

12th Annual Report
2005 - 2006



www.b2bpharma.com



About Counseling Management System

Organisations and Institutions engaged into counseling activities require an efficient Counseling Management System to keep a close view on their consultations. This calls for a solution that can empower such organisations to easily customize and configure the system themselves without any specialized computer knowledge or additional cost. A part of the large social services industry in the European Union is ineffective by service delivery, outcome tracking and customized reporting. B2B offers a fully integrated browser based counseling management system designed for counseling agencies, Social service organizations, University counseling centers etc.

Designed for multi-user and multilingual concurrency, our product is well suited for organisations with any number of staff-working out of a single location or multiple sites. Thus the software eliminates hours of time-consuming paperwork. The necessary information about a client such as appointments, personal and diagnostic details as well as treatment plans, medical information and much more.

Diakonie & B2B had organised an exclusive conference for its clients at Conference Center Hall 11, CeBIT Exhibition Hannover on 13th March 2006 to showcase the product

About KIBNET Integration

We have launched the Diakonie - Counseling Management System which is integrated with the Counseling Management System Database of KIBnet, KIBnet is a web based information and documentation system for ambulant, partly stationary and stationary organization of all responsible structures of public and free welfare work. Structure and scope of services is unique in the Federal Republic of Germany.

In the current KIBnet application Counselling Centers have to enter the data through the interface provided by the KIBnet, which is perceived as a cumbersome process and is causing a delay / multiple data entry. In the new system, the Counseling Management System is provided with an Interface Server. The Data from the Counseling Management System is mirrored to the Interface server; the data is then synchronized with KIBnet Server online for Statistical Analysis.

The Counseling Management System is developed in LAMP technologies alike KIBnet that bridges the technological and architectural gap between the applications for easy synchronization of data.

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DIRECTORS

Dr. Ram Nemani	Chairman
Mr. Durga Prasad P	Director
Dr. Janakirama Varma Meka	Director
Mr. Jayaprakash Sappidi	Director
Mr. Satish Paul	Director
Dr. Satyanarayana Y	Director
Mr. Sunil Nemani	Director
Mr. Anil Kumar V Epur	Director
Mr. Vikram Varma Datla	Director
Dr. Ashok Kumar Agarwal	Director
Mr. Sharath Reddy J	Director
Mrs. Samantha Reddy P	Managing Director
Mr. Nagendra V.V.	Alternate Director to Dr. Ram Nemani

REGISTERED OFFICE:

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

Website: www.b2bsoftech.com
email: investorservice@b2bsoftech.com

STATUTORY AUDITORS:

DHANUNJAYA & PRABHAKAR,
Chartered Accountants,
5-4-5, Padmavathi House,
J. N. Road, Abids,
Hyderabad – 500001.

QUALITY AUDITORS:

KPMG,
KPMG House,
Kamala Mills Compound,
448, Senapathi Bapat Marg,
Lower Parel, Mumbai – 400013

BANKERS:

ICICI Bank Ltd.
Khairtabad,
Hyderabad – 500 004

State Bank of Hyderabad,
Bellavista Branch,
Hyderabad – 500 082

HSBC,
Nagarjuna Hills, Banjara Hills,
Hyderabad

LEGAL CONSULTANTS:

Harish Kumar & Associates,
Legal & Corporate Consultants,
West Marredpally, Secunderabad

SHARE TRANSFER AGENTS AND DEMAT REGISTRARS:

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



NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the members of B2B Software Technologies Limited will be held on Saturday the 02nd of September, 2006 at its Registered Office situated at 6-3-906/A/2, Somajiguda, Hyderabad-500 082 at 11.00 A. 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, 2006 and the Profit and Loss account for the Financial 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, Director who retires by rotation and being eligible offers himself for reappointment.
3. To consider and appoint Mr. Sunil Nemani, Director who retires by rotation and being eligible offers himself for reappointment.
4. To consider and appoint Mr. J. Sharath Reddy, Director who retires by rotation and being eligible offers himself for reappointment.
5. To consider and appoint M/s Dhanunjaya & Prabhakar, 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 257 and pursuant to the Articles of Association Mr. Anil V. Epur be and is hereby appointed as Director of the Company liable to retire by rotation."
7. 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 257 and pursuant to the Articles of Association Dr. Ashok Kumar Agarwal be and is hereby appointed as Director of the Company liable to retire by rotation."
8. "RESOLVED THAT pursuant to the provisions of Section 100 and other applicable provisions, if any of the Companies Act, 1956, and of Regulation 59 of the Articles of Association of the Company and subject to the confirmation by the Hon'ble High Court of Judicature at Andhra Pradesh, and subject to such approvals as may be required from time to time consent of the members be and is hereby accorded for reducing the issued and paid up share capital of the Company from 1,09,85,400 (One Crore Nine Lakh Eighty Five Thousand and Four Hundred) fully paid up Equity Shares of Rs.10/- (Rupees Ten Only) each to 1,09,85,400 (One Crore Nine Lakh Eighty Five Thousand and Four Hundred) fully paid up Equity Shares of Rs.3/- (Rupees Three Only) each thereby reducing the face value of each of the Equity Share from Rs.10/- to Rs.3/-.

FURTHER RESOLVED THAT to effect the aforesaid reduction of capital, an amount of Rs.7,68,97,800/- (Rupees Seven Crore Sixty Eight Lakh Ninety Seven Thousand Eight Hundred only) be and is hereby reduced in the paid up capital of the Company by cancelling the same against the accumulated losses of Rs.7,68,97,800/- (Rupees Seven Crore Sixty Eight Lakh Ninety Seven Thousand Eight Hundred only) of the Company thus reducing the paid up value of the Company as at 30th June, 2006 from Rs.10/- (Rupees Ten Only) each fully paid up to Rs.3/- (Rupees Three Only) each fully paid up.

FURTHER RESOLVED THAT pursuant to the provision of Section 16, 94 read with Section 100 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Hon'ble High Court of Andhra Pradesh and subject to approvals from such authorities as may be required from time to time the Clause V of the Memorandum of Association of the Company be and is hereby altered as follows:

Clause V:

The Authorised Share Capital of the Company is Rs.12,00,00,000/- (Rupees Twelve Crores only) divided into 4,00,00,000 (Four Crores) Equity Shares of Rs.3/- (Rupees Three only) each. The Company has power, from time to time to increase or reduce its capital in accordance with the applicable provisions of the Companies Act, 1956, and to issue any part of capital original or issued, with or without any preference, priority or special privilege or subject to any postponement of rights, and to any conditions or restrictions, and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether expressed to be preference or otherwise shall be subject to the powers herein before contained.

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 authorised to seek reduction in the paid up Share Capital of the Company 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 deem necessary, proper or desirable and to settle any questions, doubts or issues that may arise in regard to reduction in the Paid Up Share Capital and to execute all such deeds, documents, writings as may be necessary, desirable or expedient and for this purpose to delegate the authority duly vested in it to Mrs. P. Samantha Reddy, Managing Director to do the various acts and things required to be done on this behalf."



9. "RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the existing Regulation 5 of the Articles of Association be and is hereby altered as follows to reflect the Share Capital as depicted in the Memorandum of Association:

The Authorised Share capital of the Company shall be as stated in Clause V of the Memorandum of Association.

By order of the Board

Dated : 18-07-2006
Place : California, USA.

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 Pursuant to the provisions of Section 154 of the Companies Act, 1956, and clause 16 of the listing agreement the Register of Members and Share Transfer Books of the Company will remain closed from 30.08.2006 to 02.09.2006 (both days inclusive).
- 3 Members holding shares in physical form are requested to intimate the change, if any, in their Registered Address to the Company 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 Explanatory Statement as required under the provisions of Section 173 (2) of the Companies Act, 1956 is annexed herewith.
- 5 Members / Proxies should bring the Attendance slips duly filled in for identification for attending the meeting.
- 6 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.

PROFILE OF DIRECTORS 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. He 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. Sunil Nemani:

Mr. Sunil Nemani is a Graduate in Computer Science and Business Administration from University of Illinois Vebane Champagne. Presently he is CEO of genius Doc Inc.

Item No. 4 – Brief Profile of Mr. J. Sharath Reddy:

Sharath Reddy is a Bachelor of Science in Electrical Engineering and Master of Science in Finance with a minor in Information Systems, from Texas A & M University and a Sun Certified Developer for Java 2 Platform.

Before joining B2B as a Director Mr. Sharath Reddy worked in USA for 7 years with various companies like Commerce One, Trilogy, Compaq and KPMG.

He was associated with B2B as Executive Director upto 31st March, 2006 and presently associated with B2B as a Director of the Company.


Item No. 6 – Brief Profile of Mr. Anil Kumar V. Epur:

Anil Kumar V Epur is a Master in Electronic Engineering and a Management Graduate in Finance & Production from Cornell University, USA .

Mr. Anil Kumar V Epur has served for VST Industries Limited in various departments for 20 years and held the position as Executive Director in VST Natural Products Limited and presently serving as Director in VST Distribution Storage & Leasing Co., Limited and Founder of CKO (Confederation of Kisan Organisations).

Anil Kumar V Epur is closely associated with CII and held various positions including Southern Regional Chairman, CII and was also actively involved in the A. P. Expert Committee constituted by Government of Andhra Pradesh.

Item No. 7 – Brief Profile of Dr. Ashok Kumar Agarwal:

Dr. Ashok Kumar Agarwal is a Gold medalist in Mechanical Engineering from BITS Pilani who completed his Masters and Doctoral Programme from University of Minnesota. He started his career with Bell Telephone Laboratories followed by Indian Institute of Management, Calcutta as a Professor of MIS during 1969 to 1986. He taught various courses in MBA and Ph. D programmes covering, Computer Sciences, Operations Research, Probability & Statistics, Management Information Systems and Decision Support Systems. He was involved in guiding doctoral candidates for their doctoral program.

Dr. Agarwal was involved in setting up various IT organizations in India Like ACS Technologies Ltd, Era Software Systems (P) Ltd and Cyber Media India Ltd. (publisher of Data Quest). He was the founder of SQL Star International and worked there as Managing Director till 2003. During his tenure, the company was listed on BSE and grew to more than 400 professionals with subsidiaries in Singapore, UK and USA.

Dr. Agarwal was Chairman of Division V, Data Communication during 2003-2005 in Execom of CSI and Convener of CSI - Nihilent e-Governance awards. He was Event Chairman for the Annual convention of Computer Society of India (CSI 2005) at Hyderabad. He is currently Convener for the CSI Nihilent e Governance awards.

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

Mr. Anil Kumar V Epur was appointed as Additional Director of the Company in the Board Meeting held on 22.12.2005 and pursuant to Regulation 96 in the Articles of Association and as per the provisions of Section 260 of the Companies Act, 1956, and holds office till the date of 12th Annual General Meeting.

The Company has received a notice along with a deposit of Rs.500/- proposing the candidature of Mr.Anil Kumar V Epur as Director of the Company as required under the provisions of Section 257 of the Companies Act, 1956. The management feels that continuation of Mr.Anil Kumar V Epur as a Director would be beneficial to the Company. The Board recommends his appointment.

Appointment of Additional Director as Director liable to retire by rotation requires the approval of members by way of Ordinary Resolution. Hence this resolution is placed before you for approval.

None of the Directors other than Mr. Anil Kumar V Epur is concerned or interested in this resolution.

Item No. 7:

Dr. Ashok Kumar Agarwal was appointed as Additional Director of the Company in the Board Meeting held on 27.06.2006 and pursuant to Regulation 96 in the Articles of Association and as per the provisions of Section 260 of the Companies Act, 1956, and holds office till the date of 12th Annual General Meeting.

The Company has received a notice along with a deposit of Rs.500/- proposing the candidature of Dr. Ashok Kumar Agarwal as Director of the Company as required under the provisions of Section 257 of the Companies Act, 1956. The management feels that continuation of Dr. Ashok Kumar Agarwal as a Director would be beneficial to the Company. The Board recommends his appointment.

Appointment of Additional Director as Director liable to retire by rotation requires the approval of members by way of Ordinary Resolution. Hence this resolution is placed before you for approval.

None of the Directors other than Dr. Ashok Kumar Agarwal is concerned or interested in this resolution.

**Item No. 8:**

Your Company was originally incorporated as a Non Banking Finance Company in the year 1994 under the name and style of "RAVILEELA FINANCIAL SERVICES LIMITED" with the Registrar of Companies, Andhra Pradesh.

Due to the downturn in the Company's NBFC business and the resultant adverse impact of the same on the operations of the Company, the management had then contemplated to enter into area of activity which had growth potential and also would reward all the stakeholders. The management had identified Information Technology Business as a high growth potential area and accordingly the objects of the company are changed to include the development of Information Technology and other related services. A new Managing Director took charge of the Company Mrs. P. Samantha Reddy took charge on 22nd January 2000.

Accordingly, during the financial year 1999 – 2000 the Company had changed its objects from NBFC activities to software development and related areas and had taken activities relating to software design and development. Consequently the Company had also changed its name from "RAVILEELA FINANCIAL SERVICES LIMITED" to "B2B SOFTWARE TECHNOLOGIES LIMITED".

To raise the requisite resources for funding the Company's foray into Information Technology business, during the Financial Year 1999 – 2000, the Company had raised Rs.5 Crores (Rupees Five Crores only) by issue of 50,00,000 Equity Shares of Rs.10/- each at par on Preferential basis from the promoters of the company and the persons acting in concert.

With the said issue of the shares to the promoters and persons acting in concert on preferential basis, the paid up capital of the company has increased from Rs.5,98,54,000/- to Rs.10,98,54,000/- with the promoters and persons acting in concert holding approximately 83% of the total Equity Capital of the Company.

Since 2000 – 2001 the company is engaged primarily in the business of rendering Information Technology and related consultancy services. Over the past 6 years company is conducting its business through its Central Office at Hyderabad and Wholly Owned Subsidiaries spread across USA, Singapore and Germany. Over the years the company has developed expertise in delivery of custom-made software solutions and development of products targeted at specific segments of various industries.

The company since shifting its business focus to Information Technology has invested substantial amount of resources and time in building an organisation with sound process, delivery methodologies and expertise in developing products suited for diverse range of business segments. During the initial year of operations as software services and products development company the company has incurred cost which could not be recovered fully on account the down turn in the industry during the years 2002 and 2003, long gestation periods involved in materialising suitable projects, and subsequently raising cost of man power in the face of competition in the market place.

These factors have resulted in company incurring losses during the first 3 years of operations as Information Technology Company. Since the capital infused in to the company has depleted on account of the losses suffered, it is proposed to reduce the capital, which is not represented by significant assets. Accumulated losses of the Company, from its operations, stood at Rs.3,39,05,701/- (Rupees Three Crore Thirty Nine Lakh Five Thousand Seven Hundred and One only) which are proposed to be adjusted by effecting the reduction of Capital.

During the tenure as a NBFC, your company has advanced an unsecured loan of Rs.629.66 lakhs to Ravileela Granites Limited. The management of your company has now decided to write off the unsecured loan by Rs.353.22 lakhs in its books of accounts basing on the realisable value of the security and the record of recovery of the loan amount. However the management is still pursuing the recovery of the amount due.

During the financial year 2000 – 2001 the company has started Wholly owned subsidiaries in USA, Singapore and Germany to explore the business opportunities in the Information Technology and related services.

However, due to down turn in the business post 9/11 incidents and due to bad market conditions, the subsidiaries have incurred substantial losses resulting in the erosion of net worth in case of Singapore and Germany subsidiary companies.

As part of the restructuring of its business, the management of your company has decided to close down the wholly owned subsidiary at Singapore due to the unviable business conditions. The investments made by the Company in the wholly owned subsidiary at Singapore stood at Rs.59,48,526/- (Rupees Fifty Nine Lakhs Forty Eight Thousand Five hundred and Twenty Six) as on 31st March, 2006. The Company has written off this investment in its Balance Sheet as at 30th June 2006, thus adding the same to its accumulated losses.

Similarly, the management of your company has also decided to write down its investment in the wholly owned subsidiary in Germany to the extent of Rs.17,21,311/- (Rupees Seventeen Lakh Twenty One Thousand Three Hundred and Eleven only) which constitutes around 30% of the total investment in the said subsidiary company on account of its accumulated losses, after taking into account the business prospects that are available to the company at present point of time at Germany.

The accumulated losses of the Company as on 30th June, 2006 after taking into consideration the above items would be as per the table shown below:

Sl. No.	Particulars	Amount in Rs.	Amount in Rs.
1.	Carried forward losses from operations as 30 th June, 2006 before accounting the following:		3,39,05,701
	Add : Amounts Written Off		
a.	Loss on account of write off of Loan due from Ravileela Granites Limited	59,48,526	
b.	Loss on account of write off of the Investment in Germany Wholly owned subsidiary	17,21,311	
c.	Loss on account of closure of Singapore Wholly owned subsidiary	3,53,22,262	
	Total Amounts Written Off		4,29,92,099
	Total Accumulated losses as on 30 th June, 2006 considered for the proposed reduction of Capital		7,68,97,800

The paid up share capital of the company after the reduction would be reduced from Rs.10,98,54,000/- divided into 1,09,85,400 Equity Shares of Rs.10/- each to Rs.3,29,56,200/- divided into 1,09,85,400 Equity Shares of Rs.3/- each thereby reducing the paid up value face value per Equity Share from Rs.10/- to Rs.3/-

**Balance Sheet of the Company before the proposed Reduction:**

Sl. No.	Particulars	Amount in Rs.
Sources of Funds		
1.	Shareholders Funds	109,931,000
2.	Loan Funds	438,884
	TOTAL (1+2)	110,369,884
Application of Funds		
1.	Fixed Assets – Net Block	5,941,225
2.	Investments	9,458,135
3.	Current Assets	5,186,416
4.	Loans and Advances	17,218,023
	Total Current Assets	22,404,439
5.	Less: Current Liabilities and Provisions	4,331,715
6.	Net Current Assets	18,072,724
7.	Profit and Loss Account	76,897,800
	TOTAL [1+2+(3+4-5)+6+7]	110,369,884

Balance Sheet of the Company after the proposed Reduction:

Sl. No.	Particulars	Amount in Rs.
Sources of Funds		
1.	Shareholders Funds	33,033,200
2.	Loan Funds	438,884
	TOTAL (1+2)	33,472,084
Application of Funds		
1.	Fixed Assets – Net Block	5,941,225
2.	Investments	9,458,135
3.	Current Assets	5,186,416
4.	Loans and Advances	17,218,023
	Total Current Assets	22,404,439
5.	Less: Current Liabilities and Provisions	4,331,715
6.	Net Current Assets	18,072,724
	TOTAL [1+2+(3+4-5)+6]	33,472,084

The aforesaid reduction in the paid up share capital of the Company is subject to the approval of the Hon'ble High Court of Andhra Pradesh, The Bombay Stock Exchange Limited and such other authorities as may be required from time to time.

There would no change in the shareholding pattern of either the promoters and persons acting in concert or the general public after the reduction in the paid up share capital of the company.

Share holding of the Company before and after reduction would be as follows:

Category	Before Reduction as on 30 th June, 2006 (Value per Equity Share is Rs.10/-)			After Reduction as on 30 th June, 2006 (Value per Equity Share is Rs.10/-)		
	No. of Shares	Amount in Rs.	% of holding	No. of Shares	Amount in Rs.	% of holding
Promoters and persons acting in concert	9,224,470	92,244,700	83.97	9,224,470	27,673,410	83.97
Mutual Funds and UTI	-	-	-	-	-	-
Bank's Financial Institutions,	-	-	-	-	-	-
Insurance Companies Private Bodies Corporate	35,673	356,730	0.33	35,673	107,019	0.33
Individuals	1,725,257	17,252,570	15.70	1,725,257	5,175,771	15.70
TOTAL	10,985,400	109,854,000	100	10,985,400	32,956,200	100

The management is of the opinion that the reduced paid up share capital would give a true and fair value of the Balance Sheet of the Company and would service its investors and the public at large in a better way.



Reduction in the paid up share capital of the Company requires the approval of members by way of Special Resolution. Hence this resolution is placed before you for approval.

None of the Directors are concerned or interested in the said resolution except to the extent of their shareholding.

Item No. 9:

Regulation 5 relating to the Authorised Share Capital in the Articles of Association is being altered as mentioned in the aforesaid resolution to reflect the Authorised Share Capital of the Company as stated in Clause V i.e., Capital Clause of the Memorandum of Association

The above alteration does not require consequential amendments in the Articles of Association whenever the Capital Clause of the Memorandum is being altered for increase / reduction in the Authorised Share Capital or sub division / consolidation of the value of each share

Alteration of the Articles of Association requires the approval of members by way of Special Resolution. Hence this resolution is placed before you for approval.

A copy of the Articles of Association of the Company together with the proposed alteration is available for inspection by the members of the Company at its Registered Office between 11.00 a.m. to 1.00 p. m. on any working day of the Company.

None of the Directors are concerned or interested in the said resolution.

By order of the Board

Dated : 18-07-2006
Place : California, USA.

P. SAMANTHA REDDY
MANAGING DIRECTOR

DIRECTORS' REPORT

To,
The Members,
B2B Software Technologies Limited

Your Directors hereby present the Twelfth Annual Report of your Company together with the Audited Accounts including Consolidated Accounts for the financial year ended March 31, 2006 and the report of the Auditors thereon.

FINANCIAL RESULTS:

(In Rupees)

PARTICULARS:	2005 – 2006	2004 – 2005
Total Income	22,248,430	20,873,329
Expenditure	21,663,699	20,722,625
Profit/(Loss) before tax	584,731	150,704
Less: Provision for tax	---	---
Current Tax	---	---
Deferred Tax	---	---
Profit / Loss after tax	584,731	150,704
Add: Brought forward from previous year	(35,086,844)	(35,237,548)
Transfer to Balance Sheet	(34,502,113)	(35,086,844)