



JEEVAN SOFTECH LIMITED

(Incorporated on 2nd February 1999 as Jeevan Softech Private Limited under the Companies Act, 1956 and later converted into a Public Limited Company on 5th January, 2000 and obtained a fresh certificate of incorporation on 12th January, 2000)

Regd. Office: - 3rd Floor, North Block, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad- 500 001.
Phone No. (040) 320 5738, 320 5739, 320 5674 Fax: 320 5675; Email: jeevan@hd2.vsnl.net.in

PUBLIC ISSUE OF 15,20,000 EQUITY SHARES OF RS 10/- EACH FOR CASH AT PAR AGGREGATING TO Rs.152.00 LACS.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of the company, there has been no formal market for the securities of the company. The Issue price should not be taken to be indicative of the market price of the equity shares after the shares are listed. No assurance can be given regarding an active or sustained trading in the shares of the company nor regarding the price at which equity shares will be traded after listing.

No assurance can be given regarding the price at which the equity shares of the company will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this document.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, which is material in the context of the issue, that the information contained in this offer document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Investors are requested to refer page (ii & iii) for the summarized and detailed statement of Risk Factors.

Listing Arrangement

Listing proposed at Hyderabad & Bangalore Stock Exchange.

LEAD MANAGERS TO THE ISSUE



CIL Securities Limited
214, Raghava Ratna Towers
Chirag Ali Lane
Hyderabad- 500 001
SEBI Registration No.: MB/ INM/000009694
Tel: 040-3203155/3203149
Fax: 040-3203028
Email: advisors@cilsecurities.com

REGISTRARS TO THE ISSUE



Karvy Consultants Limited
"Karvy House" 46, Avenue 4,
Street No.1, Banjara Hills
Hyderabad- 500 034
SEBI Registration No.: MB/INR/000000221
Tel: 040-331 2454 / 332 0251
Fax: 040- 331 1968

ISSUE OPENS ON : SATURDAY, 29TH APRIL, 2000

ISSUE CLOSES ON : FRIDAY, 5TH MAY, 2000



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ABBREVIATIONS USED IN THE OFFER DOCUMENT

Prospectus/Offer Document	Prospectus
JSL/The Company/The Issuer	Jeevan Softech Limited
Articles	Articles of Association of the Company.
EPS	Earnings per share
Board	Board of Directors of JSL
Act	The Companies Act, 1956
ROC	Registrar of Companies
PAN	Permanent Account Number
SEBI	Securities and Exchange Board of India
RBI	Reserve Bank of India
MOA	Memorandum of Association
R	Risk Factors
P	Management Perception



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RISK FACTORS (R) & MANAGEMENT PERCEPTIONS (P)

INTERNAL

1. (R) The company is yet to register the sale agreement for the building premises in name of the company.
(P) The company has entered the agreement for sale and would register the same within the specified time schedule.
2. (R) The company is promoted by first generation entrepreneurs who do not have any proven abilities in management.
(P) The company though promoted by the first generation entrepreneurs is confident by virtue of their experience to implement and successfully run the project.
3. (R) The Company is in the process of recruiting additional key personnel and the performance of the Company is dependent upon the recruitment of the same.
(P) The company is confident of recruiting the additional qualified manpower for top positions, so that there is no impact on the profitability projected.
4. (R) The proposed project is mainly financed by the present issue of equity shares and any delay in raising funds from the public issue would adversely affect the implementation and performance of the project.
(P) The proposed project is financed by the present issue of equity shares to the extent of 38% of the total project cost and is confident of implementing the project in time.
5. (R) The Company's scale of operations in Software Development is relatively low and their ability to handle the large projects is untested.
(P) The Management is confident of successfully implementing the projects on hand /to be procured due to their experience in the similar field.
6. (R) The Software training Courses are not accredited/developed/ recognised by any University / Board / AICTE / Government authorities.
(P) The Company has been imparting latest Software Courses and has trained manpower for both Government and Corporate sectors.
7. (R) The Company is yet to receive RBI Permission to setup the office abroad.
(P) The Company has applied to RBI for the permission and is confident of obtaining the same as per the implementing Schedule.
8. (R) The Company's Registered Office is located at the premises owned by the core promoter Mrs. K.Vanaja & Mr. Krishna Kishore.
(P) The Company has entered the lease agreement and is paying a rent of Rs.13,000/- per month which is as per the existing rent being paid for a similar premises.
9. (R) There is a pending case against Mr.K.Suryanarayana, Managing Director of the company, during his tenure as the Managing Director of Monarch Cyber Solutions Limited filed by Deepak Transport Agency Limited, Hyderabad in the Junior Civil Judge, City Civil Court, Hyderabad filed against Monarch Cyber Solutions Limited and Mr. K.Suryanarayana was made a respondent by the petitioner.
(P) Mr. K.Suryanarayana was only a paid director and not the promoter director of the Company. The total value of the suit is for Rs.92,402.00. As Mr. K.Suryanarayana was a paid Director of the company and No personal guarantee was given this would not have an impact on Jeevan Softech Limited.
10. (R) The company is yet to place orders for miscellaneous fixed assets worth Rs.20.00 lakhs
(P) The company is in the process of placing orders and all the equipment will be acquired as per the implementation schedule.
11. (R) The company is yet to place orders for Plant & Machinery worth Rs.77.71 lakhs
(P) The company is in the process of placing orders and all the equipment will be acquired as per the implementation schedule.
12. (R) The company is yet to identify suitable premises for overseas office location including housing accommodation for a sum of Rs.108.79 lakhs.
(P) The company is in the process of identifying the suitable premises and would be acquiring the same upon receipt of RBI permission as per the implementation schedule.
13. (R) The company is prone to threats and weaknesses stated under SWOT Analysis of the company.



- (P) The company is confident of overcoming threats & weaknesses under SWOT Analysis by virtue of the qualified Board of Directors and experienced manpower personnel.
14. (R) The company is purchasing all its systems and Software from two suppliers.
- (P) The company is purchasing its systems from the vendors who have good reputation and are authorised dealers of the respective products.

EXTERNAL

1. (R) Any adverse change in the Government Policies in Software Industry may affect the performance and profitability of the Company.
- (P) Government of India has identified Software Industry as a thrust area and incentives are being provided to encourage the Industry. Hence, the Company does not foresee any adverse policy changes that could be detrimental to the growth of this sector.
2. (R) Selection, Recruitment and Retention of skilled, good quality manpower are crucial factors for the success of a software company.
- (P) The high degree of employee turnover would be minimised to a considerable extent through the Company's sound

Human Resources policies, which lay emphasis on continuous training and development on latest technologies for its personnel.

3. (R) The IT Industry is prone to high risk of Technological Obsolescence.
- (P) The Company will set off the technological obsolescence with continuous updating of the technical skills.

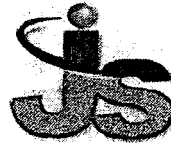
HIGHLIGHTS

1. Existing profit making Company
2. Project appraised and funded by Bank of Madura Ltd.
3. Listing at Hyderabad & Bangalore Stock Exchange Ltd.
4. The company is a STPI registered unit.

Information Technology business in which the Company is engaged is witnessed abnormally high valuation presently and possibilities cannot be ruled out that the same may not continue in future

NOTE:

INVESTORS MAY NOTE THAT IN CASE OF OVERSUBSCRIPTION, ALLOTMENT SHALL BE ON PROPORTIONATE BASIS. INVESTORS ARE ADVISED TO REFER TO THE PARA ON BASIS FOR ISSUE PRICE MENTIONED IN THE OFFER DOCUMENT BEFORE MAKING AN INVESTMENT DECISION IN RESPECT OF THE PRESENT ISSUE.



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PART-I

I. GENERAL INFORMATION

AUTHORITY FOR THE PRESENT ISSUE

Pursuant to Section 81(1A) of the Companies Act, 1956, the present issue of Equity Shares has been authorized vide Special Resolution passed at Extra-Ordinary General Meeting held on 9th February 2000 at the Registered Office of the Company.

GOVERNMENT APPROVALS

The Company has received all the necessary permissions and approvals from the Government and various Government agencies for proceeding with the proposed project except for those mentioned elsewhere in the Offer Document. No further approvals from any Government authority/Reserve Bank of India (RBI) are required by the Company to undertake the proposed activities, save and except those approvals which may be required to be taken in the normal course of business from time to time.

It must be understood that in granting the above approvals, the Central Government and Reserve Bank of India does not undertake any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in this regard.

DISCLAIMERS

SEBI Disclaimer Clause

It is to be distinctly understood that submission of offer documents to SEBI should not, in any way, be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or for the project for which the issue is proposed to be made, or for the correctness of the statements made or opinions expressed in the offer document. The Lead Managers, CIL Securities Limited has certified that the disclosures made in the offer document are generally adequate and are in conformity with SEBI guidelines for disclosures and Investor Protection in force for the time being. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

It should also be clearly understood that, while the issuer company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the Lead Manager is expected to exercise due diligence to ensure that the Company discharges its responsibility adequately in this behalf and towards this purpose. The Lead Manager, CIL Securities Limited has furnished

to SEBI a Due Diligence Certificate dated 09-03-2000 in accordance with SEBI (Merchant Bankers) Regulations, 1992, which reads as follows:

1. "We have examined various documents including those relating to litigation like commercial disputes, patent disputes, disputes with collaborators etc., and other materials in connection with the finalisation of the draft Offer Document pertaining to the said issue.
 2. On the basis of such examination and the discussions with the Company, its Directors and other officers, other agencies, independent verification of the statements concerning the objects of the issue, projected profitability, price justification and the contents of the documents and other materials furnished by the Company.
- WE CONFIRM that:
- a. the draft Offer Document forwarded to SEBI is in conformity with the documents, materials and papers relevant to the issue.
 - b. all the legal requirements connected with the said issue as also the guidelines, instructions etc., issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with and
 - c. the disclosures made in the draft Offer Document are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.
3. We confirm that beside ourselves, all the intermediaries named in the Offer Document are registered with SEBI and that till date such registration is valid.

The filing of this Offer Document does not, however, absolve the Company from any liabilities under section 63 of the Companies Act, 1956 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI, further reserves the right to take up, at any point of time, with the Lead Manager(s) (Merchant Bankers) any irregularity or lapses in the Offer Document.

Disclaimer of the Stock Exchanges

The Stock Exchange, Hyderabad & Bangalore have scrutinized this Offer Document for their limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. The



Exchanges do not in any matter -

- a. warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document, or
- b. warrant that the Company's securities will be listed or will continue to be listed on the respective Exchanges, or
- c. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of the company. It should not, for any reason, be deemed or construed that this Offer Document has been cleared or approved by the said Exchanges. Every person who desires to apply for or otherwise acquire any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the said Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer in respect of jurisdiction

This issue is made in India to persons resident in India. This Offer Document does not, however constitute an Issue to sell or an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation to such jurisdiction. Any person into whose possession this Offer Document comes is required to inform himself about and to observe any such restrictions. Any disputes arising out of this Issue will be subject to the jurisdictions of appropriate Courts.

General Disclaimer

It should be noted that the Company accepts no responsibility for statements made otherwise than in the Offer Document or in the advertisements or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his/her own risk.

FILING

A copy of this Offer Document having attached thereto, the documents required to be filed under Section 60 of the Companies Act, 1956 (hereafter referred as "The Act") has been delivered for registration to the Registrar of Companies, Andhra Pradesh at Hyderabad and at SEBI, Madras.

A copy of the documents referred to elsewhere in the Offer Document has been kept open for public inspection at the Registered Office of the Company.

LISTING

Initial listing applications have been made to the Stock Exchange at Hyderabad & Bangalore for permission to deal in and for an official quotation of the equity shares now being issued in terms of this Offer Document and for the existing equity shares of the Company.

In case the permission to deal in and for official quotation of the shares is not granted by these Stock Exchanges, the Issuer shall forthwith repay without interest, all monies received from applicants in pursuance of this Offer Document and if such money is not repaid within 8 days after the day from which the Issuer is liable to repay it, the Issuer shall pay interest as prescribed under Section 73(2) of the Act.

UNDERTAKING FROM PROMOTERS AND DIRECTORS

The Issuer accepts full responsibility for the accuracy of the information given in this Offer Document and confirms that to the best of their

knowledge and belief, there are no other facts, the omission of which make any statement in this Offer Document misleading and they further confirm that they have made all reasonable inquiries to ascertain such facts. The Issuer further declares that the Stock Exchanges to which an application for official quotation is proposed to be made do not take any responsibility for the financial soundness of this offer or for the price at which the Equity Shares are offered or for the correctness of the statements made or opinions expressed in this Offer Document.

CAUTION

Attention of the applicants is specifically drawn to subsection (1) of Section 68-A of the Act, which is reproduced below:

"Any person who -

- a. **makes in a fictitious name, an application to a company for acquiring, or subscribing for, any shares therein, or**
- b. **otherwise induces the company to allot or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."**

MINIMUM SUBSCRIPTION

If the Company does not receive the minimum subscription of 90% of the issued amount on the date of closure of the issue or if the subscription level falls below 90% after the closure of the issue on account of cheques having been returned unpaid or withdrawal of applications, the company shall forthwith refund entire subscription amount received. If there is a delay beyond 8 days after the company becomes liable to pay the amount, the company shall pay interest as per section 73 of the Companies Act., 1956.

ISSUER COMPANY ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE OFFER DOCUMENT OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR IN THE INSTANCE OF THE ISSUER AND THAT ANY ONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS OWN RISK.

UTILISATION OF OFFER PROCEEDS

The Board of Directors certifies that -

- a. all monies received out of the issue of shares to the public shall be transferred to a separate Bank account other than the Bank account referred to in sub-section (3) of Section 73 of The Companies Act, 1956.
- b. details of all monies utilised out of this issue referred to in item (a) shall be disclosed under an appropriate separate head in the Annual Report of the Company indicating the purpose for which such monies had been utilised; and
- c. details of all unutilised monies out of this issue of shares, if any referred to in item (a) shall be disclosed under an appropriate separate head in the Annual Report of the Company indicating the form in which such unutilised monies have been invested.
- d. sum received in respect of the public issue will be kept in separate Bank accounts and the company will not have access to such funds unless allotment of shares has been made in consultation with the regional stock exchange.
- e. complaints received in respect of the issue shall be attended by the Issuer company expeditiously and satisfactorily, that it will take necessary steps for the purpose of getting the securities listed in the concerned stock exchanges, that the funds required for dispatch of refund order /allotment letters/ certificates by



registered post shall be made available to the Registrar to the Issue, the promoters' contribution in full shall be bought in advance before the Issue, opens, that no further Issue of securities shall be made till the securities offered through this document are listed.

SHARE CERTIFICATES/ALLOTMENT LETTERS/REFUND ORDERS

Letter(s) of Allotment/Share Certificate(s) together with refund orders of value over Rs.1,500/-, if any, to allottees and Letter(s) of Regret together with refund orders of value over Rs.1,500/- to non-allottees will be dispatched by registered post and refunds of value Rs.1,500/- and less will be dispatched under certificate of posting at the applicant's sole risk within 10 weeks from the date of closure of the subscription list.

Adequate funds for the above purpose will be made available to the Registrar to the issue to ensure dispatch of refund orders, allotment letters and share certificates by Registered Post/Certificate of Posting.

The company agrees that -

- a. as far as possible allotment of securities offered to the public shall be made within 30 days of the closure of the public issue.
- b. it shall pay interest @ 15% per annum if the allotment has not been made and the refund orders are not dispatched to the investors within 30 days from the date of closure of the issue.

CREDIT RATING

As the issue is of equity shares, credit rating is not required.

TRUSTEES

Since the proposed issue is of equity shares only, trustee is not required to be appointed.

ISSUE PROGRAMME

THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON THE DATES AS MENTIONED BELOW :

ISSUE OPENS ON	:	SATURDAY, 29TH APRIL, 2000
ISSUE CLOSURES ON	:	FRIDAY, 05TH MAY, 2000



ISSUE MANAGEMENT TEAM

LEAD MANAGERS TO THE ISSUE

CIL Securities Limited

214 Raghava Ratna towers
Chirag Ali Lane
Hyderabad-500 001
SEBI Registration No.: MB/INM/000009694
Tel: 040 - 320 3155, 320 3149
Fax: 040 - 320 3028
E-mail: advisors@cilsecurities.com

REGISTRARS TO THE ISSUE

Karvy Consultants Limited

"Karvy House" 46, Avenue 4,
Street No.1, Banjara Hills
Hyderabad- 500 034
SEBI Registration No.: MB/INR/000000221
Tel: 040-331 2454 / 332 0251
Fax: 040- 331 1968
E-mail: mailmanager@karvy.com

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mrs. D.Renuka

Company Secretary,
Jeevan Softech Limited
3rd Floor, North Block,
Raghava Ratna Towers,
Chirag Ali Lane, Abids,
Hyderabad - 500 001.
Phone : 040 - 320 5738, 320 5739, 320 5674
Fax: 040 - 320 5675

The investors may contact the aforesaid Compliance Officer in case of any pre-issue/post-issue-related problems.

AUDITORS

M/s. S.R.Mohan & Co.

Chartered Accountants
III Floor, North Block,
Raghava Ratna Towers,
Chirag Ali Lane,
Hyderabad - 500 001.
Phone: 320 1123, 320 1223, 320 4115.

LEGAL ADVISOR TO THE ISSUE

N.V.Ram Prasad

Advocate,
2-2-1167/3/1/J
Tilaknagar
Nallakunta
Hyderabad - 500 044
Phone: 756 4537

BANKERS TO THE COMPANY

Oriental Bank of Commerce,
Chirag Ali Lane
Hyderabad.

Bank of Madura Ltd.

K.J.Market
Bank Street,
Hyderabad.

UNDERWRITERS TO THE ISSUE

The Company does not propose to underwrite the issue:

BANKERS TO THE ISSUE:

Bank of Madura Ltd.

K.J Market,
Bank Street,
Hyderabad.

HDFC Bank Ltd.

Lakdi-ka-Pul,
Hyderabad

BROKERS TO THE ISSUE

All the members of the Recognised Stock Exchanges in India will be brokers to the Issue.

**II CAPITAL STRUCTURE OF THE COMPANY****SHARE CAPITAL****NOMINAL VALUE (RS.)****(A) AUTHORISED**

99,90,000 Equity Shares of Rs.10/- each 9,99,00,000

(B) ISSUED, SUBSCRIBED AND PAID-UP

33,13,200 Equity Shares of Rs.10/- each for cash at par. 3,31,32,000

(C) PRESENT ISSUE

27,28,400 Equity Shares of Rs.10/- each for cash at par 2,72,84,000

(D) OUT OF THE PRESENT ISSUE

12,08,400 Equity Shares of Rs.10/- each for cash at par reserved on firm allotment basis to promoters/directors their friends, relatives and associates. 1,20,84,000

(E) NOW OFFERED FOR SUBSCRIPTION IN TERMS OF THIS OFFER DOCUMENT

15,20,000 Equity Shares of Rs.10/- each for cash at par 1,52,00,000

(F) NET OFFER TO RESIDENT INDIAN PUBLIC

15,20,000 Equity shares of Rs.10/- each for cash at par 1,52,00,000

(G) PAID UP CAPITAL AFTER THE PRESENT ISSUE

60,41,600 Equity shares of Rs.10/- each 6,04,16,000

Notes to Capital Structure:**1. Share Capital History**

The details of share capital allotted by the Company is as follows:

Sl. No.	Date of Allotment	Date when made Fully paid	Consideration (cash, Bonus, kind etc.)	No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	% of post issue capital	Lock-in *
1	At the time of incorporation	02-02-1999	Cash	200	10	10	Negligible	Nil
2	09-12-1999	9-12-1999	Cash	2,44,900	10	10	4.05	Nil
3	09-02-2000	09-02-2000	Cash	3,53,000	10	10	5.84	Nil
4	28-02-2000	28-02-2000	Cash	5,94,000	10	10	9.83	Nil
5	07-03-2000	07-03-2000	Cash	4,21,500	10	10	6.98	NIL
6	09-03-2000	09-03-2000	Cash	16,99,600	10	10	28.14	NIL
7	**		Cash	12,08,400	10	10	20.00	3 years
	Total			45,21,600			74.84	

** yet to be allotted

2. The Authorised Share Capital of the Company has been increased from Rs.18 Lacs divided into 1.80 lacs Equity Shares of Rs.10/- each, to Rs.100 Lacs divided into 10 lacs Equity shares of Rs.10/- each through an amendment to the Memorandum and Articles of Association by a resolution passed at the Company's Extra-ordinary General Meeting held on 19-03-1999. And further has been increased from Rs.100 Lacs divided into 10 lacs Equity Shares of Rs.10/- each, to Rs.999 Lacs divided into 99.90 lacs Equity shares of Rs.10/- each through an amendment to the Memorandum and Articles of Association by a resolution passed at the Company's Extra-ordinary General Meeting held on 09-02-2000.

Specific Disclosures

Specific Disclosures as required under Clarification XIII dated 12.10.1995 issued by SEBI :

- a) The Share holding pattern of the Promoter / Promoter group are as follows :



Sl. No	Name of the Shareholder	Existing		After Public Issue	
		No. of Shares	% of Shares	No. of Shares	% of Shares
1.	Krishna Kishore Kuchupudi	3,37,600	10.02 %	*	
2.	K.Vanaja	1,70,400	5.06 %	*	
3.	Friends & Relatives	28,61,600	84.92 %	*	
TOTAL		33,69,600	100.00 %		74.84%

b) Aggregate number of securities purchased or sold by promoter group, other promoters of the group their friends and relatives of the company during the last 6 Months; the company is going for initial public offering and as such the shares of the company are not listed on any of the stock exchanges. Thus the information about purchases or sales by Promoter Group / Directors during the period preceding six months is not material.

3 c) Particulars of top ten shareholders two years prior to the date of filing Offer Document with ROC

Not Applicable as the company was incorporated on 2nd February 1999.

d) Particulars of top ten shareholders as on 7th April, 2000 (being 10 days prior to the date of filing of the Offer Document with Registrar of Companies).

Sl.No	Name of the Shareholder	No. of Shares	Percentage of Shareholding
1.	K.Krishna Kishore	3,37,600	5.59 %
2.	T.Chalapathy Rao	2,80,000	4.63 %
3.	K.Vanaja	1,70,400	2.82 %
4.	K.Krishna Kishore - HUF	1,50,000	2.48 %
5.	T.Sridevi	1,19,000	1.97 %
6.	Ch.Udaya Kumar	1,08,000	1.79 %
7.	T.Vimala	52,000	0.86 %
8.	Prakash Rao Nomula	50,000	0.83 %
9.	Padmaja Kishen	40,000	0.66 %
10.	A.Vishveshwara Rao	35,000	0.58 %

e) Particulars of top ten shareholders as on 17th April, 2000 (Being date of filing of the Offer Document with The Registrar of Companies).

Sl.No	Name of the Shareholder	No. of Shares	Percentage of Shareholding
1.	K.Krishna Kishore	3,37,600	5.59 %
2.	T.Chalapathi Rao	2,80,000	4.63 %
3.	K.Vanaja	1,70,400	2.82 %
4.	K.Krishna Kishore - HUF	1,50,000	2.48 %
5.	T.Sridevi	1,19,000	1.97 %
6.	Ch.Udaya Kumar	1,08,000	1.79 %
7.	T.Vimala	52,000	0.86 %
8.	Prakash Rao Nomula	50,000	0.83 %
9.	Padmaja Kishen	40,000	0.66 %
10.	A.Vishveshwara Rao	35,000	0.58 %

4. Shareholding pattern

Entity	Existing		After the Public Issue	
	No. of Shares	%	No. of shares	%
Promoters & their Associates	33,13,200	100%	45,21,600	74.84
Public	—	—	15,20,000	25.16
Total		100.00	60,41,600	100.00



5. Equity shares of promoters representing 20.00% of the post issue capital of the Company will be locked in as under:

Sr. No.	Name of the promoter	Date of Allotment	Date When made fully paid-up	Consideration (Cash, bonus kind, etc.)	No. of Shares	Face Value	Issue Price	% of Post-Issue paid-up capital	Lock-in Period
1.	*	*	*	Cash	12,08,400	10.00	10.00	20.00 %	3 years
	TOTAL				12,08,400			20.00%	

* yet to be allotted

The Promoters shall bring in the full amount of the promoters contribution at least one day prior to the issue opening date.

6. The shares locked in by the promoters are not pledged to any party. * Lock in of shares to commence from the date of allotment of shares under this Public Issue, or the date of commencement of commercial production as stated in the Offer Document i.e. July 2000, whichever is later. The lock in of promoters' contribution has been reduced uniformly from a period of 5 years to 3 years as per SEBI Clarification XIX.

7. Details of financing of shares by Promoters/Directors.

The Promoters Group/Directors have not financed against any shares of the Company during the past six months.

The Promoters, Directors and Lead Merchant Banker of the Issue have not entered into any buy-back or "similar" arrangement for the securities being issued through this Offer Document.

8. Bridge Loans.

There are no "Bridge loans" and expenses on the project are being incurred from Internal Accruals and specific Term Loans from Banks.

9. Commitment of issue of shares in future.

The Shareholders of the Company do not hold any warrant, option or convertible loan or any debenture which would entitle them to acquire further shares of the Company.

10. As per SEBI guidelines, a minimum of 50% of the net offer to the public out of the public issue amount as mentioned in F above is reserved for allotment to individual investors applying for 10 market lots or less. The remaining 50% of the offer to the public is reserved for individuals applying for more than 10 market lots and corporate bodies/institutions etc. Unsubscribed portion in either of these categories shall be added to the other category interchangeably.

11. In the event of over-subscription, the process of rounding off to the nearest multiple of 100 shares during allotment may result in the actual allocation being higher than the equity shares being offered.

Final allotment will therefore may be increased by a maximum of 10% of the size of the net public issue size.

12. The subscription by the Promoters/Directors, their friends, relatives and associates for equity shares to be allotted under 'D' above shall be brought in atleast one day before the opening of the Public Issue. The Company would furnish a certificate from their Auditor confirming the contribution to Securities and Exchange Board of India. The Equity Shares to be allotted under this category shall be for a minimum amount of Rs.25,000/- in case of individuals and Rs.1,00,000/- in the case of Corporate Bodies.

13. The Equity Shares to be held by the Promoters under the lock-in period, shall not be sold/hypothecated/transferred during the lock-in period. However, inter transfers between the promoters named as such would be permitted, provided that the requirement of the lock-in period guidelines continue to apply, to the extent initially prescribed.

14. No single applicant can make an application for number of securities which exceeds the securities offered.

15. The Company has not revalued its assets since inception. The Company has not purchased any land, assets from the promoters and has not allotted any shares in consideration thereof.

16. The total no of shareholders as on 09th March 2000 is 459

17. No Shares of the company were issued to any one for consideration other than cash.

18. All the shares were allotted except to the subscribers to the memorandum have been made pursuant to Sec 81 1(A) of the Companies Act, 1956.



III. TERMS OF THE PRESENT ISSUE

Principal terms and conditions of the Issue

The Equity Shares being issued are subject to the terms of this Offer Document, the terms and conditions contained in the Application Form, the Memorandum and Article of Association of the Company, provisions of the Act, other applicable acts and the Letters of Allotment / Equity Shares Certificates or other documents and the Guidelines issued from time to time by the Government of India and Securities and Exchange Board of India.

AUTHORITY FOR THE ISSUE

Pursuant to Section 81(1A) of the Companies Act, 1956, the present issue of Equity Shares has been authorized vide Special Resolution passed at Extra-ordinary General Meeting held on 9th February 2000 at the Registered Office of the Company.

Terms of Payment:

Applications should be for minimum of 200 equity shares and in multiples of 100 equity shares thereafter.

The amount payable on application on the equity shares by different class of investors is as under:

Category	Amount on application (Rs.)	Amount on allotment (Rs.)	Total (Rs.)
Indian Public	10.00	—	10.00

Where an applicant is allotted lesser number of equity shares than he / she has applied for, the excess amount paid on application shall be adjusted towards the amount due on allotment and the balance amount, if any, will be refunded to the applicant. No interest would be payable on application money pending allotment up to 30 days from the date of closure of the issue.

Forfeiture:

Failure to pay the amount due on allotment on or before the appointed date for payment thereon will render the allottee liable to pay interest at the rate of 18% per annum or such other lower rate as the Board of Directors may determine on the amount outstanding from the date so appointed for payment thereof to the time of actual payment and will also render the equity shares including the amount already paid thereon liable for forfeiture in terms of the Articles of Association of the Company.

Ranking of Equity Shares

The Equity Shares to be issued shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu with the existing Equity Shares of the Company save and except that they shall rank for dividend, if any, which may be declared, pro-rata for the period from the date the new Equity Shares are allotted.

Rights of Members

1. Right to receive dividend if declared.
2. Right to attend general meeting and exercise voting rights unless prohibited by law.
3. Right to vote either personally or by proxy.
4. Right to receive offer for rights shares and be allotted bonus shares.
5. Right to receive surplus on liquidation.

Instructions for Applicants

- a. Availability of Application Form & Offer Document : Application

forms together with Memorandum containing salient features of the Offer Document may be obtained from the Registered Office of the Company, Lead Manager, Brokers to the Issue, Registrar to the Issue and Bankers to the Issue named herein or from their branches as stated on the reverse of the application form. Any individual desiring to have a full copy of the Offer Document may write to the Lead Manager or to the Registered Office of the Company.

- b. Who can apply :

Applications may be made by :

- i. Indian nationals resident in India who are majors, in single or joint names (not more than 3)
- ii. Hindu Undivided Families in the individual name of the Karta.
- iii. Companies, Corporate bodies and Societies registered under the applicable law in India and authorised to invest in the shares.
- iv. Indian Mutual Funds registered with SEBI, Indian Financial Institution, Commercial Banks and Regional Rural Banks, Co operative Banks may also apply subject to permission from RBI.

- c. Procedure for Application

Application by Resident Indian Public

Application must be :

1. Made only in the prescribed application form (White Color) accompanying the Memorandum.
2. Completed in full in block letters in English except signatures in accordance with the instructions contained herein and in the application form. Applications not so made are liable to be rejected.
3. For a minimum of 200 equity shares and in multiples of 100 thereafter.
4. In single names or joint names (not more than three).
5. In the name of Resident Indian Individuals, Hindu Undivided Families through the Karta's (HUF's) limited companies statutory corporations/institutions incorporated in India, Indian Mutual Funds registered with SEBI and Banks. Applications in the name of minors, foreign nationals, Trusts not registered under the Societies Registration Act, 1860, or any other Trust laws, partnership firms or their nominees will be treated as invalid.
6. Applicants residing at places where no collection centres have been opened may submit / mail their applications at their sole risk along with application money due there unto by Demand Draft to the Registrar to the Issue, Karvy Consultants Limited, "Karvy House" 46, Avenue 4, Street No.1 Banjara Hills, Hyderabad - 500 034, superscribing the envelope "JEEVAN SOFTECH LIMITED - PUBLIC ISSUE " so as to reach the Registrar on or before the closure of the Subscription List. Such demand drafts should be payable at Hyderabad only. The charges, if any, for purchase of the demand draft will have to be borne by the applicant.
7. Application by NRI/s OCBs may be made only on non-repatriable basis. The same will be treated at par with applications made by the members of the resident Indian public, subject to relevant regulations.



8. Application by Indian Mutual Funds / Indian Financial Institutions / Banks / Investment Institutions : A separate application can be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications provided the applications made by the AMCs / Trustees / the Custodians clearly indicate their intention as to each Scheme concerned for which application has been made.
 9. All cheques / bank drafts accompanying the application should be crossed "A/c payee only" and made payable to any of the Bankers to the Issue and lodged at any of their nominated branches and should bear the words "Jeevan Softech Limited - Public Issue".
 10. All stockinvests should be crossed "A/c payee only" and "Non negotiable" and be made payable to the Issuer Company. Only individuals and mutual funds are entitled to use stock invest.
 11. Applicants should indicate the application numbers on the reverse of the instrument through which the payment is made.
- d. Instructions for payment : Payments should be made in cash or cheque or demand draft or Stockinvest drawn on any Bank (including a Co-operative Bank) which is situated at and is a member or a sub-member of the Bankers' "Clearing House" located at the Centres (indicated in the Application Form) where the Application is accepted. A Separate cheque / demand draft / stockinvest should accompany each Application.

Money orders, postal orders, outstation cheques or demand drafts, cheques / draft drawn on banks not participating in the "clearing" will not be accepted and applications accompanied with such instruments may be rejected.

All cheques or demand draft accompanying the application must be crossed "A/c Payee Only" and made payable to "Jeevan Softech Limited - Public Issue". The Application Form Number must be mentioned on the reverse of the Cheque / Draft / Stockinvest. No separate receipts will be issued for the application money. However, the Bankers to the Issue receiving the Application Form will acknowledge receipt of the application by stamping and returning the Acknowledgment Slip at the bottom of each Application Form. For further instructions, please read the Application Form carefully.

In case payment is effected in contravention of the conditions mentioned herein, the application money will be refunded and no interest will be paid thereon.

Depository Option to Investors

The Company already entered into an agreement with Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL) to provide an option to the Shareholders to accept the allotment in Demat form.

- 1) A Tripartite agreement signed between Jeevan Softech Limited, Karvy Consultants Limited and NSDL for offering the Depository Option to the Investors.
- 2) The investors will have an option to seek allotment of equity shares either in electronic or physical mode.
- 3) Such an option if exercised should be indicated in the relevant blocks in the share application form.
- 4) Separate applications for electronic and physical equity shares by the same applicant shall be considered as multiple applications.

- 5) Investors who wish to apply for equity shares in electronic form need to have atleast one Beneficiary Account with a Depository Participant prior to the allotment.
- 6) Allotment advice/refund orders will be directly sent to the investors by the Registrars.
- 7) If incomplete/incorrect investor depository account details are given in the application form physical equity shares will be allotted to the investors.
- 8) Responsibility for correctness of applicant's demographic details given in the Share Application Form vis-à-vis, his or her Depository Participant, would rest with the investor.
- 9) Shares in electronic form can be traded only on Stock Exchanges having electronic connectivity with the NSDL/CDSL
- 10) In case of partial allotment, allotment will be done in the dematerialised option for the shares sought in dematerialised form and the balance, if any will be allotted in physical shares.
- 11) In terms of extant guidelines of SEBI trading in equity shares shall be in dematerialised form only. However, investors have an option to receive the share certificates in physical form. Investors may please note that since trading in the equity shares is compulsorily in the dematerialised form physical shares will not be allowed to be traded on the stock exchanges.

APPLICATION(S) WILL NOT BE ACCEPTED BY THE LEAD MANAGERS OR REGISTRAR TO THE ISSUE (except as stated in point No. 6 of procedure for application)

Application by way of Stockinvest : The applicant being an individual or Mutual Fund only has the option to use stockinvest for applying for Equity Shares now offered in terms of this Offer Document. Stockinvest can be obtained from any Bank issuing such instrument in various denominations by making the necessary applications and depositing the amounts with the respective banks. The applicant using the Stockinvest should submit the application form to any of the Bankers to the Issue before closing of the subscription list along with the Stockinvest after filing in the appropriate amount.

The applicant may approach the issuing bank for issue of Stockinvest of required denomination (s) for payment of application money.

1. The prospective investor, at the time of request for issue of Stockinvest to the issuing bank may have to :
 - a. Indicate that he agrees to abide by the terms of issue and encashment of the Stockinvest.
 - b. Give irrevocable authority to his bank to mark a lien for the value of the Stockinvest against the balance held in his savings / current / other deposit account.
 - c. Agree that the issuing bank will not be liable for any damage or consequences arising out of the loss of these instruments.
 - d. The allotted stockinvest will be encashed by the refund bankers, Bank of Madras, K.J. Market, Koti, Hyderabad.
2. Banker's lien on the applicant's deposit account will be automatically lifted when :
 - a. A valid instrument is presented by the Controlling Branch of the Collecting Bank.
 - b. The cancelled Stock invest is surrendered by the applicant or applicant has not received the advise of allotment.
3. On execution of an indemnity bond in favour of the bank after the expiry of the validity period (i.e. 4 months) of the Stockinvest.



4. The Stockinvest should bear "Account Payee" and "Non-Negotiable" crossing and will be payable only to the account of the Issuer Company. i.e. "Jeevan Softech Limited" Stockinvest should be utilised by the purchaser(s) and the purchaser's name / name of one of the purchasers should be invariably indicated as the first applicant in the application form. Thus if the signature of the purchaser on the Stockinvest and the signature of the first applicant on the application form does not tally, the application would be treated as having been accompanied by a third party Stockinvest and is liable for rejection.
5. Stockinvests are to be used by the purchaser(s) within 10 days of its issue and for this purpose the last day for use of the Stockinvest for submitting application to the Bankers to the Issue should be indicated on the face of the Stock invest with a notation "To be used before "
6. The Stockinvest will be issued to the applicant in blank format after authentication of the date of issue by the designated branch. The Stockinvest duly completed should be submitted along with the APPLICATION FORM to the Bank. No return will be made to those applicants using Stockinvest for payment of application money.
7. In case of non-allotment of Equity Shares, the cancelled Stockinvest instrument will be returned to the applicant, who will have to approach the issuing bank branch for lifting of lien. Application with Stockinvest not fulfilling the above criteria are liable to be rejected. The applicant may approach the banks concerned for obtaining Stockinvest and detailed instructions for the same.

The applicant using Stockinvest should submit the Application Form along with the instrument to any of the Bankers to the Issue or their Branches mentioned in the Application Form. The Stockinvest instruments are payable at par at all the branches of the issuing bank and as such outstation Stockinvest instruments can be also be attached to the Application Form, if the issuing Bank has a branch at the place of submitting the application.

The applicant has to fill in the following particulars:

1. Title of the account i.e. "Jeevan Softech Limited"
2. The number of Equity Shares applied for,
3. The amount payable on the Equity Shares applied for,
4. The name and address where the Stockinvest should be returned in case of non-allotment.
5. The application number on the reverse of the instrument.

The instrument should thereafter be signed by the applicant. Service charges, if any, for issuing Stockinvest must be borne by the applicant.

The applicant should not fill in the portion to be filled up by the Registrar to the Issue (right hand portion of the instrument). The Registrar to the Issue will fill up the right hand portion of the Stockinvest indicating the equity shares allotted to the applicant and also the amount calculated as follows:

- a. In case of full allotment, the number of equity shares and the amount on the right hand side will be the same as the left-hand side of the instrument.
- b. In case of partial allotment, the number and the amount after adjusting allotment money, if any, payable in respect of equity shares so allotted, filled up by the Registrar (on the right hand side of the instrument) will be less than or equal to the number and the amount called up by the applicant (on the left hand side

of the instrument).

- c. In case the allotment is nil, the number and the amount called up by the Registrar on the right hand side of the instrument will be nil.

THE APPLICANTS MAY APPROACH THE BANK CONCERNED FOR OBTAINING STOCKINVEST AND DETAILED INSTRUCTIONS FOR THE SAME.

THE ABOVE INFORMATION IS GIVEN FOR THE BENEFIT OF THE INVESTORS AND THE COMPANY IS NOT LIABLE FOR ANY MODIFICATION OF THE TERMS OF STOCKINVEST OR PROCEDURE THEREOF BY ISSUING BANK.

Inquiries relating to Stockinvest may be addressed only to the Registrar to the Issue and not to the issuing bank.

Registrar to the Issue Karvy Consultants Ltd. have been authorised by the company vide a Board Resolution passed on 28-02-2000, to sign on behalf of the Company for realising the proceeds of the Stockinvest of the successful allottees or to affix non-allotment advice on the instrument or to cancel the Stockinvest of the non-allottees. The cancelled instrument shall be sent back by the Registrar to the Issue directly.

Only mutual funds and individuals are entitled to use Stockinvest. There is a ceiling of Rs 50,000/- per individual per stockinvest for individual applicants. This ceiling is not applicable for mutual funds.

Disposal of Application made by stockinvest : The procedure for disposal of applications made by cash/cheque/demand draft will apply mutatis mutandis to Stockinvest except the following:

1. In case of non-allotment, stockinvest will be cancelled by the Registrar to the Issue and returned to the applicant.
2. In case of allotment / partial allotment, the Registrar to the Issue shall fill in the amount in the stockinvest which would be less than or equal to the amount filled by the investor and present the stockinvest duly discharged on behalf of the Company for collection.
3. In case the cancelled stockinvest is not received by the investor from the Registrar, lien will be lifted by the issuing branch on expiry of four months from the date of issue against an indemnity bond from the applicant.
4. Inquiries relating to stockinvest may be addressed to the Registrar and not to the issuing bank.
5. Multiple applications under a stockinvest are liable to be rejected as each application is required to be accompanied by a separate instrument.

Disposal of Application and Application Money : No receipt will be issued for application money. However, the Bankers to the issue receiving the application will acknowledge the receipt of the application by stamping and returning the detachable acknowledgment slip appended to each application.

The sum received in respect of the issue will be kept in separate bank accounts and the Company will not have any access to the funds unless approval of the regional Stock Exchange i.e. The Hyderabad Stock Exchange, is obtained for the basis of allotment and listing approval from all the Stock Exchanges where listing is proposed.

The Company reserves the full unqualified and absolute right to accept or reject any application in whole or part and in either case without assigning any reason thereof.

Basis of Allotment:



In the event of the public Issue being oversubscribed, the allotment will be on a proportionate basis subject to market lots as explained below:

- a. A minimum 50% of the net Issue to the Indian public will be made available for allotment in favour of those individual applicants who have applied for 10 marketable lots of 100 Equity Shares each or Less. This percentage may be increased in consultation with the Regional Stock Exchange depending on the extent of response to the Issue from investors in this category. In case allotments are made to a lesser extent than 50% because of lower subscription in the above category, the balance Equity Shares would be added to the higher category and allotment made on a proportionate basis as per relevant SEBI Guidelines. The Executive Director of Hyderabad Stock Exchange will be associated in the process of finalisation of the basis of allotment in case of over-subscription of more than 5 times.
- b. The balance of Net Issue to Indian Public shall be made available to investors including corporate bodies/institutions and individual applicants who have applied for allotment of more than 10 marketable lots of 100 equity shares each.
- c. The unsubscribed portion of the net Issue to any of the categories specified in (a) or (b) shall be made available for allotment to applicants in the other category, if so required.
- d. Applicants will be categorised according to the number of equity shares applied for.
- e. The total number of equity shares to be allotted to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of shares applied for in that category (number of applications in the category multiplied by the number of equity shares applied for) multiplied by the inverse of the oversubscription ratio.
- f. Number of equity shares to be allotted to the successful allottees will be arrived at on a proportionate basis i.e. total number of equity shares applied for by each applicant in that category multiplied by the inverse of the oversubscription ratio.
- g. In all the applications where the proportionate allotment works out to less than 100 equity shares per applicant in the allotment shall be made as follows:
 - i. Each successful applicant shall be allotted a minimum of 100 equity shares, and
 - ii. The successful applicants out of the total applicants of that category shall be determined by drawal of lots in such a manner that the total number of equity shares allotted in that category is equal to the number of equity shares worked out as per (b) above.
- h. If the proportionate allotment to an applicant works out to a number that is more than 100 but is not a multiple of 100 (which is the marketable lot) the number in excess of the multiple of 100 would be rounded off to the higher multiple of 100 if that number is 50 or higher. If that number is lower than 50, it would be rounded off to the lower multiple of 100. All applicants in such categories would be allotted equity shares arrived at after such rounding off.

If the equity shares allocated on a proportionate basis to any category is more than the equity shares allotted to the applicants in the category, the balance available equity shares for allotment shall be first adjusted against any other category where the allotted equity shares are not sufficient for proportionate allotment

to the successful applicants in that category. The balance equity shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for minimum number of equity shares.

In the event of oversubscription, in the process of rounding off to ensure allotment in marketable lots, the Company may make such adjustments in the basis of allotment, as may be necessary in consultation with The Hyderabad Stock Exchange. As the basis of allotment is on proportionate basis, in the process of rounding off to the nearest multiple of 100, the issue size may increase by a maximum of 10% of the net offer to Indian Public.

Issue of Certificates: In case the Company issues letters of allotment, the related equity share certificates will be dispatched through registered post within two (2) months from the date of allotment in exchange for the letters of allotment

Allotment Letters & Share Certificates & Refund Orders: Letters of Allotment/Share Certificates as the case may be will be dispatched by Registered Post to the sole/first applicant within ten weeks from the date of closure of the Issue. The Company shall pay interest @ 15% per annum on the entire amount if the allotment of the Equity Shares has not been made within 30 days from the date of closure of the Issue. This interest will be paid from the 31st day from the closure of the Issue until the actual date of allotment. Alternatively, in case of any delay in the dispatch of refund orders beyond 30 days from the closure of the Issue, interest @ 15% per annum, except to applicants applying through Stockinvests, will be paid on the refund amount from the 31st day from the closure of the Issue until the date of dispatch of the refund orders.

The Company shall ensure delivery of refund orders of value upto Rs.1,500/- under certificate of posting and Share Certificate / Allotment advice and/or regret letters together with refund orders over Rs. 1,500 - by Registered Post only.

The Company has undertaken to make available necessary funds to the Registrar for the purpose of dispatch of Allotment Letters / Share Certificates / Refund Orders as stated above.

Interest on Excess Application Money: Payment of interest @ 15% per annum on excess application money (after adjusting the amount due on allotment) will be made to the applicants, if refund orders are not dispatched within 30 days from the date of the closure of the Issue as per the Guidelines issued by the Government of India, Ministry of Finance vide their letter no. F-8/6/SE/79 dated July 21, 1983, as amended vide their letter no. F/14/SE/85 dated September 27, 1985 addressed to the Stock Exchanges, and as further modified by SEBI's circular SMD/RCG/33/1819/96 dated May 15, 1996.

Interest in case of delay on allotment & dispatch.

- a. As far as possible, allotment of securities offered to the public shall be made within 30 days of the closure of this offer.
- b. The issuers shall pay interest @ 15% per annum for the period of delay beyond 30 days if the allotment has not been made and / or refund orders have not been dispatched to the investors within 30 days from the date of closure of the offer (except to applicants applying through stockinvest).

Scope of activities of the Registrars to the Issue :

The Registrars to the Issue shall also be the Share Transfer Agent and would also be responsible for all the post issue activities pertaining to this issue.



General Information

1. Joint Applications :

An application may be made in single or joint names (not more than three) as mentioned elsewhere in the Offer Document. In case of a joint application, refund pay order (if any) and dividend / warrants, etc. will be made out in favour of the first applicant. All communications will be addressed to the applicant whose name appears first and will be dispatched to the first applicant's address stated in the application form.

2. Multiple Applications :

An applicant should submit only one application (and not more than one) for the total number of equity shares required. Applications may be made in single or joint names (not more than three). Two or more applications, in single and / or in joint names will be deemed to be multiple applications if the sole and / or first applicant is one and the same. However separate applications can be made in respect of each scheme of Indian Mutual Fund registered with SEBI and that such applications will not be treated as multiple application provided that the applications made by AMC / Trust / Custodians clearly indicate their intention as to each scheme concerned for which application has been made. The Board reserves the right to accept or reject in its absolute discretion all or any multiple application(s).

Applicants who have applied in the other reserved categories viz., Mutual Funds, Financial Institutions, banks etc., should not make applications in the quota reserved for Indian Public.

3. Application under Power of Attorney :

In case of applications under a Power of Attorney or by limited companies or bodies corporate or societies, the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with a certified true copy thereof along with a copy of Memorandum and Articles of Association and /or bye-laws must be attached to the Application Form at the time of making the application or lodged for scrutiny separately indicating the Serial No. of the Application Form with the Registrar to the Issue, within 10 days from the closure of the Issue. Failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereof.

4. Thumb impression or signature in language other than English, Hindi and Telugu or any other language specified in the 8th Schedule of the Constitution of India must be attested by Magistrate or Notary Public or a special Executive Magistrate under his official seal.
5. All communications should be addressed to the Registrar to the Issue.
6. The applicant should mention the Application Form number on the reverse of the instrument through which payment is made.
7. Applicants are advised that it is mandatory for them to indicate in the space provided in the application form, details regarding their Savings Bank / Current Account Numbers and the name of the branch of the bank to which they want the proceeds of refund to be credited. Applications not containing such details are liable to be rejected.
8. Where an application is for allotment of equity shares for a total value of Rs. 50,000 or more i.e. the total number of securities applied for multiplied by the Issue price is Rs.50,000/- or more,

the applicant or in the case of applicants in joint names, each of the applicants should mention his permanent account number allotted under the Income Tax Act, 1961 or where the same has not been allotted, the GIR number and the Income Tax Circle / Ward / District should be mentioned. In case where neither the permanent account number nor the GIR number has been allotted, the fact of non allotment should be mentioned in the application form. Application forms without this information will be considered incomplete and will be liable to be rejected.

9. Having regard to provisions of Section 269SS of the Income Tax Act, 1961, the subscription against the equity shares application for an amount of Rs. 20,000 or more should not be effected in cash and must be offered only by an A/c. payee cheque / bank draft / Stockinvest. In case payment is effected in contravention of the provisions, the application is liable to be rejected and application money will be refunded without interest.
10. A separate cheque / stockinvest/ bank draft must accompany each application form.

TAX BENEFITS

The Company has been advised by M/s. S.R.Mohan & Co., Auditors of the Company, vide their letter dated 18th February, 2000 that under the current provisions of the Income Tax Act, 1961 and the existing laws for the time being in force, the following benefits, inter alia, will be available to the Company and the members.

A. TO THE COMPANY:

1. The Company in accordance with and subject to the conditions and to the extent specified in section 80HHE of the Act would be entitled to deduction of the profits derived from the export of computer software or for providing technical services outside India in connection with the development or production of computer software

B. TO THE RESIDENT MEMBERS OF THE COMPANY:

1. Dividends received by the shareholders of the company shall not be included in the total income of shareholders as per the provisions of section 10 (33) read with the provisions of section 115 (O) of the Income Tax Act, 1961.
2. Long term capital gains arising on transfer of shares of a listed Company shall be chargeable at a concessional rate as per the provisions of section 112 read with section 48 of Income Tax Act, 1961.
3. Investment made in the shares of this company by a shareholder shall not be included in taxable wealth of the shareholder, as per the provisions of Wealth Tax Act, 1961.

C. TO THE NON-RESIDENT MEMBERS OF THE COMPANY:

Income of the Non-Resident Indian Members from the shares held by them in this company is taxed as per the special provisions included in the Chapter XIIA of Income Tax Act, 1961.

IV. PARTICULARS OF THE ISSUE

Objects of the Issue

The objects of the present issue are:

1. To part finance the cost of expansion of Software Development Centre.
2. To part finance the expansion of training centres.
3. To meet the working capital requirement.
4. To meet the expenses of the issue
5. To list the equity shares of the company on Hyderabad & Bangalore Stock Exchanges.



Appraisal of the Project

The total cost of the expansion project has been estimated at Rs.614.35 lakhs by Bank of Madura. The appraisal has been done to necessitate the Company to mobilise funds towards various items of cash-flows involved in the project through issue of equity and term loan.

COST OF THE PROJECT AND MEANS OF FINANCE

Cost of the Project

Rs. in Lacs.

Particulars	Existing	Proposed	Total
Building		90.00	90.00
Additions to leased hold building	8.03		8.03
Interiors including Furnitures and Fixtures	20.38	50.00	70.38
Plant & Machinery	36.31	93.00	129.31
Misc. Fixed Assets	22.09	20.00	42.09
Vehicles	3.00	16.00	19.00
Preliminary & Preoperative Expenses	0.19	10.00	10.19
Public Issue Expenses	—	15.20	15.20
Contingencies	—	24.80	24.80
Overseas Office Establishment	—	108.79	108.79
Working Capital Requirement	15.65	153.00	168.65
Deposits & Advances	0.00	33.56	33.56
TOTAL	105.65	614.35	720.00

Means of Finance

Rs. in Lacs.

Particulars	Existing	Proposed	Total
Equity Share Capital- promoters	59.81	392.35	452.16
Equity Share Capital-Public	—	152.00	152.00
Reserves & Surplus	5.20	0.00	5.20
Unsecured Loans from Promoters	0.64	0.00	0.64
Term Loans	40.00	70.00	110.00
TOTAL	105.65	614.35	720.00

PRINCIPAL TERMS OF LOAN:

- Oriental Bank of Commerce (OBC), Chirag Ali Lane, Hyderabad has sanctioned a term loan of Rs.40.00 lakhs and Bank Gaurantee of Rs. 10 Lacs to the Company vide their sanction on 19.04.1999. The salient terms and conditions of the sanction letter are as follows:

Nature of facility	: Term loan
Limit	: Rs.40.00 lakhs (Rupees Forty Lakhs)
Purpose	: To meet a part of the cost of Expansion.
Period of loan	: 18 quarterly installments.
Collateral Security	: Land & Building existing in the names of Mr. K.Krishna Kishore, Mrs. K.Vanaja and Mrs. T.Vanaja for a sum of Rs.40.15 lakhs
Interest	: 15.82% per annum on the loan outstanding from time to time on a quarterly basis.

- Bank of Madura (BOM), Bank Street, Hyderabad has sanctioned a term loan of Rs.70.00 lakhs to the Company vide their sanction letter dated 17-02-2000. The salient terms and conditions of the sanction letter are as follows:

Nature of facility	: Term loan
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Limit	: Rs.70.00 lakhs (Rupees Seventy Lakhs)
Purpose	: To meet a part of the cost of Expansion
Period of loan	: 12 quarterly installments commencing from 30th June 2000.
Collateral Security	: Building existing in the name of Mrs. K. Vanaja, one of the Promoter Directors of the company having a value of Rs.55.00 lakhs.
Interest	: 15.81% per annum on the loan outstanding from time to time on a quarterly basis.

COMPANY, MANAGEMENT AND PROJECT

Jeevan Softech Private Limited was incorporated as a Private Limited Company on 2nd February 1999 under the Companies Act 1956 with its registered office at 3rd Floor, North Block, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500 001, Andhra Pradesh. Subsequently the Company became a Public Limited Company - Jeevan Softech Limited by passing a special resolution u/s. 31&44 of the Act on 5th January, 2000 and received a fresh certificate of incorporation on 12th January, 2000.

The primary objective of the Company was to engage in Software Development both in International and Domestic Markets and Software training. The Company proposes to open a fully owned office in USA and Singapore which will focus on Onsite and Offshore projects. Besides the above, the company is developing 3 products simultaneously. One product is File Tracking System which is being developed for international market. The other two products are complete integrated software for edible oil industry and for engineering industry. The company has also ventured into education and training.

Past Financial Performance of the Company

The audited financial results of the Company from the date of Commencement of Commercial Operations i.e. 22nd June 1999 to 31st December 1999 are as follows:

Particulars	For the period from 22-06-1999 to 31-12-1999 (Amount in Rs.)
INCOME	
Income From Operations	7,69,219
Products under Development	12,20,000
Increase in Client's Work in Progress	24,96,500
Other Income	50,027
Total (A)	45,35,746
EXPENDITURE	
Salaries	14,49,110
Administrative and Marketing Expenses	20,77,423
Depreciation	4,20,706
Total (B)	39,47,239
Profit Before Income Tax	5,88,507
Provision For Income Tax	67,973
Profit After Tax	5,20,534
Share Capital	24,51,000
Reserves & Surplus	5,20,534
Cash EPS	3.84
EPS	2.12
Book Value	10.84



Significant Accounting Policies of the company

1. Accounts are maintained on accrual basis.
2. Fixed Assets are stated at historical cost less depreciation.
3. Depreciation on fixed assets is provided on straight line method as per the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
4. (A) Projects in progress are valued at "percentage completion method of valuation." The revenue on such projects is recognised basing in the extent of completion of work on that project.
(B) Expenditure incurred on development of software is aggregated and allocated / apportioned to the respective software products and the same shall be shown under the "PROJECTS IN PROGRESS" till the project is completed.
5. The company does not offer any retirement benefits as on date to its employees
6. Preliminary Expenses are written off over a period 10 years at the rate of 10% every year.

MAIN OBJECTS OF THE COMPANY.

The Main Objects clause of the Memorandum of Association of the Company enables the Company to undertake the activities for which the funds are being raised and the present activities.

1. To research, design, develop, purchase, import, take on hire, plot, maintain, manage, exploit, export, sell, distribute, and deal in all types of system software, application software, computer lanes, computer applications, information system packages, resource planning and software, manning and processing software, and any other system and application software used by or involving computers, data processing systems, information technology systems, broadcasting systems, transition systems, defense applications or systems, electric systems, aviation systems and all other packages used by the educational, domestic, entertainment, industrial and commercial sectors.
2. To carry on business as Internet Service providers, Web site providers, Telephone service providers including satellite based telecom services, value added service providers like video conferencing, e-mail, e-commerce, and to providers of all or any other information technology services, software developers, software implementers, providers facilities for video conferences, Tele-cones, and providers of any other mechanical, electrical, electronic, communication services, and to carry on the business of entertainment providers including cable-TV operation, and to design, develop, purchase, import, take on hire, manufacture or otherwise acquire, own, maintain, manage, repair, alter, sell, export, lease out, let on hire, sell, dispose off and deal in all equipment, accessories and any required for the above purposes.
3. To carry on research, develop, fabricate, assemble, manufacture, purchase, take on hire or otherwise acquire, own, manage, maintain, repair, alter, process, service, let on hire, sell, lease out or otherwise dispose off and deal in and provide, information gateways, solid state speech based products, micro process based control systems, computers, computer peripherals, computer consumables, telecommunication equipment, satellites, transponders, transmission and broadcasting equipment, switching equipment, telephone switches, wireless apparatus, cables, computers, computer peripherals and accessories, modems, fax machines, televisions, telephones, Tele-printers, digital converters, data converters, and all other equipment, instruments, and products used in or required for transmission, communication and information technology including radio receivers, transmitters, image processors, data processors, electromagnetic waves intended for radio, telegraphic, telephonic and other communication purposes, audio and video reproduction, projection and amplification equipment and instruments, accessories and components thereof.

4. To produce, assemble, process, develop, own, take on hire, or otherwise acquire, telecast, broadcast, let on hire, maintain, let on hire, lease out, sell, distribute or otherwise dispose off and deal in educational programs, entertainment programs, computer aided designs, animated films, cinematographic films, advertisements bulletins, literature and other audio video products for industrial, commercial, domestic and advertisement purposes and to disseminate information relating to any product, activity or other matter.
5. To establish, purchase, take on hire or otherwise acquire, run, maintain, manage, organise, franchise, let out, sell or otherwise dispose off educational institutions, training centers, coaching institutions, laboratories, work shops and other centers for imparting education, training, dissemination of information in the matter of Software and Hardware and to coach, educate, train, students and others in the fields of Software and Hardware relating to Computers and other information technology products and award degrees and diplomas to the persons so trained either by the company or through its franchise centers.

The main objects of the company authorise the company to do the present and proposed activities as per the appraised project

SUBSIDIARY COMPANY

The Company does not have any subsidiary company.

PROMOTERS AND THEIR BACKGROUND

The Company is promoted by Mr. Krishna Kishore Kuchipudi and Mrs. K.Vanaja

Back Ground of Promoters/Director

1. Mr. D.Seetharamaih: aged 74 years, Chairman of the Company, has completed his graduation in commerce in the year 1946 from Andhra University. He is also a member of Institute of Chartered Accountants of the India from 1954. He is a senior partner in Bhramyya & CO., a Leading Chartered Accountants firm in Andhra Pradesh. He is also on board of various Companies and Social Organisations. He was a Central Council member of Institute of Chartered Accountants of India New Delhi, from the year 1974 to 1982. He was a Member of Federation of Chambers of Commerce and Industry, Hyderabad for 6 years, was Vice President in the year 1983 and President in the year 1984. He was also associated with A.P.State Security Board as a member during the period 1983-89 and Tirumala Tirupati Devasthanam Trust Board in the capacity of Chairman from 1986 to 1989. He is currently a member of the Managing Committee of the Federation of A.P.Chambers of Commerce and Industry, the chairman of the Governing Board at Bhavans New Science College, Hyderabad, Member of Southern Regional Board of Reserve Bank of India, Vice President of Andhra Chambers of Commerce and Industry.
2. Mr. Krishna Kishore Kuchipudi, 39 years, Vice-Chairman - He has completed Master in Arts from Andhra University in 1984, and promoted Jeevana Mitra Chit Fund Private Limited in the year September 1987. He is the Chairman and Managing Director of Jeevana Mitra Chit Fund Private Limited. He is associated with the Company in Strategic and Corporate Planning Matters. He is also Proprietor of Jeevan Mitra Finance Corporation, A Finance Firm.
3. Mr. Suryanarayana Kappaganthu, 39 years, Managing Director - has completed his Masters Degree in Computer Applications from Madras University and Diploma in Computer Programming (contact and correspondence course) from Thygarajar College of Engineering, Madurai in 1985 and Post Graduate Diploma in Marketing from Institute of Management and Personality Development, Madras in the year 1986 and has experience in Information Technology Industry for over 17 years. He has worked with Monarch Cyber Solutions Limited as a CEO & Managing Director during the period 1997-99. He was associated with Krishna Systems Private Limited in the Capacity of a CEO & Managing Director during the period 1994-97, Manager - Computer Services at Hindustan Magnetics Limited during the



period 1993-94 and Manager (EDP) with Sri Vishnu Cements during the period 1989-92 and as a Programmer Analyst during the period 1984-89 at The EIMCO-KCP Ltd.

He has Experience in COBOL, DBASE, Pascal, PL/1, C, C++, Oracle, D2k, Visual Basic and Java. He is incharge of the day to day functioning of the company.

4. Mr. Udaya Kumar Chapalamadugu, 32 years, Director - He has graduated in B.Tech in Mechanical Engineering from Nagarjuna University in the year 1990 and Masters in Computer Science from the Wayne State University, Detroit. He completed MS in the year 1993 and joined as Systems Analyst in Compuware Corporation, Detroit. Subsequently he was promoted as Technical Specialist in the year 1998 and was responsible for technical and commercial operations. He is the non Resident Indian and Director of the Company and would be heading the overseas operations.
5. Mr. Clifford Stallings, aged 48 years, is a Director and is US Citizen, He has Completed BBA in Computer Systems from Eastern Michigan University Michigan, USA in the year 1984 and has 20 years of experience in Software by way of associations with Sync Technologies INC, USA, College of Engineering, Detroit, HOPE Detroit, USA. and is currently President of Sync One Information Services Detroit. USA.
6. Mr. William E Hill: aged 39 years is a Director of the Company. He is a US Citizen and has completed Masters Degree in Applied Psychology from Adphi University, Garden City, New York, USA in the year 1986 and EdD in Administration from Wayne University, Detroit, USA. He has worked as a Behavioral therapist with St.Vincent's Services, Brooklyn, NY and is Currently Asst. Vice President at Wayne State University, Detroit.
7. Mr. Surendra Kancheti aged 41 years, Director, has cleared his Chartered Accountancy course in the year 1984 and have 10 years of experience in Audit, taxation and Financial Management and is also Member of Hyderabad Stock Exchange Limited and guides the company in Financial Matters.
8. Mr. T.Ravi aged 32 years is a Director, and has completed MBA Degree from Symbolis Institute of Management, Pune in the year 1992. He has experience of 4 years in free lance Advertising & Consulting Computer Graphics and was a Director of Cinematography in Indian Broad Casting Company at New York USA.
9. Mrs. Vanaja Kuchipudi, aged 33 years, Director, has completed her Diploma in pharmacy in the year 1987, and is Director of Jeevana Mitra Chit Funds Private Limited since 1996. And is currently associated with Jeevana Mitra Chit funds Limited in day to day operations.

COMPANIES UNDER THE SAME MANAGEMENT

There is no other listed Company under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.

Details of other companies Associated with Promoters of the Company:

1. **Jeevana Mitra Chit Fund Private Limited:** The Company is promoted by Mr. Krishna Kishore Kuchipudi and Mrs. K.Vanaja and Others. The Company was incorporated as a private Limited concern on 14th September 1987 and is in the Chits business. The brief Details of the audited financial performance of the company for the last three years as on the period ending 31st March is as under.

Date of Incorporation	: 14th September 1987		
Nature of Activities	: Chit Fund		
Particulars	1998-99	1997-98	1996-97
Equity Capital	5,00,000	5,00,000	2,00,000
Reserves	56373	0.00	0.00
Gross Income	59,02,726	45,48,855	38,56,526
PAT	99,978	64,010	(7,736)
Earnings per Share,	20	12.80	0.00
Net Asset Value	5,56,000	3,34,000	(76,000)

2 Jeevana Mitra Finance Corporation :

Jeevana Mitra Finance Corporation was incorporated in October 1998 as a HUF firm and Mr. Krishna Kishore Kuchipudi is a Karta of the firm.

In Rs.

Particulars	1998-99
Capital	20,907
Reserves	79,150
Gross Income	1,66,305
PAT	79,150

DETAILS OF ISSUES DURING THE LAST THREE YEARS BY THE COMPANY AND OTHER COMPANIES UNDER THE SAME MANAGEMENT

No issues have been made by the Company and other companies under the same management during the last three years.

LITIGATION / DISPUTES / DEFAULTS :

No cases are pending against the Company in Consumer Courts seeking compensation.

There are no pending litigations in which the promoters of the Company are involved.

There are no overdues, defaults to the Financial Institutions/Banks, Reschedulement of Loans to Banks/FI's by the Company. There are no pending offences for non-payment of statutory dues by the promoters of the Company.

There are no cases of litigations pending against the Company or against any other company whose outcome could have a materially adverse affect on the position of the Company.

There is a case pending against Mr. K.Suryanarayana, Managing Director of the Company, during his tenure as the Managing Director of Monarch Cyber Solutions Limited, filed by Deepak Transport Agency Limited, Hyderabad in the Junior Civil Judge, City Civil Court, Hyderabad filed against Monarch Cyber Solutions Limited and Mr. K.Suryanaryana was made a respondent by the petitioner. Mr. K.Suryanaryana was only a paid Director was not the Promoter Director of the Company. The Total Value of the suit is for Rs. 92,402.00. As Mr. K.Suryanaryana was a paid Director of the Company and No Personal Gaurantee was given this would not have impact on Jeevan Softech Limited.

There are no pending litigation's against the Promoters / Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.



There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and Firms promoted by the promoters.

There are no outstanding litigation's, disputes pertaining to the matters likely to affect the operations and Financials of the Company including disputed tax liability, prosecution under any enactment in respect of Schedule XIII of the Companies Act, 1956.

There are no litigation's outstanding against the Promoters/Directors in their personal capacity. The Company, its promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor any disciplinary action has been taken by SEBI. There are no prosecution launched by Income Tax Authorities and no liability compounded by the Promoters/Company/Companies/Ventures with which the Promoters are associated is subsisting.

There are no cases of pending litigation/defaults in respect of the firms/Companies with which the Promoters are associated in the past but are no longer associated.

M/s. Jeevana Mitra Chit Fund Private Limited, A Company promoted by the Mr.Krishna Kishore Kuchipudi, Vice Chairman and Mrs. K.Vanaja has filed 71 cases against the subscribers of the chits for recovery of Chits installments for a total sum of Rs. 54.00 lacs which are pending in various courts.

No Director has resigned as director from the company during the last 12 months.

MANAGEMENT & MANAGERIAL COMPETENCE

The overall management of the company is vested in the Board of Directors. Mr. Krishna Krishna Kuchipudi, Vice Chairman is incharge of all the corporate and Strategic Planning and the day to day affairs of the company are managed by Mr. K.Suryanaryana, Managing Director under the guidance and supervision of the Board and is incharge of all administrative, Marketing Legal Department and Training Division. The management is assisted by a team of qualified and experienced professionals with proven track record in the software industry.

KEY PERSONNEL

Sl. No.	Name (Age)	Designation	Qualification	Nature of experience	Date of Appointment in JSL	Name of organisation served	Period and Position in last organisation served
1.	P.B.Srinivas (43)	General Manager (Operations)	M.B.A. P.G.D.C.S.	22 years	01-04-1999	Monarch Cyber Solutions Limited	1997-1999 AGM (Operations)
2	N.Venkat (43)	General Manager (Marketing)	M.B.A. P.G.D.M.S	21 years	23-09-1999	Newtronix Private Limited	1995-1999 (General Manager Marketing)
3	G.Srinivas (37)	Business Development Manager	M.Com M.M.S	10 years	02-09-1999	Apple Industries Limited	1995-1999 Sales Manager
4	D.Renuka (29)	Finance Manager cum Company Secretary	M.Com. A.C.S	9 years	01-02-2000	Practicing as a company secretary in various Public Limited Companies in secretarial and financial matters	1997 onwards
5	Anil Jacob (31)	R&D Manager	B.Tech. (Comp. Scs.)	7 years	24-05-1999	Global Business Network Solutions	1996-1999 Dy. Manager (R&D)
6	T. Thirumala Rao (30)	Project Manager	B.Tech. (Comp. Scs.)	7 years	14-07-1999	Strabus Software Solutions (P) Limited	1997-1999 Software Engineer
7	Niranjan Kashyap V.K (32)	Project Leader	B.A. (Maths) P.G.D.C.A	10 years	17-01-2000	Datacom Solutions Private Limited	1996-1999 Software Consultant
8	Indira Penumaka (27)	Project Manager	M.Sc. (Electronics)	6 years	02-06-1999	Softpro, Bangalore	1996-1998 Software Consultant
L9	P.Sreenivasulu (26)	Project Leader	B.E.	5 years	22-12-1999	Crystal Management & Software Solutions	1997-1999 Software Engineer
10	T.Geetha (29)	Center Incharge	B.Sc.	5 years	24-05-1999	V.J.Infosys Limited	1996-1999 Counsellor

CHANGES IN KEY PERSONNEL

There have been material changes by way of appointment all the key management personnel during the past 12 months.



BOARD OF DIRECTORS

Sl. No.	Name, Designation, Address and Occupation	Other Directorships
1.	D. Seetharamaiah 4-1-92, Tilak Road, Hyderabad Chairman	Panyam Cements & Minerals Industries Limited. Heritage Foods India Limited. Sona Finance Limited Hitech Print Systems Limited Unicorn Organics Ltd. (APIDC Nominee) Pennar Industries Limited Andhra Bank Housing Finance Limited Heritage Fin-Lease Limited Heritage International Limited Babuji Multifibers Limited Hyderabad Stock Exchange Southern Regional Board - Reserve Bank of India India Trade Promotion Organisation Andhra Pradesh State Financial Corporation Limited Sibar Software Services (I) Limited Grey Gold Cements Limited (Nominee of APIDC) Terra Software Limited
2.	Krishna Kishore Kuchipudi H.No. 101, Padmaja Courts II Srinagar Colony, Hyderabad. Vice-Chairman	Jeevana Mitra Chit Fund Private Limited Sona Finance Limited
3.	Suryanarayana Kappaganthu H.No.6-3-597/A/12 Banjara Avenue, Hyderabad-44. Managing Director	Nil
4.	Kuchipudi Vanaja H.No. 101, Padmaja Courts II Srinagar Colony, Hyderabad. Director	Jeevana Mitra Chit Fund Private Limited
5.	Udaya Kumar Chapalamadugu 38467 Saratoga Circle Farmington Hills, Michigan - 48331, United States of America Director	Nil
6.	William E. Hill 36379, Frederickburg Farmington Hills, MI (248) 553-2403 Director	Nil
7.	Clifford Stallings One Kenndey Square, Suite 2219 Detroit, Michigan 48226 United States of America Director	Nil
8.	T.Ravi 401, Sai Enclave, Navin Nagar, Hyderabad Director	Nil
9.	Surendra Kancheti 304, Sneha Enclave Srinagar Colony Hyderabad - 500 082 Director	Amalgamated Holdings Limited Synfosys Business Solutions Limited Smarm Global Finance Limited Smarm Securities Limited



Alternate Directors

Sl. No.	Name, Designation, Address and Occupation	Name of the Original Director
1.	T.Chalapathy Rao 57 years 205, Prashanth Towers Madhura Nagar Hyderabad - 38	Ch. Udaya Kumar
2.	R. Nagi Reddy 46 years 21-A, B.K.guda S.R.Nagar Hyderabad - 38	William E Hill
3.	N.V.V.N.Satyanarayana 47 years 910, R.R.Towers Chirag Ali Lane, Abids, Hyderabad - 1	Clifford Stallings

The directors do not hold directorship in any company other than what has been mentioned against their respective names.

There are no litigations, disputes pending against the directors. No proceedings for economic offences have been initiated against them.

THE PROJECT

Jeevan Softech Ltd. is in the process of expanding its operations by strengthening the on-site software development. The Company has proposed to open a fully owned office in USA and Singapore providing e-Commerce solutions, increasing off-shore software development. They are also expanding the Hyderabad Centre for Off-shore Projects. The company is in the process of developing three products simultaneously. One product is File Tracking System - the product is being developed for International Market and are already negotiating with C S Consulting Inc., for marketing the above product in USA. The second product is complete integrated Software for Edible Oil Industry, and the third one is Integrated Software Solution for Engineering Industry. All the three products are expected to be released within a period of 6 months.

The company is on the look out for Product Development for two more industry segments. They are in an advanced stage of planning and all these products will be marketed all over India.

The company has identified five Strategic Business Units (SBUs) namely -

- * On Site software Development Services
- * Off shore Software Development
- * Web enabled business / e-commerce
- * Products Development
- * Education and Training

SBU-1 - On-Site Software Development

The Company proposes to open a fully owned offices in USA and Singapore, with their own marketing support staff, which will focus on On-site and Offshore projects and contacts with direct end-users. Local presence in this area will result in a higher credibility of the company and will enhance its marketing abilities for projects and on-site development activities. This will allow the company to do off-shore and on-site software development and E-commerce based business in this market.

SBU-2 - Off-Shore Software Development

The company is establishing strategic alliances in which client companies will have dedicated software development team in India. With strong management skills in place, the company will undertake a variety of software development. The company's personnel have been trained to execute projects using well-defined quality standards and methodologies.

The company is currently working on products development and domestic software projects and plans on opening offices in USA and Singapore in order to increase its off-shore development.

SBU-3 - Web-enabled Business/E-Commerce

Web-Enabled Business has tremendous future growth. Nasscom's study indicates that India can expect to earn at least US \$ 1 billion from software solutions and services exports in E-Business / E-Commerce applications in the year 2002.

With corporations planning to revive IT spending after Y2K problem, E-Commerce solutions would emerge as a major technological and business opportunity for Indian software houses.

E-commerce activity is expected to exceed US\$349 billion by the year 2002. (Source: Business Week, June 1998).

SBU-4 - Products Development

Jeevan Softech Ltd. is developing a product for International Market called "File Tracking System". Basically this system concentrates on Tracking of the files and gives the status of the file/document with all the detailed information. The company is negotiating with C S Consulting Inc., for marketing the above product in USA. This product is likely to be released in the International Market within a period of 4 months.

The company is in the process of developing two more products simultaneously for the Indian Market. One product is complete integrated Software for Edible Oil Industry, second one is Integrated Software Solution for Engineering Industry. All these products are expected to be released within a period of 6 months.

The company is contemplating Product Development for two more Industrial Segments which are in an advanced stage of planning.

SBU-5 - Education and Training

Jeevan Softech Ltd. has a Training Division called Jeevan School of Computer Sciences. This Division offers Training Programmes for Professionals, Corporates and Students in the latest technologies to compete in the Global Market.

INFRASTRUCTURE

Jeevan Softech Ltd. is in the process of expanding its operations by strengthening the on-site software development, providing E-Commerce solutions, increasing off-shore software development and development of products. For attaining the above objectives it proposes to expand its software development center in Hyderabad with state-of-the-art high speed data communication links, set-up overseas offices in USA & Singapore and upgrade the existing hardware, software and infrastructure facilities.

Buildings

The Company's Registered Office and Software Development Centre (Leased Premises) is presently located at 3rd Floor, North Block, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500 001, Andhra Pradesh. The Company has now proposed to acquire it's own constructed commercial space. The details of the premises and lease rents are given in the following table.



Sno.	Regd.Office/BRANCH/Software Development Centre and Address	AREA (SQ.FT)	Monthly Rent (inRs)	Name of land Lord	Lease Rene-wable period	Terms of Lease (Lease Advance)	Facilities available
1	318, 3rd Floor, Maheshwari Chambers, Somajiguda , Hyderabad - 1	2800	Rs.30,000/-	K. Krishna Veni	11 months	Rs. 90,000/-	Lift, Water, Electricity, Parking & General Facilities
2	309, 3rd Floor, Raghava Block R.R.Towers, C.A.Lane, Hyd - 1	1070	Rs.6,000/-	K. Vanaja	11 months	Rs. 50,000/-	Lift, Water, Electricity, Parking & General Facilities
3	310, 3rd Floor, Raghava Block R.R.Towers, C.A.Lane, Hyd - 1	1167	Rs.7,000/-	K. Krishna Kishore	11 months	Rs. 60,000/-	Lift, Water, Electricity, Parking & General Facilities

The Owners of the leased premises at Somajiguda, Hyderabad are no way related to any of the Directors/Promoters of the company. The owner of premises at 309 & 310 Raghava Ratna Towers Hyderabad are Mr. Krishna Kishore and Mrs. K.Vanaja, and the promoter directors are interested to the extent of rent receivable by them. The company proposes to continue its registered and administrative office at the current premises after the acquisition of the new building. The building is free from all the encumbrances and has a clear title. No government approvals are required for acquisition of the land.

The Company has identified the premises for the proposed project at 7-1-214, Ameerpet, Hyderabad on 1 floor of the building for a total space of 6000 sq. feet for Rs. 90,00,000.00 excluding registration charges. The company has paid an advance of Rs. 15,00,000/- to the owner of the building. The company would be purchasing the premises from M/s. Vamsi Krishna Constructions, 7-1-214, Ameerpet Hyderabad and it is a new premises. The Infrastructure facilities available in the premises are common Lift, water, Maintenance of the common areas. The Company is taking the possession of the premises upon completion of Public Issue. None of the Promoters/Directors are associated nor related with the Builder of proposed premises. The building to be acquired by the Company is free from all the encumbrances and has clear title. The building will be registered in the name of the Company. The company is paying Rs.1,500/- per sq. ft. for which a valuation report has been obtained from M.Panduranga Rao, Chartered Engineer, 6-3-596/36, Venkataramana colony, Khairatabad, Hyderabad, a government approved valuer, who have stated in their report that valuation is fair and justified. The building is expected to be completed by July 2000.

Amount spent on the lease hold premises :

Amount paid towards partitions	6,23,955.00
Ventian and Vertical blinds	34,623.00
Hardware and other items	8,017.00
Amount paid towards fixtures	1,00,435.00
Vinyl Flooring	36,237.00
Total :	8,03,267.00

Interiors

The Company has following furniture and fixtures as on date:

No.	Item	Location	Supplier	Amount
1	Interiors	for Corporate Office & Training Division	Space Matters, Secunderabad	
	Roofing	for Corporate Office & Training Division	Space Matters, Secunderabad	1,33,897
	Lighting	for Corporate Office & Training Division	Space Matters, Secunderabad	2,92,126
	Partitions	for Corporate Office & Training Division	Space Matters, Secunderabad	6,23,955
	Tables & Chairs	for Corporate Office & Training Division	Space Matters, Secunderabad	9,28,761
	Ventian & Vertical Blinds	for Corporate Office & Training Division	Space Matters, Secunderabad	34,623
	Other interior works	for Corporate Office & Training Division	Space Matters, Secunderabad	24,435
	TOTAL			20,37,797

The Company has appointed to M/s Jitendra D.M. Architects, Secunderabad as the interior decorators on a turnkey basis at an estimated cost of Rs.50.00 lacs. This constitutes total interiors, which include partitions, fixtures, electrical fittings, furniture, false ceiling, air-conditioning etc. The company has entered into an agreement with M/s Jiteendra D.M. on 03-03-2000 to execute the interiors with above. The Contractors are no way related to promoters/directors of the company.



S.No.	Description	Area / Qty	Rate Rs.	Amount Rs.
1	PARTITIONS			
	● Full heights with clear polycarbonate sheets of 2 mm. Thickness supported on Nuwud framework	720 Sft.	275.00	198000.00
	● Full height with 6 mm nuwud and cloth on both sides supported on nuwud framework	876 Sft.	245.00	214620.00
	● Full heights same as above but with 6 mm clear glass as per design	525 Sft.	225.00	118125.00
	● Half height same as above	306 Sft.	295.00	90270.00
	● Full heights with 12mm glass supported on nuwud frame work	264 Sft.	475.00	125400.00
	● Panelling the columns with nuwud framework and cloth	512 Sft.	195.00	99840.00
2.	FALSE CEILING with 12 mm thick gypsum board and Company specified channels	7000 Sft.	45.00	315000.00
3	FURNITURE : Made with nuwud with 1.5 mm lamination on all visible surfaces and enamel painting on all internal surfaces			
	Executive Tables	10 nos.	8640.00	86400.00
	Reception Table	1 No.	7600.00	7600.00
	Server Room Table	5 nos.	7560.00	37800.00
	Credenza for Executive cubicles	11 nos.	2800.00	30800.00
	Island Work Stations	50 Nos.	11600.00	580000.00
	Conference Table	1 No.	45000.00	45000.00
	Sofas 3 Strs	4 Nos.	12000.00	48000.00
	Executive Chairs			
	- Medium back revolving and tilting with PU arms	10 Nos.	4150.00	41500.00
	- Medium back visitors chairs without arms	20 Nos.	2100.00	42000.00
	- Conference chairs	12 nos.	2300.00	27600.00
	- Low back chairs with arms	51 nos.	1750.00	89250.00
4	PAINTING of the walls and ceiling with one coat of primer and two coats of luppum and two coats of emulsion paint	21768 Sft.	11.00	239448.0
5	FLOORING with carpet and laying	7000 Sft.	72.00	504000.00
6	BLINDS			
	- Vertical	21 Sq.m.	862.00	18102.00
	- Venetian	54 Sq.m.	592.00	31968.00
7	ELECTRICALS			
	1. cfl spot lights	390 nos.	750.00	292500.00
	2. electrical wiring, switches main board etc.			
	3. computer networking	-	L.S.	85000.00
	4. labour	-	L.S.	58500.00
8	AIR CONDITIONING			
	Carrier Aircon 12.5 tonnes x 3 nos. ductable split	-	L.S.	810000.00
9	ROLLING SHUTTERS	-	L.S.	21000.00
10	PLUMBING remodeling of existing toilet with new fixtures	-	L.S.	42000.00
11	CIVIL WORKS	-	L.S.	35000.00
12	TERRACO - textured painting	-	L.S.	75000.00
13	GLOW SIGN BOARD	-	L.S.	10000.00
14	VAASTU CONSULTANT	-	L.S.	10000.00
15	DEMOLITION WORKS	-	L.S.	15000.00
	SUB TOTAL			4444723.00
	CONSULTANCY FEES			555277.00
	GRAND TOTAL			5000000.00



The Salient features of the agreement signed with Jeetandra DM, Architect are as follows:

The site should be handed over to JSL on or before 2nd July, 2000

Payment terms are as follows

20 % on completion of 30% of work

20 % on completion of 50% of work

30 % on completion of 80% of work

25 % on completion of 100% of work

5 % after completion of 1 year warranty period from date of handing over the premises.

Computer Systems

The Company has the following Computer systems and Softwares as on date.

No.	Item	Make	Qty	Unit Value	Supplier	Total Value
1	Servers	Compaq	3	1,94,029	Frontline Technologies , Secunderabad	5,82,087
2	Workstations	Hewlett Packard	30	43,859	Cache Peripherals, Secunderabad	13,15,777
3	Workstations (Corp.Office)	Hewlett Packard	10	39,120	Business Link Automation (I) Limited	3,91,200
	32 MB Extra RAM	Hewlett Packard	1	2,400	Youdan Marketing	2,400
4	Note Book	Compaq	1	98,419	Frontline Technologies , Secunderabad	98,419
5	Networking				Data Care Networks, Hyderabad	
6	Peripherals			1,97,230	Cache Peripherals, Secunderabad	2,32,599
	Dat Drives	Hewlett Packard	1			
	Multi Media Kits	Creative	2			
	Laser Printer	Hewlett Packard	1			
	Desk Jet Printers	Hewlett Packard	2			
	Dot Matrix Printer (136 Col.)	TVSE	2			
	Dot Matrix Printer (80 Col.)	TVSE	2			
	CD Writer	Hewlett Packard	1			
	Scanner	Hewlett Packard	1			
	17" Colour Monitor	L.G.	1	15,500	Cache Peripherals, Secunderabad	
	Fax Modem 56 Kbps	Dlink	1	7,606	Cache Peripherals, Secunderabad	
	Ext CD-ROM Drive	Odyssey	1	5,394	Cache Peripherals, Secunderabad	
	10 Base-T D-Link					
	Hub -8-Port	Dlink	1	2,500	Business Link Automation India Limited	
	Fax Modem 33 Kbps	Dlink	1	4,365	Cache Peripherals, Secunderabad	
7	UPS (10KVA)	APLAB	2	2,87,500	APLAB Limited, Thane	
8	Software				Softcell T & T Limited, Hyderabad	8,53,209
	Oracle 8.0 Server					
	Oracle Developer 2000					
	Windows NT Server					
	SCO Unix					
	MS Visual Studio Enterprise					
	MS Office Professional					
	Virus Scanners					
9	Projectors with LCD Panels		2	77,500	Super Vu International, Hyderabad	1,55,000
	TOTAL					36,30,680



The particulars of Computer Systems required for the expansion project are provided here under:

Sl. No.	Item	Qty	Unit (Rs.)	Supplier	Total (Rs)	Date of Order Placement	Advance Paid Rs.	Expected date
HARDWARE								
1.	Work Stations - HP	70	50,222	Cache Peripherals, Secunderabad	35,15,540	03-03-2000 for 20 Nos	NIL	4 weeks
2.	Compaq Armada Note Book - 750 DM	5	2,20,620	Cache Peripherals, Secunderabad	11,03,100	Yet to be placed	—	—
3.	Compaq Proliant 1600 Server	3	2,81,491	Cache Peripherals, Secunderabad	8,44,473	03-03-2000 for 1 Nos		4 weeks
4.	HP Net Server E60	3	1,28,992	Cache Peripherals, Secunderabad	3,86,976	03-03-2000 for 1 Nos		4 weeks
5.	HP Laser Jet Printer (Model 4050 N)	1	1,02,465	Cache Peripherals, Secunderabad	1,02,465	Yet to be placed		—
6.	HP Laser Jet Printer (Model 6L Gold Printer)	2	23,908	Cache Peripherals, Secunderabad	47,816	Yet to be placed		—
7.	HP Scanjet Scanner (5200C)	2	16,940	Cache Peripherals, Secunderabad	33,880	03-03-2000 for 1 Nos		4 weeks
8.	HP CD Writer - 7510C	4	21,970	Cache Peripherals, Secunderabad	87,880	03-03-2000 For 1 Nos		—
9.	HP DeskJet 610C Printer	6	7,889	Cache Peripherals, Secunderabad	47,334	03-03-2000 for 4 Nos		—
10.	TVSE MSP 335 Dot Matrix Printer	4	14,370	Cache Peripherals, Secunderabad	57,480	03-03-2000 for 1 Nos		—
11.	TVSE MSP 240 + DMP	6	9,032	Cache Peripherals, Secunderabad	54,192	Yet to be placed		—
12.	10/100 Mbps 8 port switch	1	21,500	Cache Peripherals, Secunderabad	21,500	Yet to be placed		—
13.	24 Port Hub 10 Mbps	3	12,500	Cache Peripherals, Secunderabad	37,500	Yet to be placed		—
14.	Information Outlet CAT V Single with SMB	70	325	Cache Peripherals, Secunderabad	36,750	Yet to be placed		—
15.	24 Port Patch Max Panel	3	9,250	Cache Peripherals, Secunderabad	27,750	Yet to be placed		—
16.	7 Feet Mounting Cord	70	290	Cache Peripherals, Secunderabad	20,300	Yet to be placed		—
17.	3 Feet Mounting Cord	70	230	Cache Peripherals, Secunderabad	16,100	Yet to be placed		—
18.	UTP Cat V Cable - 2160 (Mts)	-	22	Cache Peripherals, Secunderabad	47,520	Yet to be placed		—
19.	Laying and Terminating UTP Cable with PVC	70	350	Cache Peripherals, Secunderabad	24,500	Yet to be placed		—
20.	Certification and Documentation Charges (Networking)	70	100	Cache Peripherals, Secunderabad	7,000	Yet to be placed		—
21.	CST @2.1% on Network Components	-	4,651	Cache Peripherals, Secunderabad	4,651	Yet to be placed		—
SOFTWARE								
1.	MS Back Office Server Pack 4.5 Ver/ 5 Clients	5	95,000	M/s Softcell Trade & Technologies Ltd., Secunderabad	4,75,000	Yet to be placed		—
2.	MS Visual Studio (Ent) Ver 6.0	2	53,500	M/s Softcell Trade & Technologies Ltd., Secunderabad	1,07,000	Yet to be placed		—
3.	MS Visual Studio (Ent) Ver 6.0 License (MOLP)	30	42,646	M/s Softcell Trade & Technologies Ltd., Secunderabad	12,79,380	Yet to be placed		—
4.	MS Office 2000 professional	10	17,000	M/s Softcell Trade & Technologies Ltd., Secunderabad	1,17,000	Yet to be placed		--
5.	NAI Total Virus Defence Ver 4.0	10	2,740	M/s Softcell Trade & Technologies Ltd., Secunderabad	27,400	Yet to be placed		--



6.	Oracle Work Group - 5 User	4	44,440	M/s Softcell Trade & Technologies Ltd. Secunderabad	1,77,760	Yet to be placed		
7.	Far Point Spread	2	20,604	M/s Softcell Trade & Technologies Ltd. Secunderabad	41,208	Yet to be placed		
8.	Oracle 8i Enterprise Server W/8 Client on NT	1	3,58,150	M/s Softcell Trade & Technologies Ltd. Secunderabad	3,58,150	Yet to be placed		
9.	SCO Open Server Enterprise System 5.0.5 w/5	1	93,840	M/s Softcell Trade & Technologies Ltd. Secunderabad	93,840	Yet to be placed		
10.	SCO Open Server Ent. Sys. 5.0.5 10 User Additive License	1	33,520	M/s Softcell Trade & Technologies Ltd. Secunderabad	33,520	Yet to be placed		
11.	Solaris 7 Server 1-4 CPUs, 5 Users, Intel Pentium Platform Edition English Version	1	31,275	M/s Softcell Trade & Technologies Ltd. Secunderabad	31,275	Yet to be placed		
12.	License that increments the number of Solaris 7 users on a system by 25 (Additional cost)	1	22,500	M/s Softcell Trade & Technologies Ltd. Secunderabad	22,500	Yet to be placed		
13.	Networking Accessories			Cache Peripherals	11,260	Yet to be placed		
	Total				93,00,000			

The Company has placed orders for Rs.16,28,751.00 worth of Computer Systems and would be placing the orders for the balance equipment as the implementation schedule. And the payment terms of the orders is against delivery. The company is acquiring all the new equipments. And all the equipment being procured is branded and M/s Cache Peripherals and M/s Softsell Trade & Technologies Ltd., are authorised dealers of the respective products.

Cache Peripherals was incorporated in the year 1991 as a partnership firm. The firm is managed by four partners - Mr. G Srinivas, Mr. G.Ravinder, Mr. G.Sailesh and Mr. G.Karthik. The turnover recorded by Cache Peripherals for the year 1999-2000 is Rs14.00 crores

M/s Softsell Trade & Technologies Ltd. is a company incorporated on 10-04-1995 with Mr. Sunil Dalal, Mr. Venkatesh, Ujwal Andhari as the promoters. Softsell's turnover recorded for the year 1999-2000 was Rs.48.00 crores and Rs.38.00 crores for the year 1998-99 and Rs.20.00 crores for the year 1997-98

The firms supplying the Computer Systems are in no way connected to the Promoters/Directors of the Company. The Company, its Promoters and its Directors are not in any way interested in those firms that are supplying the Computer Systems. All the Computer Systems that are being procured by the Company will be new.

Miscellaneous Fixed Assets

The Company has the following miscellaneous fixed assets:

Particulars	Amount (in Rs.)
Fax Machine	15,100
EPABX	88,721
UPS	6,89,663
Electrical Installations	6,80,004
Inverter	41,379
Air Conditioner	6,52,548
Computer Books	41,373
TOTAL	22,08,785

Other Infrastructure Details

The company proposes to purchase the following equipment for its proposed expansion project.

Particulars	Qty	Supplier	Rs in Lacs	Date of Placement of Order	Expected date of Delivery
125 kv Diesel Generating Set	2	Bhasker Power Projects Ltd., Hyderabad	8.20	Yet to be placed	—
EPABX System	1	Modex, Hyderabad	0.87	Yet to be placed	—
10 KVA UPS - APLAB make - 2 Hrs. Back up	3	APLAB, Hyderabad	9.05	Yet to be placed	—
Computer Books & Manuals	-	Cache Peripherals, Secunderabad	1.88	Yet to be placed	—
TOTAL			20.00		

Advances and Deposits

The company will be required to provide for the following deposits for its operations

Sl. No.	Purpose	Amount Rs. In Lacs
1	Additional deposit for rented premises	6.00
2	DOT: for Telephone and Internet connections	1.00
3	HMWSSB + APTRANSCO	6.56
4	Bank Guarantees / Letters of Credit etc	20.00
	TOTAL	33.56

Preliminary and Pre-operative expenses		(Rs. lakhs)
ROC and Legal Fees		3.00
Project appraisal and processing fees		4.00
Travelling Expenses		3.00
Total		10.00



Working Capital Requirement (As per the appraisal report)

The working capital requirement for the proposed expansion is estimated at Rs.153.00 lacs.

Particulars	Holding Period (months)	Rs. In Lacs
Onsite Expenses	4	57.66
Salaries to Professionals	4	28.98
Marketing expenses	4	8.91
Administrative Expenses	4	38.03
Travelling	4	8.75
Satellite	4	10.67
Total		153.00

Note : Working Capital of Rs.153.00 lakhs and advances and deposits for Rs.33.56 lakhs together constitute Rs. 186.56 lakhs.

RAW MATERIALS

The Company operates in the technology oriented service industry and as such does not require any raw materials. The main consumable items required are items like Floppy Disks, Magnetic Tapes, Other Data Storage Media, Printer Cartridges, Computer Stationery, all of which are easily available.

VEHICLES

The company presently has a vehicle (Maruti Esteem). This has been acquired at a cost of Rs. 3,00,000/-

An amount of Rs.:16,00,000/- is proposed to be earmarked to purchase of 4 more vehicles.

Description	Supplier	To be used by	Estimated cost (Rs. In Lacs)	Date of placement of order
HONDA Car	Sundaram Honda	Managing Director	7.54	Yet to be placed
MARUTI 800 EX	RKS Saboo	Administrative Department	2.82	Yet to be placed
MARUTI 800 EX	RKS Saboo	Operation Department	2.82	Yet to be placed
MARUTI 800 EX	RKS Saboo	Marketing Department	2.82	Yet to be placed
TOTAL			16.00	Yet to be placed

Overseas Office Establishment

The company proposes to set up a marketing office establishment at Detroit, USA for marketing its products and services. This would also enable the company to obtain visas and work permits easily for its employees. Proposed budget for the activity would be Rs. 108.79 Lacs. The details of the expenses (approx) are as under -

(Rs. In Lacs)

1	Deposit to obtain line of credit and to comply with INS / IRS requirements in USA for work permits for the manpower to be based at USA @ Rs.43/- per US\$. US\$1,00,00.00- for 50 employees	43.00
2	Rental deposit for office and housing accommodation US \$30,000.00	12.90
3	Salaries for 3 months for 8 personnel, US\$4,500 x 8 x 3 = \$108,000.00	46.44
4	Other expenses for furniture, telephone and computer systems etc. US\$15,000/-	6.45
	TOTAL	108.79

The company has made the application to RBI to setup the office abroad through its bankers, Bank of Madura and the application is currently under process. The company is yet to identify the premises in Detroit, USA.

Public Issue Expenses

A sum of Rs.15.20 lakhs has been provided towards public issue expenses the details of which are as under:

Particulars	Rs. In Lakhs
Merchant Banking Fees	2.00
Brokerage	2.28
Advertising & other marketing expenses	5.00
Miscellaneous Expenses (incl. Cost towards, registrars, printing, listing fees, travelling, etc.)	5.92
TOTAL	15.20

Contingencies

JSL has provided a sum of Rs.24.80 lakhs towards contingencies, the details of the same are as under:

In Rs. Lakhs

Particulars	Amount
Land & Buildings (towards registration)	15.00
Plant & Machinery	5.00
Misc. Fixed Assets	2.80
Vehicles (for Registration & Accessories)	2.00
TOTAL	24.80

The same has been provided towards meeting any change in computer systems & Miscellaneous Assets at the time of acquisition.

UTILITIES

a. Power

The maximum power requirement for the project is 120 KVA out of which 55 KVA capacity is already available in the present premises, the balance can be easily obtained from the supplier-APTRANSCO. The company proposes to acquire 125 KVA DG set as a stand by arrangement and 50 KVA UPS system (20 KVA UPS is already available in the existing facilities). These would supply uninterrupted power to the company.

b. Water

Water is required only for consumption and sanitary purposes and adequate water supply is available.

c. Effluent Disposal

As the company is engaged only in software related activities, generation of effluent does not arise. The company is exempted from seeking clearance from the Pollution Control Board as it belongs to a classified non-polluting industry.

4. Manpower

Jeevan Softech Ltd. is a professionally managed company having an experienced Board of Directors assisted by a team of professionals. The employees are carefully selected, intensively trained and appropriate growth paths are charted out for future advancement. Special emphasis is placed on industry relevant skills and quality assurance.



Jeevan Softech Limited has the following manpower and proposes to recruit the following personnel for its software development centre at Hyderabad in a phased manner in addition to the professionals who will be sent on-site development overseas.

Particulars	No. Of Employees (Existing)	No of Employees (Expansion)	Total After Expansion
Assistant Software Engineer	8	10	18
Software Engineer	8	15	23
Senior Software Engineer	5	10	15
Systems Analyst and Specialist	-	2	2
Project Leader	2	6	8
Assistant Project Leader	2	6	8
Network Administrator	1	2	3
Project Manager	2	2	4
R & D Manager	1	-	1
Company Secretary	1	-	1
General Manager	2	2	4
Marketing Manager	1	2	3
Finance Manager	1	-	1
HRD Manager	-	1	1
Marketing Team	5	5	10
HRD Team	1	3	4
Faculty	7	5	12
Accounts Team	2	2	4
Administrative Team	3	4	7
TOTAL	52	77	129

The company has already issued the advertisement and is in the process of recruit the required manpower as per the above table.

Y2k Compliance

The Compliance confirms that :

1. There are no processes /operations/functions of the Company which could be adversely affected due to the year 2000 problem.
2. Transaction of none of the intermediaries depending upon the Company would be affected due to Y2K problem.
3. No material ,historical costs ,cost of remediation and replacement costs are involved in fixing year 2000 issues.
4. No contingency plans are warranted in the operations of the Company due to Y2K problem, in the event of system break down/ failure.

INDUSTRY ANALYSIS

The demand for software is derived primarily on account of its ability to provide connectivity, reworking ability and improved presentation. Connectivity is required in applications where real time information is needed to make decision or put through a transaction. Software finds use in entertainment, education and business sectors on account of its ability to offer options and variety in presentation.

The size of the global software market is approximately USD 300 br while India's market share was less than 0.4%. The largest segmer i.e. the professional support services accounted for 69% of this market while the remaining was made up by the global packaged software programming and systems integration, while products and package can be classified into systems software and applications software. These segments have been growing at about 20% and 15% respectively in the past.

The Indian software industry , which is larger than the domestic hardware industry has grown at a CAGR of 57.1% during the five year period 1994-95 to 1998-99. The industry turnover increased by 58% from Rs 100.4 bn in 1997-98 to Rs 158.9 bn . during 1998-99.

Year	1998-99	1997-98	1996-97	CAGR3	CAGR5
Domestic (Rs.bn.)	49.5	35.1	24.1	43.3	46.7
Growth (%)			41.0	45.6	44.3
Exports (US \$ mn)	2,625.0	1,750.0	1,085.0	55.5	52.5
Exports (Rs.bn)	109.4	65.3	39.0	67.5	63.3
Growth (%)	67.5	67.4	54.8		
Total (Rs.bn)	158.9	100.4	63.1	58.7	57.1
Growth (%)	58.3	59.1	50.6		

Source:NASSCOM and published sources

Exports comprise about 69% of the turnover and have grown at a CAGR of 63.3% over the last five years while the domestic software market recorded a lower growth rate of 46.7% over the same period. USA is the largest market for Indian exports and comprised 61% of exports during 1998-99, followed by 23% from Europe. Although the industry is fragmented with over 750 players, the top 25 companies account for nearly 60% of the total exports.

Break-up of Indian software exports in 1998-99 Rs.bn

Segment wise	Turnover	% of Tot	Marketwise	Turnover	% of Tot
Projects	40.0	36.5	USA	66.7	61.0
Professional Services	48.3	44.1	Europe	25.2	23.0
Products & Packages	8.7	7.9	Asia	10.4	9.5
Training	1.9	1.7	Rest of the world	7.1	6.5
Support & Maintenance	4.7	4.3	Total	109.4	100.00
IT Enabled Services	6.0	5.5			
Total	109.4	100.00			

Source:NASSCOM

BUSINESS STRATEGY AND CAPACITY AND CAPACITY BUILD-UP

The Company is operating in a highly competitive industry. To compete with the existing as well as new entrants the Company is continuously evolving and implementing various growth strategies. The organization structure of JSL has evolved in line with the strategy of focusing on the chosen domains and contemporary technologies. To provide independent focus to each of its services the company is structured as independent Profit Centers. The philosophy of this structure is built around the rationale to have smaller quicker and strongly focused profit centers, which can easily adapt to changes in technology and cater to the market needs while collectively following the growth plans and vision of the company.



In order to cater to the challenging needs of the company's global customers and prospective clients worldwide, the company proposes to create five strategic business units viz.,

- i. On-site Software Development Services
- ii. Off-shore Software Development Services
- iii. Web enabled Business/ e- Commerce
- iv. Product Development
- v. Education & Training.

Jeevan Softech Ltd. commenced commercial operations from June 22, 1999. The Company started with an overall focus on Products Development, International & Domestic Markets and Training Segment. The Company has bagged International Order from USA - Project for Wayne State University Academic Affairs Office through C S Comsoft. And other orders from Companies like - Foods Fats and Fertilisers Limited, Verry Containers Limited, Shalimar Agro-Tech Private Limited, Remedy Hospitals and a State Government project from the Andhra Pradesh Health and Medical Housing Infrastructure Development Corporation.

In the Training Segment, Jeevan School of Computer Sciences, a Division of Jeevan Softech Ltd. has so far trained 150 professionals in various courses out of which 60 members are from Corporate Segment like Bharat Heavy Electricals Limited, Research Centre Imarat, D R D L, Green Park, Andhra Bank, Holiday Inn Krishna, Krishna Oberoi. Jeevan School's main focus is on Web Technologies in Java and e-commerce

Courses

Windows and MS Office
Visual FoxPro
Visual C++
Oracle with Developer 2000
C & Unix
C ++
Advanced Java
Internet
Visual Basic with ASP

Proposed Courses

Long Term

Multimedia (1 Year), LOTUS Notes (6 months), Complete Networking (6 months)

Technology

The Company has constituted a technical team to review new and emerging technologies and discuss the market trends in the Industry.

Development methodology

Software processes, methodologies and their management are very important activities that need to be undertaken by organisations involved in the development of software, so that they are effective and competitive in the market.

The main goal of the design methodologies is to provide methods and techniques based on engineering and software science unambiguously specify the solution.

The word design is used here in a generic sense, which includes the entire process of product and or project development.

The entire process of deriving the solution is a constructive process; each stage deriving a solution at that level of abstraction. This means that the solution needs to be complete and correct at that level. The

aim is that, if the solution is interpreted at any level, the solution should satisfy the user's requirements. Each stage of the development process adds details appropriate at that level to get the quantitative values or answers specific to implementation. As the development process takes the solution from the abstract "what" to the concrete "how" issues, the details help in understanding the implementation choices made to provide an effective solution taking into consideration the user's views.

It is difficult to provide a mapping for this methodology against the different kinds of projects. This aspect is left to the project manager or project leader to make a choice. Once a methodology has been committed, the project should follow the methodology in its entirety. Any commission / omission with regard to the methodology should be intentional and should be documented accordingly in the project plan.

In order to certify an output product of a stage, before the next stage begins, reviews shall be held by the project leader and the head - software division.

For projects being developed based on customer's specifications, and where the requirements are not very clearly defined, the prototyping life cycle model of software development shall be followed. Instead of freezing the requirements before any design or coding can proceed, a prototype shall be built to help understand the requirements. This prototype shall be built using the currently known specifications. This is a broad iterative model where the activities of development are proactive.

The coding rules and methodology has been separately documented, and all the coding in Jeevan Softech Limited, shall be according to this document.

All the design and development activity shall be properly planned and documented. For each software project, a project plan shall be made, which shall define the project, the management of the project, the reviews required, type and frequency of reviews and reports to the management and the customer, if required, covering all the contractual requirements. The project plan shall also address the following issues:

1. Inputs of the project
2. Outputs of the project
3. Resources required for the project,
4. Team structure
5. Responsibilities

The general life cycle of any project undertaken by Jeevan Softech Limited will be as follows:

1. The marketing department issues a work order to the Project Manager.
2. A contract review is conducted, which is attended by the Managing Director and the concerned on-site co-ordinator from marketing department and the Analysts.
3. A development team is decided taking into account the expertise required.
4. If training has to be imparted to any of the team members, the same is undertaken.
5. The project plan is prepared by the Project Leader in consultation with the Managing Director and the Analysts. The project plan contains the break-up of tasks, the time estimation and other related plans like test plan, configuration management plan,



review plans, infrastructure requirement, responsibility chart, organisation chart, etc. The points of contact at JSL and the client will also be specified in the project plan.

6. A business specification is prepared by the programmer.
7. The business specification is reviewed by the Project Manager, the Analysts and the client's representative (if required).
8. The coding details diagram or the detailed design document is prepared, reviewed and approved.
9. Modules are given to team member programmers for coding.
10. Code walk through is conducted for each module.
11. Unit testing is done by the testing team with assistance from the Analysts.
12. All the modules are integrated.
13. Integration testing is taken up by the testing team and analysts.
14. Pre-defined matrices are collected for analysis.
15. Analysts passes the product for delivery.
16. The project is implemented. (Parallel runs are done if required.)
17. The project is signed off after reviewing the sign off criteria.
18. A post implementation review with the whole project team is conducted.
19. Bug fixes if any are undertaken during the warranty period.
20. After this the project enters the maintenance phase, the details of which would have been worked out with the client at the time of signing the contract.

PROJECT IMPLEMENTATION SCHEDULE

The project implementation schedule as per the appraisal note is detailed below:

Particulars	Commencement	Completion
Development Center		
Building	January - 2000	July - 2000
Interiors	April - 2000	July - 2000
Plant & Machinery		
Placement of Orders	March - 2000	March - 2000
Delivery	May - 2000	June - 2000
Upgradation of Existing Infrastructure at Overseas Offices		
USA and Singapore	May - 2000	July - 2000

The above schedule of implementation is as per the appraisal note.

Sources and Deployment of Funds as on 11th April 2000

A detailed schedule of the sources and deployment of funds as per the Auditors Certificate issued by M/s. S.R.Mohan & Co., Auditors of the Company dated 11-04-2000 is as follows:

Deployment of Funds	(Rs. lakhs)
Advances For buildings	15.00
Preliminary and pre-operative expenses	7.32
Computers	1.08
Working capital for project	43.17

Deposits in Bank	206.00
Cash & Bank Balances	2.90
Total	275.51
Sources of Funds:	
Share Capital	271.51
Share Application Money	4.00
Total	275.51

PROJECTED DEPLOYMENT OF FUNDS FROM 11th April 2000 TILL THE DATE OF COMMENCEMENT OF COMMERCIAL OPERATIONS i.e. July 2000

	Rs. lakh
Buildings	75.00
Furnitures and Fixtures	50.00
Computer Systems	91.92
Miscellaneous Fixed Assets	36.00
Public Issue & Preliminary Expenses	17.88
Contingency	24.80
Overseas Office Establishment	108.79
Working capital	109.83
Deposits & Advances	33.56
Total	547.78

A sum of Rs.66.57 lakhs has been incurred towards the cost of the proposed project as on 11th April 2000 and Rs. 547.78 lakhs is yet to be incurred on the proposed project.

The following expenditure is envisaged in the year 1999-2000 and 2000-20001

	1999-2000	2000-2001	Totals
Buildings	15.00	75.00	90.00
Furnitures and Fixtures	0.00	50.00	50.00
Computer Systems	31.00	62.00	93.00
Miscellaneous Fixed Assets	0.00	20.00	20.00
Vehicles	0.00	16.00	16.00
Contingency	0.00	24.80	24.80
Overseas Corporate Office	0.00	108.79	108.79
Public Issue & Preliminary Expenses	10.00	15.20	25.20
Working capital	50.00	103.56	153.56
Total	101.00	513.35	614.35

INDIAN SOFTWARE INDUSTRY - SWOT ANALYSIS

A strategic review of the Indian Software Industry by NASSCOM through SWOT Analysis depicts:

Strength

1. High Quality - Low Cost
2. Large English-speaking, scientific and trainable manpower pool.



3. Use of State-of-the art Technologies.
4. Flexibility and adaptability to new technologies.
5. Reliability of programmers to provide expertise for small or large projects.
6. Offshore development through Datacom links providing immense cost and time saving.
7. Ability to handle large and turnkey projects.
8. High domestic and exports demand with annual growth of around 50%
9. Good education base for software engineers and related studies.
10. Government's active encouragement & support by way of tax and duty benefits, promotion of STPI Schemes etc

Weaknesses

1. Lack of Package orientation for the products developed.
2. Low domestic computerization.
3. Lack of efforts to develop original technology.
4. Low experience in Mission Critical Real Time Operations.
5. Inadequate availability of project management skills.
6. Lack of adequate venture capital finance.
7. Bureaucratic hurdles with regard to Government policies and procedures still exist.

Opportunities

1. Immense opportunities in the Global markets, especially in outsourcing business is yet to be tapped.
2. Good Domestic Demand Potential
3. Multinationals are increasingly resorting to outsourcing.
4. Strong base of UNIX presents lot of scope for developing internet related products.
5. Multinationals are increasingly setting up shops in India with R & D facilities.

Threats

1. Inadequate and expensive infrastructure.
2. High inflationary tendencies .
3. Protectionism by developed countries including non-tariff barriers.

JEEVAN SOFTECH LTD - SWOT ANALYSIS

Strengths

1. Software development with offsite project implementation capabilities.
2. Expertise in state-of-the-art technologies with in-built flexibility to offer a wide spectrum of software services.
3. Managed by professionals with rich experience in software & manufacturing sectors with proven project handling capabilities.
4. Offshore development through hi-tech multiple communication links.
5. Emphasis on continuous training and development to upgrade the skills of personnel on latest technologies.

6. Has access to relatively cheap manpower in India.

Weakness

1. The company's business plan is not focussed.
2. Export income is subject to exchange rate fluctuations
3. Detailed and specific short term plans have not been provided
4. The company's segment wise positioning strategy is not clear.
5. Newly established company.- Does not have a brand image which plays a vital role in the training and education segment.
6. The company does not have any quality certifications currently.
7. The company does not have any specific plans to target any particular segment in the internet market.

Opportunities

1. Software exports in India are expected to grow at more than 40% in the future.
2. Potential in providing services in high-end market segments like E-commerce solutions and Client/Server solutions

Threat

1. Fierce competition from established players offering high value end to end solutions and other smaller players who have already developed similar economical solutions.
2. Exposed to rapid technological obsolescence High employee turnover

Current orders on Hand:

The major orders on hand are as follows:

Sl.No	Customer Name	Order Value	Nature of Order
1.	C.S.Consulting INC, Detroit, USA	\$50,000	Student Retention System
2.	Food Fats and Fertilisers Limited	Rs. 3.25,000	ERP Solutions
3.	The A.P. Medical Housing and Infrastructure Development Corporation	Rs. 1,80,000	Computerisation of Office.
4.	Shalimar Agro Tech (p) Limited	Rs. 1,80,000	ERP Solutions
5.	Verny Computers Limited	Rs. 1,71,000	ERP Solutions
6.	Remedy Hospitals	Rs.1,00,000	ERP Solutions
7.	Premier Explosives Limited	Rs. 2,00,000	WEB Page & PORTAL
8.	Balaji Pressure Vessels Limited	Rs. 3,00,000	ERP Solution

The Company has also conducted corporate training programmes for the Holiday Inn Krishna, Krishna Oberoi, Hotel Green Park and Institutions like Institue of Computers & Business Management, Geethnajali College of P.G.Centre, Fergusson College, Sukaso Ceracolors (p) Limited, A.P.Forensic Labs Limited, and LV Prasad eye Institute. All these are placed at Hyderabad only.

The company has obtained the consent letters from the above companies to include their names in the prospectus

STOCK MARKET DATA

As the shares of the Company are yet to be listed on Stock Exchange, hence no quotation for the market price of its shares is available.

**MANAGEMENT DISCUSSIONS AND ANALYSIS**

Comparison of income and expenditure for the years 1996-97, 1997-98 and 1998-99.

The Comparison of Financial Performance cannot be given as it is a new Company

Unusual or infrequent events or transactions

There are no unusual or infrequent events or transactions since incorporation.

Significant Economic Changes that materially affected or are likely to affect income from continuing operations.

The Government of India has identified Software Industry as a thrust area and incentives are being provided to encourage the Industry. Hence, the Company does not foresee any adverse policy changes that could be detrimental to the growth of this Industry.

Known Trends or uncertainties that have had or expected to have a material adverse impact on sales, revenue or income from continuing operations.

The Software Industry is prone to high level of technological obsolescence and rapid technological changes. JSL has developed inherent skills to keep pace with these changes, to be on par with the latest technology.

Future changes in relationship between costs and revenues in case events such as labour or material costs or prices that will cause a material change are known

As the Company is an existing company and its revenues are on an order to order basis, the value of order is quoted considering all the relevant costs, and proper cushion is kept for any contingencies.

The extent to which material increase on net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

The incremental growth in the projected sales and revenues of the Company is based on the assumption that the Company will enjoy the benefits of increased productivity, expansion of business and the repeat business anticipated from its clients for the quality of services that would be rendered to them.

Total turnover of each major industry segment in which the Company operates

The Indian Software Industry has recorded an overall growth of 58% with total revenue of Rs.10,000 Crores (Source: Nasscom) during 1997-98.

Status of any publicly announced new products or new segment

The Company periodically conducts entrance tests and other exams and offers discounts on course fees as a marketing exercise.

The extent to which business is seasonal

Software industry is non-seasonal in nature and business volumes are only dependent on the marketing efforts of the Company.

Any significant dependence on a single or few suppliers or customers

The company depends upon two supplier for supplying of all the computer hardware and software items for the after sales service.

Competitive conditions

The Company faces competition from Multinationals and Indian Companies.

MATERIAL DEVELOPMENTS

There are no material developments after the date of the latest audited balance sheet as on 31st December, 1999 which may materially affect the performance or prospects of the Company.

As per the opinion of the Directors, no circumstances have arisen since the date of last financial statement disclosed in the Offer Document that materially and adversely affect or are likely to affect the trading or profitability of the Company, or the value of its assets, or its ability to pay its liabilities within the next twelve months.

FUTURE PROFITABILITY PROJECTIONS

The Profitability projections as per Bank of Madura's Appraisal report are as under:

(Rs. In lakhs)

INCOME	31-3-2000 (9 months)	31-3-2001	31-3-2002
On - Site Project - USA	0.00	143.04	238.39
Offshore Project - USA	13.86	190.71	286.07
Product Development	0.00	72.00	93.60
Domestic Projects	48.89	96.00	124.80
Technical Services	0.32	9.00	13.50
Education & Training	15.44	60.00	75.00
Other Income	0.75	0.00	0.00
TOTAL INCOME (A)	79.26	570.75	831.36
EXPENDITURE			
Onsite Expenses	0.00	90.11	150.19
Salaries to Software Professionals	24.63	69.19	127.08
Administrative Salaries	2.85	43.44	54.30
Repairs and Maintenance	0.14	10.00	20.00
Insurance	0.25	3.59	3.59
Electricity Charges	1.4	16.72	23.17
Marketing Expenses	16.99	19.68	26.05
Other Administrative Expenses	8.62	55.32	67.93
Satellite Link Expenses & RD Expenses	0.00	48.80	48.84
Travelling & Misc. expenses	1.08	30.87	42.00
TOTAL EXPENSES (B)	55.96	387.73	563.14
OPERATING PROFIT (A-B)	23.30	183.02	268.22
Int. On Term Loans	3.11	15.04	9.19
PRE. EXP. WRITTEN OFF	0.00	2.54	2.54
DEPRECIATION	6.38	30.83	30.83
PROFIT BEFORE TAX	13.81	134.61	225.67
PROVISION FOR INCOME TAX	2.76	12.61	74.83
PROFIT AFTER TAX	11.05	122.00	150.84
DIVIDEND	0.00	90.32	90.32
DIVIDEND TAX	0.00	9.94	9.94
P&L C/F	11.05	21.74	50.58
EPS	1.85	2.03	2.50
Dividend payout	0.00	82.18%	66.47%



These calculations are based on the following assumptions and are not explicitly stated in the Appraisal Report. However, the arithmetical accuracy of these calculations have been authenticated by the Company's Auditors, M/s. S.R.Mohan & Co. vide their certificate dated 08-03-2000.

HOWEVER AS A MATTER OF ABUNDANT CAUTION, THE ATTENTION OF THE INVESTORS IS DRAWN TO THE FACT THAT THE FIGURES MENTIONED ABOVE ARE ONLY INDICATIVE AND ARE SUBJECT TO CHANGE.

Basic Assumptions

The Billing for Manpower at USA (On-Site) is assumed at \$55,440 per person per annum.

The Billing for Manpower OffShore is assumed at \$22,176 per person per annum.

Domestic Manpower Billing is assumed at Rs.8,00,000/-

Product Development cost is estimated at Rs.6,00,000/-

Cost of Technical Services is estimated at Rs.75,000 per month.

Training Cost is assumed to be Rs.5,00,000 per month.

Salaries are estimated at 45% of the annual turnover.

Travelling Expenditure is estimated at 5% of the annual turnover.

Marketing Expenditure is assumed at 6% of the annual turnover

Miscellaneous Expenditure is assumed at 3% of the annual turnover.

Administrative Expenditure is assumed at 4% of the annual turnover.

Taxes are assumed at 35% plus Surcharge

Preliminary expenditure to be written off over a period of 10 years.

Projected Funds Flow Statement (Rs. in lakhs)

	31-3-2000	31-3-2001	31-3-2002
Cash In Flow			
Operating Profit	23.30	183.02	268.22
Increase In Capital	59.81	542.35	0.00
Increase In TL - OBC	40.00	0.00	0.00
Increase In TL - BOM	0.00	70.00	0.00
Increase in current liabilities	10.40	11.96	11.28
Total (a)	133.51	807.32	279.50
Cash Out Flow			
Increase In Capital Exp.	94.23	269.00	0.00
Contingencies	0.00	24.80	0.00
Increase In Deposits	2.30	33.56	0.00
Repayment of Term Loans	2.22	36.60	36.60
Investments	0.00	75.00	0.00
Overseas Investment	0.00	55.90	0.00
Overseas office - initial expenses	0.00	52.89	0.00
Preliminary Expenses	0.19	25.20	0.00
Interest	0.00	15.04	9.19
Income Tax	2.76	12.61	74.83
Dividend	0.00	0.00	90.32
Dividend Tax	0.00	0.00	9.94
Increase in Current Assets	23.78	153.00	55.00
Total (b)	125.48	753.60	275.88
Opening Cash Balance	0.00	8.03	61.76
Surplus (a - b)	8.03	53.73	3.62
Closing Cash Balance	8.03	61.76	65.38

BASIS FOR ISSUE PRICE:

Qualitative Factors:

1. The Company is engaged in developing software and software training activity.
2. The company has already trained, developed and installed software at few of the client places.
3. The Company is in advanced stage of product development for file tracking system and ERP Solutions for Oil Industry.

Quantitative Factors:

1) Adjusted Earnings Per Share *

Year	EPS (Rs.)	Weights Used
(a) 1996-97	*	1
(b) 1997-98	*	2
(c) 1998-1999		3
(d) Weighted Average		

for the last three years

The Company is a new company hence **Not Applicable**

2) Price/Earning Ratio in relation to issue price of Rs.10/- based on 1999 EPS

(b) Industry PE

i) Highest	219.40
ii) Lowest	0.40
iii) Composite Average	27.60

(Source: Capital Market Issue dated 2nd May, 1999 for computer softwares-medium / small companies)

3) Return on Net Worth

Year	weights Used
a) 1996-97	1
b) 1997-98	2
c) 1998-99	3

d) Weighted Average for the Last three years. Is not applicable as it is a NEW Company :

4) Minimum Return on Networth after issue needed to maintain EPS at Rs.2.03 (Fully diluted based on 2000-2001 earnings is 21.69%)

5) Net Asset Value (NAV)

a) As on 31.12.1999	Rs.	10.80
b) After Issue	Rs	9.33
c) Issue Price	Rs.	10.00

LITIGATION / DISPUTES / DEFAULTS :

No cases are pending against the Company in Consumer Courts seeking compensation.

There are no pending litigations in which the promoters of the Company are involved.

There are no overdues, defaults to the Financial Institutions/Banks, Rescheduling of Loans to Banks/FI's by the Company. There are



no pending offences for non-payment of statutory dues by the promoters of the Company.

There are no cases of litigations pending against the Company or against any other company whose outcome could have a materially adverse affect on the position of the Company.

There is a case pending against Mr. K.Suryanarayana, Managing Director of the Company, during his tenure as the Managing Director of Monarch Cyber Solutions Limited, filed by Deepak Transport Agency Limited, Hyderabad in the Junior Civil Judge, City Civil Court, Hyderabad. The case was filed against Monarch Cyber Solutions Limited and Mr. K.Suryanarayana was made a respondent by the petitioner. Mr. K.Suryanarayana was only a paid Director was not the Promoter Director of the Company. The Total Value of the suit is for Rs. 92,402.00. As Mr. K.Suryanarayana was a paid Director of the Company and No Personal Guarantee was given, and this would not have impact on Jeevan Softech Limited.

There are no pending litigation's against the Promoters / Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.

There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and Firms promoted by the promoters.

There are no outstanding litigation's, disputes pertaining to the matters likely to affect the operations and Financials of the Company including disputed tax liability, prosecution under any enactment in respect of Schedule XIII of the Companies Act, 1956.

There are no litigation's outstanding against the Promoters/Directors in their personal capacity. The Company, its promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor any disciplinary action has been taken by SEBI. There are no prosecution launched by Income Tax Authorities and no liability compounded by the Promoters/Company/Companies/ Ventures with which the Promoters are associated is subsisting.

There are no cases of pending litigation/defaults in respect of the firms/Companies with which the Promoters are associated in the past but are no longer associated.

M/s. Jeevana Mitra Chit Fund Private Limited, A Company promoted by the Mr.Krishna Kishore Kuchipudi , Vice Chairman and Mrs. K.Vanaja has filed 71 cases against the subscribers of the chits for recovery of Chits installments for a total sum of Rs. 54.00 lacs which are pending in various courts .

The following are the details of Promoters Directors who were signatories to Memorandum of Association of other Companies

Name of Director	Name of the Company
Mr. Krishna Kishore Kuchipudi	Jeevana Mitra Chit Fund Private Limited
Mrs. K.Vanaja	Jeevana Mitra Chit Fund Private Limited

None of the Directors have resigned from the company in the last Twelve Months.

DEFAULTS

The Company has not defaulted in meeting any statutory dues, institutional dues and dues towards instrument holders like debenture holders, fixed deposit holders.

There are no proceedings launched or initiated against the promoters of the company for any economic offences.

RISK FACTORS (R) & MANAGEMENT PERCEPTIONS (P)

INTERNAL

1. (R) The company is yet to register the sale agreement for the building premises in name of the company.
(P) The company has entered the agreement for sale and would register the same within the specified time schedule.
2. (R) The company is promoted by first generation entrepreneurs who do not have any proven abilities in management.
(P) The company though promoted by the first generation entrepreneurs is confident by virtue of their experience to implement and successfully run the project.
3. (R) The Company is in the process of recruiting additional key personnel and the performance of the Company is dependent upon the recruitment of the same.
(P) The company is confident of recruiting the additional qualified manpower for top positions, so that there is no impact on the profitability projected.
4. (R) The proposed project is mainly financed by the present issue of equity shares and any delay in raising funds from the public issue would adversely affect the implementation and performance of the project.
(P) The proposed project is financed by the present issue of equity shares to the extent of 38% of the total project cost and is confident of implementing the project in time.
5. (R) The Company's scale of operations in Software Development is relatively low and their ability to handle the large projects is untested.
(P) The Management is confident of successfully implementing the projects on hand /to be procured due to their experience in the similar field.
6. (R) The Software training Courses are not accredited/developed/ recognised by any University / Board / AICTE / Government authorities.
(P) The Company has been imparting latest Software Courses and has trained manpower for both Government and Corporate sectors.
7. (R) The Company is yet to receive RBI Permission to setup the office abroad.
(P) The Company has applied to RBI for the permission and is confident of obtaining the same as per the implementing Schedule.
8. (R) The Company's Registered Office is located at the premises owned by the core promoter Mrs. K.Vanaja & Mr. Krishna Kishore.
(P) The Company has entered the lease agreement and is paying a rent of Rs.13,000/- per month which is as per the existing rent being paid for a similar premises.
9. (R) There is a pending case against Mr.K.Suryanarayana, Managing Director of the company, during his tenure as the Managing Director of Monarch Cyber Solutions Limited filed by Deepak Transport Agency Limited, Hyderabad in the Junior Civil Judge, City Civil Court, Hyderabad filed against Monarch Cyber Solutions Limited and Mr. K.Suryanarayana was made a respondent by the petitioner.
(P) Mr. K.Suryanarayana was only a paid director and not the promoter director of the Company. The total value of the suit



is for Rs.92,402.00. As Mr. K.Suryanarayana was a paid Director of the company and No personal guarantee was given this would not have an impact on Jeevan Softech Limited.

- 10. (R) The company is yet to place orders for miscellaneous fixed assets worth Rs.20.00 lakhs
(P) The company is in the process of placing orders and all the equipment will be acquired as per the implementation schedule.
11. (R) The company is yet to place orders for Plant & Machinery worth Rs.77.71 lakhs
(P) The company is in the process of placing orders and all the equipment will be acquired as per the implementation schedule.
12. (R) The company is yet to identify suitable premises for overseas office location including housing accommodation for a sum of Rs.108.79 lakhs.
(P) The company is in the process of identifying the suitable premises and would be acquiring the same upon receipt of RBI permission as per the implementation schedule.
13. (R) The company is prone to threats and weaknesses stated under SWOT Analysis of the company.
(P) The company is confident of overcoming threats & weaknesses under SWOT Analysis by virtue of the qualified Board of Directors and Experienced manpower personnel.
14 (R) The company is purchasing all its systems and Software from two suppliers
(P) The company is purchasing its systems from the vendors who have good reputation and are authorised dealers of the respective products.

EXTERNAL

- 1. (R) Any adverse change in the Government Policies in Software Industry may affect the performance and profitability of the Company.
(P) Government of India has identified Software Industry as a thrust area and incentives are being provided to encourage the Industry. Hence, the Company does not foresee any adverse policy changes that could be detrimental to the growth of this sector.
2. (R) Selection, Recruitment and Retention of skilled, good quality manpower are crucial factors for the success of a software company.
(P) The high degree of employee turnover would be minimised to a considerable extent through the Company's sound Human Resources policies, which lay emphasis on continuous training and development on latest technologies for its personnel.
3. (R) The IT Industry is prone to high risk of Technological Obsolescence.
(P) The Company will set off the technological obsolescence with continuous updating of the technical skills.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of the company, there has been no formal market for the securities of the company. The Issue price should not be taken to be indicative of the market price of the equity shares after the shares are listed. No assurance can be given regarding an active or sustained trading in the shares of the company nor regarding the price at which equity shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk

and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this document.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, which is material in the context of the issue, that the information contained in this offer document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Investors are requested to refer page (***) for the summarized and detailed statement of Risk Factors.

GENERAL DISCLAIMER: INVESTORS MAY NOTE THAT JEEVAN SOFTECH LIMITED ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS OFFER DOCUMENT OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE ISSUER COMPANY OR THE LEAD MANAGER AND THAT ANY ONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS/HER OWN RISK.

Investors grievances redressal mechanism

Investor's grievances pertaining to this issue will be handled by the Registrar to the Issue namely M/s Karvy Consultants Limited. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company.

The Company would also be co-ordinating with the Registrars to the issue in attending to the grievances of the investors.

The Company assures that the following schedules shall be adhered to by the Board of Directors in respect of the complaints, if any, to be received.

Table with 3 columns: Sl. No., Nature of the Complaint, Time Taken. It lists three types of complaints: non-receipt of refund warrants, change of address notification, and other complaints in relation to public issue, with corresponding timeframes for resolution.

The Company has appointed Mrs. D.Renuka, Company secretary as Compliance Officer who would directly deal with SEBI with respect to implementation of various laws, rules, regulations and other directives issued by SEBI and matters related to investor complaints. The investors may contact the compliance officer in case of any pre issue/post issue related problems. The Compliance officer will be available at the following address:

Jeevan Softech Limited
Regd. Office: 3rd Floor, North Block, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500 001.
Phone: 320 5738, 320 5739, 320 5674
Fax: 320 5675



PART II

A. GENERAL INFORMATION

Consents

Consents in writing of the Auditors, Directors, Bankers to the Company, Bankers to the Issue, Lead Managers, Legal Advisor and Registrars to the Issue to act in their respective capacities have been obtained and given to the Registrar of Companies, Andhra Pradesh at Hyderabad, together with a copy of this Offer Document as required under Section 60 of the Companies Act, 1956 and such consents have not been withdrawn upto the time of delivery of the copy of this Offer Document for registration with the Registrar of Companies, Andhra Pradesh at Hyderabad.

M/s. S.R.Mohan & Co., Chartered Accountants, Hyderabad, the statutory auditors of the Company, have also given their written consent to the inclusion of their report as appearing hereinafter in the form and context in which it appears in this Offer Document and also the tax benefits accruing to the Company and to the Members of the Company and such consent and report have not been withdrawn upto the time of delivery of the copy of this Offer Document for registration with the Registrar of Companies, Hyderabad.

Expert Opinion

Except for the various tax benefits available to the Company and its members expressed by the auditors of the Company given elsewhere in the Offer Document, the Company has not obtained any other expert opinion.

Change in the Board of Directors

Change in Directors in the last three years is as follows:

Name	Date of appointment	Date of cessation	Reasons
Mr. Krishna Kishore Kuchipudi	From Date of Incorporation	—	—
Mrs. Vanaja Kuchipudi	From date of Incorporation	—	—
Mr. K. Suryanarayana	05-02-1999	—	To broad base the Board
Mr. William E.Hill	09-02-2000	—	To broad base the Board
Mr.Clifford Stallings	09-02-2000	—	To broad base the Board
Mr. Uday Kumar Chappalamadugu	09-02-2000	—	To broad base the Board
D.Seetharamaiah	28-02-2000	—	To broad base the Board
Mr.Surendra Kancheti	28-02-2000	—	To broad base the Board
Mr.Ravi T	28-02-2000	—	To broad base the Board
T. Chalapathy Rao	07-04-2000	—	Alternate Director to Ch. Udaya Kumar
R.Nagi Reddy	07-04-2000	—	Alternate Director to William E.Hill
N V V N Satyanarayana	07-04-2000	—	Alternate Director to Clifford Stallings

Change in Auditors

M/s. S.R.Mohan & Co. Chartered Accountants, had been the Auditors of the Company since incorporation.

Authority for the present issue

Pursuant to Section 81(1A) of the Companies Act, 1956, the present issue of Equity Shares has been authorised vide Special Resolution passed at Extra-ordinary general meeting held on 9th day of February 2000 at the Registered Office of the Company.

Disposal of Applications and Application money

No receipt will be issued for application money. However, the Bankers to the Issue receiving the applications will acknowledge the receipt of the application by stamping and returning the detachable acknowledgement slip appended to each application form.

The sum received in respect of the issue will be kept in separate bank account and the Company will not appropriate the funds unless approval of the concerned Regional Stock Exchange is obtained for allotment and listing, and where listing has been proposed on more than one exchange, no utilisation shall be allowed till listing approval is available from each of the exchanges concerned.

The Board reserves the right to accept or reject any application in whole or part and in either case without assigning any reason thereof.

Basis of allotment

In the event of public issue of equity shares being over-subscribed, the basis of allotment will be finalised by the Board of Directors of the Company in consultation with the Hyderabad Stock Exchange on a proportionate basis and in marketable lots, as explained below:

- Applications will be categorised according to the number of shares applied for.
- The total number of Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, i.e., the total number of the shares applied for in that category (number of applicants in the category multiplied by number of Shares applied for) multiplied by the inverse of the oversubscription ratio.
- Number of Shares to be allotted to the successful allottees will be arrived at on a proportionate basis, (i.e., total number of shares applied for by each applicant in that category multiplied by the inverse of the oversubscription ratio.)
- In all the applications where the proportionate allotment works out to less than 100 shares per applicant, the allotment shall be made as follows:
 - Each successful applicant shall be allotted a minimum of 100 shares and
 - The successful applicants out of the total applicants for that category shall be determined by draw of lots in such a manner that the total number of shares allotted in that category is equal to the number of shares worked out as per (b) above.
- If the proportionate allotment to an applicant works out to a number that is more than 100 but is not a multiple of 100 (which is the marketable lot), the number in excess of the multiple of 100 would be rounded off to the higher multiple of 100 if that number is 50 or higher. If that number is lower than 50, it would be rounded off to the lower multiple of 100. All applicants in such categories would be allotted shares arrived at after such rounding off.
- If the shares allocated on a proportionate basis to any category are more than the shares allotted to the applicants in that category, the balance available shares for allotment shall be first adjusted against any other category, where the allocated shares are not sufficient for proportionate allotment to the successful applicants



in that category. The balance shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for minimum number of shares.

- 9. If the process of rounding off the number of shares to allottees to the nearest multiple of 100, results in actual allotment being higher than the shares offered, the Company may allot additional equity share upto a maximum of 10 % of the size of the net public offer. The requisite resolution has been passed by the Company in this regard.

The above allotment is further subject to the following guidelines in the case of oversubscription:

- a. a minimum of 50 % of the net offer of shares to the public shall initially be made available for allotment to individual applicants who have applied for allotment of 1000 or less than 1000 shares.
- b. the balance 50 % of the net offer of shares to the public shall initially be made available for allotment to investors, including corporate bodies/ institutions and individual applicants who have applied for allotment of more than 1000 shares.
- c. the unsubscribed portion of the net offer to any of the categories specified in (a) or (b) shall/ may be made available for allotment to applicants in the other category, if so required.

The investors may note that in case of oversubscription, the allotment shall be on proportionate basis and The Executive Director of Hyderabad Stock Exchange Limited. shall be associated in the process of finalisation of basis of allotment, if the issue is oversubscribed by more than five times.

Issue of share certificates

The Share certificates will be dispatched within three months from the date of allotment as per the provisions of section 113 and other relevant provisions of the Companies Act, 1956, in exchange of allotment letters, issued if any.

Share certificates/allotment letters/refund orders

Letter(s) of Allotment/Share Certificate(s) together with refund orders of value over Rs.1,500/-, if any, to allottees and Letter(s) of Regret together with refund orders of value over Rs.1,500/- to non-allottees will be dispatched by registered post and refunds of value of Rs. 1,500/- and less will be dispatched under certificate of posting at the applicant's sole risk within 30 days of the closing of subscription list.

Adequate funds for the above purpose will be made available to the Registrar to the issue to ensure dispatch of refund orders, allotment letters and share certificates by Regd. Post/ certificate of posting.

Interest in case of delay on allotment and dispatch.

- a) As far as possible, allotment of securities offered to the public shall be made within 30 days of the closure of this offer.
- b) The Issuers shall pay interest @ 15% per annum for the period of delay beyond 30 days if the allotment has not been made and /or refund orders have not been dispatched to the investors within 30 days from the date of closure of the offer (except to applicants applying through stockinvest).

Interest on excess application money

Payment of interest at the rate of 15% per annum on the excess application money will be made to the applicants for the delayed period, if any, beyond 30 days from the date of closure of the subscription list, in terms of the provisions of the Companies Act, 1956 and the guidelines issued by the Ministry of Finance vide Letter No.F/8/6/SE/79 dated 21.7.83 and as amended by Letter No.F/14/2/SE/85 dated

27.9.1985 addressed to Stock Exchanges and as further modified by SEBI's circular dated May 15, 1996. No interest will be paid on Stock invest.

Application of Section 269SS of the Income Tax Act, 1961.

In respect of the provisions of Section 269SS of the Income Tax Act, 1961, the subscription against the equity shares should be effected only by an account payee cheque or an account payee draft/stock invest, if the amount payable is Rs.20,000/- or more. In case the payment is made in contravention of this provision, the application money will be refunded and no interest will be paid.

Investors grievances redressal mechanism

Investor's grievances pertaining to this issue will be handled by the Registrar to the Issue namely M/s Karvy Consultants Limited. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company.

The Company would also be co-ordinating with the Registrars to the issue in attending to the grievances of the investors.

The Company assures that the following schedules shall be adhered to by the Board of Directors in respect of the complaints, if any, to be received.

Sl.No.	Nature of the Complaint	Time Taken
1	Non-receipt of the refund warrants or share certificates	Within 7 days of receipt of complaint, subject to production of satisfactory evidence.
2.	Change of Address notification	Within 7 days of receipt of information
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

The Company has appointed Mrs. D.Renuka, Company secretary as Compliance Officer who would directly deal with SEBI with respect to implementation of various laws, rules, regulations and other directives issued by SEBI and matters related to investor complaints. The investors may contact the compliance officer in case of any pre issue/post issue related problems. The Compliance officer will be available at the following address:

Jeevan Softech Limited
 Regd. Office: 3rd Floor, North Block, Raghava Ratna Towers,
 Chirag Ali Lane, Abids, Hyderabad - 500 001.
 Phone: 320 5738, 320 5739, 320 5674
 Fax: 320 5675

Denomination of share certificates

The Equity Shares Certificates will be issued in market lots of 100 Equity Shares of face value of Rs.10/- each.

COMPANY INFORMATION AND PUBLIC ISSUE TEAM

Registered Office of the Company

Jeevan Softech Limited
 3rd Floor, North Block,
 Raghava Ratna Towers,
 Chirag Ali Lane,
 Abids, Hyderabad - 500 001.
 Phone: 320 5738, 320 5739, 320 5674
 Fax: 320 5675



Lead Managers to the Issue

CIL Securities Limited
214 Raghava Ratna towers
Chirag Ali Lane
Hyderabad-500 001
SEBI Registration No.: MB/INM/000009694
Tel: 320 3155, 320 3149
Fax: 320 3028

Registrars to the Issue

Karvy Consultants Limited
"Karvy House" 46, Avenue 4,
Street No.1, Banjara Hills
Hyderabad- 500 034
SEBI Registration No.: MB/INR/000000221
Tel : 040-331 2454 / 332 0251
Fax: 040- 331 1968

Company Secretary

Mrs. D.Renuka
Company Secretary,
Jeevan Softech Limited
3rd Floor, North Block,
Raghava Ratna Towers,
Chirag Ali Lane,
Abids, Hyderabad - 500 001.
Phone: 320 5738, 320 5739, 320 5674
Fax: 320 5675

Auditors

M/s. S. R.Mohan & Co.
Chartered Accountants
III Floor, North Block,
Raghava Ratna Towers,
Chirag Ali Lane,
Hyderabad - 500 001.
Phone: 320 1123, 320 1223, 320 4115.

Legal Advisor

N.V.Ram Prasad
Advocate,
2-2-1167/3/1/J
Tilaknagar
Nallakunta
Hyderabad - 500 044
Phone: 756 4537

BANKERS TO THE COMPANY

Oriental Bank of Commerce
Chirag Ali Lane.
Hyderabad

Bank of Madura
K.J.Market
Bank Street
Hyderabad

BANKERS TO THE ISSUE

Bank of Madura
K.J.Market
Bank Street
Hyderabad

HDFC Bank Ltd.
Lakdi-ka-Pul
Hyderabad

Brokers to the Issue

All the brokers of recognised stock exchanges registered with SEBI may act as brokers to the issue.

**B. FINANCIAL INFORMATION****AUDITORS' REPORT**

To,

The Board of Directors
Jeevan Softech Limited
3rd Floor, North Block,
Raghava Ratna Towers,
Chirag Ali Lane,
Abids, Hyderabad - 500 001.

Dear Sirs,

We have examined the books of accounts of Jeevan Softech Limited for the periods ended on March 31, 1999 being the last date upto which the accounts have been made up, audited by us and adopted by the members of the Company, and for the period from April 1, 1999 to December 31, 1999 for the purpose of this report.

In accordance with the provision of Clause B of part II of Schedule II of the Companies Act, 1956. We report that the Profit & Losses, Assets & Liabilities are as set out below subject to the notes there under.

A. PROFIT AND LOSS ACCOUNT:

The Company was incorporated on February 2, 1999 and the Company was ready for commercial operations only on June 22, 1999. Hence there was no profit and loss account for the period ended March 31, 1999. The Profits for the period ended 31st December 1999 have been arrived at after charging all expenses of working and management including depreciation. After making such adjustments and re-grouping, which in our opinion are, appropriate and are subject to the notes given below are:

Profit & Loss A/C

Particulars	For the period from 22-06-1999 to 31-12-1999 (Amount in Rs.)
INCOME	
Income From Operations	7,69,219
Products under Development	12,20,000
Increase in Client's Work in Progress	24,96,500
Other Income	50,027
Total (A)	45,35,746
EXPENDITURE	
Salaries	14,49,110
Administrative and Marketing Expenses	20,77,423
Depreciation	4,20,706
Total (B)	39,47,239
Profit Before Income Tax	5,88,507
Provision For Income Tax	67,973
Profit After Tax	5,20,534

**B. ASSETS AND LIABILITIES**

PARTICULARS	As at 31-3-1999	As at 31-12-1999
SOURCES OF FUNDS:		
Share Holders Funds		
Share Capital	2,000	24,51,000
Share Application Money	14,24,000	35,30,000
Reserves And Surplus	0	5,20,534
Loan Funds		
Secured Loans	0	40,00,000
Unsecured Loans	0	15,33,000
TOTAL (A)	14,26,000	1,20,34,534
APPLICATION OF FUNDS:		
Fixed Assets	0	85,59,323
Capital Work in Progress	12,03,587	0
Pre-Operative Expenses pending Capitalisation	1,26,335	0
Current Assets Loans & Advances Less Current Liabilities & Provisions	77,033	34,56,166
Miscellaneous Expenditure (To The Extent Not Written Off Or Adjusted)	19,045	19,045
Totals	14,26,000	1,20,34,534

C. NOTES:**1. SIGNIFICANT ACCOUNTING POLICIES:**

- (i) Accounts are maintained on accrual basis.
- (ii) Fixed Assets are stated at Historical cost Less Depreciation.
- (iii) Depreciation is provided on straight line method at the rates and in the manner specified in Schedule XIV to the companies Act, 1956.
- (iv) (a) Clients' Projects in progress are valued on percentage of completion method. The revenue on each of such projects is recognised on the extent of completion of work on the relevant project.
(b) Expenditure incurred on development of software products is aggregated and allocated / apportioned to the respective software product and the same is shown as products under development.
- (v) The company does not offer any retirement benefits as on date to its employees.
- (vi) Preliminary expenses are written off over a period of 10 years @ 10% every year.

2. NOTES ON ACCOUNTS

- (i) The authorised Shares Capital of the Company is Rs.1,00,00,000 divided into 10,00,000 Equity Shares of Rs.10/- each as on December 31, 1999 which has been subsequently enhanced to Rs.9,99,00,000 divided into 99,90,000 equity shares of Rs.10/- each.
- (ii) The Company is contingently liable for the bank guarantee worth Rs.1.00 lakh and future liability of Rs.8,25,000 on un-drawn chits with M/s. Jeevana Mitra Chit Fund Private Limited.
- (iii) All expenditure has been capitalised upto June 21, 1999 as both training and software divisions are ready for commercial operations with effect from June 21, 1999.
- (iv) 10% of Preliminary expenses shall be written off in the final accounts on March 31, 2000.
- (v) Provisions for Minimum Alternate tax under the provisions of Income Tax Act, 1961 is provided on the profits arrived at as on 31-12-1999.
- (vi) The figures are not comparable as the first year figures are only for two months and the subsequent year figures are for nine months in the case of Balance Sheet.
- (vii) As the company has commenced its commercial activity from 22-06-1999, there are no previous year figures with respect to Profit & Loss Account.



Clarifications as per Circular XIV of SEBI guidelines for Disclosure for Investor Protection

Statement of Profits and Losses as per PART A, Clause I of Circular XIV in the form of Annexure - 'A'

STATEMENT OF PROFITS AND LOSSES

INCOME	(in Rupees) For the period ending 31-12-1999
Sales	
Training Fee	7,50,219
Software Consultancy Fee	19,000
Software Development Receipts	—
TOTAL	7,69,219
Other Income	50,027
Increase /Decrease in Inventories	37,16,500
TOTAL INCOME (A)	45,35,746
EXPENDITURE	
Staff Cost	17,34,624
Student Material Kit Expenses	18,203
Administration Expenses	9,07,470
Selling Expenses	5,29,371
Interest	3,36,865
Depreciation	4,20,706
Total	
Profit before Income Tax	5,88,507
Taxation	67,973
Profit after Tax	5,20,534

Taxation statement as per Annexure - 'B'

	For the period ending 31-12-1999
A. Tax at notional rate	2,26,575
B Adjustments	
Export profit	—
Difference between tax Depreciation and Book Depreciation	(17,52,760)
Other Adjustments	—
Net Adjustments	(17,52,760)
C. Tax Savings Thereon	(1,58,602)
D. Total Taxation	67,973

NOTE: Tax Savings thereon shown under C above is limited to the extent of the amount allowable under Section 115JA of the Income-tax Act, 1961.

Capitalisation statement showing the total debt and net worth and the Debt Equity Ratios before and after the issue.

Annexure D

Capitalisation statement:

(In Rupees)

	Pre issue as on 31.12.1999	As adjusted for issue
A. LOAN FUNDS		
Short term debt	15,33,000	—
Long term debt	40,00,000	1,10,00,000
Total Debt	55,33,000	1,10,00,000
B. SHARE HOLDERS FUNDS		
Share Capital (incl. Share Application Money)	59,81,000	6,04,16,000
Reserves	5,20,000	5,84,000
Total Shareholders Funds	65,01,000	6,10,00,000
C. LONG TERM DEBT/EQUITY	0.85 : 1	0.18 : 1

Note: Reserves of Rs.5,84,000 as at post issue is as per the estimate of profit made by the Management.

For S.R.Mohan & Co.,
B.Brahamanandam
Partner
Date: 23rd February 2000
Place: Hyderabad.

PRINCIPAL TERMS OF LOAN:

1. Oriental Bank of Commerce (OBC), Chirag Ali Lane, Hyderabad has sanctioned a term loan of Rs.40.00 lakhs and Bank Guarantee of Rs. 10 Lacs to the Company vide their sanction on 19.04.1999. The salient terms and conditions of the sanction letter are as follows:

Nature of facility : Term loan
Limit : Rs.40.00 lakhs (Rupees Forty Lakhs)
Purpose : To meet a part of the cost of Expansion.
Period of loan : 18 quarterly installments.
Collateral Security : Land & Building existing in the names of Mr. K.Krishna Kishore, Mrs. K.Vanaja and Mrs. T.Vanaja for a sum of Rs.40.15 lakhs
Interest : 15.82% per annum on the loan outstanding from time to time on a quarterly basis.

2. Bank of Madura (BOM), Bank Street, Hyderabad has sanctioned a term loan of Rs.70.00 lakhs to the Company vide their sanction letter dated 17-02-2000. The salient terms and conditions of the sanction letter are as follows:

Nature of facility : Term loan
Limit : Rs.70.00 lakhs (Rupees Seventy Lakhs)
Purpose : To meet a part of the cost of Expansion.
Period of loan : 12 quarterly installments commencing from 30th June 2000.
Collateral Security : Building existing in the name of Mrs. K. Vanaja one of the Promoter



Directors of the company having a value of Rs.55.00 lakhs.

Interest : 15.81% per annum on the loan outstanding from time to time on a quarterly basis.

C. STATUTORY AND OTHER INFORMATION

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the issued amount, on the date of closure of the issue or if the subscription level falls below 90% after the closure of the issue on account of cheques having been returned unpaid or withdrawal of applications, the Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, the Company shall pay interest as per Section 73 of the Companies Act, 1956.

Rights of the Equity Shareholders

The Equity Shares now being issued are subject to the terms of this Offer Document, the Application Form, Memorandum and Articles of Association of the Company, the Guidelines issued by the Government of India and Securities and Exchange Board of India from time to time and the Companies Act, 1956. These new equity shares shall rank pari-passu with the existing issued equity shares of the Company in all respects except that the Equity Shares issued will be entitled to dividend, if any, which may be declared or paid on the Equity Shares, on a pro-rata basis from the date of allotment.

Shareholders are entitled to receive dividend as and when declared, Bonus and Rights shares as and when made. Further the rights of the above and other holders of the instruments are subject to the provisions of Section 206A of the Companies Act, 1956 and other laws applicable from time to time.

Expenses of the present Issue

The expenses of the present issue, including brokerage, fees to the Lead Managers and Registrars to the Issue, Brokerage, Stamp duty, Printing and stationery, distribution and publication expenses, legal and professional charges, listing fees, bank charges, Auditors fees and other miscellaneous expenses will be met out of the proceeds of the issue. The total expenses are expected to be approximately Rs.26 lakhs.

Fees payable to the Lead Managers to the Issue

The fees payable to the Lead Managers to the Issue, for issue management as set out in their offer letter, copies of which are kept open for inspection at the Registered Office of the Company.

Fees payable to the Registrars to the Issue

The fees payable to the Registrars to the Issue as set out in their offer letter, copies of, which are kept open for inspection at the Registered Office of the Company.

Brokerage

Brokerage will be paid @ 1.5% on the nominal value of the equity shares on the basis of allotments made against applications bearing the stamp of a member of any recognised stock exchange in India in the brokers column. Brokerage at the same rate will also be payable to the bankers to the issue in respect of allotment made against applications bearing their respective stamps in the brokers column.

In case of tampering or over stamping of broker/agents codes on the

application form, the Issuer's decision to pay brokerage in this respect will be final and no further correspondence will be entertained in this matter.

Previous issue of capital during last five years.

The Company has not made any public issue of equity / debentures whatsoever prior to this issue. The details of issue of capital has been outlined in the paragraph on the build up of the share capital under the capital structure.

Issue of shares otherwise than for cash

No shares have been issued as fully paid shares for consideration other than cash

Preference shares and debentures

The Company has not issued any preference shares or debentures since its incorporation.

Capitalisation of reserves and profits

There has been no capitalisation of reserves or profits since its incorporation.

Issue at a premium or discount

No shares of the Company have been issued at either a premium or at a discount since its incorporation.

Option to subscribe

Except as otherwise stated in this Offer Document, the Company has not entered into nor does it at present propose to enter into any contract or arrangement whereby any option or preferential right of any kind has been or is proposed to be given to any person to subscribe to any shares or debentures of the Company.

Purchase of property

Save in respect of the property purchased or acquired or proposed to be purchased or acquired under the contract referred to herein below under the heading Material Contracts and Documents for inspection, there is no property which the Company has purchased or acquired or proposes to purchase or acquire which is to be paid, wholly or partly out of the proceeds of the present issue or the purchase of acquisition of which has not been completed on the date of issue of this Offer Document other than the following:

- a. The contract for the purchase or acquisition whereof was entered into in the ordinary course of the company's business, the contract not being made in contemplation of the issue in consequence of the contract.
- b. in respect of which the amount is not material. Except as stated in this Offer Document the Company has not purchased any property in which any of its promoters or directors has or have any direct or indirect interest or in respect of any payment thereof.

Revaluation of assets

There has been no revaluation of the assets since incorporation of the Company.

Interest of directors and promoters

Except as otherwise stated elsewhere in this Offer Document, all the Directors may be deemed to be interested to the extent of remuneration and fees payable to them for attending the meeting of the Board or Committee thereof and reimbursement of travelling and other incidental expenses, if any, for such attendance as per the Articles. All the Directors/ Promoters of the Company shall be deemed to be



interested to the extent of shares held by them and/or their friends and relatives and which may be allotted to them out of the present issue, and are deemed to be interested to the extent of remuneration and perquisites being drawn by them from the Company.

Details of Directors

The details of the Directors are as given in the earlier part of the Offer Document.

Managing Director and Whole-time Director.

In accordance with the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the shareholders, the Managing Director and Whole-time Directors are drawing remuneration as follows:

- a. Mr. Krishna Kishore Kuchipudi - Vice- Chairman
 1. Tenure - For a period of 5 (five) years with effect from 28-02-2000
 2. Salary - Rs.20000/- per month which is inclusive of other benefits
- b. Mr. K.Suryanarayana - Managing Director
 1. Tenure - For a period of 5 (five) years with effect from 05-02-1999
 2. Salary - Rs.27,500/- per month which is inclusive of other benefits

THE MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

CERTIFICATES

10. Subject to the provisions of the Act, the Company may from time to time by an ordinary resolution in General Meeting increase its share capital by the creation and issue of new shares of such amount as it thinks expedient and such new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting creating the same shall be directed and if no direction be given, as the Directors shall determine. Such shares may be issued with a preferential or qualified right as to dividends and in the distribution of assets of the Company, and with without a right to voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act.
13. Subject to the provisions of Section 80 of the Act, the Company shall have power to issue preference shares which are, or at the option of the company, are liable to be redeemed and the redemption may, subject to the provisions of Article 5 hereof be effected in the manner and subject to the terms and, provision of its issue
19. Buy Back of Shares : The company shall have power, subject to and in accordance with all applicable provisions of the Companies Act, 1956, to acquire/ purchase any of its fully paid shares on such terms and conditions and up to such limits as may be prescribed in accordance with the law from time to time and may be determined by the Board from time to time and may make payment out of free Reserves and Surplus and/or Securities Premium Account and/or proceeds of any shares or other specified securities or such other funds as may be prescribed by the law in respect of such acquisition/purchase.
20. (a) The certificates of title to the shares shall be issued under the seal of the Company which shall be affixed in the presence of and signed by:
 - (i) two directors (provided that if the composition of the Board permits one of the aforesaid two Directors shall be a person other than the Managing or whole time Director) and
 - (ii) the Secretary or some other person appointed by the Board for the purpose.
- (b) Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue. A Director may sign the share certificates by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Provided always that notwithstanding anything contained in this Article, the certificates of title to shares may be executed and issued in accordance with such other provision of the Act, or the rules made thereunder, as may be in force for the time being.
24. The company shall within two months after the allotment of any of its shares or debentures and within one month after the application for the registration of the transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred, unless the conditions of issue of the shares or debentures otherwise provide and the Company shall otherwise comply with the requirements of Section 113 and other applicable provisions (if any) of the Act.
25. (A) No certificates(s) of any share or shares or debentures shall be issued either in exchange for those which are sub-divided or consolidated in replacement of those which are defaced, torn or old, decrepit, worn out, or rendered useless from the reverse for recording transfers have been fully utilised, unless the certificate in lieu of which they are issued are surrendered to the Company. No duplicate certificate shall be issued in lieu of those that are lost or destroyed without the evidence of such loss or destruction and indemnity and the payment of out of pocket expenses incurred by the company in investigating evidences as the Board thinks fit.
28. The Board of Directors may from time to time, (by a Resolution passed at the meeting of the Board and not by Circular Resolution) but subject to the conditions hereinafter mentioned, make such calls as they think fit, upon the members in respect of all monies unpaid on the shares held by them respectively (Whether on account of the capital value of the shares or by way of premium) and which are not by the condition of the allotment, made payable by fixed times and each members shall pay amount of every call so made on him to the person and at the times appointed by Directors. A call may be made payable by installments. The call may be revoked or postponed at the discretion of the Board.
40. If the requirements of any such notice as aforesaid shall not be complied with, any of the shares in respect of which notice has been given may, at any time thereafter but before payment of call or installments and interest be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
41. When any shares shall have been so forfeited, an entry of the



- forfeiture, with the date thereof, shall be made in the Register of Members and notice of the forfeiture shall be given to the member in whose name they stood immediately prior to the forfeiture but no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice or to make any entry as aforesaid.
53. The instrument of transfer of any shares shall be in writing and all the provisions of section 108 of the Act and of any statutory modifications thereof for the time being in force shall be duly complied with in respect of all transfers of shares and the registrations. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.
60. The Directors shall have power, on giving not less than seven days previous notice by advertisement as required by section 154 of the Act, to close the transfer books of the Company, the Register of Members or the Register of Debentures holders at such time or times and for such period(s) of time(s) not exceeding 30 days at a time.
71. Every person subscribing to or holding securities of the company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law in the manner provided by the Depositories Act, 1996 and the company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.
78. The company may issue share warrants subject to, and in accordance with, the provisions of sections 114 and 115, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
81. (a) Every shareholder or debenture holder of the company may at any time nominate a person, to whom his shares or debentures shall vest, in the event of his death in such manner as may be prescribed under the Act.
87. Subject to the provisions of Section 166 and 210 of the Act the Company shall, in addition to any other meeting, hold a general meeting (hereinafter called as 'Annual General Meeting') at the intervals and in accordance with the provisions contained in section 166 of the Act.
111. Subject to the provision of Section 252 of the Act, the number of Directors shall not be less than three, and unless otherwise determined by the Company in General Meeting more than twelve.
126. (a) At every Annual General Meeting one-third of such Directors for the time being are liable to retire by rotation or if their number is not three or multiple of three, then number nearest to one third shall retire from office.
- b) The Directors to retire by rotation at every Annual General Meeting, shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default and subject to any agreement amongst themselves be determined by lot.
141. Subject to the provision of the Act and these Articles and without prejudice to the other powers conferred by these Articles the Directors shall have the power from time to time at their discretion, by a resolution passed at a meeting of the Board and not by circular Resolution, to accept deposits from members either in advance of calls or otherwise and generally raise or borrow from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of moneys for the purposes of the company provided that the total amount borrowed at any time together with the moneys already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the consent of the Company in a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. Such consent shall be obtained by an ordinary resolution, which shall provide for the total amount up to, which monies may be borrowed by the Board. The expression, 'Temporary loans' in this Articles means loan repayable on demand or within six months from the date of the loans such as short term loans, cash credit arrangements, discounting of bills and the issue of other short-term loans of reasonable character but does not include loans raised for the purpose of financing expenditure of a capital nature.
150. The Directors shall provide a Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The Directors shall provide for the safe custody of the seal for the time being, and the seal shall never be used except by or under the authority of the Directors or a committee of Directors previously given.
154. The profits of the Company, subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid upon the shares held by them respectively.
- Provided always that any capital paid up or credited as paid-up on a share during the period in respect of which a dividend is declared shall, unless the terms of issue otherwise provide, only entitle the holder of such shares to an apportioned amount of such dividend proportionate to the capital from time to time paid up during such period on such share.
161. Subject to the provisions of the Act no member shall be entitled to receive payment of any interest or dividend in respect of his shares, whilst any money may be due or owing from him to the Company in respect of such shares or otherwise howsoever either alone or jointly with any other persons, and the Directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.
166. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or as may be permitted by the Act, applied for payment of dividend or be invested in such investments and in such manner or as may be permitted by the Act and as the Board may from time to time think fit.
175. On any sale of the undertaking of the Company, the Board or Liquidator on a winding up may, if authorized by a Special Resolution, accept fully paid or partly paid-up shares, debentures or securities of any other Company, whether incorporated in India



or not, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Board (if the profits of the Company permit) or the Liquidator (in a winding up) may distribute such shares or securities or any other property of the Company amongst the members without realization, or vest the same in trustees for them, and any Special Resolution may provide for the distribution or appropriation of cash, shares or other securities, benefits or properties otherwise than in accordance with the strict legal rights of the members or contributors of the Company and for the valuation of such assets in a manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorized, and waive all rights in relation thereto, save, only in case the Company is proposed to be or is in the course of being wound up, such statutory rights, if any, under section 494 of the Act as are incapable of being waived or excluded by these Articles.

MATERIAL CONTRACTS AND INSPECTION OF DOCUMENTS

The following contract and agreement referred to in Para "A" below (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before the date of this Offer Document) which are / or may be deemed to be material have been entered into by or on behalf of the Company. Copies of these contracts together with copies of documents referred to in Para "B" below all of which have been attached to the copy of this Offer Document and which have been delivered to the Registrar of Companies, Andhra Pradesh at Hyderabad for registration and may be inspected at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day from the date of this Offer Document until the date of closing of subscription list.

A. MATERIAL CONTRACTS

1. Memorandum of Understanding between the Company and the Lead Managers.
2. Memorandum of Understanding between the Company and the Registrars to the Issue.

B. DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of the Company.
2. Certificate of Incorporation of the Company
3. Certificate for Commencement of Business of the Company.
4. Consent letters from Lead Managers to the Issue, Registrars to the issue, Bankers to the issue, Bankers to the Company, Directors, Legal Advisor, Auditor as referred to in this Offer Document to act in their respective capacities.
5. Copies of the Resolutions passed under Sections 81(1A), 293(1)(a) and 293(1)(d). and appointment of wholetime directors under Sec. 198, 269, 309 of Companies Act 1956.
6. Copy of the Auditors report dated 18/02/2000 advising the Company about the tax benefits available to the Company and its members.
7. Auditors report included in the Offer Document and copies of the Balance Sheet referred in the said report.
8. Copy of the Auditors Certificate dated 09-03-2000 regarding the Sources and Deployment of Funds.
9. Copies of initial listing applications made to the Stock Exchanges at Hyderabad & Bangalore.

10. Copies of the purchase orders placed with Cache Peripherals, Secunderabad.
11. Copy of the appraisal note and the sanction letter of Bank of Madura Limited and Sanction letter of Oriental Bank of Commerce Ltd.
12. Copy of the agreement from various clienteles for the current work orders.
13. Copies of the lease agreements for the Leased premises and Sale Agreement.
14. Copy of the Board resolution authorising the registrars to the issue M/s. Karvy Consultants Limited to sign and encash the stock invests.
15. Copy of MOU signed with Jeetendra.D.M Architects for Furniture & fixtures.
16. Copies of Current Work orders from various clientele.
17. Copy of the tripartite agreement for depository participation between the Company, Karvy Consultants Ltd. and National Securities Depository Limited.
18. Copy of the tripartite agreement for depository participation between the Company, Karvy Consultants Ltd. and Central Depository Services Limited.
19. Copy of the valuation report for the building premises obtained from M.Panduranga Rao, Chartered Engineer.

DECLARATION

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government have been complied with and no statement made in this Offer Document is contrary to the provisions of the Companies Act, 1956 and Rules made thereunder.

Signed by the Directors:

D.Seetharamaiah*

Mr. Krishna Kishore Kuchipudi*

Mr. K. Suryanarayana

Mr. Udaya Kumar Chappalamadugu (Represented by Alternate Director Mr.T.Chalapathy Rao*)

Mr.Surendra Kancheti*

Mr.Ravi Babu T*

Mr. Clifford stallings (Represented by Alternate Director Mr. N.V.V.N.Satyanarayana*)

Mr.William E.Hill (Represented by Alternate Director Mr. R.Nagi Reddy*)

Mrs. Vanaja Kuchipudi*

* Signed by their constituted power of attorney holder Mr. K.Suryanarayana

Place : Hyderabad

Dated: 17th April, 2000