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Global Presence



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**DIRECTORS**

Dr. Ram Nemani
Mr. Durga Prasad P
Dr. Janakirama Varma Meka
Mr. Jayaprakash Sappidi
Mr. Satish Paul
Dr. Satyanarayana Y
Mr. Sunil Nemani
Mrs. Suryaprabha M
Mr. Vikram Varma Datla
Mr. Sharath Reddy J
Mrs. Samantha Reddy P

Chairman
Director
Director
Director
Director
Director
Director
Director
Director
Whole time 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, 2nd Floor,
L. B. Bhavan,
Somajiguda, Hyderabad – 500082

QUALITY AUDITORS:

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

BANKERS:

ICICI Bank Ltd.
Khairatabad,
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 Tenth Annual General Meeting of the members of B2B Software Technologies Limited will be held on Thursday the 19th day of August, 2004 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, 2004 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 Dr. Janakiram Varma Meka, Director who retires by rotation and being eligible offers himself for reappointment.
3. To consider and appoint Dr. Ram Nemani, Director who retires by rotation and being eligible offers himself for reappointment.
4. 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:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution: "RESOLVED THAT Mr. Sunil Nemani, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
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 269 read with Schedule XIII along with Section 198, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary from time to time Mr. J. Sharath Reddy, Director of the Company be and is hereby appointed as Whole time Director of the Company for a period of 5 years with effect from 01.04.2004 at a remuneration of Rs.9 Lakhs p.a.
"FURTHER RESOLVED THAT in the event of inadequacy or absence of profits remuneration payable to Mr. J. Sharath Reddy, Whole time Director shall be limited to the limits specified in Part II of Section II of Schedule XIII to the Companies Act, 1956."

By order of the Board

Place: Hyderabad
Date : 21.06.2004

**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 17.08.2004 to 19.08.2004 (both days inclusive).
- 3 Members holding shares in physical form are requested to intimate the change, if any, in their Registered Address to the R.T.A. 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 RE APPOINTED AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT:****Item No. 2 – Brief Profile of Dr. Janakirama Varma Meka:**

Dr. Janakiram Varma, MD., graduated from Warangal Medical School and completed his Post Graduation from Osmania University with specialisation in Radiology. He is associated with Kaiser Permanente, USA as a Staff Radiologist for the past 2 decades.

Item No. 3 – Brief Profile of Dr. Ram Nemani:

The chairman of the company Dr. Ram Nemani is a non-resident doctor based in the U.S.A. for past 3 decades with vast experience in the field of IT and medicine. He is also strategic advisor to portals like onestopmd.com, GeniusRx.com etc

He holds several patents pending focused on healthcare incorporating Internet technologies. He has been on faculty as Asst. Professor of medicine at the u.c.l.a. School of medicine, Los Angeles. U.S.A. He has held position of Honours Director of Cardiac and intensive care unit at High Desert Hospital, Lancaster, C.A.

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

Mr. Sunil Nemani was appointed as Additional Director of the Company with effect from 05th December 2003. He holds the office till the date of this Annual General Meeting.

The Company has received a notice along with a deposit of Rs.500/- from a member proposing the appointment of Mr. Sunil Nemani as Director of the Company, in terms of Section 257 of the Companies Act, 1956. The Board recommends his appointment.

None of the Directors other than Dr. Ram Nemani and Mr. Sunil Nemani is concerned or interested in the said resolution.

Item No. 7:

The Board has appointed Mr. J. Sharath Reddy as Whole time Director of the Company in its meeting held on 30.03.2004 with effect from 01.04.2004 for a period of 5 years with a remuneration of Rs.9 Lakhs p.a.

The appointment of Mr. J. Sharath Reddy as Whole time Director 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. Appointment of Whole time Director 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. J. Sharath Reddy and Mrs. P. Samantha Reddy is concerned or interested in the said resolution.

By order of the Board

Place : Hyderabad
Date : 21.06.2004

**P. SAMANTHA REDDY
MANAGING DIRECTOR**



DIRECTORS' REPORT

To,
The Members,
B2B Software Technologies Limited

Your Directors hereby present the Tenth Annual Report of your Company together with the Audited Accounts including Consolidated Accounts for the financial year ended March 31, 2004 and the report of the Auditors thereon.

FINANCIAL RESULTS:

(In Rupees)

| PARTICULARS: | 2003 – 2004 | 2002 – 2003 |
|---|--------------------|--------------------|
| Total Income | 15,169,670 | 21,372,347 |
| Expenditure | 22,688,010 | 29,276,989 |
| Profit/(Loss) before tax | (75,18,340) | (7,904,642) |
| Less: Provision for tax | | |
| Current Tax | --- | --- |
| Deferred Tax | 1,910,463 | (173,965) |
| Loss after tax | 9,428,803 | 7,730,677 |
| Add: Brought forward from previous year | 25,808,745 | 18,078,068 |
| Transfer to Balance Sheet | 35,237,548 | 25,808,745 |

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 entered into with The 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:

During the year under review Mr. K. Venugopal and Dr. Anjaneyulu Krothapalli resigned as the Directors of the Company due to their intenness. The Board places a record of appreciation for the services rendered by Mr. K. Venugopal and Dr. Anjaneyulu Krothapalli during their tenure as the Directors of the Company.

Dr. Ram Nemani and Dr. Janakiram Varma Meka, 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 offers himself for re-appointment.

Mr. Sunil Nemani was appointed as Additional Director of the Company during the year and holds office till the date of the ensuing Annual General Meeting. The Board recommends his appointment.

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:

- (i) in the preparation of the Annual Accounts for the year ended March 31st, 2004, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (ii) 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 loss of the Company for the year ended on March 31st, 2004;
- (iii) 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;
- (iv) annual accounts have been prepared on a going concern basis.

**REPLIES TO AUDIT OBSERVATIONS:**

Reply to Point No. 4a of the Auditors Report:

The Company has filed the necessary papers and is awaiting approval from the Reserve Bank of India for reduction of share capital in the wholly owned subsidiary.

Reply to Point No. 4b of the Auditors Report:

In the current financial year 2004-05 RGL will make direct payments towards EMI for the outstanding loan amount in lieu of shipments.

Reply to Point No. 4c of the Auditors Report:

There has been significant progress in revenue generation in both Germany & Singapore in the current financial year with the acquisition of new projects.

AUDITORS:

Price Waterhouse, Chartered Accountants have expressed their unwillingness to continue as the Statutory Auditors of the Company due to their pre-occupations and requested the Company not to re-appoint them as Statutory Auditors at the ensuing Annual General Meeting. The Board has identified M/s. Dhanunjaya & Prabhakar, Chartered Accountants for being appointed as the Statutory Auditors of the Company.

M/s. Dhanunjaya & Prabhakar, Chartered Accountants have intimated their consent and willingness to be appointed as Statutory Auditors and also informed that their appointment, if made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956. The Board recommends their 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, 2004 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 automate 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 | 2003 – 2004 | 2002 – 2003 |
|---------|---|-------------|-------------|
| 1. | Income from Software Development Services | 70,90,167 | 44,88,495 |
| 2. | Income from Trading Activities | 77,61,552 | 1,14,95,992 |
| 3. | Total Foreign Exchange Earnings | 1,48,51,719 | 1,59,84,487 |
| 4. | Total Foreign Exchange Outgo – on account of travelling | 1,04,935 | 1,93,971 |

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 : 21.06.2004

DR. RAM NEMANI
CHAIRMAN



MANAGEMENT DISCUSSION AND ANALYSIS

- Trade fairs** : Your company has participated in CeBIT 2004, Hannover, Germany
- Certification** : Acquired status of Oracle Certified Worldwide Partner (OPN)
- Quality** : KPMG has conducted surveillance audits upto date in which B2B has successfully demonstrated improvement of the process.

FUTURE OUTLOOK

- Europe** : B2B has begun reaping the rewards of its relentless pursuit in attaining success in the European market. The company has obtained projects with key clients in Italy and Germany. The first phases of implementation have commenced.
- ERP** : The company has started targeting the domestic market in addition to the international market for implementation of Microsoft Business Solutions Navision (ERP). The Company is a Microsoft Certified Business Solutions Partner. The company is also developing add-ons (products) on MBS Navision.

PRODUCT LAUNCH

- Healthcare** : With the maturity of computing and communications industry, health care industry is adopting new standards. B2B plans to move from a consulting company to the league of a product company by launching a healthcare product in the US market in the last quarter of this calendar year. The company has a niche focus by offering healthcare related services and products to the US healthcare market.

NEW FOCUS

- BPO** : The Company has entered into BPO/ITES service with a limited capacity to tap existing clients for work in the healthcare billing and Accounting space.



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 11 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.

Dr. Anjaneyulu Krothapalli and Mr. Venugopal K resigned as the Directors of the Company during the year under review. Mr. Sunil Nemani was appointed as Additional Director of the Company.

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:

Seven Board Meetings were held during the year on 21st May, 30th June, 31st July, 20th August, 27th November, 2003, 30th January and 30th March, 2004. 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 2003 to March 2004), along with the details of Committee memberships and their other directorships are furnished below:



| Name of Director & category of Directorship | Attendance particulars | | No. of other directorships and committee memberships | |
|---|------------------------|----------|--|-----------------------|
| | Board Meetings | Last AGM | Other directorships | Committee memberships |
| Dr. Ram Nemani, Chairman (Promoter and Non-executive Director) | 1 | Yes | 4 | 3 |
| Dr. Anjaneyulu Krothapalli (Promoter and Non-executive Director) * | Nil | - | 1 | Nil |
| Mr. Janakirama Varma Meka (Promoter and Non-executive Director) | 1 | - | Nil | Nil |
| Dr. Y. Satyanarayana (Independent and Non-Executive Director) | 5 | Yes | Nil | 4 |
| Mr. J. Sharath Reddy (Non-Executive Director) | 6 | Yes | Nil | 1 |
| Mr. Satish Paul (Independent and Non-Executive Director) | Nil | - | Nil | 1 |
| Mr. Durga Prasad Pamidi (Independent and Non-Executive Director) | 2 | - | Nil | 1 |
| Mr. Vikram Varma Datla (Independent and Non-Executive Director) | 1 | - | Nil | 2 |
| Mr. K. Venu Gopal (Independent and Non-Executive Director) # | Nil | - | 2 | Nil |
| Mr. Jayaprakash Sappidi (Independent and Non-Executive Director) | 1 | - | Nil | Nil |
| Mrs. P. Samantha Reddy (Promoter and Whole time Director) | 7 | Yes | 3 | 3 |
| Mrs. M. Surya Prabha (Independent and Non-Executive Director) | 6 | - | Nil | 2 |
| Mr. Sunil Nemani (Non-Executive Director) \$ | 1 | - | Nil | Nil |

* Dr. Anjaneyulu Krothapalli resigned as Director with effect from 30th January, 2004

Mr. K. Venu Gopal was not re-appointed at the Annual General Meeting held on 25.09.2003

\$ Mr. Sunil Nemani was appointed as Additional Director of the Company with effect from 05.12.2003