PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF

7SEAS TECHNOLOGIES LIMITED

(Formerly known as "Flair Investment and Finance Limited")

(Regd. Off.: 6-3-1239/2/A, Renuka Enclave, III Floor, Kotis Court, Rajbhavan Road, Somajiguda, Hyderabad-500 082)

This Public Announcement (PA) is being issued by Ashika Capital Limited (hereinafter referred to as "Manager to the Offer"), for and on behalf of **Mr. Lingamaneni Maruti Sanker, Mr. Narasimha R Kolla** and **Mrs. K. S. V. Kumari** pursuant to regulation 10 & 12 in compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred to as "Regulations").

1. THE OFFER:

a) The Open Offer is being made by **Mr. Lingamaneni Maruti Sanker,** S/o. Sri L. Eswara Rao, aged about 32 years, resident of Flat No. 409, Srinilaya Estates, Near Image Hospital, Ameerpet, Hyderabad-500 016, **Mr. Narasimha R Kolla** S/o. Sri K. Subba Rao, aged about 33 years, resident of 42781, Sadie Lane, Belleville, MI 48111, USA and **Mrs. K. S. V. Kumari,** W/o. Sri K. Krishnam Raju, aged about 38 years, resident of 8-2-293/82/J/III/12, Plot No. 12, Road No.82, Jubilee Hills, Hyderabad-500 033 (hereinafter collectively referred to as "the Acquirers") to the Equity Shareholders of **7SEAS TECHNOLOGIES LIMITED** (hereinafter referred to as "Target Company" or "7SEAS").

b) The Acquirers have decided to acquire 15,85,300 Equity Shares of Rs. 10/- each of the Company consists of 11,43,000 fully paid-up Equity Shares @ Re. 0.90 per share and 4,42,300 partly paid-up shares @ Re. 0.25 per share aggregating to 65.26% of voting capital and 52.84% of subscribed capital of the Target Company and accordingly entered into a Share Purchase Agreement on February 23, 2006 with Mr. M. R. K Reddy & Mrs. D. Veda Reddy (Promoter Group).

c) The Acquirers are now making this Open Offer (the "Offer") to the Shareholders of 7SEAS (other than the parties to the Agreement) to acquire 6,00,000 Equity Shares of Rs. 10/- each comprising of 3,50,300 fully paid-up shares at a price of Rs. 6.00/- per share and 2,49,700 partly paid-up shares @ Rs. 2.00/- per share ("Offer Price") representing 20% of its subscribed & voting capital, payable in cash.

d) The Equity Shares of 7SEAS are listed on The Hyderabad Stock Exchanges Limited, Hyderabad (HSE) and The Stock Exchange, Ahmedabad (ASE). Based on the information available, the shares of 7SEAS deemed to be infrequently traded on the Stock Exchanges within the meaning of regulation 20 of the Regulations and therefore, the Offer Price has been determined taking into account the following parameters:

a)	Negotiated Price under Agreement	Re. 0.90 per fully paid-up the share & Re. 0.25 per partly paid-up share	
b)	Highest Price paid by the Acquirers for acquisition, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of Public Announcement	Nil	
c)	Other parameters	Based on Audited Accounts for the year-ended 31.03.05	Based on Certified Accounts for the period ended 31.12.05
	Return on Networth	Negative	Negative
	Book Value	Rs. 5.99	Rs. 5.91
	Earning per Share	Nil	Nil
	Price Earning	-	-

In view of the aforesaid financial parameters, the Offer Price of 6.00/- per fully paid-up equity share and Rs. 2.00/- per partly paid-up equity share is justified in terms of regulation 20 of the Regulations.

e) For the purpose of this Offer, there is no Person Acting in Concert as per the provisions of the regulation 2(1)(e) of the Regulations.

f) As on date of this PA, the Acquirers does not hold any Equity Shares of 7SEAS. The Acquirers have not acquired either directly or through any other person any Shares of 7SEAS during the twelve months preceding the date of this PA.

g) The Manager to the Offer does not hold any equity shares in the Target Company, as on the date of this PA.

h) The Offer is unconditional and not subject to any minimum level of acceptance.

i) This is not a competitive bid.

j) The Acquirers have not entered into any separate non-compete agreement with the Sellers.

k) The Acquirers has undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the Agreement with the Sellers.

2. INFORMATION ABOUT THE ACQUIRERS:

a) **Mr. Lingamaneni Maruti Sanker,** S/o. Sri L. Eswara Rao, aged about 32 years is a resident of Flat No. 409, Srinilaya Estates, Near Image Hospital, Ameerpet, Hyderabad-500 016. He completed his Bachelor of Technology from Jawaharlal Nehru Technological University (JNTU), Anantapur, Andhra Pradesh in the year 1995 and Master of Business Administration from JNTU, Hyderabad in the year1999. He has 8 years of experience in the areas of Software Product Development, IT Services, Consulting and Marketing. Presently, he is engaged in IT Consulting. His Networth as on 31.12.2005 is Rs. 25.58 Lakhs as certified by Mr. B. Balaji Viswanath (Membership No. 029357) vide certificate dated 20.02.2006, Proprietor of M/s. Balaji Viswanath & Co., Chartered Accountants, having Office at 202, Krishnaveni Arcade, Bhagyanagar Colony, Kukatpally, Hyderabad-72, Tel. No. +91-40-23161679.

b) **Mr. Narasimha R Kolla** S/o. Sri K. Subba Rao, aged about 33 years is a resident of 42781, Sadie Lane, Belleville, MI 48111, USA. He is a Non Resident Indian. He completed his Bachelor of Technology from Jawaharlal Nehru Technological University (JNTU), Anantapur, Andhra Pradesh in the year 1995 and Master of Science in Administration from Central Michigan University, USA in the year 2002. He has over 8 years of experience in the areas of Software Development, Research and Implementation. Presently, he is working in Covansys Inc., MI, USA as a project coordinator. His Networth as on 31.12.2005 is Rs. 55.00 Lakhs as certified by Mr. B. Balaji Viswanath (Membership No. 029357) vide certificate dated 20.02.2006, Proprietor of M/s. Balaji Viswanath & Co., Chartered Accountants, having Office at 202, Krishnaveni Arcade, Bhagyanagar Colony, Kukatpally, Hyderabad-72.

c) **Mrs. K. S. V. Kumari,** W/o. Sri K. Krishnam Raju, aged about 38 years is a resident of 8-2-293/82/J/III/12, Plot No. 12, Road No.82, Jubilee Hills, Hyderabad-500 033. She is undergraduate and has over two decades of experience in the areas of Finance, Administration and Investments. She is a Promoter/Director of Krisani Farms and Estates Pvt. Ltd. and Krisani Wealth Management Pvt. Ltd. which are engaged in Agriculture Farming & Financial Consultancy respectively. Her Networth as on 31.12.2005 is Rs. 167.53 Lakhs as certified by Mr. B. Balaji Viswanath (Membership No. 029357) vide certificate dated 20.02.2006, Proprietor of M/s. Balaji Viswanath & Co., Chartered Accountants, having Office at 202, Krishnaveni Arcade, Bhagyanagar Colony, Kukatpally, Hyderabad-72.

d) The Acquirers are friends.

e) The Acquirers have not entered into any formal agreement with respect to the acquisition of shares through Agreement as well as this Offer and acting together under an informal understanding.

3. INFORMATION ABOUT THE TARGET COMPANY:

a) 7SEAS was originally incorporated on 14th August 1991 under the Companies Act, 1956 in the name & style of "Flair Investment and Finance Limited" and the name was subsequently changed to "7Seas Technologies Limited" and a fresh certificate of incorporation consequent upon the change of name was obtained on 25.01.2006. The Certificate for Commencement of Business was obtained from Registrar of Companies (ROC), Andhra Pradesh on 28th August 1991. The Registered Office of the Company is situated at 6-3-1239/2/A, Renuka Enclave, III Floor, Kotis Court, Rajbhavan Road, Somajiguda, Hyderabad-500 082.

b) As on this Public Announcement, the Authorised Share Capital of the company is Rs. 350.00 Lakhs and the issued share capital is Rs. 300.00 Lakhs. The subscribed Capital of the Company is Rs. 2,06,87,250/- comprising of 17,51,400 fully paid up Equity Shares of Rs. 10/- each and 12,48,600 partly Paid-up Equity Shares.

c) 7SEAS is presently engaged in the business of Software Development.

d) The Equity Shares of 7SEAS are listed on HSE and ASE. The equity shares of the company are infrequently traded on HSE and ASE in terms of explanation (i) of regulation 20(5).

e) As per the Audited Accounts for the year ended 31st March 2005, the Total Income was Rs. Nil and the Net Loss after Tax was Rs. 1.26 Lakhs. The Networth, Book Value and Earning Per Share and Return on Networth for the year ended 31.03.2005 was Rs. 104.94 Lakhs, Rs. 5.99, Negative and Negative respectively.

f) The Main Object Clause of Memorandum of Association of 7SEAS was amended vide Special Resolution passed on 17.12.2005 through the process of Postal Ballot to include interalia Software Development, Data Processing & Allied activities.

4. REASONS FOR THE ACQUISITION AND THE OFFER:

a) The Offer has been made pursuant to regulation 10 & 12 and other provisions of the Chapter III and in compliance with the Regulations.

b) The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change of control and management of the company.

c) The Acquirers are having experience in the Software Development and its related areas. Through this acquisition, the Acquirers intend to expand their present activities and also derive benefits of a Listed Company.

d) The Acquirers do not have any plans to sell, dispose of or otherwise encumber any significant assets of 7SEAS in the next two years, except in the ordinary course of business. The Acquirers will not dispose off, sell or otherwise encumber any substantial Assets of 7SEAS except with the prior approval of the Shareholders.

e) To augment the resources in future, the Acquirers intend to participate in any Equity/Debt/Quasi Debt offering from 7SEAS, be it subscription to the Rights Issue/Public Issue, Preferential allotment etc. Reorganisation and/or streamlining of the business, including diversification, will be considered in the larger interest of 7SEAS by its Board of Directors in accordance with the applicable rules and laws.

5. STATUTORY APPROVALS/ OTHER APPROVALS REQUIRED FOR THE OFFER:

a) The Offer along with any obligation relating to payment for, and purchase of, the shares tendered is subject to the receipt of necessary approval(s), if any, from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999 ("FEMA") and subsequent amendments thereto, for acquisition of shares under the Agreement and Offer.

b) As on the date of this PA, to the best of the knowledge of the Acquirers, no other statutory approvals are required to acquire the shares that are tendered pursuant to the Offer.

c) In case of delay in receipt of Statutory Approvals, SEBI has a power to grant extension of time to the Acquirers for payment of consideration to the shareholders, who have accepted the Offer, subject to Acquirers agreeing to pay interest for the delayed period as directed by SEBI under regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by Acquirers in obtaining the Approvals, regulation 22(13) of the Regulations will also become applicable.

6. OPTION IN TERMS OF REGULATION 21:

Pursuant to the Agreement and this Offer or otherwise, if the public shareholding in 7SEAS fall below the limit specified in the Listing Agreement with Stock Exchange(s) for the purpose of listing on continuous basis, the Acquirers undertake to acquire only such number of Equity Shares under Share Purchase Agreement so as to maintain the minimum specified public shareholding in the Company.

7. FINANCIAL ARRANGEMENTS:

a) The Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of the Offer in full out of their own sources/Networth and no borrowings from any Bank and/or Financial Institutions is envisaged. Mr. B. Balaji Viswanath (Membership No. 029357) Proprietor of M/s. Balaji Viswanath & Co., Chartered Accountants, having Office at 202, Krishnaveni Arcade, Bhagyanagar Colony, Kukatpally, Hyderabad-72 has certified vide letter dated 23.02.2006 that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.

b) In accordance with regulation 28 of the Regulations, the Acquirers have opened an Escrow Account in HDFC Bank Limited, Lakdikapul Branch, Hyderabad and made a Cash deposit of Rs. 6,60,000/- (Rupees Six Lakhs Sixty Thousand only) in the account being more than 25% of the total consideration payable of Rs. 6,50,300/- in accordance with the Regulations.

c) The Manager to the Offer i.e. Ashika Capital Limited has been solely authorised by the Acquirers to operate and realise the value of Escrow Account in terms of the Regulations.

d) The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

8. OTHER TERMS OF THE OFFER:

a) The Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those shareholders of 7SEAS (except the Acquirers and Sellers) whose name appear on the Register of Members and to the beneficial owners of the shares of the 7SEAS whose names appear on the beneficial records of the respective depositories, at the close of business hours on March 3, 2006 ("Specified Date").

b) Shareholders who wish to accept the Offer and tender their shares will be required to send their duly signed Form of Acceptance cum Acknowledgement, Original Share Certificate (s) and duly signed and executed Transfer Deed (s) to the Registrar to the Offer, either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post so as to reach on or before the Closing of the Offer, i.e. May 8, 2006, in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

c) The Registrar to the Offer has opened a Special Depository Account with Stock Holding Corporation of India Limited (SHCIL) (Registered with NSDL), styled "VCCIL ESCROW ACCOUNT 7SEAS OPEN OFFER". The DP ID is IN 301022 and Client ID is 21289155. Shareholders having their beneficiary account in CDSL have to use Inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account.

d) Beneficial owners and Shareholders holding shares in the Dematerialised Form who wish to tender their shares will be required to send their Form of Acceptance cum Acknowledgment along with a photocopy of the delivery instructions in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the Special Depository Account, to the Registrar to the Offer either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post, on or before the Closing of the Offer, i.e. May 8, 2006, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgment.

e) All owners of the shares, Registered or Unregistered (except the Acquirers and Sellers) who own the shares any time prior to the Closing of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address (es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio Number, together with the original Share Certificate(s), valid Transfer Deeds and the original Contract Note issued by the Broker through whom they acquired their shares. No indemnity is required from unregistered owners.

f) In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Distinctive Number, Folio Number and Number of Shares offered, along with documents as mentioned in above point "e", so as to reach the Registrar to the Offer on or before the Closing of the Offer, i.e. May 8, 2006, in 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 tendered, DP name, DP ID, Beneficiary Account Number and a photocopy of the delivery instruction in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the DP, in favour of the Special Depository Account, so as to reach the Registrar to the Offer, on or before the Closing of the Offer, i.e. May 8, 2006.

g) The Registrar to the Offer will hold in trust the Share Certificates, shares lying in credit of the Special Depository Account, Form of Acceptance cum Acknowledgment, if any, and the Transfer Form/s on behalf of the shareholders of 7SEAS who have accepted the Offer, till the Cheques/Drafts for the consideration and/or the unaccepted shares/share certificates are despatched/returned.

h) Share Certificates, Transfer Forms and other documents in respect of shares not accepted under the Offer, if any, will be returned by Registered Post at the shareholders' / unregistered owners' 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 DP as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgment.

i) In case the shares tendered in the Offer by the shareholders of 7SEAS are more than the shares to be acquired under the Offer, the acquisition of the shares from each shareholder will be as per the provision of regulation 21(6) of the Regulations on a proportionate basis. The rejected Applications / Documents will be sent by Registered Post.

j) The payment of acquisition of shares will be made by the Acquirers in Cash through a crossed Demand Draft/Pay Order to the equity Share holders of 7SEAS whose equity share certificates and other documents are found in order accepted, with in 15 Days from the date of Closing of the Offer.

k) In terms of regulation 22(5A) of the Regulations, shareholders shall have the option to withdraw acceptances tendered up to three working days prior to the Offer Closing date by submitting the required documents, so as to reach the Registrar to the Offer. The withdrawal option can be exercised by submitting the Form of Withdrawal enclosed with Letter of Offer. Incase of non-receipt of Form of Withdrawal the withdrawal can be exercised by making it on plain paper along with the details as mentioned in the point 'f' above. The shares withdrawn by the Shareholders, if any, would be returned by Registered Post.

l) A Schedule of some of the major activities in respect of the Offer is given below:

Activities	Date	Day
Specified Date (for the purpose of determiningthe name of shareholders to whom the Letter of Offer will be sent)	March 3, 2006	Friday
Last Date for a Competitive Bid	March 20, 2006	Monday
Date by which the Letter Of Offer to be Despatched to shareholders	April 12, 2006	Wednesday
Date of Opening of the Offer	April 19, 2006	Wednesday
Last date for revising the Offer Price/ Number of Shares	April 26, 2006	Wednesday
Last date for Withdrawal of Acceptance by share holders who have accepted the Offer	May 3, 2006	Wednesday
Date of Closing of the Offer	May 8, 2006	Monday
Date by which communicating rejection/ acceptance and despatch of Cheques/ Demand Drafts towards payment of consideration to be completed	May 22, 2006	Monday

9. GENERAL:

a) 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 May 3, 2006 i.e. three working days prior to the date of Closure of the Offer.

b) If there is any upward revision in the Offer Price up to seven working days prior to the date of Closure of the Offer i.e. April 26, 2006 or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same Newspapers where this original Public Announcement appeared and such revised Offer Price would be payable to all the shareholders who have tendered their shares any time during the Offer and accepted under the Offer.

c) **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 7 working days prior to the Closing date of the Offers/ bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.

d) The Acquirers, the Sellers and 7SEAS have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any other Regulations made under the SEBI Act.

e) Pursuant to regulation 13 of the Takeover Regulations, the Acquirers have appointed Ashika Capital Limited, as Manager to the Offer.

f) The Acquirers has appointed **Venture Capital and Corporate Investments Limited** as the Registrar to the Offer, having office at 6-2-913/914, 3rd Floor, Progressive Towers, Khairatabad, Hyderabad-500 004, Tel: +91-40-23322264, Fax: +91-40-23324803. E-mail: vccil_hyd@yahoo.co.in. Contact Person is Mr. P.V. Srinivas.

g) The Acquirers accept full responsibility severally and jointly for the information contained in this Public Announcement and also for the obligations of Acquirer laid down in SEBI (SAST) Regulations 1997 and subsequent amendments thereof.

h) For further details, please refer to the Letter of Offer and Form of Acceptance cum Acknowledgment.

i) This Public Announcement will be available on SEBI's website at www.sebi.gov.in. Eligible persons to the Offer may also download a copy of Letter of Offer along with Form of Acceptance cum Acknowledgment and Form of Withdrawal, which will also be available on SEBI's website from the Offer opening date i.e. April 19, 2006 and apply in the same.

Issued by Manager to the Offer on behalf of the Acquirer:

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Contact Person: Mr. Rajendra Kanoongo

Place: Hyderabad
Date: February 27, 2006