PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF
SHELL INFOTECH LIMITED
(Registered Office: 46, Mulji Jetha Building, 2nd Floor, 185/187, Princess Street, Mumbai-400 002)

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. K. Jagadeesha Pai** (hereinafter referred to as "Acquirer") pursuant to Regulation 10 & 12 and in compliance with the 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. K. Jagadeesha Pai** (Acquirer) to the Equity Shareholders of **SHELL INFOTECH LIMITED** (hereinafter referred as "Target Company" or "Shell").

b)The Acquirer had entered into Share Purchase Agreements ("Agreements") on May 23, 2005 with the Promoters & Others (hereinafter collectively referred to as "Sellers") to acquire 1,13,650 fully paid-up Equity Shares of Rs.10/- each at a Price of Rs. 11/- per share and 63,211 fully paid-up Equity Shares of Rs.10/- each at a Price of Rs. 9.30/- per share aggregating to 50.98% of the Subscribed and Voting Capital of the Target Company.The details are as under:

S. No.	Name of the Seller	No. of Shares	% of Target Company's subscribed voting capital	Negotiated Price (Rs.)
A.	**Promoters:**			
1.	M/s. Helena Exports Ltd. (Formerly Chataiwala Exports Ltd.)	63,211	18.22	9.30/-
2.	Mr. Upendra C.Shukla	55,150	15.90	11.00/-
3.	Mrs. Renu Jain	55,000	15.85	11.00/-
	Sub-Total (A)	**1,73,361**	**49.97**	
B.	**Non-Promoters (Others):**			
1.	Mrs. Sushila Devi	2,000	0.58	11.00/-
2.	Mr. Amit Botra	1,500	0.43	11.00/-
	Sub-Total (B)	**3,500**	**1.01**	
	GRAND TOTAL (A+B)	**1,76,861**	**50.98**	

c)The Acquirer is now making this Open Offer (the "Offer") to the Shareholders of Shell (other than the parties to the "Agreements") to acquire from them upto 69,400 Fully Paid-up Equity Shares of Rs. 10/- each at a price of Rs. 18/- per share ("Offer Price") representing to 20.01% of its Subscribed and Voting Capital, payable in cash.

d)The Equity Shares of Shell are listed at The Stock Exchange, Mumbai [BSE]. Based on the information available, the shares of Shell deemed to be infrequently traded on the Stock Exchange 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 the Agreement	:	Rs. 9.30/- & Rs. 11.00/- per share	
b)	Highest Price paid by the Acquirer for acquisition, including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to the date of PA	:	Rs. 11.00/-	
c)	Other parameters		Based on Audited Accounts for the year-ended 31.03.04	Based on figures for the period-ended 31.12.04 (un-audited)
	Earning per Share (EPS)	:	Negative	Negative
	Return on Networth	:	Negative	Negative
	Book Value	:	Rs. 18.11/-	Rs. 18.00
	Price Earning	:	-	-

EPS = Profit after Tax /No. of equity shares,

Return on Net Worth = Profit after Tax /Net Worth,

Book Value per Share = NetWorth-Total Misc.Exp. not Written Off / No. of Equity Shares.

The Offer Price of Rs. 18/- per Equity Share of Shell is therefore justified in terms of Regulation 20(11) of the Regulations.

e)The Acquirer along with Persons Acting in Concert holds 62,500 Equity Shares of Shell as on date of this Public Announcement. Out of the said shares the Acquirer acquired 14,000 shares on March 09, 2005 @ Rs. 9.20/- per share and his wife Dr. Suchetha Pai acquired 48,500 shares on May 23, 2005 @ Rs. 11.00/- per share.

f)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.

g)The Offer is unconditional and not subject to any minimum level of acceptance from Shareholders.

h)This is not a competitive bid.

i)Acquirer has not entered into any separate non-compete agreements with the Sellers.

j)The Acquirer 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.

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

2.Information about the Acquirer:

a)**Mr. K. Jagadeesha Pai,** S/o. Shri Ananth Pai, aged about 40 years is residing at No. 620, 15th Main, Banashankari, 2nd Stage, Bangalore-560070, India. Tel. No.: 080-55309611. He passed the Associate Examination of The Indian Institute of Bankers and became a Certificated Associate of the Institute vide certificate dated 31.01.1989. He has also completed his Master of Arts from Karnatak University in the year 1992.

b)He has over a decade of experience in the areas of Banking and Financial Services. He promoted Coastal Infotech Limited in the year 2000, which provides Information Technology Solutions for Banking and Financial Services sector. Presently, he is the Managing Director of Coastal Infotech Limited. His Net Worth as on 31.03.2005 is Rs. 62.34 Lakhs as certified by Mr. G.V. Krishna, Chartered Accountant (Membership No. 28109), having office at No.17, Railway Parallel Road, Nehrunagar, Bangalore-560020 vide certificate dated 23.05.2005.

3.Information about the Target Company:

a)Shell Infotech Limited was originally incorporated on 11th March 1980 under the Companies Act, 1956 in the name and style of "STA-RITE INVESTMENTS COMPANY LIMITED" and Certificate for Commencement of Business was obtained on 16th April 1980. The Name of the Company was subsequently changed to "STA-RITE SECURITIES TRUST LIMITED" and a fresh certificate of incorporation was obtained consequent to Change of Name from Registrar of Companies (ROC), Maharashtra on 06.07.1988. The Name of the Company was further changed to "SHELL INFOTECH LIMITED" and a fresh certificate of incorporation was obtained consequent to Change of Name from Registrar of Companies (ROC), Maharashtra on 12.12.2000. At present, the Registered Office of the Company is situated at 46, Mulji Jetha Building, 2nd Floor, 185/187, Princess Street, Mumbai-400 002.

b)As on date of this Public Announcement, the Authorised Share Capital of the Company is Rs. 100 Lakhs (Rupees One Hundred Lakhs Only) consisting of 10,00,000 Equity Shares of Rs. 10/- each and Issued, Subscribed & Paid-up Share Capital of the Company is Rs. 34,69,000 (Rupees Thirty Four Lakhs Sixty Nine Thousand only) consisting of 3,46,900 Equity Shares of Rs. 10/- each. There are no partly paid-up Shares.

c)Shell is presently engaged in the development of Computer Software, Data Processing and Consultancy Services.

d)The Equity Shares of Shell are listed on The Stock Exchange, Mumbai (BSE). Presently, the Shares of the Company are under 'Z' Category. The equity shares are infrequently traded on the BSE in terms of explanation (i) to Regulation 20(5).

e)In the past, Mr. Upendra C.Shukla (on behalf of himself & Associates) entered into an Agreement on July 26, 2000 with Mr. Jayant B. Vaidya (on behalf of himself & Associates) for selling of 59% of the paid-up Capital of the Company for a consideration of Rs. 31,05,000/-. On July 26, 2000, Mr. Jayant B.Vaidya along with Mr. Suresh Pande made an application to SEBI, Mumbai for exemption under Regulation 3 (1) (l) read with Regulation 4 of the SEBI (SAST) Regulations, 1997 from complying with the formalities of the provisions of the Chapter III of the Regulations. SEBI vide its letter no. FITTC/TO/NB/2K/17855 dated 10th November 2000 forwarded the Chairman's Order dated 9th November 2000 for granting the exemption to the Acquirers from making a Public Announcement in the News Papers under Regulation 15 of the Regulations. Accordingly, the Acquirers appointed Keynote Corporate Services Limited as Manager to the Offer and made an Open Offer to the remaining Shareholders for acquiring 83,250 Equity Shares aggregating to 24% of the Share capital of the Company @ Rs. 17/- per share. The Open Offer was opened on March 23, 2001 and closed on April 21, 2001.Not a single share was surrendered in the Open Offer. However, due to non-payment of full consideration by Mr. Jayant B. Vaidya, Mr. Upendra C.Shukla terminated the Agreement and did not handover any shares pursuant to the Agreement. The Shareholding Pattern filed with The Stock Exchange, Mumbai from time to time in the past also reveals that none of the shares under Agreement were transferred to Mr. Jayant B. Vaidya & Associates.

f)As per the Audited Accounts for the year ended 31.03.2004, Shell had Total Income of Rs. 1.07 Lakhs and Net Loss of Rs. 0.27 Lakhs.The Networth of Shell as on 31.03.04 is Rs. 62.83 Lakhs. The Earning per Share and Return on Networth for the year ended 31.03.2004 are Negative . The BookValue per share is Rs. 18.11/-.

4.Reasons for Acquisition and the Offer:

a)The Offer to the shareholders of Shell has been made pursuant to Regulation 10 & 12 and in compliance with the Regulations.

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

c)The Acquirer, who is the Promoter of M/s Coastal Infotech Limited, is presently engaged in the activities of IT Solutions focused on the Banking and Financial Services sector. By virtue of his Managerial and Administrative expertise, Acquirer intends to expand the activities of M/s Coastal Infotech Limited, by taking the management control of Shell through acquisition of shares and establishing offices and service centers in major towns of Karnataka and also in the states like Andhra Pradesh, Maharashtra, Gujarat etc.

d)Through this acquisition, the Acquirer intends to expand the business and also derive benefits of a Listed Company and expand his existing business.

e)The Acquirer do not have any plans to sell, dispose of or otherwise encumber any significant assets of Shell in the next two years, except in the ordinary course of business and except to the extent required for the purpose of restructuring and/or rationalisation of assets, investments and liabilities or otherwise of Shell. Shell's future policy for disposal of its assets, if any, will be decided by it's Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at a General Body Meeting of Shell, if so required.

5.Statutory Approvals & Conditions to the Offer:

a)The Offer is subject to receiving necessary approval(s), if any, from Reserve Bank of India (RBI) under Foreign Exchange Management Act, 1999 (FEMA) and subsequent amendments there to for acquiring equity shares tendered by Non Resident Shareholders, if any.

b)As on date of this PA, to the best of the knowledge of the Acquirer, there are no other statutory Approvals/or consents required. However, If any statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals. In case the statutory approvals are not obtained, the Acquirer will not proceed with the Offer.

c)In case of non-receipt of statutory approvals within time, SEBI has a power to grant extension of time to Acquirer for payment of consideration to the shareholders, who have accepted the Offer, subject to Acquirer 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 the Acquirer in obtaining the approvals, Regulation 22(13) of Regulations will become applicable.

6.Option to the Acquirer in terms of Regulation 21:

Pursuant to the Agreement(s) and this Offer, If the public shareholding in the Company fall below the limit specified in Listing Agreement with Stock Exchange for the purpose of listing on continuous basis, the Acquirer undertakes to acquire only such number of shares under Share Purchase Agreement(s) so as to maintain the minimum specified public shareholding in the Company.

7.Financial Arrangements:

a)The Acquirer have adequate financial resources and have made firm financial arrangements for implementation of the Offer in full out of its own sources/Networth and no borrowings from any bank and/or Financial Institutions is envisaged. Mr. G.V. Krishna, Chartered Accountant (Membership No. 28109), having office at No.17, Railway Parallel Road, Nehrunagar, Bangalore-560020 Tel. No. 080-57684212 has certified vide letter dated 23.05.2005 that sufficient resources are available with the Acquirer for fulfilling the obligations under this "Offer" in full.

b)In accordance with Regulation 28 of the Regulations, the Acquirer has opened an Escrow Account with Indian Bank, K. R. Road Branch, Bangalore-560004 and made a Cash deposit of Rs. 3,20,000/- (Rupees Three Lakhs Twenty Thousand Only) in the account being more than 25% of the total consideration payable of Rs. 12,49,200/- in accordance with the "Regulations".

c)The Manager to the Offer i.e. Ashika Capital Limited has been solely authorised by the Acquirer 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 Shell (except the Acquirer and Parties to the Agreement) whose name appear on the Register of Members of Shell, at the close of business hours on May 30, 2005 (the "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 or Manager 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. August 01, 2005, in accordance with the instructions specified in the Letter of Offer and Form of Acceptance cum Acknowledgement.

c)All owners of the shares, Registered or Unregistered (except the Acquirer and Parties to the Agreements) 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 or Manager 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 Share Transfer Deeds and the original Contract Note(s) issued by the Broker through whom they acquired their shares. No indemnity is required from unregistered owners.

d)In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer or Manager 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 point 'c' above, so as to reach the Registrar to the Offer or Manager to the Offer on or before the Closing of the Offer, i.e. August 01, 2005.

e)The Registrar to the Offer will hold in trust the Share Certificates, Form of Acceptance cum Acknowledgement, if any, and the Transfer Form(s) on behalf of the shareholders of Shell who have accepted the Offer, till the Cheques/Drafts for the consideration and/or the unaccepted shares/share certificates are despatched/returned.

f)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.

g)In case the shares tendered in the Offer by the shareholders of Shell 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.

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

i)In terms of Regulation 22(5A) of the Regulations, shareholders shall have the option to withdraw acceptance tendered up to three working days prior to the date of Closing of the Offer by submitting the required documents, to 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 'c' above.

j)The shares withdrawn by the Shareholders, if any, would be returned by Registered Post.

k)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 determining the name of shareholders to whom the Letter of Offer will be sent)	May 30, 2005	Monday
Last Date for a Competitive Bid, if any	June 15, 2005	Wednesday
Date by which the Letter Of Offer to be Despatched to shareholders	July 06, 2005	Wednesday
Date of Opening of the Offer	July 13, 2005	Wednesday
Last date for revising the Offer Price/ Number of Shares	July 21, 2005	Thursday
Last date for Withdrawal of Acceptance by Shareholders	July 27, 2005	Wednesday
Date of Closing of the Offer	August 01, 2005	Monday
Date by which communicating rejection/acceptance and despatch of Cheques/Demand Drafts towards payment of consideration to be completed	August 16, 2005	Tuesday

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 three working days prior to the date of Closing of the Offer i.e. on or before July 27, 2005.

b)If there is any upward revision in the Offer Price up to seven working days prior to the date of Closing of the Offer i.e. on or before July 21, 2005 or withdrawal of the Offer, the same would be informed by way of PA in the same Newspapers where this original PA 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 Acquirer, the Sellers and Shell 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 Regulations, the Acquirer has appointed **Ashika Capital Limited, Hyderabad,** as Manager to the Offer.

f)**Alpha Systems Private Limited,** having office at 30, Ramana Residency, Ground Floor, Sampige Road, 4th Cross, Malleswaram, Bangalore-560 003 Tel: 080-23460815-8. Fax: 080-23460819. E-mail: alfint@vsnl.com is has been appointed as the Registrar to the Offer. The name of the Contact Person is Mr. Sridhar. S.

g)The Acquirer accepts full responsibility for the information contained in this Public Announcement and also for the obligations of Acquirer laid down in the Regulations.

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

i)This PA would also be made available on the SEBI's website www.sebi.gov.in. Eligible persons to the Offer may also download a copy of Letter of Offer along with Form of Acceptance cum Acknowledgement and Form of Withdrawal, which will also be available on SEBI's website from the Offer opening date i.e. July 13, 2005 and apply in the same.

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

Your Trust is Our Strength

ASHIKA CAPITAL LIMITED
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E-Mail: ashika_hyderabad@rediffmail.com
Contact Person: Mr.Rajendra Kanoongo

Place: Hyderabad
Date: May 25, 2005