.60	15,448
December 2009	904.70	842.45	69,076
January 2010	908.45	803.45	90,512
February 2010	833.85	776.50	49,463
March 2010	1,251.65	823.85	3,05,211
April 2010	1,182.25	1,167.90	26,853

** High / low of the daily closing prices during the period in Rs.*
*** Cumulative trading volume (number of shares) during the period*
Source: www.bseindia.com

16. PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

16.1 The Company has an authorised share capital of Rs. 5,00,00,000 (Rupees Five Crores) divided into 50,00,000 equity shares of Rs. 10 each. The issued, subscribed and fully paid-up share capital of the Company is Rs. 3,45,00,000 (Rupees Three Crores Forty Five Lakhs) divided into 34,50,000 Shares.

16.2 As on the date of this Offer Letter, the Company does not have any outstanding convertible instruments or partly paid-up equity shares. The shareholding pattern of the Company as on June 19, 2010 is given:

Category	Number of Shares	% of total Share capital
(a) PROMOTERS		
- Sulzer Limited	27,59,992	80.00
- Mr. Subodh S. Nadkarni	600	0.02

- Mrs. Deepa Nadkarni	500	0.01
Sub-total (a)	**27,61,092**	**80.03**
(b) NON-PROMOTERS		
Institutional investors		
- Mutual Funds	100	0.00
- Financial Institutions / Banks	-	0.00
- Foreign Institutional Investors	250	0.01
Non-institutional investors		
- Bodies Corporate	2,13,681	6.19
- Individuals (including NRIs and Foreign Nationals)	4,65,250	13.49
- HUF	2,038	0.06
- Others	7,589	0.22
Sub-total (b)	**6,88,908**	**19.97**
TOTAL (a + b)	**34,50,000**	**100.00**

16.3 Other than the shareholding as mentioned in paragraph 16.2 above, neither the Promoter nor its directors or persons in control of the Promoter nor any persons acting in concert with the Promoter hold any Share of the Company as on the date of this Offer Letter.

17. LIKELY POST DELISTING CAPITAL STRUCTURE

17.1 The likely post delisting capital structure of the Company, assuming all the Shares are acquired from the Public Shareholders pursuant to the Delisting Offer, will be as follows:

Category	Number of Shares	% of total Share capital
(a) PROMOTERS		
- Sulzer Limited	34,48,900	99.97%
- Mr. Subodh S. Nadkarni	600	0.02%
- Mrs. Deepa Nadkarni	500	0.01%
Sub-total (a)	**34,50,000**	**100.00%**
(b) PUBLIC SHAREHOLDERS	**-**	**0.00%**
TOTAL (a + b)	**34,50,000**	**100.00%**

18. STATUTORY APPROVALS

18.1 The Promoter had applied to the Reserve Bank of India ("**RBI**") for its approval to acquire up to 6,88,908 Shares of Rs. 10 each from the Public Shareholders, including non-resident Indians, in accordance with the Delisting Regulations and other applicable laws and regulations. The RBI has granted such approval for the Delisting Offer vide its letter dated June 17, 2010, subject to compliance with terms and conditions stated therein.

18.2 To the best of the Promoter's knowledge, as on the date of this Offer Letter, there are no other statutory or regulatory approvals required to acquire the Shares under the Delisting Offer, other than that indicated above.

18.3 If any other statutory or regulatory approvals become applicable, the acquisition of the Shares by the Promoter pursuant to the Delisting Offer will be subject to receipt of such statutory or regulatory approvals.

18.4 The Promoter reserves the rights not to proceed with / withdraw the Delisting Offer in the event the conditions mentioned in the paragraph 8 of this Offer Letter are not fulfilled, and if any of the requisite statutory or regulatory approvals are not obtained or conditions which the Promoter considers in its sole discretion to be onerous are imposed in respect of such approvals.

19. TAX TO BE DEDUCTED AT SOURCE

Summary of various provisions related to Tax Deduction at Source (“**TDS**” or “**withholding tax**”) under the Income Tax, Act, 1961.

19.1 All the Public shareholders should be either classified as resident or non-resident. The status as resident / non-resident is to be determined on the basis of criteria laid down in Section 6 of the Income Tax Act, 1961 (“**IT Act**”). In case a shareholder happens to be a resident of India as well as another country, his residential status will have to be determined having regard to provisions of the tax treaty with the relevant country read with the provisions of Section 6 of the IT Act aforesaid.

19.2 No tax is required to be deducted by the Promoter on payment of consideration to resident Public Shareholders.

19.3 The rate of deduction of tax in the case of non-residents is dependent on certain other factors. Since the Promoter does not have in-house information in respect of various Public Shareholders, all the Public Shareholders have to specify their category while bidding.

19.4 As per the provisions of the Section 2(37A) (iii) of the IT Act for the purposes of deduction of tax under Section 195, the rate or rates of income-tax specified in this behalf in the applicable Finance Act or the rate or rates of income tax specified in an agreement entered into by the Central Government under Section 90 of the IT Act or an agreement notified by the Central Government under Section 90A as the case may be, i.e. whichever is beneficial, would be the applicable rate of TDS. In view of the provisions of Section 206AA of the IT Act, in case a shareholder does not have a Permanent Account Number (“**PAN**”), tax will be deducted at the rate of 20% or the applicable rate as per normal provisions whichever is higher. Surcharge and education cess will be added to tax deduction amount as applicable. In cases where tax is deductible, the tax at the applicable rates will be deducted on the gross amount of consideration without considering the actual computation of gains.

19.5 In the event the aforementioned categories of Public Shareholders require the Promoter not to deduct tax or to deduct tax at a lower rate or on a lower amount, they would need to obtain a certificate from the income tax authorities either under Section 195(3) or under Section 197 of the IT Act, and submit the same to the Promoter while submitting the Bid Form. In the absence of any such certificate from the income tax authorities, the Promoter will deduct tax as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

Public Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Promoter, the Company and the Manger to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

The tax rates and other provisions may undergo changes.

20. CERTIFICATION BY THE BOARD OF DIRECTORS OF THE COMPANY

The Board of Directors of the Company hereby certifies that:

(i) The Company has not raised capital by issuing securities during the five years preceding the date of the PA;

(ii) All material information which is required to be disclosed under the provisions of the continuous listing requirements contained in the Listing Agreement executed by the Company with the BSE has been disclosed to the BSE.

21. COMPLIANCE OFFICER

Mr. Sudhir Kadam, Company Secretary
Sulzer India Limited
Gat No. 304, At Kondhapuri, Taluka – Shirur, District – Pune, Pune - 412 209
Tel No.: +91 2137 304 802, **Fax No.:** +91 2137 304 319
Email: sudhir.kadam@sulzer.com

22. MANAGER TO THE OFFER

ICICI Securities Limited, ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai – 400020, Tel: + 91 22 2288 2460, Fax: +91 22 2282 6580, Email: sulzer.delisting@icicisecurities.com, Contact Persons: Mr. Thomas Vincent / Mr. Mayank Lunawat

23. REGISTRAR TO THE OFFER

Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup West, Mumbai – 400078, Tel: + 91 22 2596 0320, Fax: +91 22 2596 0329, Email: sulzer.offer@linkintime.co.in, Contact Person: Mr. Nilesh Chalke

24. DISCLAIMER CLAUSE OF BSE

It is to be distinctly understood that the permission given by BSE to use their electronic automated facilities and infrastructure for "Online reverse book building facility for delisting of securities" should not in any way be deemed or construed that the compliance with various statutory and other requirements by Sulzer India Limited and ICICI Securities Limited etc. are cleared or approved by BSE; nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does BSE have any financial responsibility or liability nor does BSE take responsibility in any way for the financial or other soundness of the Company, its promoters or its management.

It is also to be distinctly understood that the approval given by BSE should not in any way be deemed or construed to mean that the PA and the Offer Letter have been cleared or approved by BSE, nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the announcements, nor does BSE warrant that the securities will be delisted.

That every person who desires to avail of the exit opportunity may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE or against the Investor Protection Fund set up by BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such offer and tender of securities through book building process whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

25. GENERAL DISCLAIMERS

Every person who desires to avail of the Delisting Offer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Promoter, the Manager to the Offer or the Company whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such offer and tender of securities through the reverse book building process whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Signed on behalf of the Board of Directors of the Promoter

Sd/- Mr. Ton Büchner Chief Executive Officer	Sd/- Mr. Peter Meier Chief Financial Officer	Sd/- Mr. Alfred Gerber General Counsel

Place: Winterthur, Switzerland

Date: June 30, 2010