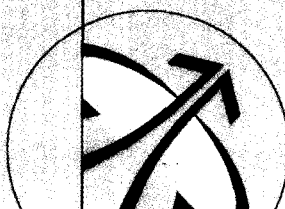


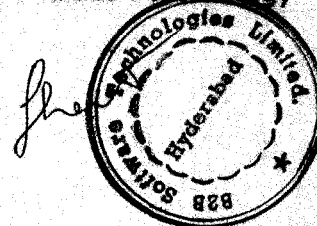
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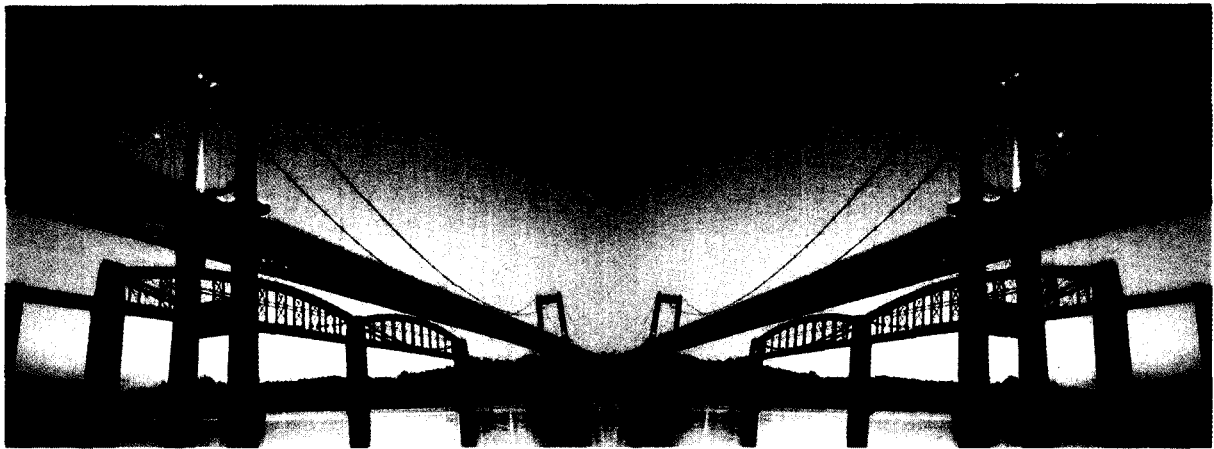


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TECHNOLOGIES LTD**
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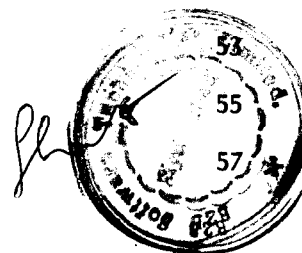
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Microsoft Business Solutions-Navision is a cost-effective, integrated business management solution that is fast to implement and easy to customize, maintain and use. Microsoft Business Solutions-Navision delivers integrated functionality for financial management, supply chain collaboration, CRM and e-commerce.

Whatever your business needs, we provide integrated e-business solutions to help you maximize efficiency. Microsoft Navision makes it easier for you to do business with all the stakeholders of your organisation including customers, vendors, and employees.



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**DIRECTORS**

Dr. Ram Nemani
 Dr. Anjaneyulu Krothapalli
 Mr. Durga Prasad P
 Dr. Janakirama Varma Meka
 Dr. Satyanarayana Y
 Mr. Satish Paul
 Mr. J R Sharath
 Mr. Venu Gopal K
 Mr. Vikram Varma Datla
 Mr. Jayaprakash Sappidi
 Mrs. Suryaprabha M
 Mrs. Samantha Reddy P

Chairman
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Managing Director

REGISTERED OFFICE

6-3-906/A/2,
 Somajiguda,
 Hyderabad – 500 082

Website: www.b2bsofttech.com

email : investorservice@b2bsofttech.com

STATUTORY AUDITORS

PRICE WATERHOUSE
 Chartered Accountants,
 6-3-550, 2 Floor,
 L. B. Bhavan,
 Somajiguda, Hyderabad – 500 082.

QUALITY AUDITORS

KPMG
 KPMG House,
 Kamala Mills Compound,
 448, Senapati Bapat Marg,
 Lower Parel, Mumbai – 400 013.

D-MAT REGISTRAR & SHARE TRANSFER AGENT

CIL SECURITIES LIMITED
 214, Raghava Ratna Towers,
 Chirag Ali Lane, Hyderabad – 500 001.

LEGAL CONSULTANTS

Harish Kumar & Associates
 Advocates
 West Marredpally, Secunderabad.

BANKERS

ICICI BANK Ltd.,
 Khairatabad,
 Hyderabad – 500 004

STATE BANK OF HYDERABAD
 Bellavista Branch, Somajiguda,
 Hyderabad – 500 082.

HSBC
 Nagarjuna Hills, Banjara Hills,
 Hyderabad.



NOTICE

Notice is hereby given that the Ninth Annual General Meeting of the members of B2B Software Technologies Limited will be held on Thursday the 25th day of September, 2003 at its Registered Office situated at 6-3-906/A/2, Somajiguda, Hyderabad – 500 082 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet of the Company as at March 31, 2003 and the Profit and Loss account for the year ended on that date together with the schedules and notes thereon and the Directors' and Auditor's Report thereof.
2. To consider and appoint Mr. Durga Prasad Pamidi who retires by rotation and being eligible offers himself for reappointment.
3. To consider and appoint Mr. Satish Paul who retires by rotation and being eligible offers himself for reappointment.
4. To consider and appoint Mr. VenuGopal K who retires by rotation and being eligible offers himself for reappointment.
5. To consider and appoint Price Waterhouse, Chartered Accountants as Statutory Auditors of the Company to hold office until the conclusion of next Annual General Meeting at such remuneration as may be decided by the Board of Directors.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 read with Schedule XIII of the Companies Act, 1956 and subject to the approval from such other authorities as may be necessary from time to time the increase in the remuneration from Rs. 6,24,000/- per annum to Rs. 10,00,000/- per annum payable to Mrs. P. Samantha Reddy, Managing Director of the Company be and is hereby approved."

"FURTHER RESOLVED THAT an amount of Rs. 1,000/- shall be deducted from the remuneration payable to Mrs. P. Samantha Reddy, Managing Director for use of office car for personal purposes."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT the Equity Shares of the Company be de-listed from The Hyderabad Stock Exchange Limited in accordance with the provisions of Securities and Exchange Board of India (De-listing of Securities) Guidelines, 2003 and relevant laws, rules, regulations and guidelines (including statutory modification(s) or re-enactment(s) thereof for the time being in force and as may be enacted thereafter) and subject to such approvals, permissions and sanctions from such authorities for compliance with such conditions and modifications as may be necessary for this purpose."

"FURTHER RESOLVED THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred by this resolution), be and is hereby authorized to seek voluntary de-listing at such time as they may, in the absolute discretion, consider appropriate on the terms and conditions as may be stipulated and mutually agreed to in the best interests of the Company, to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may deem necessary, proper or desirable and to settle any questions, doubts or issues that may arise in regard to de-listing of the Equity Shares and to execute all such deeds, documents, writings as may be necessary, desirable or expedient and for this purpose to delegate the authority and the duty vested in it to Mrs. P. Samantha Reddy, Managing Director to do the various acts and things required to be done in this behalf."

By order of the Board

Place : Hyderabad
Date : 20.08.2003

P. SAMANTHA REDDY
MANAGING DIRECTOR

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
- 2 The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2003 to 25.09.2003 (both days inclusive).
- 3 Members holding shares in physical form are requested to intimate the change, if any, in their Registered Address to the Registrar quoting their Registered Folio. If the shares are held in Demat form, intimation regarding the change of address, if any, has to be notified to the concerned Depository Participant where the Shareholder is maintaining the Demat Account.
- 4 Members / Proxies should bring the Attendance slips duly filled in for identification for attending the meeting.
- 5 Members desiring any information on the Accounts are requested to write to the Company at least one week before the Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the Meeting.
- 6 Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed to the notice.

**PROFILE OF DIRECTORS BEING REAPPOINTED AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT****Item No. 2 – Brief Profile of Mr. Durga Prasad Pamidi:**

Mr. Pamidi is a Technical Manager with Cap Gemini Ernst & Young's Management Consulting Practice. He has over seven years of professional experience in implementing financial systems and his primary area of expertise is integrating Oracle Applications with other similar and legacy applications. Apart from hands on experience, he has effectively managed teams on various projects doing custom development and package implementations. His technical background includes all stages of the software development life cycle - analysis, design, development, implementation, and maintenance. He has experience in design and programming techniques, Graphical User Interfaces (GUI) and Relational Database Management Systems. Has designed and developed custom business processes, has done database modeling, and has lot of interfaces and conversions experience. He has excellent business process and functional skills in the areas of financial modules and Internet retailing. Prior to joining Cap Gemini Ernst & Young (Formerly Ernst & Young LLP Management Consulting), Prasad worked at Oracle Corporation

Item No. 3 – Brief Profile of Mr. Satish Paul:

Working at Oracle Corporation as Application Architect with specialization in Systems Integration using EAI tools. Involved in designing and overseeing development of enterprise applications at global financial institutions like JP Morgan, CitiBank, UBS Warburg etc. Also involved in designing workflow systems to enable business process re-engineering at these firms. Involved in latest grid computing initiatives at Oracle with respect to Oracle 10g database and 10g Application Server."

Item No. 4 – Brief Profile of Mr. Venu Gopal K:

Mr. Venu Gopal Kadiyala, Director, is an Engineering Graduate with a Post-Graduate Degree in Management from the University of Melbourne, Australia. He heads the company's operations at Singapore.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 6:**

Mrs. P. Samantha Reddy was appointed as Managing Director of the Company in the year 2000. Considering the services rendered by her during her tenure as Managing Director the Board has decided to increase the remuneration payable to her from Rs.6,24,000/- to Rs.10,00,000/- per annum in the Board Meeting held on 23.11.2002.

The increase in remuneration was approved by the Board after the same was considered and approved by the Remuneration Committee as required under the provisions of Schedule XIII to the Companies Act, 1956 and the provisions of clause 49 of the listing agreement. Increase of remuneration payable to the Managing Director requires the approval of members by way of Ordinary Resolution. Hence this resolution is placed before you for approval.

Terms and Conditions**a) Salary:**

Rs.33,800/- (Rupees Thirty Three Thousand and Eight Hundred Only) per month.

b) House Rent Allowance:

Rs.17,150/- (Rupees Seventeen Thousand One Hundred and Fifty Only) per month.

c) Other Benefits:

Other terms of Mrs. P. Samantha Reddy's employment and changes, if any, thereof pertaining to leave travel assistance, holiday expenses, medical benefits / insurance, loans, annual increments, provisions for upkeep / maintenance, soft / hard furnishings, fixtures and fittings, club membership, children's education, retirement benefits, etc., will be in accordance with the Company's rules in force and as applicable to Directors.

None of the Directors other than Mrs. P. Samantha Reddy is concerned or interested in the said resolution.

Item No. 7:

The Equity Shares of the Company are listed on Hyderabad and Mumbai Stock Exchanges. The shares of your company have not been quoted at the Hyderabad Stock Exchange since the last one year. Your Directors are of the view that no particular benefit is available to the shareholders of the Company on continuing the listing of the shares on this Stock Exchange. Such de-listing will also not affect trading facilities of the shareholders of the Company in view of the listing of shares at The Stock Exchange, Mumbai and availability of on-line trading on this stock exchange at Hyderabad. Since the shares of the Company continues to be listed at this Stock Exchange, Mumbai no open offer is made. Voluntary de-listing of shares requires the approval of members by way of Special resolution as per the guidelines issued by SEBI in this behalf.

None of the Directors of the Company is in any way, concerned or interested in the said resolution.

By order of the Board

Place : Hyderabad

Date : 20.08.2003

P. SAMANTHA REDDY
MANAGING DIRECTOR

**DIRECTORS' REPORT**

To,
The Members,
B2B Software Technologies Limited

Your Directors hereby present the Ninth Annual Report of your Company together with the Audited Accounts including Consolidated Accounts for the financial year ended March 31, 2003 and the report of the Auditors thereon.

FINANCIAL RESULTS:

	(In Rupees)	
PARTICULARS:	2002 – 2003	2001 – 2002
Total Income	21,372,347	26,426,372
Expenditure	29,276,989	41,381,982
Profit/(Loss) before tax	(7,904,642)	(14,955,610)
Less: Provision for tax		
Current Tax	--	--
Deferred Tax	173,965	244,889
Loss after tax	7,730,677	14,710,721
Add: Brought forward from previous year	18,078,068	3,367,347
Transfer to Balance Sheet	25,808,745	18,078,068

PARTICULARS REGARDING SUBSIDIARY COMPANY:

As required by section 212 of the Companies Act, 1956 documents relating to the Company's subsidiaries are annexed to this report.

CORPORATE GOVERNANCE:

The Corporate Governance Report and a certificate by the Statutory Auditors regarding compliance of the conditions of corporate governance by your Company as stipulated in clause 49 of the Listing Agreement with Stock Exchanges, are annexed to this Report.

DEPOSITS:

During the year under review the Company has not invited/accepted any deposits from the public as defined in Section 58A read with Companies (Acceptance of Deposit) Rules, 1975.

BOARD OF DIRECTORS:

Mr. Durga Prasad Pamidi, Mr. Satish Paul and Mr. Venu Gopal K, Directors retire by rotation at the ensuing Annual General Meeting in accordance with the provisions of the Articles of Association of the Company and the provisions of the Companies Act, 1956 and being eligible offer themselves for re-appointment.

Mr. Jay Prakash Sappidi resigned as Executive Director during the year but continues to be a Director.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 217(2AA) of the Companies Act, 1956 the Board of Directors of the Company hereby confirm that:

- in the preparation of the Annual Accounts for the year ended March 31st, 2003, the applicable accounting standards had, been followed along with proper explanation relating to material departures, if any;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the year ended on March 31st, 2003;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- annual accounts have been prepared on a going concern basis.

REPLIES TO AUDIT OBSERVATIONS:

- Point No. 4 of the Auditors Report:
The Company has applied for approval to the Reserve Bank of India and is awaiting for the same.
- Point No. 4 of the Auditors Report:
 - Price Waterhouse, Chartered Accountants, the Statutory Auditors of the Company, have qualified that the increase in the remuneration payable to the Managing Director is subject to the approval of members of the Company.



B2B Software Technologies Limited

- ii. Section 269 read with Schedule XIII to the Companies Act, 1956 requires that any appointment / re-appointment/ increase in the remuneration payable to the Managing Director / Wholtime Director requires the approval of members of the Company in General Meeting.
- iii. The Department of Company Affairs vide its Circular No. 2/94, I/4/92-CL-V, dated 10.2.1994 has clarified as follows: "Incidentally Part III of the Schedule does not envisage prior approval or approval within 90 days. All that is required is an approval of the shareholders in a general meeting. It would, therefore, be appropriate, if such approval is obtained in the first general meeting held immediately after fixation of remuneration."
- iv. The said increase in the remuneration payable to the Managing Director was made in the meeting of the Board of Directors held on 23.11.2002 and the approval of the members would be obtained in the forthcoming Annual General Meeting which is the ensuing general meeting after the said Board Meeting.

AUDITORS:

Price Waterhouse, Chartered Accountants, the Statutory Auditors of the Company retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. The Board recommends their re-appointment

PERSONNEL:

During the period under report, there were no employees drawing remuneration in excess of the limits laid down in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee's) Rules, 1975.

TECHNOLOGY ABSORPTION, ENERGY CONSERVATION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

The disclosures required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, for the year ended March 31, 2003 are as follows:

A. Conservation of energy:			
Adequate measures have been taken to conserve energy wherever possible.			
B. Technology Absorption:			
The company is making continuous efforts to upgrade and automise the present Quality Management System Processes. This is to ensure improvement in the processes and maximise customer satisfaction.			
C. Foreign Exchange Earnings and Outgo			
Sl. No.	Particulars	2002 - 2003	2001 - 2002
1.	Income from Software Development Services	44,88,495	85,14,014
2.	Income from Trading Activities	1,14,95,992	1,01,03,318
3.	Total Foreign Exchange Earnings (on receipt basis)	1,59,84,487	1,86,17,332
4.	Total Foreign Exchange Outgo - on account of travelling	1,93,971	5,54,067

ACKNOWLEDGEMENTS:

Your Directors place on record their appreciation for the assistance and co-operation extended by the Bankers, STPI, Customs and Central Excise and various State and Central Government Agencies. Your Directors also thank all the Customers, Members and Employees for their valuable support and confidence in the Company.

For and on behalf of the Board

Place : Hyderabad
Date : 31.07.2003

DR. RAM NEMANI
CHAIRMAN

Addendum to the Directors Report :

Voluntary Delisting of Equity Shares :

The Equity shares of your Company are presently listed on Hyderabad and Mumbai Stock Exchanges. The Mumbai Stock Exchanges is accessible for on-line dealings across the Country. As explained in the Explanatory note to Item no.7 of the notice of this Annual General Meeting there has been no trading in the Hyderabad Stock Exchange since last one year.

In view of this, the Company proposes to voluntarily delist its shares from the said Stock Exchange. The interests of the shareholders in the said region will not be affected adversely as the on-line trading services of the Mumbai Stock Exchange is available at Hyderabad.

For and on behalf of the Board

Place : Hyderabad
Date : 20.08.2003

DR. RAM NEMANI
CHAIRMAN



MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development:

The Indian software and services export registered a growth of 26.3% in the FY 2002-03.

After the slowdown in recent years, the global software markets are expected to grow at a faster pace. The Indian Software industry is looking forward to capture a greater share of this market, especially as more overseas companies are looking at India as a prime destination for outsourcing their work.

Quality

Your company has successfully completed 2 surveillance audits from KPMG in line with the ISO 9001:2000 certification.

Trade Fairs

Your Company has participated in CeBIT 2003 Hannover, Germany, Orbit/Comdex 2002 Basel, Switzerland and GITEX Hyderabad 2003. The trade fairs have helped in generating leads for prospective clients.

Future Outlook:

Your Company has developed several niche competencies to offer services in Enterprise Resource Planning, Enterprise application integration, adaptors etc. Your company has increased focus on verticals such as healthcare, hospitality etc. Your company is constantly expanding its radar to new service lines that complement the existing services offerings. Your company has made an early entry into the European market through its wholly owned subsidiary and is hopeful to reap benefits in the current financial year.



CORPORATE GOVERNANCE

Company's philosophy on code of governance:

The Company's Corporate Governance philosophy is woven around its total commitment to the ethical practices in the conduct of its business.

The Corporate Governance policies of your Company recognizes the accountability of the Board vis-à-vis its various constituents including Customers, Shareholders, Investors, Employees, Government and other Regulatory Authorities, with prime objective to deliver "Superior Shareholder Value".

The schedule of implementation of Corporate Governance Code mentioned in Clause 49 of the Listing Agreement lays down certain mandatory requirements, which your Company has implemented. Your Directors are pleased to report the same.

BOARD OF DIRECTORS:

Composition and Functions:

The Board consists of 12 Directors with considerable professional experience and expertise in various fields. The Board of Directors has the ideal composition with more than half the directors being non-executive directors. Since the Company has a non-executive chairman, the Board's composition meets the stipulated requirement of at least one-third of the Board comprising independent directors.

There has been no change in the composition of the Board of Directors, since the last Annual General Meeting.

None of the non-executive directors have any pecuniary relationship or transactions with the Company, except receiving sitting fee of Rs.1,000/- for attending each Board Meeting.

The number and dates of the Board Meetings held during the year under review:

Six Board Meetings were held during the year on 10th May (which was adjourned to 24th May), 31st July, 19th September, 21st November, 23rd November 2002 and 17th January, 2003. During the year under review the time gap between any two consecutive meetings did not exceed four months.

The details of the attendance of directors at meetings of the Board and Annual General Meeting, held during the year (April 2002 to March 2003), along with the details of Committee memberships and their other directorships are furnished below: