Public Announcement to the Equity Shareholders of

Schlafhorst Engineering (India) Limited

Registered Office: Chandrapura Village, Tal. Halol - 389 350 Dist. Panchmahal, Gujarat. INDIA

This Public Announcement ("PA" or the "Public Announcement") is being issued by ICICI Securities Limited ("ICICI Securities"), the Manager to the Offer, on behalf of OC Oerlikon Corporation AG, Pfäffikon, Switzerland ("Oerlikon" or "Acquirer") and W. Reiners Verwaltungs GmbH, Germany, being a person acting in concert ("WRV" or "PAC"), to the equity shareholders of Schlafhorst Engineering (India) Limited ("SEIL" or the "Target Company") pursuant to and in compliance with Regulations 10 and 12 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereto ("SEBI (SAST) Regulations" or "Regulations"). The PAC will acquire all the equity shares of the Target Company that are validly tendered as per terms of the Offer up to a maximum of 3,879,040 equity shares.

1. Background to the Offer

1.1 This offer (the "Offer" or "Open Offer") is being made by OC Oerlikon Corporation AG, Pfäffikon, a company incorporated under the laws of Switzerland, with registered office at Churerstrasse 120, 8808 Pfäffikon SZ, (Community of Freienbach), Switzerland ("Oerlikon" or "Acquirer") and W. Reiners Verwaltungs GmbH, a company incorporated under the laws of Germany, having its registered office at Blumbergerstrasse 143-145, 41061 Mönchengladbach, Germany ("WRV" or "PAC") to the equity shareholders of Schlafhorst Engineering (India) Limited ("SEIL" or the "Target Company").

1.2 On September 6, 2006, Oerlikon published a pre-announcement (the "Swiss Public Announcement") for its public tender offer for all publicly held shares of Saurer AG. Saurer AG, a listed company incorporated under the laws of Switzerland, with registered office in Arbon, Switzerland ("Saurer"), indirectly owns 100% shares in WRV, which in turn holds 53.78% of the total issued and paid up share capital of the Target Company. Prior to and after the Swiss Public Announcement, Oerlikon acquired shares and options to purchase shares in Saurer outside the public tender offer. Effective September 13, 2006 Oerlikon held approximately 24% in shares and approx. 26% in options for the purchase of shares in Saurer. The options did not grant Oerlikon any voting rights. On October 11, 2006, Oerlikon sold the options to purchase shares in Saurer back to the issuing banks and purchased the shares in Saurer underlying the options. Effective October 17, 2006, after the settlement of these transactions, Oerlikon held approximately 44% in shares in Saurer. The formal offer prospectus was published on October 18, 2006. Subsequent to the publication of this prospectus, Oerlikon purchased additional shares outside the public tender offer. After the settlement of these purchases on November 3, 2006, Oerlikon held 50.2% of the share capital of Saurer. The offer period of the public tender offer in Switzerland, which had opened on November 6, 2006, ended on January 4, 2007 (end of the additional offer period under Swiss law). The settlement of the offer took place on January 10, 2007 on which date the shares tendered in the offer were delivered to Oerlikon and the offer price of CHF 135 was paid by Oerlikon to the shareholders who had tendered their shares. After the settlement of the public tender offer, Oerlikon held, and as of the date of this PA holds, approximately 99% of the share capital and voting rights in Saurer. On the date of the PA, Oerlikon has submitted to Saurer an application for registration in the share register of Saurer of all the shares in Saurer which it holds; such registration will enable Oerlikon to exercise its voting rights at the shareholders' meeting of Saurer, e.g. to elect new members to the board of directors of Saurer. However, by way of agreements between Oerlikon and the board members of Saurer, the management of Saurer has already been delegated by the members of the board of directors of Saurer to Oerlikon. These agreements which became effective on January 1, 2007 enable Oerlikon to exercise management control over Saurer.

1.3 Accordingly, this Offer is being made as a result of the above-mentioned global acquisition of Saurer by Oerlikon, resulting in the indirect acquisition of SEIL by Oerlikon.

2. The Offer

2.1 The Offer is a mandatory open offer under Regulations 10 and 12 of the SEBI (SAST) Regulations.

2.2 The Acquirer and the PAC are making this Open Offer to acquire up to 3,879,040 equity shares ("Equity Shares" or "Shares") of the face value of Rs. 10 each, representing in aggregate 20% of the paid-up equity share capital of Target Company in terms of Regulation 21(1) of the SEBI (SAST) Regulations, at a price of Rs. 15/- per share ("Offer Price") payable in cash.

2.3 The Offer is not conditional upon any minimum level of acceptance. The PAC will acquire all the equity shares of the Target Company that are validly tendered as per terms of the Offer up to a maximum of 3,879,040 shares.

2.4 In the event the equity shares tendered in the Offer by the shareholders of SEIL are more than the equity shares to be acquired under the Offer, the acquisition of equity shares from each shareholder will be as per provisions of Regulation 21(6) of the Regulations.

2.5 This is not a competitive bid.

2.6 WRV is acting as a person in concert, in terms of Regulation 2(1)(e)(1) of the SEBI (SAST) Regulations, along with the Acquirer. There are no other persons acting in concert in relation to this Offer.

2.7 None of the directors of the Acquirer or the PAC has acquired any equity share of the Target Company during the 12 month period prior to the date of this PA.

3. Offer Price

3.1 The shares of the Target Company are listed on Bombay Stock Exchange Limited ("BSE"). Based on the information available, the shares of SEIL are frequently traded on BSE (Source: www.bseindia.com) within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations.

3.2 The Acquirer does not hold any shares of SEIL as of the date of this Public Announcement. The PAC holds 10,431,019 equity shares representing 53.78% of the equity share capital of SEIL.

3.3 The Acquirer and the PAC have not acquired any shares of SEIL during the 12 months period prior to the date of this Public Announcement.

3.4 The Offer Price of Rs. 15/- per share is justified in terms of Regulations 20(4) and 20(12)** of the SEBI (SAST) Regulations being the highest of the following:-

(a)	The negotiated price	Not Applicable*
(b)	The highest price paid by the Acquirer and the PAC for acquisition of equity shares of the Target Company during the 26 week period prior to the date of the PA	Not Applicable
(c)	The average of the weekly high and low of closing prices of the equity shares of the Target Company on BSE for the 26 weeks preceding the date of the PA	Rs.9.91
(d)	The average of the daily high and low prices of the equity shares of the Target Company on BSE for the two weeks preceding the date of the PA.	Rs. 14.78
(e)	The highest price paid by the Acquirer and the PAC for acquisition during the 26 week period prior to the date of the Swiss Public Announcement, i.e. Wednesday, September 6, 2006	Not Applicable
(f)	The average of the weekly high and low of closing prices of the shares of the Target Company on BSE for the 26 weeks preceding the date of the Swiss Public Announcement, i.e. Wednesday, September 6, 2006.	Rs. 8.81
(g)	The average of the daily high and low prices of the shares of the Target Company on BSE for the two weeks preceding the date of the Swiss Public Announcement, i.e. Wednesday, September 6, 2006.	Rs. 10.40

* There has not been any negotiated price under any agreement for acquisition of shares of the Target Company by the Acquirer and the PAC.

** Regulation 20(12) of the SEBI (SAST) Regulations states that the offer price for indirect acquisition or control shall be determined with reference to the date of the public announcement for the parent company and the date of public announcement for acquisition of shares of the target company, whichever is higher, in accordance with Regulation 20(4) or 20(5).

4. Information on the Acquirer and the PAC

4.1 Oerlikon ("Acquirer")

4.1.1 Oerlikon is a Swiss stock company with registered office at Churerstrasse 120, 8808 Pfäffikon SZ (Community of Freienbach), Switzerland. Oerlikon was incorporated under the name Oerlikon-Bührle Holding AG (with registered office in Zurich) on May 1973 and changed its name to Unaxis Holding AG in May 2000. On September 12, 2006 (date of entry into the Commercial Register) the Acquirer changed its name from Unaxis Holding AG to OC Oerlikon Corporation AG, Pfäffikon.

4.1.2 Oerlikon is a major enterprise in the field of thin layer, vacuum and precision technology. Relying on these core competences, Oerlikon manufactures production systems as well as components and provides services for high-tech products. The main activities comprise the coating of tools and components (Coating Services), systems for the creation of vacuums and extraction of processing gases (Vacuum Solutions), manufacturing systems for data storage (Data Storage Solutions), optical components (Optics), space technology (Space Technology) as well as industrial facilities for solar modules (Solar). Oerlikon also utilizes its core competences as major supplier of semiconductor technology (Semiconductor Equipment).

4.1.3 The registered shares of Oerlikon are listed on the SWX Swiss Exchange and traded on the pan-European virt-x platform. (Security number: 81682, Ticker symbol: OERL). The closing price of Oerlikon on the SWX Swiss Exchange on February 5, 2007 was CHF 684 (Source: www.swx.com).

4.1.4 As Oerlikon does not hold any shares in the Target Company, provisions of Chapter II of the SEBI (SAST) Regulations are not applicable.

4.1.5 As of February 1, 2007 the key shareholders of Oerlikon holding more than 5% of the voting rights of Oerlikon are as follows:-

Sr. No.	Name of Shareholder	Number of Shares	% of holding
1.	Victory Industriebeteiligung AG, Vienna	4,824,863	34.12 %
2.	Zürcher Kantonalbank, Zurich	2,506,601	17.72 %
3.	Renova Industries Ltd., Nassau	1,950,000	13.79 %
4.	Merrill Lynch Capital Markets AG, Zurich and other companies of the Merrill Lynch Group	1,275,436	9.02 %

Source: Notification by the shareholders to Oerlikon and the SWX Swiss Exchange pursuant to Swiss Stock Exchange Regulations.

4.1.6 As per the audited consolidated financial statements for the year ended December 31, 2005, the total income of Oerlikon was CHF 1,605 million (Rs. 56,575 million), profit after tax (excluding minority interest) was CHF 16 million (Rs. 564 million), paid up equity share capital was CHF 283 million (Rs. 9,975 million), earnings per share (excluding minority interest) on total outstanding shares was CHF 1.21 (Rs. 43), reserves and retained earnings (excluding minority interest) was CHF 1000 million (Rs. 35,249 million), treasury shares was CHF -244 million (Rs. -8601 million) return on average net worth was 1.42 %, book value per share was CHF 73.43 (Rs. 2,588) and price earning multiple of (565)1.

(Source: Annual Report of Oerlikon for the year ending December 31, 2005, Company).

1 CHF = 35.25 (source: Bloomberg)

1 – Price earning multiple has been calculated based on the closing share price of Oerlikon on February5, 2007

4.2 W. Reiners Verwaltungs GmbH, Germany ("Person Acting in Concert")

4.2.1 WRV was incorporated on November 11, 1977 as W. Barfuss GmbH. On June 27, 1991 its name was changed to W. Reiners Verwaltungs GmbH. The registered office of the WRV is located at Blumbergerstrasse 143-145, 41061 Mönchengladbach, Germany.

4.2.2 WRV is a wholly owned subsidiary of SB Holdings Inc., Panama. The ultimate parent company of WRV is Saurer, which was acquired by Oerlikon pursuant to a public tender offer which was completed in January 2007 (see para 1.2 above).

4.2.3 WRV is an unlisted holding company and holds 10,431,019 equity shares representing 53.78% of the equity share capital of SEIL.

4.2.4 WRV has complied with the provisions of Chapter II of the SEBI (SAST) Regulations within the time specified in the Regulations.

4.2.5 As per the audited financial statements for the year ended December 31, 2006, the total income of WRV was Euro 13,146 [Rs. 765,249], net loss was Euro 967,001 [Rs. 55,157,737], paid up equity share capital was Euro 38 million [Rs. 2167.5 million], earnings per share is not applicable, reserves were Euro 101 million [Rs. 5,761 million], Return on average net worth and Book value per share is not applicable. Since WRV is an unlisted entity there is no price earnings multiple.

(Source: Annual Report of WRV for the year ending December 31, 2005, Company).

(1 Euro = Rs. 57.04) (source: www.rbi.org.in)

5. Information on the Target Company

5.1 SEIL was incorporated on June 3, 1981 as Padmatex Engineering Private Limited and subsequently on March 29, 1985 it became a public limited company. On June 24, 1985 its name was changed to Schlafhorst Engineering (India) Limited. The registered office of SEIL is located at Chandrapura Village, Tal. Halol - 389 350 Dist. Panchmahal, Gujarat. INDIA.

5.2 The issued and paid up share capital of the SEIL constitutes of 19,395,196 equity shares of Rs.10/- each aggregating Rs.194 million and 12,400,000 4% cumulative redeemable preference shares of Rs. 10/- each aggregating Rs.124 million. Saurer GmbH & Co. KG, a Saurer group company holds all the abovementioned preference shares of SEIL. There are no partly paid up shares of SEIL as on the date of the Public Announcement. The equity shares of SEIL are listed on the BSE. The last traded price of SEIL in BSE on February 8, 2007 was Rs. 16.12 (Source: www.bseindia.com)

5.3 SEIL is in the business of manufacture of draw frame textile machinery, which is used as a spinning preparatory machine by the textile mills.

5.4 For the purpose of the SEBI (SAST) Regulations, WRV is the promoter of the Target Company.

5.5 The Target Company had submitted a Revival Scheme to the Board for Industrial & Financial Reconstruction ("BIFR") in September 2004. The BIFR approved the Scheme in August 2005 and constituted an Asset Sale Committee, consisting of Mr. P.K. Banerji - IAS (Retd.) as special director, ICICI as monitoring agency and the chief executive of the Target Company ("Asset Sale Committee"), for the sale of surplus properties consisting of the Target Company's Vadodara land, buildings, factory shed and some surplus machineries as envisaged in the approved scheme. The Asset Sale Committee after having considered various bids received against the advertisements in various newspapers, circulars to various companies and land dealers, recommended the sale of the said properties to the BIFR. The BIFR, on the application of the Target Company, gave its approval for the sale of the said properties as recommended by the Asset Sale Committee and approved by the directors of the Target Company. The properties were sold for an aggregate sum of Rs.165 million and the full payment was received by the company in April, 2006.

5.6 As per the audited consolidated accounts for the financial year ended December 31, 2005, the total income of SEIL was Rs. 99 million, profit after tax was Rs. 6 million, paid-up equity share capital was Rs. 194 million, earnings per share was Rs. 0.33 per share, reserves were Rs. 40 million, profit & loss account has a debit balance carried forward of Rs. 325 million, miscellaneous expenditure to the extent not written off were Rs. 3 million, and net worth of SEIL was Rs. 29 million. (Source: Annual Report of SEIL for the year ending December 31, 2005)

5.7 As on the date of this PA, Mr. Josef Steiger, Mr. C.U. Mai and Mr. KM Thanawalla who are on the Board of Directors of SEIL are also the nominees of the promoters i.e. WRV and are employees of its group companies.

6. Reasons for the Offer and Future Plans

6.1 This Offer is being made as a result of global acquisition of Saurer by Oerlikon, resulting in indirect acquisition of SEIL by Oerlikon, in accordance with Regulations 10 and 12 read with other applicable provisions of the SEBI (SAST) Regulations.

6.2 Except to the extent that may be required (i) in the ordinary course of business of the Target Company and/or (ii) for the purposes of restructuring, rationalising and/ or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company, the Acquirer and the PAC currently do not intend to sell, dispose of or otherwise encumber any assets of the Target Company in the succeeding two years. Further, except with the prior approval of shareholders of SEIL to the extent required by the SEBI (SAST) Regulations and applicable laws, the Acquirer and the PAC undertake not to sell, dispose off or otherwise encumber any substantial assets of SEIL in the succeeding two years from the date of closure of the offer.

7. Statutory Approvals and Conditions of the Offer

7.1 The Offer is subject to the Acquirer and the PAC obtaining the approval(s) from the Reserve Bank of India (RBI), for opening an escrow account and a special account in India as required under the SEBI (SAST) Regulations and for the transfer of the equity shares from the Non-Resident Indian shareholders of the Target Company. The Acquirer and the PAC will make applications for the requisite approvals from the RBI at the appropriate time. Upon obtaining such approval, the Offer shall be proceeded with.

7.2 To the best of the knowledge of the Acquirer and the PAC, as on the date of this Public Announcement, there are no other statutory approvals required to implement the Offer, other than those indicated above. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals. The Acquirer and the PAC, in terms of Regulation 27 of SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused.

7.3 In case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time to the Acquirer and the PAC for payment of consideration to the shareholders of the Target Company, subject to the Acquirer and the PAC agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of wilful default by the Acquirer and the PAC in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

7.4 To the best of the knowledge of the Acquirer and the PAC, as on the date of this Public Announcement, there are no approvals required from financial institutions / banks for the said Offer.

8. Continuous Listing of Shares in terms of Regulation 21(3)

8.1 As per Clause 40A(x) of the Listing Agreement with BSE, the provisions relating to the minimum public shareholding levels are not applicable to SEIL, as it is a company in respect of which reference has been made to the BIFR under the Sick Industrial Companies (Special Provisions) Act, 1985.

8.2 Therefore, pursuant to acquisition of equity shares of the Target Company under this Offer, the public shareholding in the Target Company would not fall below the levels stipulated by the Listing Agreement.

9. Financial Arrangements

9.1 The total fund requirement for implementation of the Offer at Rs. 15/- per share is Rs. 58.20 million assuming that full acceptance for the Offer is received.

9.2 Deutsche Bank, India (defined as DB-India in 9.3 below) has issued a bank guarantee on behalf of the Acquirers and the PAC in favour of ICICI Securities of Rs. 20 million which is in excess of 25% of the value of the total consideration payable under the Offer (assuming full acceptance). The said bank guarantee is duly discharged in favour of ICICI Securities.

9.3 In addition, Oerlikon, WRV, ICICI Securities and Deutsche Bank a company incorporated in Frankfurt and having one of its offices at Bahnhofstrasse 1, 78462 Konstanz ("Foreign Escrow Agent") and one of its offices at Kodak House, 222 Dr.D.N.Road Fort, Mumbai 400 001, India ("DB-India"), have entered into an open offer escrow agreement, dated February 1, 2007 (the "Escrow Agreement") in accordance with Regulation 28 of the SEBI (SAST) Regulations. Pursuant to the Escrow Agreement, Oerlikon has made a cash deposit of Euro 20,000 (equivalent to Rs. 1,140,800 calculated in accordance with an exchange rate of 1 Euro = Rs. 57.04) (source: www.rbi.org.in) (which is in excess of 1% of the value of the total consideration payable under the offer, assuming full acceptances), in an escrow account with the Foreign Escrow Agent (the "Foreign Escrow Account"). ICICI Securities has been duly authorised to realize the value of the aforesaid Foreign Escrow Account in terms of the SEBI (SAST) Regulations. The funds will be transferred from the Foreign Escrow Account to an escrow account with DB - India (the "Indian Escrow Account") after the requisite approval has been obtained from RBI for opening and operating an escrow account in India. ICICI Securities has been duly authorised to realize the value of the aforesaid Indian Escrow Account in terms of the SEBI (SAST) Regulations.

9.4 In the event of any short fall in the cash escrow amount arising on account of exchange rate fluctuations, the Acquirer has undertaken to provide additional funds to ensure that the escrow accounts have adequate funds required under the Offer, to discharge their Offer obligations irrespective of fluctuations in the exchange rate.

9.5 M/s Deutsche Bank AG, vide their letter dated January 31, 2007, have certified that WRV has adequate resources to meet the financial obligations under this Offer.

9.6 Based on the above, ICICI Securities, the Manager to the Offer confirms that it is satisfied about the ability of the Acquirer and the PAC to implement the Offer in accordance with the SEBI (SAST) Regulations as firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Offer obligations.

10. Other Terms of the Offer

10.1 A letter of offer (the "Letter of Offer") specifying the detailed terms and conditions of the Offer, together with a form of acceptance-cum-acknowledgement (the "Form of Acceptance-cum-Acknowledgement") and form of withdrawal (the "Form of Withdrawal") will be mailed to the shareholders (other than Acquirer and the PAC), whose names appear on the Register of members of SEIL and to the owner of the shares whose names appear as beneficiaries on the records of the respective depositories at the close of business hours on March 6, 2007 (the "Specified Date").

10.2 All owners of shares, registered or unregistered, except the Acquirer and the PAC are eligible to participate in the Offer anytime before closure of the Offer.

10.3 Shareholders who hold shares in the physical form and wish to tender the shares pursuant to the Offer shall be required to send the Form of Acceptance-cum-Acknowledgement, original share certificate(s) and transfer deed(s) duly signed to Sharepro Services (India) Pvt Ltd., Satam Industrial Estate, 3rd Floor, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400099, who are acting as the Registrar to the Offer (the "Registrar to the Offer"), either by hand delivery on weekdays during business hours (Mondays to Saturdays between 10.00 a.m. to 5.00 p.m.) or by registered post so that the same are received on or before the close of the Offer, i.e. by April 18, 2007, in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance-cum-Acknowledgement.

10.4 The Registrar to the Offer has opened a special depository account with Stock Holding Corporation of India Limited, as the Depository Participant in National Securities Depository Limited ("NSDL"), styled "Sharepro Services Schlafhorst Engineering Open Offer Escrow A/c". The Depository Participant ("DP") ID is IN301330 and Beneficiary Client ID is 19968784. Shareholders holding their beneficiary account in Central Depository Services India Limited ("CDSL") will have to use an inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with NSDL.

10.5 Beneficial owners (holders of shares in dematerialised form) who wish to tender their shares will be required to send their Form of Acceptance-cum-Acknowledgement along with a photocopy of the delivery instructions in "off-market" mode or counterfoil of the delivery instructions in "off-market" mode, duly acknowledged by the DP, in favour of the above mentioned special depository account, to the Registrar to the Offer – Sharepro Services (India) Pvt Ltd., Satam Industrial Estate, 3rd Floor, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400099, either by hand delivery on weekdays during business hours (Mondays to Saturdays between 10.00 a.m. to 5.00 p.m.) or by registered post so as to reach on or before the close of the Offer, i.e. by April 18, 2007, in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement. Beneficial owners should ensure that they credit their shares in favour of the aforementioned special depository account on or before the close of the Offer i.e. by April 18, 2007.

10.6 Persons who own shares and whose names do not appear on the register of members of the Company on the Specified Date are also eligible to participate in this Offer. Unregistered owners of shares of the Target Company can send their applications in writing to the Registrar to the Offer on a plain paper stating the name, address, number of shares held, number of shares offered, distinctive numbers, folio numbers, together with the original share certificate(s), transfer deeds and the original contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

10.7 Owners of shares who have sent their shares for transfer should enclose, Form of Acceptance-cum-Acknowledgement duly completed and signed, copy of the letter sent to the Target Company for transfer of shares and valid share transfer form(s). Shareholders who have sent their physical shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the aforesaid special depository account is received on or before the date of close of the Offer, i.e. by April 18, 2007, else the application will be rejected.

10.8 In case of non-receipt of the Letter of Offer, the eligible persons may (i) download the same from the SEBI website, (ii) obtain a copy of the same by writing to the Registrar to the Offer, or (iii) make an application to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, along with the documents as mentioned above, so as to reach the Registrar to the Offer on or before the close of the Offer, i.e. by April 18, 2007 or in the case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, number of Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "off- market" mode or counterfoil of the delivery instruction in the "off-market" mode, duly acknowledged by the DP, in favour of the aforesaid special depository account, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e. by April 18, 2007.

10.9 In addition to the above mentioned address, all owners of shares of the Target Company, registered or unregistered, who wish to avail of and accept the Offer can also hand deliver the Form of Acceptance-cum-Acknowledgement along with all the relevant documents at any of the collection centres below in accordance with the procedure as set out in the Letter of Offer. All centres mentioned herein below would be open on all working days as follows:

Business hours: Mondays to Saturdays 10.00 a.m. to 5.00 p.m. The centres will be closed on Sundays and any other public holidays.

City	Contact Person	Address	Mode of Delivery
Ahmedabad	Mr. Hitesh Mehta	C/o S S Enterprises, Above Avoji Showroom, Opp Tailor Point, Zaveri Varma Naka, Relief Road, Ahmedabad - 380022 Tel No.:+91-79-65431328 Fax No.:+91-79-25601636	Registered post or hand delivery
Chennai	Mr. B Srinivas	C/o Skystock Financial 7/A Laxman Nagar, East Main Road, Chennai - 600082 Tel No.:+91-44-26711968 Fax No.:+91-44-25507845	Registered post or hand delivery
Kolkata	Mr. Bhaskar Biswas	C/o Skystock Financial 196 A G Arabinda Sarani, Kolkata - 700034 Tel No.:+91-33-25333706 Fax No.:+91-33-28250087	Registered post or hand delivery
Mumbai	Mr. V Kumaresan	Sharepro Services (India) Pvt. Ltd., Satam Industrial Estate, 3rd Floor, Cardinal Gracious Road, Chakala, Andheri (E) Mumbai - 400 099 Tel No.:+91-22-2821 5168/69 Fax No.:+91-22-28375646	Registered post or hand delivery
New Delhi	Mr. Sridhar	C/o Skystock Financial F-75 1st Floor, Bhagat Singh Market, Near Gol Market, Delhi - 110001 Tel No.:+91-11-65058126 Fax No.:+91-11-41561130	Registered post or hand delivery

10.10 The Registrar to the Offer will hold in trust the shares / share certificates, shares lying in the credit of the special depository account, Form of Acceptance-cum-Acknowledgement, if any, and the transfer form on behalf of the shareholders of the Target Company until the Acquirer and PAC complete their obligations in accordance with the SEBI (SAST) Regulations.

10.11 The payment of consideration to those shareholders whose shares or share certificates and / or other documents are found complete, valid and in order will be made by way of a crossed account payee cheque, demand draft or pay order. The decision regarding the acquisition (in full or part), or rejection of, the shares offered for sale by the shareholders of the Target Company pursuant to the Offer and (i) any corresponding payment for the acquired shares and / or; (ii) share certificates for any rejected shares or shares withdrawn, will be communicated and despatched to the shareholders by registered post or by ordinary post as the case may be, at the shareholders' sole risk. Shares held in dematerialised form to the extent not acquired or shares withdrawn will be credited back to their beneficiary account with their respective depository participants as per the details furnished by their beneficial owners in the Form of Acceptance-cum-Acknowledgement.

10.12 Despatches involving payment of a value in excess of Rs. 1,500 will be made only by registered post at the shareholders' sole risk.

10.13 All shares tendered in the Offer shall be free from lien, charges and encumbrances of any kind whatsoever.

10.14 Any shares that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of the Target Company may be precluded from transferring the Shares during pendency of the said litigation are liable to be rejected unless directions / orders regarding the free transferability of such shares are received together with the shares tendered under the Offer prior to the date of closure of the Offer.

10.15 While tendering the shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the shares of the Target Company. In case the previous RBI approvals are not submitted, the Acquirer reserve the right to reject such Shares tendered.

10.16 Tax To Be Deducted At Source

10.16.1 As per the provisions of section 195(1) of the Income Tax Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable under the Offer would be chargeable to capital gains under section 45 of the Income Tax Act or as business profits as the case may be, Acquirer will need to deduct tax at source (including surcharge and education cess) at the applicable tax rate on the gross consideration payable to the following categories of shareholders, as given below:

a) Non-resident Indians: The Acquirer will deduct tax at source at the rate of 30% on the Offer Price in case of short-term capital gains or business profits, and at the rate of 10% on the Offer Price in case of long-term capital gains. In the event that the aforesaid amount of gross proceeds exceeds Rs.1,000,000/- the aforesaid rate will be increased by a surcharge of 10% of the tax. The amount so arrived at will be further increased by an education cess of 2% of the aggregate of the tax and surcharge to be deducted in all cases.

b) Overseas Corporate Bodies/ Non-domestic companies: The Acquirer will deduct tax at source (including education cess and surcharge) at the rate of 41.82% on the Offer Price in the case of short-term capital gains or business profits, and at the rate of 10.455% on the Offer Price in the case of long-term capital gains.

c) Foreign Institutional Investors ("FII"): As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor ("FII") as defined in section 115AD of the Income Tax Act. However the Acquirer will not deduct tax at source only if the Shares are held by the FII on investment/capital account. Tax will be deducted at source at 41.82% on the Offer Price if the Shares are held on trade account or if the FII fails to certify in the Bid Form that the Shares are held by it on investment/capital account if the FII is a company. If the FII is a person other than a company, then tax will be deducted at the rate of 30% and will be further increased by a surcharge and education cess as indicated above viz., (i) in the case of an individual or an association of persons in the event the aforesaid amount exceeds Rs.1,000,000/- the aforesaid rate will be increased by a surcharge of 10% of the sum. The amount so arrived at will be further increased by an education cess of 2% of the aggregate of the tax and surcharge to be deducted (ii) in the case of a firm, the surcharge would be 10% and further increased by an education cess of 2%.

d) Other persons who are not resident in India: The Acquirer will deduct tax at source at the rate of 30% on the Offer Price in the case of short-term capital gains or business profits, and at the rate of 10% on the Offer Price in the case of long-term capital gains. In the case of individuals and association of persons, in the event that the aforesaid amount exceeds Rs.1,000,000/- the aforesaid rate will be increased by a surcharge of 10% of the sum. The amount so arrived at will be further increased by an education cess of 2% of the aggregate of the tax and surcharge to be deducted in all cases. In the case of firms, the surcharge would be 10% and further increased by an education cess of 2%.

10.16.2 For the purpose of determining as to whether the capital gains are short-term or long-term in nature, the Acquirer shall take the following actions based on the information submitted by the shareholders.

a) The shareholders should submit a certificate from a Chartered Accountant (along with proof such as demat account statement) certifying that the shares have been held for more than one year.

b) In the case of any ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer, the capital gain shall be assumed to be short-term in nature.

10.16.3 In order to claim the benefit of computation of tax liability on the net capital gains (i.e. after reducing the cost of acquisition of shares), the shareholder should obtain a tax clearance certificate from the assessing officer certifying the net income chargeable to capital gains tax. Alternatively, the shareholders should submit the brokers note and the demat account statement in relation to such shares. In the absence of the above, tax would be deducted on the entire consideration paid to the shareholder.

10.16.4 In the event the aforementioned categories of shareholders require the Acquirer not to deduct tax or to deduct tax at a lower rate or on a lower amount for any other reason, they would need to obtain a certificate from the Income Tax authorities either under section 195(3) or under section 197 of the Income Tax Act, and submit the same to Acquirer while submitting the Bid Form. In the absence of any such certificate from the Income Tax authorities, the Acquirer will deduct tax as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

10.16.5 No tax will be deducted at source for any other category of shareholders who are residents in India.

10.16.6 The aforementioned categories of shareholders should certify in the Form of Acceptance whether the equity shares are held by them on investment/capital account or on trade account.

10.16.7 The tax rates mentioned above are as per the provisions of the Income Tax Act, 1961. In the case of non residents, where the investor is a tax resident of a country which has entered into a Tax Treaty with India, it may be possible for the investor to avail the beneficial rate (if any) under the Tax Treaty. The tax rates may change from Treaty to Treaty. In order to claim the lower rate under the Tax Treaty, the shareholder should provide a certificate from the tax authorities from the country of his residence certifying that he is a shareholder of the specified foreign country.

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 Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

10.17 In case the Shares offered in the Offer are more than the Shares to be acquired under the Offer, the acquisition of Shares from each shareholder will be on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations.

10.18 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholder's / unregistered owner's sole risk to the sole / first shareholder. Shares held in dematerialised form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement or otherwise.

10.19 A schedule of some of the major activities in respect of the Offer is given below:-

	Activity	Date
1	Date of publication of Public Announcement	Friday, February 9, 2007
2	Specified date*	Tuesday, March 6, 2007
3	Last date for announcement of a competitive bid	Friday, March 2, 2007
4	Date by which Letter of Offer will be posted to shareholders	Friday March 23, 2007
5	Date of Opening of the Offer	Friday, March 30, 2007
6	Last date for revising the offer price / number of Shares	Friday, April 6, 2007
7	Last date for withdrawing acceptance from the Offer	Thursday, April 12, 2007
8	Date of Closure of the Offer	Wednesday, April 18, 2007
9	Date of communicating rejection / acceptance and payment of consideration for applications accepted	Thursday, May 3, 2007

* Specified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer will be sent and all owners (registered or unregistered) of the shares of SEIL (except the Acquirer and the PAC) are eligible to participate in the Offer anytime before the close of the Offer.

11. General

11.1 The Acquirer and the PAC reserve the right to withdraw the Offer pursuant to Regulation 27 of the SEBI (SAST) Regulations. Any such withdrawal will be notified in the form of a public announcement in the same newspapers in which this Public Announcement appears.

11.2 In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same up to three working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before Thursday, April 12, 2007.

(i) The withdrawal option can be exercised by submitting the Form of Withdrawal, which is enclosed with the Letter of Offer.

(ii) In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details:

- In case of physical shares: name, address, distinctive numbers, folio number, number of shares tendered; and
- In case of dematerialised shares: name, address, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

11.3 Should the Acquirer decide to revise the Offer Price or Shares upwards, such upward revision will be made in accordance with Regulation 26 of the SEBI (SAST) Regulations not later than Friday, April 6, 2007, which is 7 (seven) working days prior to the date of closure of the Offer. If the Offer Price is revised upwards, such revised price will be payable to all shareholders who have accepted this Offer and validly tendered their Shares at any time during the period between the date of opening of the Offer and the date of closure of the Offer to the extent that their Shares have been verified and accepted by the Acquirer. Any such upward revision will be announced in the same newspapers where this Public Announcement appears.

11.4 If there is a competitive bid:

(i) The public offers under all the subsisting bids shall close on the same date.

(ii) As the Offer Price cannot be revised during the seven working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait until the commencement of that period to know the final offer price of each bid and tender their acceptances accordingly.

11.5 The Acquirer, the PAC, the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the Securities Exchange Board of India Act, 1992.

11.6 Pursuant to Regulation 13 of the SEBI (SAST) Regulations, the Acquirer has appointed ICICI Securities Limited as the Manager to the Offer. In addition, Sharepro Services (India) Pvt Ltd. has been appointed as Registrar to the Offer.

11.7 As on the date of this Public Announcement, ICICI Securities, the Manager to the Offer, does not hold any shares of the Target Company.

11.8 The Acquirer, the PAC and their directors accept full responsibility for the information contained in this Public Announcement. The Acquirer, the PAC and their directors are jointly and severally responsible for fulfilment of their obligations under the SEBI (SAST) Regulations and subsequent amendments thereof.

11.9 Please note that some financial data contained in this Public Announcement has been rounded off to the nearest million, except where stated otherwise. Certain financial details contained in this PA quoted in Rupees are denominated in CHF/USD. The Rupee equivalent quoted in each case is calculated in accordance with the Bloomberg and RBI Reference rates as on February 5, 2007, namely 1 CHF = Rs. 35.25 and 1 USD = Rs. 44.11 respectively.(Source: Bloomberg and www.rbi.org.in).

11.10 For further details please refer to the Letter of Offer and the Form of Acceptance-cum-Acknowledgement.

11.11 Shareholders can also download a copy of this Public Announcement, a copy of the Letter of Offer, the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal which will be available on SEBI's website (HYPERLINK "http://www.sebi.gov.in" www.sebi.gov.in) from the Offer opening date, i.e. Friday, March 30, 2007 and send in their acceptance by filing the same.

Issued on behalf of the Acquirer and the PAC by

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ICICI Securities	SHAREPRO SERVICES
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, INDIA Tel : +91 22 2288 2460, Fax : +91 22 2282 6580 Contact Person: Mayank Lunawat E-mail: mayank_lunawat@isecltd.com	**Sharepro Services (India) Pvt Ltd.,** Satam Industrial Estate, 3rd Floor, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400099 Tel:+91-22-28215168/69; Fax:+91-22-28375646 Contact person: Mr. V Kumaresan Email: kumaresh@shareproservices.com

Place: Mumbai
Date: Friday, February 9, 2007

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