

PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF SULZER INDIA LIMITED

(Registered Office: Gat No. 304, At Kondhapuri, Taluka – Shirur, District – Pune, Pune - 412 209. Tel. No.: +91 2137 304 000, Fax No.: +91 2137 304 111 / 222)

This public announcement ("PA") is being issued by Sulzer Limited (the "Promoter" or the "Acquirer") in respect of the proposed acquisition and voluntary delisting of the equity shares of Sulzer India Limited ("Sulzer India" or the "Company") from the Bombay Stock Exchange Limited ("BSE") pursuant to Regulation 10 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations") and in accordance with the terms and conditions set out herein below (the "Delisting Offer").

1. BACKGROUND OF THE DELISTING OFFER

1.1 Sulzer India, 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 equity shares of Rs. 10 each. The Promoter of the Company holds 27,59,992 equity shares as on the date of this PA 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 equity shares of the Company as on the date of this PA, 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 equity shares as on the date of this PA representing 80.03% 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 equity shares representing 19.97% of the paid-up equity share capital of the Company from the Public Shareholders (defined to mean all the shareholders of the Company other than the Promoter and the Promoter Group). If the Delisting Offer is deemed successful as defined in paragraph 11 of this PA, the Promoter will apply for delisting of the equity 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 of Directors of the Company 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 of Directors of the Company, 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 equity 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 This PA is being issued in the following newspapers as required under Regulation 10(1) of the Delisting Regulations:

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

1.6 The Promoter will inform the Public Shareholders, by way of a notice in the aforementioned newspapers in which the present PA is published, of material changes, if any, to the information set out in this PA.

2. NECESSITY AND OBJECTIVE OF THE DELISTING 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 Zuercherstrasse 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 central 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 PA, 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 equity 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 equity shares of Rs. 10 each.

4.6 The equity 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 PA.

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:

Particulars	Year ended December 31, 2009		
	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	35.5%	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:

Particulars	Quarter ended March 31, 2010	
	2010	2009
Total Income	28.33	3.97
Profit/(Loss) after Tax	11.51	-
Earnings per share (Rs.)	-	-

5. **STOCK EXCHANGE FROM WHICH THE EQUITY SHARES ARE TO BE DELISTED**

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

6. MANAGER TO THE DELISTING OFFER

6.1 The Promoter has appointed ICICI Securities Limited having its office at ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai - 400 020, India, as the Manager to the Delisting Offer ("Manager to the Offer").

7. REGISTRAR TO THE DELISTING OFFER

7.1 The Promoter has appointed Link Intime India Private Limited, having its office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup West, Mumbai - 400078, India, as the Registrar to the Delisting Offer ("Registrar to the Offer").

8. DETERMINATION OF THE FLOOR PRICE

8.1 The Promoter proposes to acquire the equity 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.

8.2 The equity 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 equity shares of the Company on the 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 equity shares traded during September 2009 to February 2010	Total no. of listed equity shares	Annualized trading turnover (as a % of total listed equity shares)
BSE	6,25,483	34,50,000	36.7%

8.3 Based on the parameters set out in Regulation 15(2) of the Delisting Regulations for frequently traded stocks, as per the date of this PA, the floor price for the reverse book-building process as stipulated by Schedule II of the Delisting Regulations is determined as under:

Particulars	Price (in Rs. per equity share)
The average of the weekly high and low of the closing prices of the equity 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 equity 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

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").

9. DETERMINATION OF THE EXIT PRICE

9.1 All Public Shareholders may tender their equity shares during the Bid Period (as defined in paragraph 12 herein below).

9.2 In accordance with the Delisting Regulations, the price payable by the Promoter for the equity 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 equity shares have been tendered (the "Discovered Price") pursuant to the reverse book-building process.

9.3 The Promoter has indicated in its intimation to the Board of Directors of the Company on March 4, 2010 that it may acquire the equity shares offered to it in the Delisting Offer at a price of Rs. 870 per equity share, subject to the number of equity shares required for delisting being offered at this price and all regulatory approvals being obtained. However this should in no way be construed as (i) a ceiling or maximum price for the purpose of the reverse book-building process contemplated herein and the Public Shareholders are free to tender their equity 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 equity shares tendered in the Delisting Offer if the Discovered Price is Rs. 870 or less.

9.4 The Promoter is under no obligation to accept the Discovered Price. The Promoter may at its discretion, acquire the equity shares at the Discovered Price or at a price higher than the Discovered Price. Such price at which the Delisting Offer is accepted by the Promoter (which price shall be equal to or more than the Discovered Price) is hereinafter referred to as the exit price (the "Exit Price").

9.5 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 this PA appears, in accordance with the schedule set out herein.

9.6 Once the Promoter announces the Exit Price, the Promoter will acquire, subject to the terms and conditions of this PA, including but not limited to fulfillment of the conditions mentioned in paragraph 10 below, all the equity shares tendered up to and equal to the Exit Price, for a cash consideration equal to the Exit Price for each such equity share tendered.

9.7 If the Promoter does not accept the Discovered Price, the Promoter will have no right or obligation to acquire any equity shares tendered pursuant to the Delisting Offer and the Delisting Offer will not be proceeded with, and the equity shares deposited in the Special Depository Account specified in paragraph 13.4 will be returned to the respective Public Shareholders who have tendered them.

10. CONDITIONS TO THE DELISTING OFFER

10.1 The acquisition of equity shares by the Promoter and the delisting of the Company are conditional upon:

10.2 The Promoter accepting the Discovered Price or offering an Exit Price higher than the Discovered Price and a minimum of 3,44,454 equity shares being tendered and accepted at or below the Exit Price;

10.3 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

10.4 The Promoter obtaining all requisite statutory and regulatory approvals as listed in paragraph 20 of this PA.

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 equity shares accepted in the reverse book-building process through eligible bids at or below the Exit Price, reaches at least 31,05,546 equity 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. DATES OF OPENING AND CLOSING OF BID PERIOD

12.1 The period during which the Public Shareholders may tender their equity shares to the Promoter in the reverse book-building process (the "Bid Period") shall commence at 9.00 a.m. on Tuesday, July 13, 2010 (the "Bid Opening Date") and close at 3.00 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.

12.2 Bids received after 3.00 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 equity shares accepted by the Promoter pursuant to the reverse book-building process.

12.3 A letter inviting the Public Shareholders to tender their equity shares to the Promoter by way of submission of "Bids" (the "Offer Letter") containing the necessary forms and detailed instructions for submitting Bids will be dispatched to the Public Shareholders.

13. DETAILS OF TRADING MEMBER, BIDDING CENTRES AND BIDDING PROCEDURE

13.1 Public Shareholders may tender their equity shares through an online electronic system facility, which will be provided by the BSE. In this regard, the Acquirer has appointed a trading member, 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 28050636, Contact Person: Mr. Prabir Kumar Singh, E-mail: prabir@smcindiaonline.com ("Trading Member") to facilitate the lodging of Bids on behalf of the Public Shareholders.

13.2 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 28050636
2	Mumbai	3rd Floor, Mirchandanji Business Park, Off. Anheri Kuria Road, Sakinaka, Anheri (East), Mumbai - 400072	Uday Pawale	Tel: 022 67360754 / 67360748 Fax: 022 28050636
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. Saraswati Bank, Jambli Naka, Thane - 400601	Suresh Kamran / Lamkanir K. Kabra	Tel: 022 61470263 Fax: 022 5438095
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 25283397
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 / Sanjit	Tel: 033 39847000-04 Fax: 033 39847000
9	Ahmedabad	10-A, Kalapuram, C. G. Road, Ahmedabad, Gujarat - 380003	Hetal Shah	Tel: 079 26424801/05 Fax: 079 26415566/76
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	Prabir Singh / Sagor / Jentli	Tel: 022 783001129 / 30 Fax: 022 783001129
12	Gurgaon	101-A, Apna Bazar, Gurgaon, Haryana - 122001	Ankur Jain / Anshul Jain	Tel: 0124 4108108 Fax: 0124 4108108
13	Hyderabad	103, Olibase 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	Ganeshram-1, 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, Untawad, 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 Subdhar, 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, Shivalki-5, Gondal Road, Rajkot, Gujarat - 360002	Amal Dhrub	Tel: 0281 2371980-82 Fax: 0281 2371980-82
18	Surat	801, Empire State Building, Near HDFC Bank, Ring Road, Udhana Danwaja, Surat, Gujarat - 395002	Viren Reshamwala	Tel: 0261 3926534 Fax: 0261 3926543-47
19	Vadodara	201/213, Shriya Complex, Near Manisha Crossing, Old Padra Road, Vadodara, Gujarat - 390015	Gopal Singhvi / Jinkal	Tel: 0265 3087761-64 Fax: 0265 3087765
20	Vishakhapatnam (Vizag)	47-10/10, 3rd Floor, B395, Rednam Regency, 2nd Lane, Dwarka Nagar, Vishakhapatnam - 530016	Ch. Saleesh Babu	Tel: 0891 6636681-83 / 3262681-82

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 3.00 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 9.00 a.m. to 3.00 p.m.

13.3 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 3.00 p.m. on the Bid Closing Date. 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.

13.4 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