

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF Alfa Laval (India) Limited

Registered Office and Corporate Office: Mumbai - Pune Road, Dapodi, Pune 411012, Maharashtra, India, Tel: +91 20 27107100; Fax: +91 20 27147711; Website: www.alfalaval.com Company Secretary and Compliance Officer: Mr. V. Chandrasekhar

This public announcement ("Public Announcement" / "PA") is being issued by Alfa Laval Corporate AB, Sweden ("Alfa Laval Sweden" / "Promoter") a company registered in Sweden and having its registered office at P.O. Box 73, SE 221 00, Lund, Sweden, in respect of the proposed acquisition and voluntary delisting ("Offer"/"Delisting Offer") of the equity shares of Alfa Laval (India) Limited ("Alfa Laval India" / "Company") pursuant to Regulation 10 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations").

1. BACKGROUND OF THE DELISTING OFFER

- The Company is a public limited company incorporated under the Indian Companies Act VII of 1913 and an existing company under the Companies Act, 1956 ("Act"), having its registered office at Mumbai - Pune Road, Dapodi, Pune 411012, Maharashtra, India. The paid-up equity share capital of the Company ("Equity Capital") is ₹ 181,604,830/- comprising of 18,160,483 fully paid-up equity shares having face value of ₹ 10/- each ("Equity Shares"). The Equity Shares are listed on the Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), (together referred to as "Stock Exchanges").
- Alfa Laval Corporate AB, Sweden is the promoter of Alfa Laval India. The Promoter of the Company currently holds 16,120,281 Equity Shares as on date of the PA representing 88.77% of the paid-up equity share capital of the Company.
- The Promoter seeks to acquire 2,040,202 equity shares representing the balance 11.23% of the paid-up equity share capital of the Company ("Offer Shares") from the public shareholders (defined to mean all the shareholders other than the Promoter and herein after referred to as "Public Shareholders") and proposes to delist the Equity Shares of the Company from the Stock Exchanges pursuant to the Delisting Regulations.
- On September 16, 2011, the Promoter informed the Company of its intention to make the Delisting Offer and requested the Board of Directors of the Company to convene a meeting to consider the Delisting Offer and to place the said proposal before the Public Shareholders in accordance with the Delisting Regulations for their approval.
- The Board of Directors of the Company at its meeting held on September 19, 2011, approved the proposal received from the Promoter to initiate the Delisting Offer in accordance with the Delisting Regulations, subject to applicable law and to seek approval of the shareholders of the Company. A special resolution has been passed by the shareholders of the Company through postal ballot, the result of which was declared on November 15, 2011, and notified to BSE and NSE on November 15, 2011, approving the proposed voluntary delisting of the Equity Shares from the BSE and NSE in accordance with the Delisting Regulations. The votes cast by Public Shareholders in favour of the Delisting Offer were 358,797 equity shares, being more than two times the number of votes cast by the Public Shareholders against it (159,945 equity shares). The BSE and the NSE have issued their in-principle approval to the Delisting Offer subject to compliance with the Delisting Regulations, vide their letters dated December 16, 2011 and December 14, 2011 respectively.
- Subsequently, the Promoter vide its letter dated January 9, 2012 informed the Company that, after considering prevailing market conditions and with a view to reward shareholders, it was willing to accept Offer Shares tendered in the Delisting Offer at a price of ₹ 2,850/- per equity share ("Indicative Offer Price").
- This Public Announcement has been issued in the following newspapers as required under Regulation 10(1) of the Delisting Regulations:

| Newspaper | Language | Editions |
|-------------------|----------|----------|
| Financial Express | English | All |
| Jansatta | Hindi | All |
| Loksatta | Marathi | Pune |

- The Promoter will inform the Public Shareholders, by way of a notice in the aforementioned newspapers in which the Public Announcement was published, of material changes, if any, to the information set out in the PA.
- The Promoter reserves the right to withdraw the Delisting Offer in certain cases as more fully set out in paragraph 11 of this Public Announcement.

2. OBJECT OF THE DELISTING OFFER

- The objective of the Promoter in making the Offer is (i) to obtain full ownership of the Company, which will provide the Promoter with increased operational flexibility to support the Company's business and meet the needs of its customers; and (ii) to provide an exit opportunity to the Public Shareholders. The Delisting Offer, if successful, will also result in a scenario where the Company is not subject to the conditions for continuous listing, including inter alia, the requirement to maintain a minimum public shareholding of 25% pursuant to the Securities Contract (Regulation) Rules, 1957 as amended from time to time.
- Accordingly, the Promoter is making this Delisting Offer to the Public Shareholders of the Company in order to acquire the Offer Shares constituting 11.23% of the paid-up equity capital of the Company and to voluntarily delist the Equity Shares from the Stock Exchanges in accordance with the Delisting Regulations.

3. BACKGROUND OF THE PROMOTER

- Alfa Laval Corporate AB is a company incorporated in 1907 under the laws of Sweden and having its registered office at P.O. Box 73, SE 221 00, Lund, Sweden. It is primarily engaged in the business of providing specialized products and engineering solutions globally based on its key technologies of heat transfer, separation and fluid handling besides Management functions. The Promoter's equipment, systems and services are dedicated to assisting customers in optimizing the performance of their processes.

4. BACKGROUND OF THE COMPANY

- The Company was originally incorporated in 1937 under the Indian Companies Act VII of 1913 as Vulcan Trading Company Limited and has its registered office at Mumbai - Pune Road, Dapodi, Pune 411012, Maharashtra, India. Pursuant to the amalgamation of Alfa Laval Limited with the Company in 1965, the Company's name was changed to Vulcan Laval Limited. The name of the Company was changed to its present name in 1987.
- The Company is engaged in the business of manufacture and sale of industrial machinery pertaining to heat transfer, separation and fluid handling technologies besides offering products and engineered solutions to various industries like edible oil processing, brewery, starch, metals, paper, food processing, distillery, chemical and pharmaceutical, bio-technology etc.
- The Company has been listed on the BSE since 1969 and on the NSE since 1995.
- As on the date of this Public Announcement, the Company has no outstanding instruments or securities which are convertible into the same class of Equity Shares that are sought to be delisted.
- A summary of the audited financials of the Company for the financial years ended December 31, 2010, December 31, 2009 and December 31, 2008 and the unaudited financials for 9 months ended September 30, 2011 are as follows:

| Particulars (₹ Million) | 9 months ended Sept 30, 2011 (Unaudited)** | Year ended Dec 31, 2010 (Audited) | Year ended Dec 31, 2009 (Audited) | Year ended Dec 31, 2008 (Audited) |
|--------------------------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Net Sales | 8,425.25 | 8,360.34 | 8,875.73 | 7,993.06 |
| Other Income | 292.83 | 231.99 | 121.13 | 115.81 |
| Total Income | 8,718.08 | 8,592.33 | 8,996.86 | 8,108.87 |
| Profit before tax | 1,508.13 | 1,658.09 | 1,871.60 | 1,358.57 |
| Profit after tax | 1,034.39 | 1,081.21 | 1,233.39 | 901.68 |
| Basic and Diluted Earnings per Share | 56.96 | 59.54 | 67.92 | 49.65 |
| Paid-up Share Capital | 181.60 | 181.60 | 181.60 | 181.60 |
| Net Fixed Asset* | 1,265.85 | 1,081.44 | 1,001.34 | 1,049.74 |
| Net Current Assets | 2,785.48 | 1,753.03 | 1,552.65 | 1,713.91 |
| Net Worth** | 5,256.74 | 4,222.34 | 3,774.67 | 3,072.45 |

Source: As per the CA certificate dated January 16, 2012 provided by Joshi Apte & Co, Chartered Accountants

*Including Capital Work in Progress

** Excludes Revaluation reserves

*** Based on unaudited financial results for quarter ended September 2011 as filed with the stock exchanges

- The authorized equity share capital of the Company is ₹ 200,000,000 comprising of 20,000,000 Equity Shares. The paid up equity capital is ₹ 181,604,830 comprising of 18,160,483 Equity Shares
- The shareholding pattern of the Company, as on January 13, 2012 is as under:

| Particulars | No. of Shares | Shareholding (%) |
|-------------------------------|---------------|------------------|
| Promoter and Promoter Group | 16,120,281 | 88.77 |
| Foreign Institutional holding | 22,214 | 0.12 |
| Bodies Corporate | 1,40,301 | 0.77 |
| Mutual Funds & UTI | 38,170 | 0.21 |
| Banks | 6,526 | 0.04 |
| Insurance Companies | 100 | 0.00 |
| Individuals | 17,53,592 | 9.66 |
| Clearing members | 40,689 | 0.22 |
| NRI | 38,610 | 0.21 |
| Trusts | - | - |
| Total | 18,160,483 | 100.00 |

Source: Company Certificate

- The likely post-delisting capital structure of the Company, assuming that all Equity Shares outstanding with the Public Shareholders are acquired pursuant to the Delisting Offer, will be as follows:

| Shareholder(s) | No. of Equity Shares | % of Equity Capital |
|---------------------------------|----------------------|---------------------|
| Alfa Laval Corporate AB, Sweden | 18,160,483 | 100 |
| Total | 18,160,483 | 100 |

5. STOCK EXCHANGES FROM WHICH THE EQUITY SHARES ARE SOUGHT TO BE DELISTED

The Equity Shares are proposed to be delisted from the BSE and the NSE in accordance with the Delisting Regulations. Public Shareholders should note that as per the Delisting Regulations:-

- No application for listing shall be made in respect of the Equity Shares which have been delisted pursuant to this Delisting Offer, for a period of five years from the delisting, except where a recommendation in this regard has been made by the Board for Industrial and Financial Reconstruction under the Sick Industrial Companies (Special Provisions) Act, 1985.
- Any application for listing made in future by the Company in respect of delisted Equity Shares shall be deemed to be an application for fresh listing of such Equity Shares and shall be subject to provisions of law relating to listing of equity shares of unlisted companies.

6. MANAGER TO THE OFFER

The Promoter has appointed JM Financial Consultants Private Limited having its registered office at 141 Maker Chamber III, Nariman Point, Mumbai 400 021, as the Manager to the Offer ("JM Financial" or "Manager to the Offer")

7. REGISTRAR TO THE OFFER

The Promoter has appointed Link Intime India Private Limited having its registered office at C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078, as the Registrar to the Offer ("Registrar to the Offer")

8. STOCK EXCHANGE DATA

- The high, low and average price of the Equity Shares (in ₹ per share) during the preceding three calendar years on the BSE and the NSE is as follows:

| Month | BSE (₹) | | | |
|-------------------------------------|----------|----------|-----------|---------|
| | High* | Low* | Average** | Volume |
| January 1, 2009 - December 31, 2009 | 1,333.95 | 830.00 | 987.24 | 331,159 |
| January 1, 2010 - December 31, 2010 | 1,534.00 | 1,127.00 | 1,342.91 | 297,049 |
| January 1, 2011 - December 31, 2011 | 2,444.00 | 1,114.00 | 1,695.25 | 674,405 |

(Source: As per the CA certificate dated January 16, 2012 provided by Joshi Apte & Co, Chartered Accountants)

* High/Low during the period

** Average of the closing prices during the period

| Month | NSE (₹) | | | |
|-------------------------------------|----------|----------|-----------|---------|
| | High* | Low* | Average** | Volume |
| January 1, 2009 - December 31, 2009 | 1,389.00 | 765.00 | 986.26 | 330,052 |
| January 1, 2010 - December 31, 2010 | 1,542.00 | 1,117.15 | 1,341.91 | 311,724 |
| January 1, 2011 - December 31, 2011 | 2,480.00 | 1,111.00 | 1,695.34 | 984,523 |

(Source: As per the CA certificate dated January 16, 2012 provided by Joshi Apte & Co, Chartered Accountants)

* High/Low during the period

** Average of the closing prices during the period

- The monthly high and low prices of the Equity Shares (in ₹ per share) and the trading volume (number of Equity Shares) on the BSE and the NSE for the six calendar months immediately preceding the date of this Public Announcement were as follows:

| Month | BSE (₹) | | |
|-----------------|----------|----------|---------|
| | High* | Low* | Volume |
| July, 2011 | 1,730.95 | 1,480.00 | 42,525 |
| August, 2011 | 1,719.00 | 1,475.00 | 28,550 |
| September, 2011 | 2,444.00 | 1,695.00 | 242,212 |
| October, 2011 | 2,411.00 | 2,160.50 | 85,861 |
| November, 2011 | 2,348.95 | 2,068.00 | 73,915 |
| December, 2011 | 2,240.10 | 2,077.00 | 35,405 |

(Source: As per the CA certificate dated January 16, 2012 provided by Joshi Apte & Co, Chartered Accountants)

* High/Low during the period

** Average of the closing prices during the period

| Month | NSE (₹) | | |
|-----------------|----------|----------|---------|
| | High* | Low* | Volume |
| July, 2011 | 1,705.00 | 1,476.00 | 46,180 |
| August, 2011 | 1,728.90 | 1,342.50 | 34,050 |
| September, 2011 | 2,480.00 | 1,695.00 | 485,659 |
| October, 2011 | 2,410.00 | 2,060.25 | 102,793 |
| November, 2011 | 2,347.00 | 2,065.00 | 84,125 |
| December, 2011 | 2,250.00 | 2,056.30 | 41,951 |

(Source: As per the CA certificate dated January 16, 2012 provided by Joshi Apte & Co, Chartered Accountants)

* High/Low during the period

** Average of the closing prices during the period

9. DETERMINATION OF THE FLOOR PRICE

- The Promoter proposes to acquire the Offer Shares of the Company pursuant to a reverse book-building process ("RBP") conducted in accordance with the terms of the Delisting Regulations.
- The decision of the meeting of the Board of Directors held for considering the Offer was notified to the Stock Exchanges on September 19, 2011. As per the explanation to Regulation 15 (2) of the Delisting Regulations, the Equity Shares of the Company are infrequently traded both on BSE and NSE.
- The Promoter in consultation with the Manager to the Offer considered the floor price of ₹ 1,904/- contained in the valuation report by M/s SSPA & Co, Chartered Accountants dated October 5, 2011, ("Valuation Report") and had also considered the average of closing market prices on the NSE for the month of September, 2011 of ₹ 2,045/-.
- The Promoter has not acquired any Equity Shares (a) during the twenty six weeks prior to the date on which the Stock Exchanges were notified of the meeting of the Board of Directors held to consider the Offer i.e. the twenty six week period prior to September 19, 2011; and (b) between September 19, 2011 and the date of this Public Announcement.
- Therefore, in accordance with the applicable provisions of Regulation 15 (3) of the Delisting Regulations, the floor price for the Equity Shares was determined by the Promoter to be ₹ 2,045/- (Rupees Two Thousand Forty Five Only) per equity share ("Floor Price").

10. DETERMINATION OF THE EXIT PRICE

- All Public Shareholders can tender Offer Shares of the Company during the Bid Period (as hereinafter defined) as set out in paragraph 13 of this Public Announcement.
- The minimum price per Equity Share payable by the Promoter for the Offer Shares it acquires pursuant to the Delisting Offer, as determined in accordance with the Delisting Regulations, will be the price at which the maximum number of Offer Shares are tendered ("Discovered Price") pursuant to a RBP conducted in the manner specified in Schedule II of the Delisting Regulations.
- The Promoter has informed the Company vide its letter dated January 9, 2012 about its willingness to accept the Offer Shares at a price of ₹ 2,850/- (Rupees Two Thousand Eight Hundred and Fifty only) per share ("Indicative Offer Price") under the Delisting Offer. However this should be in no way be construed as:
 - a ceiling or maximum price for the purpose of the RBP and the Public Shareholders are free to tender their Offer Shares at any price higher than the Indicative Offer Price in accordance with the Delisting Regulations; or
 - an obligation on the Promoter to pay the Indicative Offer Price in the event the Discovered Price is lower than the Indicative Offer Price; or
 - any restriction on the ability of the Promoter to acquire Offer Shares at a price higher or lower than the Indicative Offer Price.
- The Promoter may at its sole discretion acquire the Offer Shares subject to the conditions mentioned in paragraph 11 below at the Discovered Price or at a price higher than Discovered Price. Such price at which Delisting Offer is accepted by the Promoter (being not less than the Discovered Price) is referred to as the exit price ("Exit Price").
- 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 appears, in accordance with the timetable set out herein.
- Once the Promoter accepts the Exit Price, the Promoter will acquire, subject to the terms and conditions of the PA, including but not limited to fulfillment of the conditions mentioned in paragraph 11 below, all the Offer Shares tendered at a price not exceeding the Exit Price, for a cash consideration equal to the Exit Price for each such Offer Share tendered.
- If the Promoter does not accept the Discovered Price, the Promoter will have no right or obligation to acquire any Offer Shares tendered pursuant to the Delisting Offer and the Delisting Offer shall not be proceeded with. The Offer Shares of all the Public Shareholders who have tendered their Offer Shares in the Special Depository Account will be returned in accordance with the Delisting Regulations.

11. CONDITIONS TO THE DELISTING OFFER

The acquisition of the Offer Shares by the Promoter is conditional upon:

- The Promoter deciding in its sole and absolute discretion to accept the Discovered Price or offer an Exit Price higher than the Discovered Price. It may be noted that not withstanding anything contained in this PA, the Promoter reserves the right to reject the Discovered Price if the same is higher than the Floor Price;
- a minimum number of Offer Shares being tendered at or below the Exit Price so as to cause the shareholding of the Promoter in the Company to reach a minimum of 17,140,382 Equity Shares, which is the aggregate percentage of pre offer Promoter shareholding (16,120,281 Equity Shares) and fifty per cent of the Offer size (1,020,101 Offer Shares) as per Regulation 17(b) of Delisting Regulations;
- the Promoter obtaining all statutory approvals, as stated in paragraph 18 of this Public Announcement; and
- there being no amendments to the Delisting Regulations or other applicable laws or regulations or conditions imposed by any regulatory/statutory authority/body or order from a court or competent authority which would in the sole opinion of the Promoter, prejudice the Promoter from proceeding with the Delisting Offer, provided that withdrawal on this count shall be subject to the receipt of regulatory approvals, if any, required for the same.

12. DISCLOSURE REGARDING THE MINIMUM ACCEPTANCE CONDITION FOR SUCCESS OF THE OFFER

The Offer made shall be deemed to be successful if post offer, the shareholding of the Promoter taken together with the equity shares accepted in the RBP through eligible bids at the Exit Price equals or exceeds 17,140,382 equity shares of the Company, representing 94.38% of the paid-up equity share capital of the Company.

13. DATES OF OPENING AND CLOSING OF BID PERIOD

- The period during which the Public Shareholders may tender their Offer Shares to the Promoter in the RBP (the "Bid Period") shall commence at 10.00 a.m. on February 15, 2012 (the "Bid Opening Date") and close at 3.00 p.m. on February 22, 2012 (the "Bid Closing Date").
- Bids received after 3.00 p.m. on the Bid Closing Date may not be considered for the purpose of determining the Discovered Price payable for the Offer Shares by the Promoter pursuant to the RBP.
- A letter inviting Public Shareholders to tender their Offer 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 Public Shareholders as per the proposed timetable set out in paragraph 17 below. The Bid Letters would only be dispatched to those Public Shareholders whose names appear on the register of members of the Company or the depository on the Specified Date (as defined in paragraph 17 below).

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

- Public Shareholders may tender their Offer Shares through an online electronic system facility, which will be provided by the BSE. The Company has appointed two trading members namely, JM Financial Services Private Limited, a company registered under the provisions of the Act and having its registered office at Apeejay House, 3, Dinsshaw Waccha Road, Churchgate, Mumbai 400 021 and SMC Global Securities Limited, a company registered under the provisions of the Act and having its registered office at 11/6B, Pusa Road, Shanti Chambers, New Delhi - 110005, (each a "Trading Member" and collectively as "Trading Members") for the purpose of the Offer.
- The Public Shareholders are required to submit their Bids only through any one of the Trading Members.
- The details of centres of the Trading Members where the Bids shall be submitted by hand delivery ("Bid Centres") are as follows:

Bid Centres set up by JM Financial Services Private Limited

| Sr. No. | Bidding City /Centre | Address | Contact Person | Contact Number | Fax Number |
|---------|------------------------|---|------------------------------------|-----------------------------|-----------------|
| 1 | Ahmedabad | JM Financial Services Pvt. Ltd. C-10, Ground Floor, Chinubhai Centre, Nehru Bridge Corner, Ashram Road, Ahmedabad - 380 009 | Yatin Shah | (079) 2657 6666 / 3001 3700 | (079) 3001 3750 |
| 2 | Ahmedabad Ambavadi | JM Financial Services Pvt. Ltd., B-101-104, Shivalki Plaza, Opp - AMA, IIM Road, Ambavadi, Ahmedabad - 380 015 | Hemant Buch | (079) 39826700/39826711 | (079) 39826666 |
| 3 | Bangalore | JM Financial Services Pvt. Ltd. 97/A, Residency Road, Bangalore - 560 025 | Poornima V | (080) 30912400/4014222 | (080) 2221 2578 |
| 4 | Bangalore M.G. Road | JM Financial Services Pvt. Ltd., 14 th Floor, Vayudoth Chambers, No -15-16, M G Road, Bengaluru - 560 001 | Mary Virgini | (080) 30926900 | (080) 30926969 |
| 5 | Bangalore Malleshwaram | JM Financial Services Pvt. Ltd., 199, 1 st Floor, Yati Raji Mutt Building, 11 th Cross, Malleshwaram, Bengaluru, -560 003 | Srinivas /Kiran G U | (080) 39830600/41282444 | (080) 39830538 |
| 6 | Chennai | JM Financial Services Pvt. Ltd. Gee Gee Crystal - 5 th Floor, 91-92, Dr. Radha Krishnan Salai, Mylapore, Chennai - 600 004 | TV Sumithra | (044) 4225 5666 | (044) 4225 5667 |
| 7 | Delhi | JM Financial Services Pvt. Ltd. 114, Himalaya House, 11 th Floor, 23 Kasturba Gandhi Marg, Delhi - 110 001 | Amarjeetsingh Rathil /Jaiprakash C | (011) 30925500 | (011) 4151 0410 |
| 8 | Hyderabad | JM Financial Services Pvt. Ltd. 9 - 10, Uma Chambers, 3 rd Floor, Nagarjuna Circle, Punjagutta, Hyderabad - 500 034 | D Chandrasheker | (040) 6636 0009 /3987 5875 | (040) 23350751 |
| 9 | Indore | JM Financial Services Pvt. Ltd. UG 7 & 8, Ground Floor, D M Tower, 21/1, Race Course Road, Indore - 452 004 | Arti Kashikar | (731) 3027111 | (731) 3027121 |
| 10 | Jaipur | JM Financial Services Pvt. Ltd. G-7 & 8, Briji Anukampa Tower, Plot No. K - 13, Ashok Marg, C - Scheme, Jaipur - 302 001 | Komal Kumawat | (0141) 3984400 | |
| 11 | Kolkata | JM Financial Services Pvt. Ltd. Kankaria Estate, 6 Little Russell Street, 8 th Floor, Kolkata - 700 071 | Rajib R | (033) 3987 0330 | (033) 39870357 |
| 12 | Mumbai Fort | JM Financial Services Pvt. Ltd. 2, 3 & 4, Kamamela Chambers, Sir P M Road, Fort, Mumbai - 400 001 | Geeta Pillai | (022) 3021 3500 /2266 5577 | (022) 2266 5902 |
| 13 | Mumbai Vile Parle | JM Financial Services Pvt. Ltd. 3 rd floor Patel House Next to Bank Of Baroda, M.G. Road Vile Parle - East, Mumbai - 400057 | Praveen Manchekar | (022) 26135202/03/04 | (022) 26135241 |

| | | | | | |
|----|------------------|---|--------------------|-----------------------------------|----------------|
| 14 | Mumbai Ghatkopar | JM Financial Services Pvt. Ltd. 4 th Floor, Kallash Plaza, 425, V B Lane, Opp - Ocean Theater, Ghatkopar - East, Mumbai - 400077 | Tilak Sanil | (022) 30978700 | (022) 66712487 |
| 15 | Mumbai Andheri | JM Financial Services Pvt. Ltd. 2/003, Anushka New Link Rd, Opp - Oshwara Police Stn., Oshwara, Andheri - West Mumbai - 400 053 | Parmeshwar Gawkwad | (022) 66191600 /66191610 | (022) 66191666 |
| 16 | Mumbai Borivali | JM Financial Services Pvt. Ltd., 6, Dattani Trade Centre, Chandavarkar Road, Borivali - West, Mumbai - 400 092 | Prasad Molly | (022) 30215411-15-17-19 6695 9120 | (022) 66959100 |
| 17 | Mumbai Malad | JM Financial Services Pvt. Ltd. M - Wing, Palm Court, Above - Demart, Link Road, Malad - West Mumbai - 400 064 | Kiran Patil | (022) 30 | |

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF Alfa Laval (India) Limited

Specified Date is only for the purpose of determining the names of the Public Shareholders to whom the Offer Letter will be sent. However, all Public Shareholders, (whether registered or unregistered), are eligible to participate in the Offer by submitting their Bid on or before 3:00 pm on the Bid Closing Date. All the dates above are subject to change and are dependent on obtaining the requisite statutory and regulatory approval as may be applicable.

18. STATUTORY APPROVALS

- a) The Promoter vide its letter dated January 11, 2012 has made an application to the RBI, seeking the RBI's approval to acquire Offer Shares validly tendered by non-resident Indians ("NRIs") in the Delisting Offer. This approval is currently awaited. Further, whilst the Promoter understands that the Company has no overseas corporate bodies ("OCBs") (as understood in terms of applicable Indian foreign exchange laws), as its shareholders, in the event that any OCBs tender their Equity Shares in the Offer, then the prior approval of the RBI would also be required.
- b) To the best of the Promoter's knowledge, as of the date of this Public Announcement, there are no other statutory or regulatory approvals required to acquire the Offer Shares and implement the Delisting Offer, other than as indicated above. If any statutory or regulatory approvals become applicable, the acquisition of Offer Shares by the Promoter and the Delisting Offer will be subject to receipt of such statutory or regulatory approvals.
- c) It shall be the responsibility of the Public Shareholders tendering in the Delisting Offer to obtain all requisite approvals (including corporate, statutory or regulatory approvals), if any, prior to tendering the Offer Shares held by them in the Delisting Offer, and the Promoter shall take no responsibility for the same. The Public Shareholders should attach a copy of any such approval to the Bid Form, wherever applicable.
- d) The Promoter reserves the right not to proceed with the Delisting Offer in the event the approvals indicated above are not obtained or conditions which the Promoter considers in its sole discretion to be onerous are imposed in respect of such approvals.
- e) In the event that receipt of the requisite statutory and regulatory approvals are delayed, the Promoter may, with such permission as may be required, make changes to the proposed timetable or may delay the Delisting Offer and any such change shall be intimated by the Promoter by issuing an appropriate corrigendum in all the newspapers where this Public Announcement is published.

19. TAX DEDUCTED AT SOURCE

Summary of key provisions related to tax deduction at source ("TDS") under the Income-tax Act, 1961 ("the IT Act"):

- 19.1 All shareholders would either be classified as resident or non-resident, which status is to be determined on the basis of criteria laid down in Section 6 of the IT Act.
- 19.2 As per the provisions of Section 195(1) of the IT Act, any person responsible for paying to a non-resident, not being a company, or to a foreign company, any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess wherever applicable) at the rates in force. Since, under the current provisions of the IT Act, the consideration payable under the Offer would be chargeable to tax as capital gains, or business profits (as the case may be), the Promoter will need to deduct tax at source at the rates in force on the gross consideration payable as computed on the basis of the Exit Price determined as per delisting offer to the following categories of shareholders:
 - A. **If shares are held on investment /Capital Account:**
 - a) **Non-resident Indians:** The Promoter will deduct tax at source from the gross consideration on the basis of short term capital gains (30%) or long-term capital gains (10% if acquired with convertible foreign exchange and 20% if acquired in any other manner), as the case may be. In addition to the above, education cess at 3% would be levied on the tax amount.
 - b) **Overseas Unincorporated Bodies:** The Promoter will deduct tax at source from the gross consideration payable on the basis of short-term capital gains (at 30%) or long-term capital gains (at 20%) as the case may be. In addition to the above, education cess at 3% would be levied on the tax amount.
 - c) **Overseas Corporate Bodies / Non-domestic companies:** The Promoter will deduct tax at source from the gross consideration payable on the basis of short-term capital gains (at 40%) or long-term capital gains (at 20%) as the case may be. In case the gross consideration exceeds ₹.1,00,00,000/- surcharge would be levied at 2% on the tax amount. Education Cess at 3% would be levied on aggregate of tax and surcharge, if any.
 - d) **Foreign Institutional Investors (FII):** FIIs enjoy exemption from tax deduction at source on capital gains under Section 196D(2) of the IT Act and hence no tax shall be deducted on consideration payable to FIIs. FIIs should enclose copy of their SEBI registration certificate failing which payment of the consideration shall be subject to deduction of tax at source.

All categories of shareholders above would need to certify in the application form that the equity shares are held by them on investment/capital account and not in trade account, if they contend so.
 - B. **Consequences of Failure of certification:**

If the non-resident shareholders fail to certify in the application/bid form that the equity shares are held by it on investment/capital account or equity shares are held as stock in trade and, in addition to above requirement if FIIs fail to attach the SEBI registration certificate, then the Promoter will deduct tax at source on the gross consideration at the rate of 40% in case of Corporate shareholder and 30% in case of any other shareholder. In addition to the above, in case of corporate shareholder, surcharge would be levied at 2% on the tax in case the consideration exceeds ₹.1,00,00,000. Education cess at 3% would be levied on the aggregate of tax and surcharge, if any, in all cases.

In the event the aforementioned categories of 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 to that effect, and submit the same to the Promoter before receipt of the consideration for the sale of equity shares. On failure to produce 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.

19.3 No tax shall be deducted at source from the payment of consideration made to resident Public Shareholders.

19.4 For the purpose of determining as to whether the capital gains are short-term or long-term in nature, the Promoter shall take the following actions based on the information obtained from the Company.

- a) In the case of Equity Shares held in physical form that are registered with the Company in the name of the Shareholder, the date of registration of the Equity Shares with the Company shall be taken as the date of acquisition.
- b) In the case of Equity Shares held in a physical form and where the tenderer of shares is not the registered shareholder, the capital gain shall be assumed to be short-term in nature.
- c) In case of unavailability of information with the Company/Promoter or in case of any ambiguous, incomplete or conflicting information, the capital gains shall be considered to be short-term in nature and the tax shall be deducted accordingly.

19.5 In a case where tax is deductible at source, position summarized above is applicable in case of shareholders who have obtained Permanent Account Number ("PAN") under the IT Act and furnish PAN in the Bid Form. Copy of PAN card is also required to be attached as evidence.

However, in case PAN is not obtained or PAN is not mentioned in Bid Form or copy of PAN card is not attached, tax at the rate of 20% or at the applicable tax rate (plus applicable surcharge and education cess, if any), whichever is higher, will be deducted at source.

19.6 The Promoter, the Company and the Manager to the Offer and any of their affiliates do not accept any responsibility for the accuracy or otherwise of the above advice. Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective income tax assessing authorities in their case, and the appropriate course of action that they should take. The tax rates and other provisions specified above are based on the current position in law and may undergo changes.

20. CERTIFICATION BY BOARD OF DIRECTORS OF THE COMPANY

The Board of Directors of the Company hereby certify that -

- a) the Company has not raised capital by issuing securities during the five years preceding the date of this PA;
- b) all material information which is required to be disclosed under the provisions of the continuous listing requirement under the relevant Listing Agreement have been disclosed to the BSE and the NSE, as applicable.

21. COMPLIANCE OFFICER

The Compliance Officer of the Company is:

Mr. V. Chandrasekhar
Company Secretary
Phone: +91 20 27107180
Fax: +91 20 27107188

In case the Public Shareholders have any queries concerning the non-receipt of credit or payment for Offer Shares or on delisting processes and procedure, they may address the same to the Registrar to the Offer or the Manager to the Offer.

22. REGISTRAR TO THE OFFER

**LINK INTIME
INDIA PVT LTD**



Link Intime India Private Limited
C-13 Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai 400 078, India
Tel: +91 22 2569 0320
Mob: +91 9167779210 (Shareholders may use this only for the purpose of sending queries by messages. In case of any queries to be discussed over the phone, they may call at: (022) 2569 0320 for the same)

Fax: (022) 2569 0329

Contact Person: Mr Pravin Kasare

Email: alfa.delisting@linkintime.co.in

23. DISCLAIMER CLAUSE OF THE 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 Alfa Laval (India) Limited and the MANAGER TO THE OFFER 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 public announcement has 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.

24. GENERAL DISCLAIMER

Every person who desires to avail of the 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 RBP.

This PA is issued on behalf of the Promoter by the Manager to the Offer.

JM FINANCIAL

JM FINANCIAL CONSULTANTS PRIVATE LIMITED
141, Maker Chambers III, Nariman Point, Mumbai 400 021
Tel.: +91-22-6630 3030
Fax.: +91-22-2204 7185
Email: lakshmi.lakshmanan@jmfincial.in
Contact Person: Lakshmi Lakshmanan

For Alfa Laval Corporate AB, Sweden

(On behalf of the Board)

Sd/- Sd/-

Thomas Thuresson **Mikael Wahlgren**
Director Director

Place : Sweden

Date : January 19, 2012

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

o) It shall be the responsibility of the Public Shareholders tendering in the Offer to obtain all requisite approvals (including corporate, statutory and regulatory approvals) prior to tendering their Offer Shares in the 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 Offer Shares failing which the Bid may be considered invalid and may be liable to be rejected. The Public Shareholder should attach a copy of any such approval to the Bid.

p) In accordance with Clause 5 of Schedule II of the Delisting Regulations, Public Shareholders who have tendered their Offer 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 revision or withdrawal of the Bids should reach the Trading Member at the Bid Centres on or before 3.00 p.m. as on one day before Bid Closing Date. Any such request for revision or withdrawal Bids received after 3.00 p.m. on one day before the Bid Closing Date shall not be accepted.

q) Shareholders who obtain shares after the Specified Date may request for a form as per paragraph 14 (m) above.

r) If the Offer is successful all the Public Shareholders whose Bids are verified to be genuine shall, subject to paragraphs 11 and 12, be paid the Exit Price, subject to deduction of tax at source, where applicable, within 10 working days from the closure of the Offer by way of a crossed account payee cheque/ demand draft/ pay order/ ECS/RTGS/NEFT/Direct Credit. All cheques/demand drafts will be drawn in the name of the first holder, in case of joint holder(s), and will be dispatched to the shareholders by registered post, at the shareholder's sole risk, and at the address registered with the Company.

s) Share certificates for any invalid bid, will be dispatched to the shareholders by registered post, at the shareholder's sole risk within the period specified in paragraph 17. Offer Shares tendered in dematerialized form for any invalid Bid will be credited back to the respective beneficiary account with their respective Depository Participants (DPs) as per the details furnished by the respective shareholders in the Bid Form.

t) Where the Offer fails in the circumstances stated in paragraphs 10 and 11 of this Public Announcement:-

i. the Offer Shares deposited or pledged by a Public Shareholder shall be returned or released to him within ten working days from the Bid Closing Date in terms of the Proposed Timetable as set out in paragraph 17 below;

ii. no final application shall be made to the Stock Exchanges for delisting of the Equity Shares; and

iii. the Escrow Account (as defined in paragraph 16(b) of this PA) shall be closed.

15. PERIOD FOR WHICH THE DELISTING OFFER SHALL BE VALID

The Public Shareholders may submit their Bids to the Promoter during the Bid Period. Additionally, once the Equity Shares have been delisted, the Public Shareholders, whose Offer Shares have not been acquired by the Promoter, or who did not tender their shares in the Delisting Offer, may offer their Offer Shares for sale to the Promoter at the Exit Price for a period of one year following the date of the delisting ("Exit Window"). Such Public Shareholders may tender their Offer Shares by submitting the required documents to the Registrar to the Offer during the Exit Window.

16. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

a) The estimated consideration payable under the Delisting Regulations, being the Floor Price of ₹ 2,045 per Equity Share multiplied by the number of Offer Shares outstanding with the public shareholders, i.e., 2,040,202 Offer Shares, is ₹ 4,17,22,13,090 (Rupees Four Hundred Seventeen Crores Twenty Two Lakhs Thirteen Thousand and Ninety only).

b) In accordance with the Delisting Regulations, the Promoter, HSBC Bank ("Escrow Bank") and the Manager to the Offer have entered into an escrow agreement dated December 23, 2011, subsequent to which the Promoter has opened an escrow account with the Escrow Bank at their branch at Shiv Building, Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (East), Mumbai - 400 057 ("Escrow Account") and State Bank of India has issued a bank guarantee, pursuant to bank guarantee letter dated January 10, 2011, ("Bank Guarantee") in favor of the Manager to the Offer for an aggregate amount of ₹ 4,26,00,00,000/- (Rupees Four Hundred and Twenty Six Crores only) representing 102% of the estimated consideration payable as calculated in paragraph (a) above. In the event that the Promoter accepts the Discovered Price (or offers a price higher than the Discovered Price) and the Offer is successful (with all conditions thereto being satisfied), the Promoter shall increase the amount lying to the credit of the Escrow Account to the extent necessary to pay Public Shareholders for acquiring Equity Shares validly tendered in the Offer at the Exit Price. In such a case, the Promoter shall also ensure that the Bank Guarantee remains valid until the expiry of the Exit Window.

c) Further, in such a case, the Promoter shall, along with the Manager to the Offer, instruct the Escrow Bank to open a special account ("Special Account"), which shall be used for payment to the Public Shareholders who have tendered Offer Shares in the Delisting Offer. It shall then deposit in the Escrow Account an amount equal to the amount payable to the Shareholders whose shares have been tendered and accepted in the Delisting Offer at the Exit Price (the "Escrow Amount").

17. PROPOSED TIMETABLE FOR THE OFFER

| Activity | Date | Day |
|---|-------------------|-----------|
| Date of publication of the PA | January 20, 2012 | Friday |
| Specified Date for determining the names of shareholders to whom the Offer Letters shall be sent | January 20, 2012 | Friday |
| Dispatch of Offer Letters/ Bid Forms to Public Shareholders as on Specified Date | January 27, 2012 | Friday |
| Bid Opening Date (10.00 am) | February 15, 2012 | Wednesday |
| Last Date of Revision (upwards) or withdrawal of bids | February 21, 2012 | Tuesday |
| Bid Closing Date (3.00 pm) | February 22, 2012 | Wednesday |
| Announcement of Discovered Price/Exit Price and the Promoter's Acceptance/Non-acceptance of Discovered Price /Exit Price* | March 5, 2012 | Monday |
| Final date of payment of consideration# | March 7, 2012 | Wednesday |
| Return of Offer Shares to shareholders in case of failure of Delisting Offer/Bids have not been accepted | March 7, 2012 | Wednesday |

*This is an indicative date and the announcement may be made on or before March 5, 2012, being the eighth working day from the date of 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