

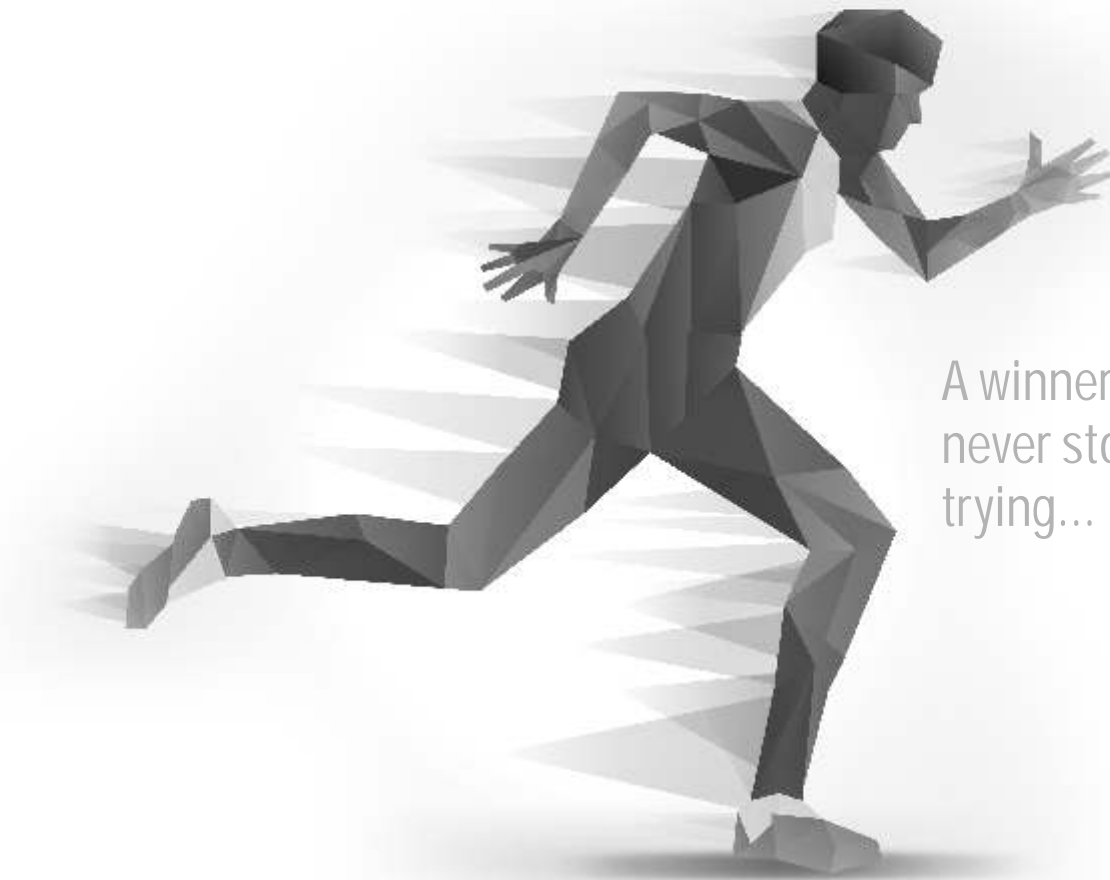


B2B SOFTWARE  
TECHNOLOGIES LTD  
PEOPLE . VALUES . TECHNOLOGIES

# 22<sup>nd</sup>

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## ANNUAL REPORT



A winner  
never stops  
trying...

ANNUAL REPORT 2015 - 2016

# CONTENTS

page <b>01</b>	Board of Directors	page <b>02</b>	Notice to the Shareholders	page <b>09</b>	Director's Report
page <b>28</b>	Management Discussions and Analysis	page <b>29</b>	Corporate Governance Report	page <b>43</b>	Independent Auditor's Report
page <b>48</b>	Standalone Financial Statements	page <b>58</b>	Auditors Report on Consolidated Financial Statements	page <b>60</b>	Consolidated Financial Statements
page <b>69</b>	Nomination Forms	page <b>71</b>	Attendance Slip and Proxy Form		

## DIRECTORS

1. Dr. Ram Nemani	Director & CEO
2. Dr. Satyanarayana Y	Director
3. Dr. Murthy Mutyala	Director
4. Mr. M. Rambabu	Independent Director
5. Mr. A. Rambabu	Independent Director
6. Mr. Ch. Suresh	Independent Director
7. Ms. Rajeswari Immani	Independent Women Director
8. Mr. V.V. Nagendra	Executive Director
9. Mr. V. Bala Subramanyam	Executive Director

## KEY MANAGERIAL PERSONNEL

1. Dr. Ram Nemani	C.E.O.
2. Mr. V.V. Nagendra	Executive Director
3. Mr. V. Bala Subramanyam	Executive Director
4. Mr. Sunil Nemani	C.F.O.

**STATUTORY AUDITORS:**  
**UMA MAHESWAR RAO & CO.,**  
 Chartered Accountants,  
 #5H, Krishna Apartments,  
 8-3-324, Ameerpet 'X' Roads,  
 Hyderabad - 500 073.

**INTERNAL AUDITORS:**  
**M.V. VIJAY KUMAR & Co.,**  
 6-3-609/14/1,  
 Anand Nagar Colony,  
 Khairatabad,  
 Hyderabad - 500 004.

## BANKERS:

ICICI Bank Ltd.  
 Khairatabad,  
 Hyderabad – 500 004

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

**SHARE TRANSFER AGENTS AND DEMAT REGISTRARS:**  
**CIL SECURITIES LIMITED,**  
 214, Raghava Ratna Towers, Chirag Ali Lane,  
 Hyderabad – 500 001  
 Ph. : 23202465, Fax : 23203028  
 E-mail : advisors@cilsecurities.com

## REGISTERED OFFICE:

6-3-1112, 3rd & 4th Floor, AVR Tower, Behind Westside Showroom  
 Near Somajiguda Circle, Begumpet, Hyderabad - 500 016.  
 Website: www.b2bsofttech.com | E: investorservice@b2bsofttech.com  
 CIN : L72200TG1994PLC018351

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# NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the members of B2B SOFTWARE TECHNOLOGIES LIMITED will be held on Friday 30th of September, 2016 at the registered office of the Company situated at 3<sup>rd</sup> & 4<sup>th</sup> Floor, AVR Towers, 6 – 3 – 1112, Behind Westside Showroom, Near Somajiguda, Begumpet, Hyderabad – 500016 at 10.30 A. M., to transact the following business:

## ORDINARY BUSINESS:

Item No. 1 – Adoption of Financial Statement:

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2016, including the audited Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the year ended on that date along with the Cash Flow Statement and the reports of the Board of Directors ('the Board') and Auditors thereon.

Item No. 2 – Re – Appointment of Director retiring by rotation:

2. To appoint a Director in place of Dr. Y. Satyanrayana (DIN:00360679) who retires by rotation at this Annual General Meeting and being eligible has offered himself for reappointment.

Item No. 3 – Ratification of Appointment of Auditors

3. To ratify the appointment of Auditors and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made there under and pursuant to the resolution passed by the members at the 20<sup>th</sup> AGM held on 30<sup>th</sup> September, 2014 the appointment of M/s. Umamaheswara Rao & Co., Chartered Accountants (Registration No. 004453S) as the Auditors to hold office to till the conclusion of the 25<sup>th</sup> AGM be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31<sup>st</sup> March, 2017 at such remuneration as may be agreed upon between the auditors and the Board of Directors.

## SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any member(s) by the company by sending it to him/her by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the company be and is hereby accorded to charge from the member(s) the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the member(s) for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the company and that no such request shall be entertained by the company post the dispatch of such document by the company to the member(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Board of Directors of the company be and is hereby authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to above resolution."

Item No. 5 – Re classification of Promoters

5. To consider and if thought fit, to pass the following resolution as a Special Resolution:  
“RESOLVED THAT pursuant to Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, consent of the members of the company be and is hereby accorded, subject to approval by BSE Limited as prescribed under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other approvals as may be required from time to time, from such authorities, for the proposed reclassification of the below mentioned promoters to public:

Sl. No.	Name of the Promoter (proposed to be reclassified)	No. of shares
1.	RAM NEMANI DEF. BEN. PENSION PLAN TRUST	1,087,600
2.	JANAKIRAMA VARMA MEKA	1,085,270
3.	VINITHA P VARMA	250,300
4.	VARMA J MEKA DEF.BEN. PENSION PLAN TRUST	203,300
5.	CHENDRA L J MEKHA	60,000
6.	KRISHNA VARMA MEKA	6,270

RESOLVED FURTHER THAT Mr. V. Bala Subramanyam, Executive Director of the Company be and is hereby authorized to do all other acts, deeds and things and to file application with the BSE Limited and concerned authorities, if any, to give effect to the above resolution.”

By order of the Board  
For B2B Software Technologies Limited

Date: 13.08.2016  
Place: Hyderabad

V. BALA SUBRAMANYAM  
Executive Director  
(DIN: 06399503)

Registered Office: 3<sup>rd</sup> & 4<sup>th</sup> Floor, AVR Towers,  
6 – 3 – 1112, Behind West Side Showroom,  
Near Somajiguda, Begumpet, Hyderabad – 500016  
Phone: 040 – 23372522, 23375926  
Fax: 040 – 233223285  
Email id: investorservice@b2bsofttech.com  
Website: www.b2bsofttech.com  
CIN: L72200TG1994PLC018351

## Notes

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Pursuant to Regulation 42 of the SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 read with Section 91 of the Companies Act, 2013 the Register of Members and Register of Share Transfer Books of the Company will remain closed from 24th September, 2016 to 30th September 2016 (both days inclusive).

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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. Statement as required under the provisions of Section 102 (1) of the Companies Act, 2013 is enclosed to this notice.
  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.
  7. In accordance with Section 101 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, the Annual Report (Audited Financial Statements, Directors Report, Auditors Report etc.) is being sent to the shareholders in electronic form to the email address registered with their Depository Participant (in case of electronic shareholding) the Company's Registrar and Share Transfer Agents (in case of physical shareholding).

We, therefore request and encourage you to register your email ID in the records of your Depository Participant (in case of electronic holding) the Company's Registrar and Share Transfer Agents (in case of physical shareholding) mentioning your folio no./demat account details.

However, in case you wish to receive the above shareholder communication in paper form, you may write to the Company's Registrar and Share Transfer Agents, CIL Securities Limited, Unit: B2B Software Technologies Limited, or send an email at mentioning your folio no. / demat account details.

The soft copy of the Annual Report 2015 – 2016 can also be downloaded from the company's website i.e., [www.b2bsofttech.com](http://www.b2bsofttech.com).

8. Requests for transfer of physical shares received during the period of book closure shall be considered only after the reopening of Books.
9. Shareholders may avail the nomination facility under Section 72 of the Companies Act, 2013. The relevant nomination form is appended to this notice
10. SEBI has made it mandatory for every participant in the securities / capital market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details off PAN along with a Photocopy of both sides of the PAN card, duly attested, to the Registrar and Share Transfer Agents of the Company.

11. E-Voting:

The Company is pleased to provide E-voting facility through Central Depository Services (India) Limited (CDSL) for all shareholders to enable them to cast their votes electronically on the items mentioned in this notice of the 22<sup>nd</sup> Annual General Meeting of the Company. The Company has appointed Mrs. Dipti Tilak, Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22<sup>nd</sup> September, 2016.

The instructions for E-Voting are as under:

- (i) The voting period begins on Tuesday 27<sup>th</sup> September, 2016 at 9am and ends on Thursday 29<sup>th</sup> September, 2016 at 5pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### PROFILE OF DIRECTORS RETIRING BY ROTARION AS REQUIRED UNDER REGULATION 34(3) SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015

##### PROFILE OF Dr. Y. SATYANARAYANA:

Dr. Y. Satyanarayana holds M.D degree from Andhra University with specialization in the field of Dermatology. He has vast experience in the field of medicine and has been successful in the practice of Dermatology.

Directorship in other Companies: Nil

Shareholding in the Company: Nil

#### STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 4:

As per the provisions of Section 20 of the Companies Act, 2013, a member may request for any document through a particular mode, for which the member shall pay such fees as may be determined by the Company in its annual general meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense borne by the Company for such dispatch will be paid in advance by the member to the company.

The Board recommends the resolution at item no. 4 for the approval of the Shareholders.

No Director of the Company, Key Managerial Personnel or their relatives are in any way concerned or interested in the proposed resolution

Item No. 5:

The Company has received request letters from the promoters mentioned below requesting exit from the promoter group as they are not having any control over the affairs of the Company. The Board of Directors at their meeting held on 13th August, 2016 had approved the proposed reclassification as set out in the resolution.

Pursuant to Regulation 31A of SEBI Listing Regulations, 2015, the reclassification requires the approval of the members of the Company by way of Special Resolution and also the approval of BSE Limited, where the shares of the Company are presently listed.

Hence, the said resolution is proposed for the approval of members of the Company.

Promoters before the proposed reclassification:

Sl. No.	Name of Promoters	No. of shares
1.	RAMA CHANDRA RAO NEMANI	24,58,760
2.	RAVILEELA GRANITES LTD	15,11,000
3.	RAM NEMANI DEF. BEN. PENSION PLAN TRUST	10,87,600
4.	JANAKIRAMA VARMA MEKA	10,85,270
5.	SHARMILA NEMANI	4,96,700
6.	SUNIL NEMANI	3,73,600
7.	MURTHY MUTHYALA	3,51,150
8.	VINITHA P VARMA	2,50,300
9.	PRATHIMA NEMANI	2,33,400
10.	P RAVINDRA REDDY	2,12,110
11.	VARMA J MEKA DEF.BEN. PENSION PLAN TRUST	2,03,300
12.	J VASANTHA	1,19,610
13.	CHENDRA L J MEKHA	60,000
14.	DR K LAHIRI	21,580
15.	HARSHINI	18,000
16.	P. SAMANTHA REDDY	15,900
17.	NEELAM JAYANTH REDDY	7,900
18.	KRISHNA VARMA MEKA	6,270
19.	ANJANEYULU KROTHAPALLI	5,622
20.	P LEELAVATHI	2,510
21.	N LAVANYA REDDY	2,500
22.	S RAMESH	2,000
23.	R SUBBARAMI REDDY	1,010
24.	L PRATAP REDDY	1,000
25.	SRINIVAS REDDY P	300
26.	J MADAN MOHAN REDDY	10
27.	N CHINNAPPA REDDY	10
28.	ARUN RAJ	10
	TOTAL	85,27,422



Promoters who are proposed to be reclassified from promoters to public:

Sl. No.	Name of the Promoter (proposed to be reclassified)	No. of shares
1.	RAM NEMANI DEF. BEN. PENSION PLAN TRUST	1,087,600
2.	JANAKIRAMA VARMA MEKA	1,085,270
3.	VINITHA P VARMA	250,300
4.	VARMA J MEKA DEF.BEN. PENSION PLAN TRUST	203,300
5.	CHENDRA L J MEKHA	60,000
6.	KRISHNA VARMA MEKA	6,270
	TOTAL	26,92,740

After the proposed re-classification, the following would be the promoters of the company.

Sl. No.	Name of Promoters	No. of shares
1.	RAMA CHANDRA RAO NEMANI	24,58,760
2.	RAVILEELA GRANITES LTD	15,11,000
3.	SHARMILA NEMANI	4,96,700
4.	SUNIL NEMANI	3,73,600
5.	MURTHY MUTHYALA	3,51,150
6.	PRATHIMA NEMANI	2,33,400
7.	P RAVINDRA REDDY	2,12,110
8.	J VASANTHA	1,19,610
9.	DR K LAHIRI	21,580
10.	HARSHINI	18,000
11.	P. SAMANTHA REDDY	15,900
12.	NEELAM JAYANTH REDDY	7,900
13.	ANJANEYULU KROTHAPALLI	5,622
14.	P LEELAVATHI	2,510
15.	N LAVANYA REDDY	2,500
16.	S RAMESH	2,000
17.	R SUBBARAMI REDDY	1,010
18.	L PRATAP REDDY	1,000
19.	SRINIVAS REDDY P	300
20.	J MADAN MOHAN REDDY	10
21.	N CHINNAPPA REDDY	10
22.	ARUN RAJ	10
	TOTAL	58,34,682

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this Resolution. The Board recommends the Special Resolution as set out at item no. 5 for approval of the Members.

By order of the Board  
For B2B Software Technologies Limited

Date: 13.08.2016  
Place: Hyderabad

V. BALA SUBRAMANYAM  
Executive Director  
(DIN: 06399503)

Registered Office: 3<sup>rd</sup> & 4<sup>th</sup> Floor, AVR Towers,  
6 – 3 – 1112, Behind West Side Showroom,  
Near Somajiguda, Begumpet, Hyderabad – 500016  
Phone: 040 – 23372522, 23375926. Fax: 040 – 233223285  
Email id: investorservice@b2bsoftech.com | Website: www.b2bsoftech.com  
CIN: L72200TG1994PLC018351

# DIRECTORS' REPORT

To,  
The Members,  
B2B Software Technologies Limited

Your Directors hereby present the Twenty Second Annual Report of your Company together with the Audited Accounts including Consolidated Accounts for the financial year ended March 31, 2016 and the report of the Auditors thereon.

## FINANCIAL RESULTS:

PARTICULARS	Standalone		Consolidated	
	2015-2016	2014-2015	2015-2016	2014-2015
Revenue from operations	65,543,441	54,572,549	102,644,395	82,919,783
Other Income	3,399,826	2,484,645	3,399,826	2,484,645
<b>TOTAL INCOME</b>	<b>68,943,267</b>	<b>57,057,194</b>	<b>106,044,221</b>	<b>85,404,428</b>
Total Expenditure	55,585,776	49,735,031	92,639,481	78,040,635
Profit / (Loss) before exceptional Items	13,357,491	7,322,163	13,404,740	7,363,793
Exceptional Items	—	—	—	—
Profit / (Loss) before extraordinary items	13,357,491	7,322,163	13,404,740	7,363,793
Extraordinary items	—	—	—	—
Profit / (Loss) before tax	13,357,491	7,322,163	13,404,740	7,363,793
Less: Provision for tax	—	—	—	—
Fringe Benefit Tax	—	—	—	—
Deferred Tax	—	—	—	—
Profit / Loss after tax for the year	13,357,491	7,322,163	13,404,740	7,363,793
Basic and Diluted EPS	1.15	0.63	1.16	0.64

## Industry Structure and development

Microsoft Dynamics is a growing business and global organizations identify Microsoft Dynamics as the preferred vendor for their next ERP investment. Microsoft Dynamics customer relationship management (CRM) and enterprise resource planning (ERP) software connects people, processes, and systems. With easy to use, fast to implement tools to manage financials, supply chain, and operations. Microsoft Dynamics is sold by a global network of solution specialists, known as partners or resellers.

## State of Company affairs

B2B is one of the Microsoft Partner specialized in providing Implementation services for Microsoft Dynamics ERP in Microsoft Dynamics World. Our diverse clientele includes mid-sized companies and larger enterprises.

As a Microsoft partner – B2B advances and adds value to Microsoft's leading business solutions and client relationships by ensuring that companies get the highest level of attention, expertise and results from Microsoft technology.

B2B has developed several Add-on's namely Quality, HR & Payroll, Plant Maintenance and Life sciences Vertical for Microsoft Dynamics on NAV and AX.

Detailed note on the operations of the company is provided under the Management Discussion and Analysis forming part of the report.

## LISTING OF EQUITY SHARES:

The Company's Equity shares are presently listed on BSE Limited and the Company has paid the Annual Listing Fees to the said Stock Exchanges for the financial year 2015 – 2016.

---

#### TRANSFER TO RESERVES:

Your Company has accumulated losses amounting to Rs.65,567,354/- brought forward from the previous years. The profit of Rs.13,357,491/- earned during the year has been adjusted against the losses and the accumulated losses are reduced to Rs.52,209,863/-. Hence your company does not propose to transfer any amount to the Reserves.

#### CHANGE IN NATURE OF BUSINESS, IF ANY:

During the year under review, there has been no change in the nature of business of the Company.

#### DIVIDEND :

Keeping in view of the performance of the company board of directors do not recommend any dividend for the year 2015-16.

#### MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT:

There are no material changes and commitments in the business operations of the Company from the financial year ended 31st March, 2016 to the date of signing of the Directors Report.

#### PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY COMPANY:

During the year, the Board of Directors ('the Board') reviewed the affairs of the subsidiary. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and its subsidiary, which form part of the Annual Report. Further, a statement containing the salient features of the financial statement of the subsidiary in the prescribed format AOC – 1 is appended as Annexure 1 to the Board's report. The statement also provides the details of performance, financial positions of the subsidiary. Policy on the material subsidiary as required under SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 is available on the company's website [www.b2bsofttech.com](http://www.b2bsofttech.com)

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of the subsidiary, are available on our website [www.b2bsofttech.com](http://www.b2bsofttech.com). These documents will also be available for inspection during business hours at our registered office.

#### 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 regulation 34 (3) of the SEBI (LODR) regulations, 2015 annexed to this Report.

#### STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

All the Independent Directors have given declarations of Independence, as required pursuant to Section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

#### MEETING OF INDEPENDENT DIRECTORS:

The performance of the Individual Directors on the Board and the Committees thereof is done by the Board and the Independent Directors in their exclusive meeting done as per the policy formulated by the Board in this regard.

#### VIGIL MECHANISM:

In terms of the provisions of Section 177 of the Companies Act, 2013 your Company has formulated a Whistle Blower Policy as a Vigil Mechanism. This mechanism aims for conducting the affairs in a fair and transparent manner by adopting

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highest standards of professionalism, honesty, integrity and ethical behaviour. All permanent employees of the Company are covered under the policy.

This mechanism is for the employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases.

#### BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and regulation 34 (3) of the SEBI (LODR) regulations, 2015 and Clause 49 of the Listing Agreement, the performance evaluation of the Board, the Committees of the Board and Individual Directors is done on annual basis.

The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

#### CHANGES IN DIRECTORS:

##### INDUCTIONS:

There have been no changes in the constitution of the board during the financial year 2015-16.

##### RE – APPOINTMENTS:

As per the provisions of the Companies Act 2013, Dr. Y. Satyanarayana (DIN: 00360679) retires at the ensuing Annual General Meeting and being eligible, seek his re-appointment. The Board recommends his re-appointment.

None of the independent directors will retire at the ensuing Annual General Meeting.

#### CHANGES IN KEY MANAGERIAL PERSONNEL: Dr. RAM NEMANI:

There have been no changes in KMP (Key Managerial Personnel) during financial year 2015-16. The following are the KMP as on date;

1. Dr. Ram Nemani - CEO
2. Mr. V. Balasubramanyam - Executive Director
3. Mr. V.V. Nagendra - Executive Director
4. Mr. Sunil Nemani - CFO

#### NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review 4 (Four) Board meetings were held on the following dates:

- a. 18.05.2015
- b. 14.08.2015
- c. 09.11.2015
- d. 07.01.2016

Attendance of Directors at Board of Directors Meeting and Annual General Meeting have been furnished in the Corporate Governance Report.

The intervening gap between any two Board Meetings was within the period prescribed under the provisions of the Companies Act, 2013. All the recommendations given by the Audit Committee are accepted by the Board.

#### INTERNAL FINANCIAL CONTROL:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

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#### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(5) of the Act, and based on the representations received from the management, the directors hereby confirm that:

- i. in the preparation of the annual accounts for the financial year 2015 – 16, the applicable accounting standards have been followed and there are no material departures;
- ii. 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 profit of the Company for the financial year;
- iii. and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; iv. prepared the annual accounts on a going concern basis;
- v. laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- vi. devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

#### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

There have been no loans, guarantees & investments under Section 186 of the Act during the financial year 2015 – 16.

#### CORPORATE SOCIAL RESPONSIBILITY:

Your Company does not fall under any of the criteria specified under the provisions of Companies Act, 2013. Hence the Company has not constituted any committee and is required to furnish information required under the provisions of the said Act.

#### COMMITTEES OF THE BOARD:

##### Audit Committee

The Audit Committee constitutes of Mr. M. Rambabu, Mr. A. Rambabu, Mr. Ch. Suresh, Ms. Rajeswarilmmanni, Dr. Murthy Mutyala and Dr. Ram Nemani. The Board of Directors have accepted all the recommendations given by the Audit Committee. The terms and reference of Audit Committee and details of meetings are given in the Corporate Governance Report.

##### Nomination and Remuneration Committee:

The Nomination and Remuneration Committee consists of Mr. A. Rambabu, Mr. M. Rambabu, Ms. Rajeswari Immani, Mr. Ch. Suresh and Dr. Murthy Mutyala. The terms of reference and the policy are provided in the Corporate Governance Report.

#### TRANSACTIONS WITH RELATED PARTIES:

There were no related party transactions during the year except that entered in the ordinary course of business and on arms length basis. There were no materially significant related party transactions between your Company and the Directors, promoters, Key Managerial Personnel and other designated persons which may have a potential conflict with the interest of company at large. Policy on the related parties as required under SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 is available on the company's website [www.b2bsofttech.com](http://www.b2bsofttech.com)

All the material contracts with related parties have been approved by the Audit Committee and the Member of the Company. Form AOC – 2 for disclosure of particulars of contracts / arrangements, entered into by your company with related parties is attached herewith as Annexure – II.

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#### Risk and Risk Mitigations :

Microsoft Dynamics being a growing business, new entrants into the market and competition will continue to exert pricing pressure undermining industry profitability. Strategic positioning and generating higher level of economic value by continuing to build IP and offer value added services around verticals and add-on's is mandatory.

Scale of operations is limited to the existing level unless a fresh funding route is identified. The Board of Directors of your company have not identified any risks which will affect the going concern nature of the company.

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

Information in accordance with clause (m) of sub section (3) of Section 134 of the Companies Act, 2013 is annexed herewith as Annexure – III to this report.

#### PARTICULARS OF EMPLOYEES:

The information and statement required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are provided in Annexure – IV and forms part of this report.

The Nomination and remuneration committee of the Company has affirmed that the remuneration is as per the Remuneration policy of the Company.

Your Directors take this opportunity to record their deep appreciation of the continuous support and contribution from all employees of the Company.

#### EXTRACT OF ANNUAL RETURN:

As required under Sub-Section (3) of Section 92 of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of Annual Return in Form MGT – 9 forms part of this report as Annexure – V.

#### DEPOSITS:

During the year under review your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

#### Prevention of Insider Trading

Your Company has adopted the Code of Fair Disclosure and Code of Conduct for regulating the dissemination of Unpublished Price Sensitive Information and trading in securities by Insiders.

#### RE CLASSIFICATION OF PROMOTERS:

The Company has received request letters from the promoters mentioned below requesting exit from the promoter group as they are not having any control over the affairs of the Company. The Board of Directors at their meeting held on 13th August, 2016 had approved the proposed reclassification as set out in the resolution convening the notice of the Annual General Meeting.

Pursuant to Regulation 31A of SEBI Listing Regulations, 2015, the reclassification requires the approval of the members of the Company by way of Special Resolution and also the approval of BSE Limited, where the shares of the Company are presently listed.

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#### AUDITORS:

##### Statutory Auditors:

At the Annual General Meeting held on September 30, 2014 M/s. Umamaheswara Rao & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2019. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Umamaheswara Rao & Co., Chartered Accountants, as the statutory auditors of the Company is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

There are no specifications, reservations, adverse remarks on disclosures by the Statutory Auditors in their report. They have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

##### Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Mrs. K. Jhansi Laxmi, Company Secretary in Whole time Practice to undertake the Secretarial Audit of the Company for the financial year 2015 – 2016.

The Secretarial Audit report is annexed herewith as Annexure – VI

##### Reply to observation raised by the Secretarial Auditor:

1. Owing to the Financial position of the Company, we are not able to find a Whole Time Company Secretary who is suitable for our size of Company. The Company is still in process of search of a Whole Time Company Secretary.
2. The Company is in the process of complying with the requirement of achieving 100% holding of the promoters in demat form as required under the SEBI (Listing obligations and Disclosure Requirements) Regulations 2015.

#### DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

During the financial year 2015-16, the Company has not received any complaints on sexual harassment.

#### SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

#### 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

Date : 13.08.2016

Place: Hyderabad

V. BALA SUBRAMANYAM  
Executive Director  
DIN: 06399503

V.V. NAGENDRA  
Executive Director  
DIN: 0231729

Annexure – I to the Directors Report  
Form AOC - 1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule – 5 of Companies (Accounts) Rules, 2014]  
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A" Subsidiaries  
(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the Subsidiary	B2B Softech Inc., USA
2.	The date since which subsidiary has acquired	17th July, 2001
3.	Reporting period for the subsidiary concerned if different from the holding company's reporting period	N. A.
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD 66.332
5.	Share Capital	3,381,120
6.	Reserves & Surplus	44,865
7.	Total Assets	7,459,997
8.	Total Liabilities	7,459,997
9.	Investments	-
10.	Turnover	37,100,953
11.	Profit before taxation	47,249
12.	Profit after taxation	47,249
13.	Provision for taxation	-
14.	Proposed dividend	-
15.	Extent of shareholding (%)	100%

Notes: The following information shall be furnished at the end of the statement

- Names of the subsidiaries, which are yet to commence operations: NIL
- Names of the subsidiaries which have been liquidated or sold during the year: NIL

PART "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:-

The Company does not have any associate companies and Joint Ventures. Hence the information required under this head is not being furnished.

V. BALA SUBRAMANYAM  
Executive Director  
DIN: 06399503

V.V. NAGENDRA  
Executive Director  
DIN: 0231729

Date : 23.04. 2016  
Place : Hyderabad

Sunil Nemani  
Chief Financial Officer

Dr. Ram Nemani  
CEO & Director  
DIN : 01131212



Annexure – II to the Directors Report  
Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]]

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
  - a) Name(s) of the related party and nature of relationship
  - b) Nature of contracts/arrangements/transactions
  - c) Duration of the contracts/arrangements/transactions
  - d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - e) Justification for entering into such contracts or arrangements or transactions
  - f) Date(s) of approval by the Board
  - g) Amount paid as advances, if any
  - h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Genius Doc	Mr. Sunil Nemani	Dr. Ram Nemani
Nature of contracts / arrangements / transactions	Product Development and resource allocation	Appointment as Chief Financial Officer	Appointment as Chief Executive Officer
Duration of the contracts / arrangements / transactions	01st Jan 2016 to 31st Dec 2020.	Three years	Three years
Salient terms of the contracts or arrangements or transactions including the value, if any	Subject to cancellation by the company with three months notice. Renewal term automatic renewal for second five year term with the same terms and conditions. Payment for resources at direct resource cost plus 50% markup.	Reimbursement of travel and local living expenses, Provision of Car, Driver and Boarding while onsite for the business of the Company. They have waived to receive remuneration	Reimbursement of travel and local living expenses, Provision of Car, Driver and Boarding while onsite for the business of the Company. They have waived to receive remuneration
Date(s) of approval by the Board, if any	14.08.2015	23.08.2014	23.08.2014
Amount paid as advances, if any	Nil	Nil	Nil

For and on behalf of the Board

Place : Hyderabad  
Date : 13.08.2016

V. BALA SUBRAMANYAM  
Executive Director  
DIN: 06399503

V.V. NAGENDRA  
Executive Director  
DIN: 0231729

### Annexure – III to the Directors Report

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report

**A. CONSERVATION OF ENERGY:**

- a. the steps taken or impact on conservation of energy
- b. the steps taken by the company for utilizing alternate sources of energy
- c. capital investment on energy conservation equipments

**B. RESEARCH AND DEVELOPMENT:**

1. Specific areas in which research & development is carried out: NIL
2. Benefits derived: NIL
3. Future plan of Action: NIL
4. Expenditure on R & D: NIL

**C. TECHNOLOGY ABSORPTION:**

- a. Efforts in brief made towards Technology absorption, adoption and innovation : NIL
- b. Benefits derived as result of the above efforts e.g., product improvement, cost reduction, production development, import substitution etc.: NIL

**D. In case of imported technology, imported during the last 5 years reckoned from the beginning of the financial year, following information may be furnished:**

- a. Technology Imported: NIL
- b. Year of Import : NIL
- c. Has technology fully absorbed areas where this has not been taken place, reasons thereof and plan of action: NIL

**E. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- a. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans:
  - i. Reaching Microsoft Partners for Add-on sales by enrolling them as resellers.
  - ii. Reaching Microsoft Partners for Resource placement requirements onsite and off shore development works
  - iii. Signing up exclusive agreement with partners for specific countries for Add-on sales.

**b. Total Foreign Exchange used and earned:**

Sl. No.	Particulars of the transaction	2015 - 2016 (in Rs.)	2014 - 2015 (in Rs.)
1.	Total Foreign Exchange earnings	41,497,563	31,328,797
2.	Foreign Exchange outgo	-	-
	a. on account of import	-	-
	b. on account of import of Equipment	-	-
	c. on account of Travel	-	-
	d. on account of payment of dividend	-	-
	Total Foreign Exchange outgo	-	-

For and on behalf of the Board

Place : Hyderabad  
Date : 13.08.2016

V. BALA SUBRAMANYAM  
Executive Director  
DIN: 06399503

V.V. NAGENDRA  
Executive Director  
DIN: 0231729

## Annexure – IV to the Directors Report

Particulars of employees pursuant to Section 134 (3) (q) and Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2016

Sl. No.	Requirements of Rule 5 (1)	Details																										
1.	Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year 2015 – 16	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Mr. V. V. Nagendra</td> <td style="text-align: right;">11.63:1</td> </tr> <tr> <td>Mr. V Bala Subramanyam (Annualised)</td> <td style="text-align: right;">11.53:1</td> </tr> <tr> <td>Dr Ram Nemani</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>Dr. Y Satyanarayana</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>Dr. Murthy Muthayala</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>Mr. M. Rambabu</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>Mr. A. Rambabu</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>Mr. CH Suresh</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>Ms. Rajeswarilmmmani</td> <td style="text-align: right;">NA</td> </tr> </table>	Mr. V. V. Nagendra	11.63:1	Mr. V Bala Subramanyam (Annualised)	11.53:1	Dr Ram Nemani	NA	Dr. Y Satyanarayana	NA	Dr. Murthy Muthayala	NA	Mr. M. Rambabu	NA	Mr. A. Rambabu	NA	Mr. CH Suresh	NA	Ms. Rajeswarilmmmani	NA								
Mr. V. V. Nagendra	11.63:1																											
Mr. V Bala Subramanyam (Annualised)	11.53:1																											
Dr Ram Nemani	NA																											
Dr. Y Satyanarayana	NA																											
Dr. Murthy Muthayala	NA																											
Mr. M. Rambabu	NA																											
Mr. A. Rambabu	NA																											
Mr. CH Suresh	NA																											
Ms. Rajeswarilmmmani	NA																											
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2015 – 16	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">DIRECTORS</td> </tr> <tr> <td>Dr. Ram Nemani</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>Dr. Y Satyanarayana</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>Dr. Murthy Muthayala</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>Mr. M Rambabu</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>Mr. A Rambabu</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>Mr. CH Suresh</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>Ms. Rajeswarilmmmani</td> <td style="text-align: right;">NA</td> </tr> <tr> <td colspan="2">KEY MANAGERIAL PERSONNEL</td> </tr> <tr> <td>Dr. Ram Nemani</td> <td style="text-align: right;">NA</td> </tr> <tr> <td>Mr. V. V. Nagendra</td> <td style="text-align: right;">28.69</td> </tr> <tr> <td>Mr. V. Bala Subramanyam</td> <td style="text-align: right;">24.53</td> </tr> <tr> <td>Mr. Sunil Nemani</td> <td style="text-align: right;">NA</td> </tr> </table>	DIRECTORS		Dr. Ram Nemani	NA	Dr. Y Satyanarayana	NA	Dr. Murthy Muthayala	NA	Mr. M Rambabu	NA	Mr. A Rambabu	NA	Mr. CH Suresh	NA	Ms. Rajeswarilmmmani	NA	KEY MANAGERIAL PERSONNEL		Dr. Ram Nemani	NA	Mr. V. V. Nagendra	28.69	Mr. V. Bala Subramanyam	24.53	Mr. Sunil Nemani	NA
DIRECTORS																												
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Mr. V. V. Nagendra	28.69																											
Mr. V. Bala Subramanyam	24.53																											
Mr. Sunil Nemani	NA																											
3.	The percentage increase in the median remuneration of employees in the financial year 2015 – 16	4.51																										
4.	The Number of permanent employees on the rolls of the Company as on 31st March, 2016	85																										
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in the salaries of employees other than the managerial personnel in the financial year 2015-16 was 8.46% in comparison with 26.58% increase managerial remuneration.																										
6.	Affirmation that the remuneration is as per the remuneration policy of the company	Remuneration paid during the year ended 31st March, 2016 is as per the Remuneration policy of the Company.																										

Statement pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2016

(A) Personnel who are in receipt of remuneration aggregating not less than Rs.1,02,00,000 per annum and employed through out of the financial year						
Name	Designation & Nature of Duties	Remuneration (Gross)	Qualification	Date of Commencement of Employment	Age in Years	Last Employment
NIL						

(B) Personnel who are in receipt of remuneration aggregating not less than Rs.8,50,000 per month and employed for part of the financial year						
Name	Designation & Nature of Duties	Remuneration (Gross)	Qualification	Date of Commencement of Employment	Age in Years	Last Employment
NIL						

For and on behalf of the Board

Place : Hyderabad  
Date : 13.08.2016

V. BALA SUBRAMANYAM  
Executive Director  
DIN: 06399503

V.V. NAGENDRA  
Executive Director  
DIN: 0231729

Annexure V to the Directors Report  
Form No. MGT – 9  
Extract of Annual Return  
as on the financial year ended on 31.03.2016  
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the  
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- L72200TG1994PLCO18351
- ii) Registration Date: 20.09.1994
- iii) Name of the Company: B2B SOFTWARE TECHNOLOGIES LIMITED
- iv) Category / Sub – Category of the Company: Indian Non-Government Company and Company Limited by Shares
- v) Address of the Registered Office of the Company and contact details:  
D. No. 6-3-1112, 3rd & 4th Floor, AVR Towers, Behind Westside Showroom,  
Near Somajiguda Circle, Begumpet, Hyderabad – 500016, Telangana.  
Tel: 23372522 / 23375926 Fax: 23322385  
Email: investorservice@b2bsoftech.com | Website: www.b2bsoftech.com,
- vi) Whether Listed Company: YES
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: CIL SECURITIES LTD  
214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500001  
Phone No - 040-66612090 / 23202465 / 23203155 Email: rta@cilsecurities.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Computer programming, consultancy and related activities	620	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1.	B2B Softech Inc., USA	NA	Subsidiary	100%	2(87)

#### IV. Share holding pattern (Equity)

##### i) Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	36570	367880	404450	3.49%	36570	367880	404450	3.49%	0.00%
b) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) State Govt (s)	1511000	0	1511000	13.04%	1511000	0	1511000	13.04%	0.00%
d) Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total (A) (1):	1547570	367880	1915450	16.53%	1547570	367880	1915450	16.53%	0.00%
(2) Foreign									
a) NRIs – Individuals	1630656	3819030	5449686	47.04%	1510752	3819030	5329782	46.00%	-1.03%
b) Other – Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corporate	0	1290900	1290900	11.14%	0	1290900	1290900	11.14%	0.00%
d) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total (A) (2):	1630656	5109930	6740586	58.18%	1510752	5109930	6620682	57.15%	-1.03%
Total Shareholding of Promoter (A) = (A) (1)+ (A) (2)	3178226	5477810	8656036	74.72%	3058322	5477810	8536132	73.68%	-1.03%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt (s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g) FIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total (B) (1):	0	0	0	0.00%	0	0	0	0.00%	0.00%
2. Non Institutions:									
a) Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Indian	77098	1000	78098	0.67%	133895	1000	134895	1.16%	0.49%
ii) Overseas	0	0	0						
b) Individuals									
Individual shareholders holding nominal share capital upto Rs.1 lakh	533109	178121	711230	6.14%	695349	178021	873370	7.54%	1.40%
Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1197336	342700	1540036	13.29%	1098303	342700	1441003	12.44%	-0.85%
Others (specify) B2B ESOP TRUST	0	600000	600000	5.18%	0	600000	600000	5.18%	0.00%
Sub Total (B) (2):	1807543	1121821	2929364	25.28%	1927547	1121721	3049268	26.32%	1.03%
Total Public Shareholding (B) = (B) (1)+(B)(2)	1807543	1121821	2929364	25.28%	1927547	1121721	3049268	26.32%	1.03%
C. Shares held by Custodians for GDRs and ADRs	0	0	0	0.00%	0	0	0	0.00%	0.00%
Grand Total (A+B+C)	4985769	6599631	11585400	100.00%	4985869	6599531	11585400	100.00%	0.00%

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (As at 01-04-2015)			Shareholding at the end of the year (As at 31-03-2016)			% change in shareholding during the year
		No. of shares	% of the total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of the total shares of the Company	% of shares pledged / encumbered to total shares	
1	RAMA CHANDRA RAO NEMANI	2458760	21.22%	-	2458760	21.22%	-	-
2	RAVILEELA GRANITES LTD	1511000	13.04%	-	1511000	13.04%	-	-
3	RAM NEMANI DEF. BEN. PENSION PLAN TRUST	1087600	9.39%	-	1087600	9.39%	-	-
4	JANAKIRAMA VARMA MEKA	1085270	9.37%	-	1085270	9.37%	-	-
5	SHARMILA NEMANI	496700	4.29%	-	496700	4.29%	-	-
6	SUNIL NEMANI	373600	3.22%	-	373600	3.22%	-	-
7	MURTHY MUTHYALA	351150	3.03%	-	351150	3.03%	-	-
8	VINITHA P VARMA	250300	2.16%	-	250300	2.16%	-	-
9	PRATHIMA NEMANI	233400	2.01%	-	233400	2.01%	-	-
10	P RAVINDRA REDDY	212110	1.83%	-	212110	1.83%	-	-
11	VARMA J MEKA DEF.BEN. PENSION PLAN TRUST	203300	1.75%	-	203300	1.75%	-	-
12	J VASANTHA	119610	1.03%	-	119610	1.03%	-	-
13	CHENDRA L J MEKHA	78370	0.68%	-	68710	0.59%	-	0.08%
14	ANJANEYULU KROTHAPALLI	75840	0.65%	-	5622	0.05%	-	0.61%
15	PRADEEP NEMANI	40026	0.35%	-	0	0.00%	-	0.35%
16	DR K LAHIRI	21580	0.19%	-	21580	0.19%	-	-
17	HARSHINI	18000	0.16%	-	18000	0.16%	-	-
18	SAMANTHAREDDY	15900	0.14%	-	15900	0.14%	-	-
19	NEELAM JAYANTH REDDY	7900	0.07%	-	7900	0.07%	-	-
20	KRISHNA VARMA MEKA	6270	0.05%	-	6270	0.05%	-	-
21	P LEELAVATHI	2510	0.02%	-	2510	0.02%	-	-
22	N LAVANYA REDDY	2500	0.02%	-	2500	0.02%	-	-
23	S RAMESH	2000	0.02%	-	2000	0.02%	-	-
24	R SUBBARAMI REDDY	1010	0.01%	-	1010	0.01%	-	-
25	L PRATAP REDDY	1000	0.01%	-	1000	0.01%	-	-
26	SRINIVAS REDDY P	300	0.00%	-	300	0.00%	-	-
27	J MADAN MOHAN REDDY	10	0.00%	-	10	0.00%	-	-
28	N CHINNAPPA REDDY	10	0.00%	-	10	0.00%	-	-
29	ARUN RAJ	10	0.00%	-	10	0.00%	-	-
	TOTAL	8,656,036	74.72%	0.00%	8,536,132	73.68%	0.00%	1.03%

(iii) Change in promoters' Shareholding (Please specify, if there is no change) - 2015 - 16

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (As at 01-04-2015)			Date	Increase / Decrease in shareholding	Reason	Shareholding at the end of the year (As at 31-03-2016)	
		No. of shares	% of the total shares of the Company	No. of shares				% of the total shares of the Company	
1	CHENDRA L J MEKHA	78370	0.68%	-	9660	Sale	68710	0.59%	
2	ANJANEYULU KROTHAPALLI	75840	0.65%	-	70218	Sale	5622	0.05%	
3	PRADEEP NEMANI	40026	0.35%	-	40026	Sale	0	0.00%	
	GRAND TOTAL	194,236	1.68%		119,904		74,332	0.64%	

There has been no change in other promoters holding during financial year 2015-16

(iv) Shareholding pattern of Top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (As at 01-04-2015)		Date	Increase / Decrease in shareholding	Reason	Shareholding at the end of the year (As at 31-03-2016)	
		No. of shares	% of the total shares of the Company				No. of shares	% of the total shares of the Company
1	PENMETSA SATYAVATI VARMA	662400	5.72%	-	-	Nil Movement	662400	5.72%
2	MARNI RAMA DEVI	234700	2.03%	-	-	Nil Movement	234700	2.03%
3	ADISESHA B REDDY	197000	1.70%	-	-	Nil Movement	197000	1.70%
4	CHUNDRU LAVANYA LATHA	72002	0.62%	-	72002	Sale	0	0.00%
5	KOPPISETTI VENKATA RAMANA	60000	0.52%	-	-	Nil Movement	60000	0.52%
6	MARAM REDDY RAJARAM REDDY	43400	0.37%	-	-	Nil Movement	43400	0.37%
7	MANISH DHINGRA	31108	0.27%	-	-	Nil Movement	31108	0.27%
8	RUKMANI DEVI BANGAD	25649	0.22%	-	-	Nil Movement	25649	0.22%
9	M NEELA REDDY	25000	0.22%	-	-	Nil Movement	25000	0.22%
10	MADHUSUDHANA REDDY MALIGI	20000	0.17%	-	-	Nil Movement	20000	0.17%
11	SUMAN PRAKASH SHAH	18488	0.16%	-	-	Nil Movement	18488	0.16%
12	DEEPINDER SINGH POONIAN	0	0.00%	3/25/2016	51754	Purchase	51754	0.45%
13	KAMAL GADALAY	0	0.00%	1/15/2016	20000	Purchase		
				1/29/2016	20000	Purchase		
				2/12/2016	-15108	Sale		
					-243		24649	0.21%
	GRAND TOTAL	1,389,747	12.00%	3/18/2016	148,405	Sale	1,394,148	12.03%



(v) Shareholding of Directors and Key Managerial Personnel

Sl. No	For each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year (As at 1st April, 2015)		Shareholding at the end of the year (As at 31-03-2016)	
		No. of Shares	% of the total shares of the Company	No. of Shares	% of the total shares of the Company
<b>DIRECTORS</b>					
1.	Dr. Ram Nemani	2458760	21.22%	2458760	21.22%
2.	Dr. Murthy Muthyala	351150	3.03%	351150	3.03%
3.	Dr. Y. Satyanarayana	-	-	-	-
4.	Mr. M. Rambabu	-	-	-	-
5.	Mr. A. Rambabu	-	-	-	-
6.	Mr. CH. Suresh	-	-	-	-
7.	Mr. V.V. Nagendra	-	-	-	-
8.	Mr. V. Bala Subramanyam	-	-	-	-
9.	Ms. I. Rajeswari	-	-	-	-
<b>KEY MANAGERIAL PERSONNEL</b>					
1.	Dr. Ram Nemani [Director & CEO]	2458760	21.22%	2458760	21.22%
2.	Mr. V.V. Nagendra [Executive Director]	-	-	-	-
3.	Mr. Bala Subramanyam [Executive Director]	-	-	-	-
4.	Mr. Sunil Nemani [CEO]	373600	3.22%	373600	3.22%

V. INDEBTEDNESS:

The company has not made any borrowings during the financial year 2015-2016. The company also does not have outstanding borrowings as at the beginning of the financial year.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole Time Directors and / or Manager:

Sl. No	Particulars of Remuneration	Mr. V.V. Nagendra DIN: 00231729 Executive Director (01.04.2015 to 31.03.2016)	Mr. V. Balasubramanyam DIN: 06399503 Executive Director (01.04.2015 to 31.03.2016)	Total Amount
	Gross Salary			
	(a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961)	1,907,760	1,907,760	3,815,520
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1963	277,553	259,524	537,077
	(c) Profit in lieu of salary under section 17(3) Income Tax Act, 1961			
	Stock Option			
	Sweat Equity			
	Commission			
	- as % of Profit			
	-others, specify			
	Others, please specify			
	Total (A)	2,185,313	2,167,284	4,352,597
	Ceiling as per the Act.			

**B. REMUNERATION TO OTHER DIRECTORS:**

Sl. No	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. M. Rambabu DIN: 03473901	Mr. A. Rambabu DIN: 03473906	Mr. Ch. Suresh DIN: 03473921	Ms. Rajeswari Immani DIN: 07127791	
1.	Independent Directors					
	Fee for attending board / committee meetings	40,000	40,000	30,000	40,000	1,50,000
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	TOTAL (1)	40,000	40,000	30,000	40,000	1,50,000
2.	Other Non-Executive Directors	Dr. Ram Nemani DIN: 01131212	Dr. Y. Satyanarayana DIN: 00360679	Dr. Murthy Mutyala DIN: 02394524		
	Fee for attending board / Committee meetings	20,000	-	-	-	20,000
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	TOTAL (2)	20,000				20,000
	TOTAL (B)=(1+2)	60,000	40,000	30,000	40,000	1,70,000
	Total Managerial remuneration (A+B)	-	-	-	-	-
	Overall ceiling as per the Act (@11 % of profits calculated under section 198 of the Companies Act, 2013)	-	-	-	-	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD:**

Sl. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CEO Dr. Ram Nemani	CEO Mr. Sunil Nemani	
1.	Gross Salary			
	(a) Salary as per provision contained in section 17(1) of the Income Tax Act, 1961	-	-	-
	(b) Value of perquisites under section 17(2) of the Income tax Act 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act 1961	-	-	-
2.	Stock option	-	-	-
3.	Sweat equity	-	-	-
4.	Commission - as % of profit - others	-	-	-
5.	Others (Retirals)	-	-	-
	TOTAL			

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

No penalties, punishments were imposed either on the company or any of its officers during the year under review. Neither the company nor its Directors have filed any applications for compounding of offences.

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## Secretarial Audit Report

For the Financial Year Ended 31-03-2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Board of Directors  
B2B SOFTWARE TECHNOLOGIES LIMITED  
3RD AND 4TH FLOOR, AVR TOWERS,  
6-3-1112, BEHIND WEST SIDESHOWROOM,  
NEAR SOMAJIGUDA CIRCLE, BEGUMPET  
HYDERABAD, Telangana

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by B2B SOFTWARE TECHNOLOGIES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31-03-2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by B2B SOFTWARE TECHNOLOGIES LIMITED ("The Company") for the financial year ended on 31-03-2016 and made available to me, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder except for the appointment of whole-time Company Secretary.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (No activities during the audit period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2011; During the period of Audit, the Company has no activities under these regulations. Hence the reporting of compliance under these regulations does not arise.
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; During the period of Audit, the Company has no activities under these regulations. Hence the reporting of compliance under these regulations does not arise.
  - d. The Securities and Exchange Board of India (Share based Employee Benefit Schemes) Regulations, 2014; During the period of our audit the Company has not issued any securities under these regulations. Hence the reporting of compliance under these regulations does not arise. However, it is observed that an amount of Rs.60,00,000/- is advanced to B2B ESOP Trust in February 2008, for allotment of shares to employees under ESOP Scheme, but as per the information obtained, none of the employees have exercised their options and the shares are still lying in the name of B2B ESOP Trust.
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; During the period of audit, the Company has not issued any Debt Securities under these regulations. Hence the reporting of compliance under these regulations does not arise
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 During the period of audit, the Company has not delisted its Equity Shares from the Stock Exchange, where the shares are listed. Hence the reporting of compliance under these regulations does not arise;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 During the period of audit, the Company has not done any buy back of its securities. Hence the reporting of compliance under these regulations does not arise.
- vi. Other laws applicable specifically to the Company namely:
  - a. Information Technology Act, 2000 and the rules made thereunder
  - b. Software Technology Parks of India rules and regulations

I have also examined compliance with the applicable clauses of the following:

- (I) Secretarial Standards issued by The Institute of Company Secretaries of India,
- (II) The Listing Agreement entered into by the Company with BSE Limited read with The Securities and Exchange Board of India (Listing

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Obligations and Disclosure Requirements) Regulations, 2015 except Clauses and regulations relating to Corporate Governance Report and except for the following:

- a. Relating to the appointment of Company Secretary; and
- b. Complying with the condition relating to holding of shares by the promoters in demat form  
During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines mentioned above.

I further report, that the compliance by the company of applicable financial laws, like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit, since the same have been subject to review by Statutory financial audit and other designated professionals.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors and a Women Director that took place during the period under review were carried out in compliance with the provisions of the Act

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit and based on records maintained in my opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

K. Jhansi Laxmi  
Company Secretary in Practice  
CP No:10744

Place:Hyderabad  
Date: 12.08.2016

## ANNEXURE – A

To,  
The Members,  
B2B SOFTWARE TECHNOLOGIES LIMITED  
3RD AND 4TH FLOOR, AVR TOWERS,  
6-3-1112, BEHIND WEST SIDESHOWROOM,  
NEAR SOMAJIGUDA CIRCLE, BEGUMPET  
HYDERABAD, TELANGANA

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company
4. Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on text basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

K. Jhansi Laxmi  
Company Secretary in Practice  
CP No:10744

Place:Hyderabad  
Date: 12.08.2016

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# MANAGEMENT DISCUSSION AND ANALYSIS

## B2B - Health Care Division

The Healthcare Information Technology industry continued to evolve from 2014 with new coding standards coming to the forefront. Perhaps the most noteworthy change is the transition to ICD-10, a far more comprehensive coding standard than its predecessor, ICD-9. In addition, GeniusDoc has made strides to expand on its electronic prescribing functionality by including the ability to prescribe controlled substances (EPCS) as well as send clinical Messages.

The initial flurry of meaningful use incentives is drawing to a close, thus putting many physicians at a crossroads. Either tolerate their EHR for the foreseeable future or undertake the painful process of finding and implementing a new EHR throughout their practice. Fortunately, GeniusDoc has been able to reap the benefits of its favorable reputation in the medical community as several practices have moved on from less desirable EHRs to GeniusDoc based largely on word of mouth. Consequently, this transition has helped GeniusDoc expand its reach into previously untapped regions like the Pacific Northwest (i.e. Washington) and the Southeast (i.e. Alabama). The last few years have also featured a wave of hospitals buying out private practices as well as consolidation. The movement towards hospital settings has not fazed GeniusDoc as practices have gone to great lengths to ensure that they are still able to use the application despite the change in ownership. The increase in consolidation has allowed the company to leverage its existing customer base as physicians and practices are joining GeniusDoc affiliated practices.

One of the hallmarks of GeniusDoc is its commitment to constantly improving the product both internally through customer feedback and externally by integrating their parties into the application. Beyond servicing the expected medical needs of practices, GeniusDoc has matured into an incredibly robust practice management application capable of accommodating multiple workflows. In fact, many practices have incorporated the GeniusDoc Patient Portal into their workflow to reduce the burden on front office staff as well as improve transparency with patients. Moreover, several practices have leveraged the tools inside of GeniusDoc to streamline patient visits (i.e. Dashboard, Synopsis, etc., by tapping into a horde of readily available information.

GeniusDoc collaborated with notable credit card processor, TransFirst, to develop an integrated solution that streamlines, payment workflow in front offices. Along those lines, GeniusDoc also worked with an appointment reminder service, Callpointe, to relieve the burden placed on front offices to constantly reach out to patient to confirm patient appointments.

In short, the future continues to look bright for GeniusDoc as the product continues to mature and evolve while the customer base grows.

## B2B in the Microsoft Dynamics World

B2B is India's leading provider of business consulting services delivering exceptional service and sustainable value through consulting, software and IT implementation in Microsoft Dynamics World. Our diverse clientele includes mid-sized companies and larger enterprises.

As a Microsoft partner - B2B advances and adds value to Microsoft's leading business solution and client relationships by ensuring that companies get the highest level of attention, expertise and results from Microsoft Technology.

With more than 200+ client engagements, B2B leverages its deep expertise in Microsoft Dynamics and Microsoft technology to deliver a competitive edge to organizations worldwide.

B2B LIFT is certified by Third Party Consulting Company for GMP.

Our Reseller base is consistently increasing with more than 150 add-on sales in India and abroad. Our Reseller base abroad spreads across Singapore, Phillipines, Malaysia, Vietnam, Sri Lanka, Australia, South Africa, UAE, Kenya, Middle East and U.S.A.

B2B development team has developed HR & payroll add-ons specific to different countries for Microsoft Dynamics Partners on NAV and AX.

Our expertise and understanding of Microsoft's suite of products combined with our industry knowledge and consulting experience enables us to quickly focus on selling and providing services related to Microsoft Dynamics Products.

Our relationship with Microsoft has contributed to our ability to expand and maintain our worldwide presence, enable us to provide input on product enhancement and gain access to Microsoft resources that facilitate product placement and services opportunities in the market.

**Risk and Risk Mitigations:** Microsoft Dynamics being a growing business, new entrants into the market and competition will continue to exert pricing pressure undermining industry profitability, strategic positioning and generating higher level of economic value by continuing to build IP and offer value added services around verticals and add-on's is mandatory.

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# CORPORATE GOVERNANCE

## 1. 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 regulation of 34(3) SEBI (LODR) regulations 2015 and Clause 49 of the Listing Agreement lays down certain mandatory requirements, which your Company has implemented. Your Directors are pleased to report the same.

## 2. BOARD OF DIRECTORS:

Composition and Functions:

The Board consists of 9 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.

Independent Directors are non-executive directors as defined under regulation 16(1)(b) of the listing regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All independent directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the listing regulations read with Section 149(6) of the Act.

None of the non-executive directors have any pecuniary relationship or transactions with the Company, except receiving sitting fees for attending Board and Committee Meetings.

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

4 (Four) Board Meetings were held during the financial year 2015 – 2016 on the following dates:

1. 18.05.2015
2. 14.08.2015
3. 09.11.2015
4. 07.01.2016

During the year under review the time gap between any two consecutive meetings did not exceed 120 Days.

The names and categories of the Directors on the Board, their attendance, board meetings held during the year and number of directorships and committee chairmanships/memberships held by them in other public companies as on 31st March, 2016 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act, Chairmanships/memberships of board committees shall only include audit committee and stakeholders' relationship committee.

Name of the Director and category of Directorship	Attendance particulars		No. of other directorships and committee memberships & Chairman in other companies		
	Board Meetings	Last AGM	Other directorships	Committee memberships in other companies	Chairmanship in other companies
Dr. Murthy Mutyala (Promoter and Non-Executive Director)	1	No	Nil	Nil	Nil
Dr. Ram Nemani (Promoter and Non-executive Director)	2	No	Nil	Nil	Nil
Dr. Y. Satyanarayana (Promoter and Non-Executive Director)	1	No	Nil	Nil	Nil
Mr. V. V. Nagendra (Non Promoter and Executive Director)	4	Yes	Nil	Nil	Nil
Mr. V. Bala Subramanyam (Non Promoter and Executive Director)	3	Yes	Nil	Nil	Nil
Mr. A. Rambabu (Non Promoter and Independent Director)	4	Yes	Nil	Nil	Nil
Mr. M. Rambabu (Non Promoter and Independent Director)	4	Yes	Nil	Nil	Nil
Mr. Ch. Suresh (Non Promoter and Independent Director)	3	Yes	Nil	Nil	Nil
Ms. Immani Rajeswari (Non Promoter and Independent Woman Director)	4	No	Nil	Nil	Nil

Name of the Director and category of Directorship	Other Directorship
Dr. Murthy Mutyala (Promoter and Non-Executive Director)	NIL
Dr. Ram Nemani, Director (Promoter and Non-executive Director)	NIL
Dr. Y. Satyanarayana, Director (Promoter and Non-Executive Director)	NIL
Mr. V. V. Nagendra, Executive Director (Non Promoter and Whole Time Director)	NIL
Mr. V. Bala Subramanyam, Executive Director (Non Promoter and Whole Time Director)	NIL
Mr. A. Rambabu (Non Promoter and Independent Director)	NIL
Mr. M. Rambabu (Non Promoter and Independent Director)	NIL
Mr. Ch. Suresh (Non Promoter and Independent Director)	NIL
Ms. Immani Rajeswari (Non Promoter and Independent Woman Director)	NIL

### Shares held by Non – Executive Directors in the Company

	Name of the Director	No. of shares held
1.	Dr. Murthy Mutyala	3,51,150
2.	Dr. Ram Nemani,	24,58,760
3.	Dr. Y. Satyanarayana	NIL
4.	Mr. V. V. Nagendra	NIL
5.	Mr. V. Bala Subramanyam	NIL
6.	Mr. A. Rambabu	NIL
7.	Mr. M. Rambabu	NIL
8.	Mr. Ch. Suresh	NIL
9.	Ms. Immani Rajeswari	NIL

- During the year 2015-16, information as mentioned in Schedule II Part A of the Listing Regulations, has been placed before the Board.
- None of the Directors are related to each other
- The Board periodically reviews the compliance reports of all laws applicable to the Company.

#### FAMILIRISATION PROGRAMME

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc. and seek their opinions and suggestions on the same.

The Directors are also briefed on their specific responsibilities and duties that may arise from time to time.

Presentations are made to new Director who joins the Board with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Whistle blower policy.

The Familiarization Program conducted for the Independent Directors has been posted on the Company's website – [www.b2bsofttech.com](http://www.b2bsofttech.com).

#### CODE OF BUSINESS CONDUCT AND ETHICS

The Company has adopted a Code of Business Conduct and Ethics (the 'Code'), which applies to all senior management personnel, and Directors of the Company. It is the responsibility of all senior management personnel and Directors to familiarize themselves with this Code and comply with its standards.

The Code of Business Conduct and Ethics have been posted on the Company's website – [www.b2bsofttech.com](http://www.b2bsofttech.com).

#### 3. AUDIT COMMITTEE:

##### (a) Terms of reference:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:



- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Whistle Blower mechanism;
  19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

Name of the Member	Category	Attendance at the meetings held on			
		18.05.15	14.08.15	09.11.15	07.01.16
Mr. M. Rambabu	Independent Non Executive [Chairman]	Yes	Yes	Yes	Yes
Mr. A. Rambabu	Independent Non Executive	Yes	Yes	Yes	Yes
Mr. Ch. Suresh	Independent Non Executive	Yes	Yes	No	Yes
Ms. Rajeswari Immani	Independent Non Executive	Yes	Yes	Yes	Yes
Dr. Ram Nemani	Promoter Non Executive	Yes	No	No	Yes
Dr. Murthy Mutyala	Promoter Non Executive	No	No	No	No

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(b) Composition, Meetings and attendance during the financial year

The representatives of the statutory auditors and internal auditors are the permanent invitees and they have attended all the meetings held during the year. Minutes of the Audit Committee Meetings are circulated to the Members of the Board of Directors and taken note of.

4. NOMINATION AND REMUNERATION COMMITTEE:

In compliance with the provisions of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee has been constituted during the financial year and their terms of reference are as under:

(a) Terms of Reference:

1. Identify persons who are qualified to become Directors in accordance with the criteria laid down;
2. Lay down the criteria for appointment at senior management level;
3. Recommend to the Board, appointment and removal of Directors;
4. To vet and approve recommendations from the Executive Directors for the appointment and succession of senior managers;
5. Formulate a criteria for evaluation of every Director's performance;
6. Formulate criteria for determining qualifications, positive attributes and independence of a Director;
7. Recommend to the Board a policy relating to remuneration for Directors, Key Managerial Personnel & other employees;
8. Assess, approve or recommend the training and development requirements of Directors and senior management as recommended by the Executive Directors;
9. Devising a policy on Board diversity.

The Remuneration policy is placed on the company's website [www.b2bsofttech.com](http://www.b2bsofttech.com)

(b) Composition, Meetings and attendance during the financial year:

Name of the Member	Category
Mr. A. Rambabu	Independent Non Executive [Chairman]
Mr. M. Rambabu	Independent Non Executive
Mr. Ch. Suresh	Independent Non Executive
Ms. Rajeswari Immani	Independent Non Executive
Dr. Murthy Mutyala	Promoter Non Executive

The Committee has not met during the year since there was no activity in the Company for which the committee has to meet.

(c) Details of Remuneration to Directors:

Following is the details of sitting fees paid to the Independent and Non Executive Directors of the Company for attending Board Meetings:

(d) Remuneration paid to the Whole Time Directors of the Company:

Sl. No.	Name of the Director	Sitting Fees paid in Rs.
1.	Dr. Murthy Mutyala	-
2.	Dr. Ram Nemani	20,000
3.	Dr. Y. Satyanarayana	-
4.	Mr. A. Rambabu	40,000
5.	Mr. M. Rambabu	40,000
6.	Mr. Ch. Suresh	30,000
7.	Ms. Rajeswari Immani	40,000

Name and designation of the Director	Salary	Benefits	Variable pay	Service contracts	Notice Period	Total
V. V. Nagendra, Executive Director	1,907,760	277,553	-	Appointed for 3 years	As per rules of company	2,185,313
V. Bala Subramanyam Executive Director	1,907,760	259,524	-	Appointed for 3 years	As per rules of company	2,167,284

In addition, the following perquisites / benefits are provided which are not included in the above monetary limit:

- Company's contribution towards Provident Fund and Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and Encashment of Leave at the end of his tenure. The same however, shall not to be included in the computation of limits for the remuneration of perquisites aforesaid

There were no severance fees or stock option plan for the Executive/ Non-Executive Directors. The appointment of Whole Time Directors is made for a period of three years on the terms and conditions contained in the respective resolutions passed by the Members in the General Meeting.

The Company has no stock option scheme and hence no stock options have been granted to the Directors.

(e) Criteria for performance evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 criteria for performance evaluation of individual directors, Board as a whole as well as the Board Committees has been formulated.

Performance of the Directors were evaluated on broad criteria such as contribution and value addition to the Board and Committees thereof; contribution to the Company and management to achieve its plans, goals, corporate strategy and risk mitigation; level of preparedness; level of participation in the Board and Committee meetings.

Independent Directors were also assessed based on their performance vis-à-vis Code for Independent Directors under Schedule IV of the Companies Act, 2013. A structured format for evaluation of the Directors on the above parameters has been prepared for the purpose. Director being evaluated does not participate in the evaluation process.

The performance of Board Committees was evaluated by the Board on the basis of their achievement of charter and role of each Committee. The performance of Board as a whole was evaluated by the Independent Directors on the basis of its duties and responsibilities as per terms of reference. The evaluation also assesses the Board composition, need for induction/change in Directors, Board's role in contributing to the growth and progress of the Company.

The overall outcome from the evaluation was that the Board and its individual director are performing effectively and that the Board is well supported to focus on strategy, governance and compliance.

5. STAKE HOLDERS RELATIONSHIP COMMITTEE:

The members of the Stakeholders Relationship Committee are as follows:

Sl. No.	Name of the Member	Designation
1.	Mr. Ch. Suresh	Chairman
2.	Mr. M. Rambabu	Member
3.	Mr. V.V. Nagendra	Member

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The Committee approves the transfer of shares, where shares are held in physical form and issues duplicate share certificates as per the provisions of the Companies Act, 2013 read with the Securities Contract (Regulations) Act, 1956 and other applicable Acts/Rules in this regard. The Committee also reviews the status of shares dematerialized and all other matters related to shares.

The Committee meets as often as is required to approve various matters relating to transfers, transmissions, issue of duplicate share certificate etc. There are no requests for share transfers pending for the year under review.

This Committee also looks into the redressal of shareholder and investor complaints like transfer of shares, non-receipt of Dividends/rights/bonus/split share certificate, replacement of lost / stolen / mutilated share certificate, non-receipt of Annual report, other related issues etc. There were no complaints received from investors during the year. There are no investor complaints pending for the year under review.

Name and designation of the compliance officer: Mr. N. Balaraju, Manager – Administration & Commercial.

#### INDEPENDENT DIRECTORS MEETING

During the year, the Independent Directors met on 09.11.2015 without the attendance of non-independent directors and management team, inter alia to discuss their roles and responsibilities about the process of evaluation of non-executive directors, Board as a whole and the Chairman.

They also assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform its duties and found them to be satisfactory. The said meeting was attended by all the Independent Directors.

#### RISK MANAGEMENT

The Company has laid down procedures to inform Board members about the risk assessment and minimisation procedures. The Company is not required to constitute a separate Risk Management Committee in terms of SEBI circular No.CIR/CFD/POLICY CELL/2/2014 dated 17<sup>th</sup> April, 2014.

#### 6. AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE:

As required by SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 the Auditors' certification is provided elsewhere in the Annual Report.

#### 7. SUBSIDIARY COMPANY :

The company has only one subsidiary which is incorporated outside India. The Audit Committee reviews the financial statements of the subsidiary on Annual basis.

The policy on determining material subsidiaries is available on the website of company [www.b2bsofttech.com](http://www.b2bsofttech.com)

#### 8. DISCLOSURES:

##### (i) Related party Transactions:

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company as contained under Section 188 of the Companies Act, 2013. Suitable disclosures as required by the Accounting Standards [AS18] have been made in the notes to the financial statements.

The Company has also formulated a policy for determining the material related party transactions and the details of such policy are available on the Company's website at: [www.b2bsofttech.com](http://www.b2bsofttech.com)

The details of transactions with related parties were placed before the Audit Committee and the Committee has reviewed the same for the year ended 31<sup>st</sup> March, 2015. The details of related party transactions are disclosed in Note No. 24 of Notes on Financial Statements to the Accounts in the Annual Report and also in Form AOC – 2 attached with the Boards' Report.

##### (ii) Strictures and Penalties

No strictures or penalties have been imposed on the Company by the stock exchanges or by the Securities and Exchange Board of India [SEBI] or by any statutory authority on any matters related to capital markets during the last three years.

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(iii) Vigil Mechanism/Whistle Blower Policy

In terms of Section 177(9) and 177(10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a Whistle Blower Policy is formulated to encourage all employees & directors of the Company to report any unethical behaviour, actual or suspected fraud or violation of the 'Code of Conduct and Ethics Policy' of the Company. The said policy also has provisions for providing a secure environment to such employees acting in good faith and safeguarding them from any adverse action by the management.

The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concerns. The policy is available on the company's website : [www.b2bsofttech.com](http://www.b2bsofttech.com)

In case of disclosure against any director or in case of no corrective action or non – receipt of response on the disclosure within 30 days, the whistle blower has the right to directly approach the Chairman of the Audit Committee. No personnel have been denied access to the Audit Committee in this regard. The designated person had not received any complaint during the financial year ended 31st March, 2016.

(iv) Code of Conduct

Your Board of Directors has laid down Code of Conduct & Ethics Policy which is applicable to all Board Members and senior management of the Company. This is also posted on the website of the Company. The Code lays down the standard of conduct to be followed by all the Directors and designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with the stakeholders. The Code also contains the duties of Independent Directors as laid down in the Companies Act, 2013. The Code is available on the company's website : [www.b2bsofttech.com](http://www.b2bsofttech.com)

(v) Accounting Treatment

In preparation of the financial statements, the Company has followed the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

(vi) Management

(a) The Management Discussion and Analysis is part of Directors' Report to the Members is provided elsewhere in the Annual Report

(b) For the year ended 31<sup>st</sup> March, 2016 your Company's Board has obtained declarations from the senior management relating to any material, financial and commercial transactions where they have personal interest that may have a potential conflict with the interests of the Company at large.

(vii) Shareholders' Information

The quarterly results are sent to the stock exchanges on which the Company's shares are listed so as to display the same on its own web-site. During the year there were no presentations made by the Company to analysts.

To expedite the process of share transfers, your Board has delegated the power to Registrar and Transfer Agents - M/s. CIL Securities Limited.

(viii) Prohibition of Insider Trading

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) the Company has adopted a Policy for prohibition of Insider Trading for Directors and specified employees.

The Policy provides for periodic disclosures and pre-clearance for dealing in Company's shares and prohibits such transaction by the Directors and specified employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

(ix) CEO/CFO CERTIFICATION

The CEO [Whole Time Director]/CFO certification for the year ended 31<sup>st</sup> March, 2016 has been attached at the end of this report. Similarly, the CEO [Whole Time Director]/CFO have also given quarterly certification on financial results while placing the quarterly financial results before the Board in terms of Regulation 33 of SEBI SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 .

(x) Adoption of Mandatory and Non-Mandatory Requirements

The Company has complied with all the mandatory requirements. As part of non-mandatory requirements, the Non-Executive Chairman is allowed to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties. Also, the post of Chairman and Managing Director/CEO is held by separate persons. The Internal Auditors present their report to the Audit Committee

(xi) Other non-mandatory requirements are being reviewed for implementation.

The Company has complied with the requirements of the Schedule V Corporate Governance report sub-para (2) to (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Commodity Price Risk or Commodity hedging activities: The Company has not carried on any Commodity Business and has also not carried any commodity hedging activities, hence same are not applicable to the Company

The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the website of the Company [www.b2bsofttech.com](http://www.b2bsofttech.com).

The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company [www.b2bsofttech.com](http://www.b2bsofttech.com).

8. GENERAL BODY MEETINGS:

Location and date/time of last three Annual General Meetings

Year	Location	Date	Time
2014-15	Registered Office at 3 <sup>rd</sup> & 4 <sup>th</sup> Floor, AVR Towers, 6 – 3 – 1112, Behind West Side Showroom, Near Somajiguda, Begumpet, Hyderabad – 500016	30 <sup>th</sup> September, 2015	11 AM
2013-14	Registered Office at 3 <sup>rd</sup> & 4 <sup>th</sup> Floor, AVR Towers, 6 – 3 – 1112, Behind West Side Showroom, Near Somajiguda, Begumpet, Hyderabad – 500016	30 <sup>th</sup> September, 2014	11 AM
2012-13	Registered Office at 3 <sup>rd</sup> & 4 <sup>th</sup> Floor, AVR Towers, 6 – 3 – 1112, Behind West Side Showroom, Near Somajiguda, Begumpet, Hyderabad – 500016	30 <sup>th</sup> September, 2013	11 AM

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The following Special Resolutions were passed by the members at the last three Annual General Meetings:

Annual General Meeting held on 30<sup>th</sup> September, 2015  
One Special Resolution was passed as mentioned herein:

1. Authority for entering into related party transactions with GeniusDoc

Annual General Meeting held on 30<sup>th</sup> September, 2014  
Two Special Resolutions were passed as mentioned herein:

1. Appointment of Mr. V. Bala Subramanyam as an Executive Director of the Company
2. Appointment of Mr. V. V. Nagendra as an Executive Director of the Company

Annual General Meeting held on 30<sup>th</sup> September, 2013  
No special resolutions were passed  
No special resolution requiring a postal ballot was passed during the last three years.

9. MEANS OF COMMUNICATION:

No half-yearly reports were sent to the shareholders. Quarterly results are published in the Financial Express and Andhra Prabha

The results of the Company are displayed on [www.b2bsoftech.com](http://www.b2bsoftech.com). No presentation were made to the analyst during the financial year 2015-2016.

Management Discussion and Analysis forms part of the Annual Report and is provided elsewhere in this report.

10. GENERAL SHAREHOLDER INFORMATION:

A. Details of the ensuing Annual General Meeting

Date	Day	Time	Venue
30.09.2016	Friday	10.30 A.M.	Registered Office

B. Financial Calendar: 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017

1 <sup>st</sup> Quarterly results	Half yearly results	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
August, 2016	November, 2016	February, 2017	May, 2017

C. Date of Book Closure:

24.09.2016 to 30.09.2016 (both days inclusive).

D. Dividend Payment Date:

No Dividend is recommended for the financial year 2015 – 2016

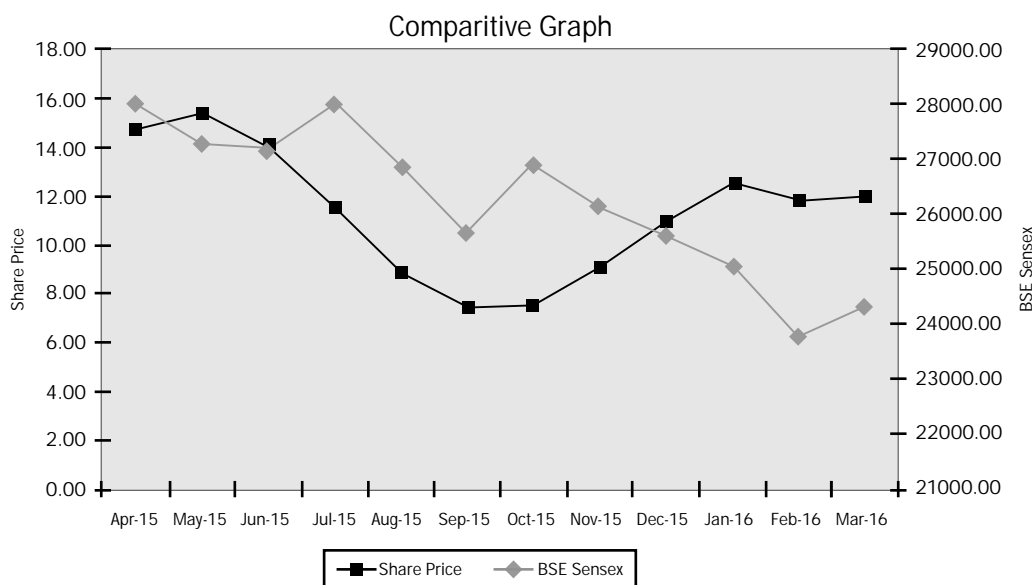
E. Listing on Stock Exchanges and Stock code:

The shares of the Company are listed on The Bombay Stock Exchange Limited, Mumbai and the Stock Code is 531268. The Company has paid listing Fee for the financial year 2015 - 2016

F. Market Price Date: High/Low during each month in last financial year (2015 – 2016)

PERIOD	The Bombay Stock Exchange Limited, Mumbai	
	HIGH	LOW
April 2015	15.50	14.00
May 2015	16.00	14.75
June 2015	14.70	13.32
July 2015	12.66	10.40
August 2015	10.40	7.25
September 2015	8.33	6.55
October 2015	8.45	6.51
November 2015	10.40	7.72
December 2015	10.96	10.92
January 2016	13.70	11.50
February 2016	13.70	10.02
March 2016	13.70	10.15

G. Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc:



H. Registrar and Transfer Agents:

CIL Securities Limited is the Registrar and Share Transfer agents of the Company. For any queries regarding transfer of shares and demat of share, shareholders may contact:

CIL Securities Limited,  
 214, Raghava Ratna Towers,  
 Chirag Ali Lane, Abids, Hyderabad – 500 001  
 Ph. Nos. 23203156 and 23202465  
 Fax: 66661277 and 23203028 e-mail: advisors@cilsecurities.com



#### I. Share Transfer System:

Pursuant to the appointment of CIL Securities Limited as Common Agency for undertaking Company's electronic and physical share registry work, all the requests for share transfers received by the Company are sent to the Registrar. Similarly some of the shareholders send the requests for share transfers directly to the Registrar.

Share transfers are processed and share certificates duly endorsed are delivered within a period of seven days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfers, transmissions etc. of the Company's to the Stakeholders Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificate with BSE Limited.

#### J. Distribution of shareholding:

Forfeited Shares : 15400 Equity Shares

No. of shares slab	No. of shareholders				No. of shares					
	Physical	Demat	Total	%	Physical	%	Demat	%	Total	%
Upto 5000	703	992	1695	96.69%	186071	2.82%	505685	10.14%	691756	5.97%
5001 - 10000	1	13	14	0.80%	6270	0.10%	99366	1.9%	105636	0.91%
10001-20000	4	12	16	0.91%	67910	1.03%	150415	3.02%	218325	1.88%
20001-30000	1	5	6	0.34%	25600	0.39%	117221	2.35%	142821	1.23%
30001-40000	0	1	1	0.06%	0	0.00%	31108	0.62%	31108	0.27%
40001-50000	1	0	1	0.06%	43400	0.66%	0	0.00%	43400	0.37%
50001-100000	0	4	4	0.23%	0	0.00%	275454	5.52%	275454	2.38%
100001 & above	11	5	16	0.91%	6270280	95.01%	3806620	76.35%	10076900	86.98%
Total	721	1032	1753	100%	6599531	100%	4985869	100%	11585400	100%

#### Shareholding pattern as on 31st March, 2016

Sl. No.	Category	No. of Shares	%
1.	Promoters and Associates	8,536,132	73.68
2.	Private Body Corporates	134,895	1.16
3.	Indian Public	2,715,871	23.44
4.	Non-resident Individuals & OCBs	198,502	1.71
	TOTAL	11,585,400	100

#### K. Dematerialization of shares and liquidity:

Name of Demat Registrars: CIL Securities Limited,  
214, Raghava Ratna Towers,  
Chirag Ali Lane,  
Abids, Hyderabad – 500 001  
Ph. Nos.23203156 and 23202465  
Fax: 66661277 and 23203028  
e-mail: advisors@cilsecurities.com

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International Securities Identification Number (ISIN): INE151B01011

The Company has entered into Agreements with NSDL and CDSL, and as on 31.03.2016, 4,985,869 Equity Shares have been dematerialized, constituting 43.03% of the total equity. As per the directives of Securities and Exchange Board of India (SEBI), the Company's shares are covered under the compulsory dematerialization list and are transferable through the depository system.

L. Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs, ADRs/ warrants or any convertible instruments.

Development Centre / Registered Office / Address for correspondence

B2B SOFTWARE TECHNOLOGIES LIMITED,

3rd and 4th Floor, AVR Towers, 6 – 3 – 1112, Behind West Side Showroom,

Near Somajiguda Circle, Begumpet, Hyderabad – 500016 | investorservice@b2bsofttech.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant (DP)

#### DECLARATION

As provided under SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 this is to confirm that all the Board Members and senior Management Personnel as affirmed compliance with the code of conduct for the year ended 31st March, 2016.

For B2B Software Technologies Limited  
V. BALA SUBRAMANYAM  
Executive Director  
DIN: 06399503

Place : Hyderabad

Date : 13th August, 2016

#### EXECUTIVE DIRECTOR & CFO CERTIFICATION

We, V. Bala Subramanyam, Executive Director and Sunil Nemani, Chief Financial Officer of B2B Software Technologies Limited, to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct and ethics.
- C. We are responsible for establishing and maintaining internal controls for financial and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
  - a) there are no significant changes in internal control over financial reporting during the year;
  - b) there are no significant changes in accounting policies during the year
  - c) there are no instances of significant fraud of which they have become aware of that involves management or other employees who have significant role in the Company's internal control system over financial reporting

V. BALA SUBRAMANYAM  
Executive Director  
DIN: 06399503

Place : Hyderabad

Date : 13th August, 2016

SUNIL NEMANI  
Chief Financial Officer

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## AUDITORS' REPORT ON CORPORATE GOVERNANCE

To,  
The Members of B2B Software Technologies Limited

We have examined the compliance of conditions of Corporate Governance by B2B Software Technologies Limited for the year ended on March, 31, 2016 as stipulated in regulation 34 (3) of the SEBI (LODR) regulations, 2015

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with the management has conducted the affairs of the Company.

For Umamaheswara Rao & Co.,  
Chartered Accountants

R R Dakshinamurthy  
Partner  
Membership No: 211639  
ICAI MRN 211639  
FRN 004453S

Place : Hyderabad  
Date : 13.08.2016

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## INDEPENDENT AUDITORS' REPORT

The Members  
M/s B2B Software Technologies Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of M/s B2B Software Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash flow statement for the year ended 31st March 2016, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements

### Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on March 31, 2016;
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended March 31, 2016.

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Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditors' Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we enclose in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the said order.
2. As required by section 143(3) of the Act, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law, have been kept by the company, in so far as appears from our examination of such books of the company;
  - iii. The Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statements dealt with by this report are in agreement with the books of accounts of the Company;
  - iv. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash flow statement dealt with by this report comply with the Accounting standards referred to in section 133 of Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2014;
  - v. On the basis of written representations received from the directors, as on 31st March, 2016, and taken on record by the Board of Directors, none of the directors, are disqualified as on 31st March, 2016 from being appointed as a director in terms of sub-section (2) of Sec. 164 of the Companies Act, 2013;
  - vi. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Umamaheswara Rao & Co.,  
Chartered Accountants  
R R Dakshinamurthy  
Partner  
Membership No: 211639

Place: Hyderabad  
Date: 23.04.2016

#### Annexure –A to Auditors' Report

Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" in our report of even date:

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company
2. The Clause relating to Inventories is not applicable to the company, as the Company has not carried out any manufacturing activity.
3. The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year.

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4. In our opinion and according to the information and explanations given to us, the Company has not granted loans.
  5. The Company has not accepted any Deposits from the public and consequently the directives issued by Reserve Bank of India; the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under are not applicable.
  6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013 in respect of activity carried out by the company.
  7. a) According to the information and explanations given to us and on the basis of examination of books of accounts, the Company has been regular in depositing Provident Fund, Employees State Insurance Dues, Service tax, VAT, Income tax and Sales tax with appropriate authorities. According to the information and explanations given to us, no undisputed dues payable in respect of Provident fund, Employees State Insurance, Income Tax, sales tax, VAT customs duty, service tax and Cess were outstanding as at 31st March 2016 for a period of more than six months from the date they became payable.  
  
b) According to the records of the company examined, there were no dues in respect of Provident Fund, Employees State Insurance Dues, Service tax, VAT.
  8. The Clause relating to payment of dues to any financial institution/Bank/Debenture holders is not applicable, as the company has not borrowed any loans from any financial institution/Bank/Debenture holders.  
According to the information and explanations provided to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
  9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
  10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit
  11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act
  12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
  13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
  14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
  15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
  16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Umamaheswara Rao & Co.,  
Chartered Accountants

R R Dakshinamurthy  
Partner  
Membership No: 211639

Place: Hyderabad  
Date: 23.04.2016

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## Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of B2B Software Technologies Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Umamaheswara Rao & Co.,  
Chartered Accountants

R R Dakshinamurthy  
Partner  
Membership No: 211639

Place: Hyderabad  
Date: 23.04.2016



## Balance Sheet as at March 31, 2016

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Note No	As at 31.03.2016	As at 31.03.2015
<b>I.EQUITY &amp; LIABILITIES</b>			
Shareholder's Funds			
(i) Share Capital	3	115,931,000	115,931,000
(ii) Reserves & Suplus	4	(52,209,860)	(65,567,354)
Current liabilities			
(i) Trade Payables	5	3,158,830	1,474,247
(ii) Other Current Liabilities	6	6,106,109	5,918,881
(iii) Short term Provisions	7	5,836,020	5,577,874
Total		<b>78,822,099</b>	<b>63,334,648</b>
<b>II.ASSETS</b>			
Non-Current Assets			
(i) Fixed assets			
(a) Tangible Assets	8	2,595,642	2,700,036
(b) Intangible Assets	8	2,869	3,758
(ii) Non-current investments	9	3,381,120	3,381,120
(iii) Long term loans and advances	10	6,746,713	6,748,514
Current assets			
(i) Current Investments	11	23,079,994	7,339,028
(ii) Inventories - Work in Progress	12	447,903	322,005
(iii) Trade Receivables	13	6,684,005	11,411,686
(iv) Cash and cash equivalents	14	30,728,772	27,404,575
(v) Short term Loans and advances	15	5,155,080	4,023,929
Total		<b>78,822,099</b>	<b>63,334,648</b>
See accompanying notes to financial statements	1 & 2		-

As per our report of even date  
For Umamaheswara Rao & Co.,  
Chartered Accountants  
Firm Registration No: 004453S

For and on behalf of the Board

R.R.Dakshinamurthy  
Partner  
Membership No: 211639

V.Bala Subramanyam  
Executive Director  
DIN: 06399503

V.V. Nagendra  
Executive Director  
DIN: 00231729

Place: Hyderabad  
Date: 23.04.2016

Sunil Nemani  
Chief Financial Officer

Dr. Ram Nemani  
CEO & Director

DIN: 01131212

Profit and Loss Account for the Year ended March 31,2016  
(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Note No	Year ended	Year ended
		31.03.2016	31.03.2015
I. Revenue from operations	16	65,543,441	54,572,549
II. Other Income	17	3,399,826	2,484,645
III. Total Revenue (I+II)		68,943,267	57,057,194
IV. Expenses			
Purchases of Software Products	18	8,897,991	6,744,552
Changes in Inventory - WIP		(125,899)	140,430
Employee benefit expenses	19	35,765,628	32,356,828
Administration and other Expenses	20	9,715,597	9,283,485
Depreciation and amortization expense	8	1,332,459	1,209,736
Total Expenses		55,585,776	49,735,031
V. Profit/(Loss) before exceptional items and tax (III - IV)		13,357,491	7,322,163
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		13,357,491	7,322,163
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		13,357,491	7,322,163
X. Tax Expense / (Income)			
Current tax		-	-
Deferred tax		-	-
XI. Profit/(Loss) for the year		13,357,491	7,322,163
XII. Earnings per Equity Share			
a) Basic Earning Per Share		1.15	0.63
b) Diluted Earning Per Share		1.15	0.63
See accompanying notes to financial statements	1 & 2		

As per our report of even date  
For Umamaheswara Rao & Co.,  
Chartered Accountants  
Firm Registration No: 004453S

For and on behalf of the Board

R.R.Dakshinamurthy  
Partner  
Membership No: 211639

V.Bala Subramanyam  
Executive Director  
DIN: 06399503

V.V. Nagendra  
Executive Director  
DIN: 00231729

Place: Hyderabad  
Date: 23.04.2016

Sunil Nemani  
Chief Financial Officer

Dr. Ram Nemani  
CEO & Director  
DIN: 01131212

## Schedules forming part of the Accounts

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	As at 31.03.2016	As at 31.03.2015
3.Share Holders Funds		
(i) Share Capital		
<i>Authorised Capital :</i>		
1,20,00,000 (31st March 2014 : 1,20,00,000) Equity Shares of Rs.10 each	120,000,000	120,000,000
<i>Issued, Subscribed and Paid up Capital :</i>		
11,585,400 (31st March 2014 : 11,585,400) Equity Shares of Rs.10 each fully paid up	115,854,000	115,854,000
Add : Shares Forfeited (Paid up value Rs.77000/-)	77,000	77,000
	<b>115,931,000</b>	<b>115,931,000</b>
Notes:		
a) Details of Share Holders having more than 5% of Shares	No of Shares	No of Shares
1.Rama Chandra Rao Nemani	2,458,760	2,458,760
( <i>% of holding</i> )	21.22%	21.22%
2.Ravileela Granites Limited	1,511,000	1,511,000
( <i>% of holding</i> )	13.04%	13.04%
3.Ram Nemani Def. Ben. Pension Plan Trust	1,087,600	1,087,600
( <i>% of holding</i> )	9.39%	9.39%
4.Janakirama Varma Meka	1,085,270	1,085,270
( <i>% of holding</i> )	9.37%	9.37%
5.Penmetsa Satyavati Varma	662,400	662,400
( <i>% of holding</i> )	5.72%	5.72%
6.B2B Esop Trust	600,000	600,000
( <i>% of holding</i> )	5.18%	5.18%
b) Reconciliation of number of Shares outstanding		
Opening Balance of Shares	11,585,400	11,585,400
Add: Shares Issued during the year	-	-
Less: Buyback/ forfeited of shares during the year	-	-
Closing Balance of Shares	11,585,400	11,585,400
4. Reserves & Surplus		
Profit & Loss a/c		
Opening balance	(65,239,495)	(72,561,661)
Add : Profit / (Loss) during the year	13,357,491	7,322,163
Retained Earnings	(327,856)	(327,856)
Amount available for appropriations	<b>(52,209,860)</b>	<b>(65,567,354)</b>
5. Trade Payables		
( <i>Unsecured and considered good</i> )		
Dues to parties other than micro, small and medium enterprises	3,158,830	1,474,247
	<b>3,158,830</b>	<b>1,474,247</b>
6. Other Current Liabilities		
Outstanding expenses	3,145,903	3,288,920
Statutory liabilities Liabilities	493,264	315,690
Security Deposit	2,466,942	2,314,271
	<b>6,106,109</b>	<b>5,918,881</b>
7. Short-term Provisions		
Provision for Gratuity	5,784,000	5,454,000
Provision for Annual Key Result Area	52,020	123,874
	<b>5,836,020</b>	<b>5,577,874</b>

8. Fixed Assets -2015-16		Amount in Rupees										
		Gross Block					Depreciation				Net Block	
Sl. No.	Description	As at 01.04.2015	Additions during the period	Deletions/Discarded during the period	As at 31.03.2016	As at 01.04.2015	For the period	Deletions/Discarded during the period	As at 31.03.2016	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
	Tangible											
1	Computers	2,844,654	695,300	-	3,539,954	2,360,601	532,950	-	2,893,551	646,403	484,053	
2	Servers	874,786	396,976	-	1,271,762	775,922	112,918	-	888,840	382,922	98,864	
3	Furniture and Fixtures	628,656	-	-	628,656	569,870	12,266	-	582,136	46,520	58,786	
4	Office Equipment	1,609,504	134,900		1,744,404	1,483,558	70,470	-	1,554,028	190,376	125,946	
5	Vehicles	2,276,055	-	-	2,276,055	343,667	602,967	-	946,634	1,329,421	1,932,388	
	Intangible											
6	Copy Rights	18,600	-	-	18,600	14,842	889	-	15,731	2,869	3,758	
	Total	8,252,255	1,227,176	-	9,479,431	5,548,460	1,332,460	-	6,880,920	2,598,511	2,703,795	
	Previous Year	10,297,970	502,037	626	10,800,007	8,622,766	534,906	-	9,157,672	1,642,335	1,675,204	

## Schedules forming part of the Accounts

Particulars	As at 31.03.2016	As at 31.03.2015
9. Non-current Investments (Unquoted, Investment in Equity shares)		
Investment in Subsidiary B2B Softech Inc., 72,000 Equity Shares of US Dollar 1 each, fully paid-up	3,381,120	3,381,120
Other Investments B2B Infotech Pte Ltd 200,000 Equity Shares of Singapore Dollar 1 each, fully paid-up Less: Provision for Diminution in the Value of Investment	5,510,797 (5,510,797)	5,510,797 (5,510,797)
B2B Software Technologies Kassel GmbH ( 121,431 Euro) Advances for Addl investment in Subsidiary Companies - Pending allotment B2B Software Technologies Kassel GmbH - Euro 5556 Less: Advance received against sale of investment in subsidiary Less: Provision for Loss on Sale of Investment Less: Provision for Diminution in the Value of Investment	6,250,862 286,877 (1,292,636) (3,937,554) (1,307,549)	6,250,862 286,877 (1,292,636) (3,937,554) (1,307,549)
B2B Infotech SDN BHD (2,50,000 Equity Shares of Malaysian RM 1 each fully paid up) Less: Provision for Diminution in the Value of Investment	548,856 (548,856)	548,856 (548,856)
Total of Non-current Investments	3,381,120	3,381,120
10. Long-term Loans and Advances (Unsecured and considered good) Loan to B2B ESOP Trust Security Deposits	6,000,000 746,713 6,746,713	6,000,000 748,514 6,748,514
11. Current Investments (quoted, fully paidup ) UTI Mutual Fund ICICI Mutual Funds	518,256 22,561,738	518,256 6,820,772
Total Quoted Current Investments (Aggregate market value of quoted investments - Rs 23,083,892/- )	23,079,994	7,339,028
12. Inventories - Work in Progress ( As certified by the management )	447,903 447,903	322,005 322,005
13 . Trade Receivables (Unsecured and considered good) Debts outstanding for a period exceeding six months Other debts Less: Provision for Doubtful Debts	- 10,983,058 (4,299,053) 6,684,005	- 15,047,022 (3,635,336) 11,411,686
14. Cash and Cash Equivalentents Cash on hand Balances with scheduled banks - On Current accounts  - On Fixed Deposits	11,339 4,700,948 26,016,485 30,728,772	8,660 4,133,028 23,262,887 27,404,575
15. Short-term Loans and Advances (Unsecured and considered good) Advances recoverable in cash or in kind for value to be received IT Refund Due	1,282,326 3,872,754 5,155,080	1,035,819 2,988,110 4,023,929

## Schedules forming part of the Accounts

Particulars	As at 31.03.2016	As at 31.03.2015
16. Revenue from operations		
Export Income		
Sale of Software Products	-	-
Income from Software services	38,656,290	32,298,137
Domestic Income		
Sale of Software Products	16,198,524	12,726,012
Income from Software Services	10,688,628	9,548,400
	65,543,441	54,572,549
17. Other Income		
Dividend from Mutual Fund	1,223,944	360,890
Interest on Deposits	2,124,548	2,081,483
Other Income	-	-
Interest TDS Refund	70,189	90,130
Exchange Fluctuation Gain/ (Loss)	(18,855)	(264,872)
Profit/Loss Assets	-	217,013
	3,399,826	2,484,645
18. Purchases of Software Products		
Software Products	8,897,991	6,744,552
	8,897,991	6,744,552
19. Employee benefit expenses		
Salaries, Wages and Bonus*	32,962,244	29,894,934
Contribution to Provident Fund and other Funds	2,535,601	1,785,728
Staff Welfare Expenses	267,783	676,166
	35,765,628	32,356,828
*includes Director Remuneration		
Salary	3,815,520	2,652,060
Contribution to Provident Fund and other Funds	537,077	314,555
20. Administrative and other Expenses		
Rent	1,920,000	2,071,210
Rates and Taxes	537,435	637,042
Insurance	86,037	71,246
Travelling Expenses	1,508,501	1,950,185
Communication Expenses		
- Internet Charges	315,657	389,945
- Telephone	97,150	94,931
- Postage & Courier	12,066	16,040
Printing and Stationery	21,900	10,706
Electricity Charges	973,289	864,950
Advertisement	72,680	177,960
Repairs and Maintenance		
- Machinery	139,987	142,228
- Vehicles-	627,756	524,283
Professional and Consultancy Charges	872,343	1,137,350
Auditors Remuneration		
(i) Statutory Audit Fee	130,000	140,000
(ii) Tax Audit Fee	20,000	20,000
Directors Sitting Fee	170,000	80,000
Provision for Bad Debts	936,244	99,666
Membershipfee & Seminar Expenses	604,873	231,752
Security Charges	290,500	131,600
Office Maintenance	379,179	492,391
	9,715,597	9,283,485

## Schedules forming part of the Accounts (contd...)

Notes to Financial Statements:

(All amounts in Indian Rupees, except share data and where otherwise stated)

21. Contingent Liabilities		Details of all cases pending		
Name of the Statue	Nature of dues	Amount to the extent Not paid (in Lacs)	Period to which the amount relates Financial Year	Form where dispute is pending
NIL				
22. Earnings in Foreign Exchange during the Year ( on receipt basis )				
<u>Particulars</u>		<u>March 31, 2016</u>		<u>March 31, 2015</u>
Software Services		41,497,563		31,328,796
23. Expenditure in Foreign Currency ( on payment basis )				
<u>Particulars</u>		<u>March 31, 2016</u>		<u>March 31, 2015</u>
International Telephone Charges		-		-
Foreign-Traveling Exps		40,006		-
24. Disclosure is made as per the requirement of the Accounting Standard 18 on related Party Transactions during the Year:				
i) List of Related Parties				
a) Parties where control exist				
Name of the party			Relation	
B2B Softech Inc.			Subsidiary Company	
b) Key Managerial Person (KMP)				
Name of the party			Relation	
Dr. Ram Nemani			CEO & Director	
V.V.Nagendra			Executive Director	
V. Bala Subramanyam			Executive Director	
Sunil Nemani			CFO	
c) Parties where key managerial person has significant influence				
Name of the party	KMP		Relation of KMP	
Genious Doc Inc	Dr.Ram Nimani		Director	
ii) Transactions during the year				
<u>Name of the Related party</u>		<u>March 31, 2016</u>		<u>March 31, 2015</u>
(a) With Genius Doc Inc				
Export of Software Services		22,699,747		24,617,103
(b) With Key Management Personnel				
Managerial Remuneration		4,352,597		2,966,615
iii) Balances Outstanding at the Year End				
<u>Name of the Related party</u>		<u>March 31, 2016</u>		<u>March 31, 2015</u>
(a) With Genius Doc Inc				
Receivables		3,927,205		6,869,462
(b) With Key Management Personnel				
Managerial Remuneration		317,960		-
25. Earning/(loss) Per Share as per Accounting Standard 20				
The Computation of EPS as per AS 20 is set out below:				
		<u>March 31, 2016</u>		<u>March 31, 2015</u>
Profit/ (Loss) after Tax		13,357,491		7,322,163
Weighted average number of equity shares		11,585,400		11,585,400
Basic and diluted Earning Per Share		1.15		0.63
(Nominal value of equity shares: Rs. 10 each)				
26. Investment in Mutual Funds of Unit Trust of India & ICICI Prudential				
		<u>March 31, 2016</u>		<u>March 31, 2015</u>
		Amount		Amount
Opening Balance		7,339,028		5,560,490
Add: Purchases		16,740,966		12,278,538
Less: Sale		1,000,000		10,500,000
Closing Balance		23,079,994		7,339,028

\* Net Asset Value as on 31.03.2016 is Rs 230,79,994/-

27. There are no taxable profits for the current year after availing the brought forward losses as per the provisions of The Income tax act, 1961. Thus Provision for income tax has not been made for the current year.
28. The Company has received Rs.12,92,636/- (equivalent to Euros 20,000) during the financial year 2009-10 towards advance for the sale of 80% shareholding in its wholly owned subsidiary B2B Technologies Kassel GmbH. The shares have not been transferred pending approval from RBI. The company has made a provision of Rs. 39,37,554 towards loss on sale of investment and a provision for Rs.13,07,549 for dimunition in the value of investment.
29. The Wholly Owned Subsidiaries of the company at Malaysia, B2B Infotech SDN BHD and at Singapore, B2B Infotech Pte Ltd are under liquidation. The Company has made a provision for dimunition in the value of investment to the extent of 100% of the carrying amount.
30. The Company is primarily engaged in Information Technology and related services. There are no other reportable segments in terms of Accounting Standard 17 on Segment Reporting issued by the The Institute of Chartered Accountants of India.
31. Deferred tax asset/liability is not determined and accounted as per Accounting Standard-22 issued by ICAI as the related benefits on tax losses are considered virtually uncertain.
32. Employee Benefits  
During the year the company has made a provision of Rs.919,885/- for gratuity based on Actuarial Valuation. The company has not created any assets to meet this obligation. Disclosure as required by Accounting Standard - 15 'Employee Benefits'

Particulars	March 31, 2016	March 31, 2015
<b>1 Changes in Present Value of Obligation</b>		
Present value of obligation as at the beginning of the year	5,452,784	5,105,784
Interest Cost	436,000	408,000
Current service cost	109,000	102,000
Benefits paid	(590,000)	(207,000)
Actuarial gain/(loss) on obligations	375,000	44,000
Present value of obligations at the end of the year	5,782,784	5,452,784
<b>2 Changes in Fair Value of Plan Assets</b>		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets at the end of the year	-	-
<b>3 Assets Recognised in Balance Sheet</b>		
Present value of obligation as at the end of the year	5,782,784	5,452,784
Fair value of plan assets at the end of the year	-	-
Funded Status	5,782,784	5,452,784
Net asset/(liability) recognised in balance sheet	5,782,784	5,452,784
<b>4 Expenses Recognised in Statement of Profit &amp; Loss</b>		
Current service cost	109,000	102,000
Interest Cost	436,000	408,000
Settlement Cost	(590,000)	(207,000)
Net Actuarial (gain)/loss recognised in the year	375,000	44,000
Expenses Recognised in Statement of Profit & Loss	330,000	347,000
<b>5 Assumptions</b>		
Discount	8%	8%
Escalation	6%	6%



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## Notes to Financial Statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

### 1 Nature of operations

B2B Software Technologies is one of the most prominent and competent Microsoft Dynamics Navision Solution Center of Microsoft Dynamics and the number one partner in Andhra Pradesh, India. The team of Microsoft Dynamics NAV 2009 certified consultants has carried out successful implementations across various industry segments. Our customers include end-user companies as well as other solution centers in Europe, USA, Australia and Asian markets, for whom we undertake the off-shore / onsite solution development

### 2 Significant Accounting Policies

#### 2.1 Accounting convention

The Financial Statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles in India (GAAP) and comply with the mandatory Accounting Standards as specified in the Companies (Accounting Standards) Rules 2006 ('Rules'), other pronouncements of the Institute of Chartered Accountants of India (ICAI) to the extent applicable, the provisions of Companies Act, 1956 and guidelines issued by Securities and Exchange Board of India.

#### 2.2 Use of estimates

The Preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure relating to contingent assets and contingent liabilities as on date of financial statements and the reported amounts of income and expenses during the period. Actual results could differ from the estimates. Examples of such estimates include provision for doubtful debt, future obligation under employee retirement benefit plan, income taxes, useful life of fixed assets, etc. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 2.3 Cash flows

Cash flows are reported using the indirect method, where by the net profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated and presented separately.

#### 2.4 Revenue recognition

Revenue from Consultation services consists of revenue earned from services performed on a time and material basis and time bound fixed - price engagements. In respect of Time and Material Contracts, revenue is recognised as and when the services are performed. In respect of time bound fixed-price engagements, revenue is recognised using the percentage of completion method of accounting, unless work completed cannot be reasonably estimated. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the change becomes known. In respect of Sale of software products, revenue is recognised on transfer of ownership to the customers.

Interest income is recognised on time proportion basis taking into account the amount outstanding and at the rate applicable.

#### 2.5 Fixed assets

Fixed assets are stated at cost of acquisition. Cost of acquisition is inclusive of freight, duties, levies and all incidentals directly or indirectly attributable to bringing the asset to its working condition for its intended use. The cost of fixed assets includes cost of initial warranty/ insurance spares purchased along with the capital asset, which are grouped as single item under respective assets.

Depreciation has been provided in the manner specified in Schedule II of the Companies Act, 2013 except for assets costing up to Rs. 5,000/- which are fully depreciated in the year of capitalization. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

The company owns Intellectual Property Right relating to its service business and the carrying amount thereof is disclosed in the schedule of Fixed Assets. This would be amortised on a written down value method @ 20 % per annum.

#### 2.6 Foreign currency transactions

Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.

At the Balance Sheet date, foreign currency monetary items are reported using the closing/contracted rate. Non monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.

All exchange differences are recognised as income or expense in the period in which they arise.

#### 2.7 Inventory

Work in Progress is valued at cost or rate assured under a contract whichever is lower.

#### 2.8 Investments

Long-term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

#### 2.9 Earnings per share

Basic earnings per share are computed by dividing the net profit or loss after tax attributable to equity shareholders for the year by the weighted average

#### 2.10 Provisions and contingencies

The Company recognises a provision when there is a present obligation as a result of past obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

Cash Flow Statement for the year ended March 31, 2016  
(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	31.03.2016	31.03.2015
<b>A. Cash Flows from Operating Activities</b>		
Net profit/(loss) before tax	13,357,491	7,322,163
Adjustments for :		
Depreciation	1,332,459	1,209,736
Income from Investment - Dividends	(1,223,944)	(360,890)
Exchange differences on translation of foreign currency cash and cash equivalents	18,855	264,872
Operating profit before working capital changes	13,484,861	8,435,880
Adjustments for changes in working capital :		
(Increase)/Decrease in Accounts Receivables	4,727,681	(2,964,550)
(Increase)/Decrease in Loans and Advances	(1,131,151)	(821,546)
(Increase)/Decrease in Work in Progress	(125,898)	140,429
Increase / (Decrease) in Trade and Other Payables	1,871,811	521,609
Increase / (Decrease) in Provision	258,146	172,729
Cash generated from operations	19,085,450	5,484,551
Less: Taxes Paid	-	-
Net Cash from Operating Activities	19,085,450	5,484,551
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	(1,227,176)	(2,938,055)
Sale of Fixed Assets	-	339,002
Purchase of Mutual Funds	(16,740,966)	(12,278,538)
Sale of Mutual Funds	1,000,000	10,500,000
Decrease in Long Term Loans & Advances	1,801	59,791
Income from Investment - Dividends	1,223,944	360,890
Net Cash used in Investing Activities	(15,742,397)	(3,956,910)
<b>C. Cash Flows from Financing Activities</b>		
Increase/(Decrease) in Secured Loans	-	-
Interest paid	-	-
Net Cash from/(used in) Financing Activities	-	-
<b>D. Exchange differences on translation of foreign currency cash and cash equivalents</b>	(18,855)	(264,872)
Net Increase in Cash and Cash equivalents during the year (A+B+C+D)	3,324,198	1,262,770
Cash and Cash equivalents at the beginning of the year	27,404,575	26,141,804
Cash and Cash equivalents at the end of the year	30,728,772	27,404,575

As per our report of even date  
For Umamaheswara Rao & Co.,  
Chartered Accountants.  
Firm Registration No: 004453S

R.R.Dakshinamurthy  
Partner  
Membership No: 211639

Place: Hyderabad  
Date: 23.04.2016

On behalf of the Board of Directors

V.Bala Subramanyam  
Executive Director  
DIN: 06399503

Sunil Nemani  
Chief Financial Officer

V.V. Nagendra  
Executive Director  
DIN: 00231729

Dr. Ram Nemani  
CEO & Director  
DIN: 01131212

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## Auditors' Report on Consolidated Financial Statements

The Board of Directors  
M/s B2B Software Technologies Limited.

We have audited the accompanying consolidated financial statements of M/s B2B Software Technologies Limited ('herein referred to as "the Holding Company") and its subsidiary comprising of the Balance Sheet as at March 31, 2016, consolidated profit and loss account, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as Consolidated Financial Statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company's management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- i) In the case of consolidated Balance sheet, of the state of the B2B Software Technologies Limited as at March 31, 2016;
- ii) In the case of consolidated Profit and Loss Account, of the Profit for year ended on that date; and
- iii) In the case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

## Other Matters

We did not audit the financial statements of subsidiary namely, B2B softech Inc., whose financial statements reflect total assets of Rs.74.60 Lakhs as at 31st March 2016, total revenue of Rs.371.01 Lakhs. The financial statements and other information of the subsidiary have been audited by other auditors whose reports have been furnished to us and in our opinion, in so far it relates to amounts included in respect of this subsidiary are based solely on the report of other auditors.

We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of the accounting standards (AS) 21, consolidated financial statements issued by the Institute of Chartered Accountants of India.

For Umamaheswara Rao & Co.,  
Chartered Accountants  
(R R. Dakshinamurthy)  
Partner  
M No 211639  
FRN 004453S

Place: Hyderabad  
Date: April 23, 2016

Consolidated Balance Sheet as at March 31, 2016  
(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Note No	As at 31.03.2016	As at 31.03.2015
<b>I.EQUITY &amp; LIABILITIES</b>			
Shareholder's Funds			
(i) Share Capital	3	115,931,000	115,931,000
(ii) Reserves & Suplus	4	(52,117,745)	(65,524,679)
(ii) Foreign Currency Translation Reserve		1,397,523	1,126,246
Current liabilities			
(i) Trade Payables	5	5,748,068	1,474,247
(ii) Other Current Liabilities	6	6,106,109	5,918,881
(iii) Short term Provisions	7	5,836,020	5,577,874
Total		82,900,975	64,503,569
<b>II.ASSETS</b>			
Non-Current Assets			
(i) Fixed assets			
(a) Tangible Assets	8	2,595,642	2,727,576
(b) Intangible Assets	8	2,869	3,758
(ii) Non-current investments	9	-	-
(iii) Long term loans and advances	10	6,746,713	6,748,514
Current assets			
(i) Current Investments	11	23,079,994	7,339,028
(ii) Inventories - Work in Progress	12	447,903	322,005
(iii) Trade Receivables	13	6,684,005	11,849,822
(iv) Cash and cash equivalents	14	38,188,768	31,488,938
(v) Short term Loans and advances	15	5,155,080	4,023,929
Total		82,900,975	64,503,569
See accompanying notes to financial statements			-

As per our report of even date

For Umamaheswara Rao & Co.,  
Chartered Accountants  
Firm Registration No: 004453S

For and on behalf of the Board

R.R.Dakshinamurthy  
Partner  
Membership No: 211639

V.Bala Subramanyam  
Executive Director  
DIN : 06399503

V.V. Nagendra  
Executive Director  
DIN: 00231729

Place: Hyderabad  
Date : 23-04-2016

Sunil Nemani  
Chief Financial Officer

Dr. Ram Nemani  
CEO & Director  
DIN: 01131212

Consolidated Profit and Loss Account for the Year ended March 31,2016

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Note No	Year ended	Year ended
		31.03.2016	31.03.2015
I. Revenue from operations	16	102,644,395	82,919,783
II. Other Income	17	3,399,826	2,484,645
III. Total Revenue (I+II)		106,044,221	85,404,428
IV. Expenses			
Purchases of Software Products	18	8,897,991	6,744,552
Changes in Inventory - WIP		(125,898)	140,429
Employee benefit expenses	19	71,886,053	58,295,154
Administration and other Expenses	20	10,620,448	11,599,025
Financial costs		-	-
Depreciation	8	1,360,887	1,261,475
Total Expenses		92,639,481	78,040,635
V.Profit/(Loss) before exceptional items and tax (III - IV)		13,404,740	7,363,793
VI. Exceptional items		-	-
VII.Profit/(Loss) before tax (V - VI)		13,404,740	7,363,793
VIII. Tax Expense / (Income)			
Current tax		-	-
Deferred tax		-	-
IX. Profit/(Loss) for the year		13,404,740	7,363,793
X.Earnings per Equity Share			
Basic and Diluted ( Face value - Rs.10 per share )		1.16	0.64
See accompanying notes to financial statements			

As per our report of even date

For Umamaheswara Rao & Co.,

*Chartered Accountants*

Firm Registration No: 004453S

R.R.Dakshinamurthy

*Partner*

Membership No: 211639

Place: Hyderabad

Date : 23-04-2016

For and on behalf of the Board

V.Bala Subramanyam

*Executive Director*

DIN : 06399503

V.V. Nagendra

*Executive Director*

DIN: 00231729

Sunil Nemani

*Chief Financial Officer*

Dr. Ram Nemani

*CEO & Director*

DIN: 01131212

Notes forming part of the Balance Sheet  
(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	As at 31.03.2016	As at 31.03.2015
3. Share Holders Funds		
(i) Share Capital		
<i>Authorised Capital :</i>		
1,20,00,000 (31st March 2013 : 1,20,00,000) Equity Shares of Rs.10 each	120,000,000	120,000,000
<i>Issued, Subscribed and Paid up Capital :</i>		
11,585,400 (31st March 2013 : 11,585,400)	115,854,000	115,854,000
Equity Shares of Rs.10 each fully paid up		
Add : Shares Forfeited (Paid up value Rs.77000/-)	77,000	77,000
	115,931,000	115,931,000
Notes:		
a) <i>Details of Share Holders having more than 5% of Shares</i>	No of Shares	No of Shares
1.Rama Chandra Rao Nemani	2,458,760	2,458,760
( <i>% of holding</i> )	21.22%	21.22%
2.Ravileela Granites Limited	1,511,000	1,511,000
( <i>% of holding</i> )	13.04%	13.04%
3.Ram Nemani Def. Ben. Pension Plan Trust	1,087,600	1,087,600
( <i>% of holding</i> )	9.39%	9.39%
4.Janakirama Varma Meka	1,085,270	1,085,270
( <i>% of holding</i> )	9.37%	9.37%
5.Penmetsa Satyavati Varma	662,400	662,400
( <i>% of holding</i> )	5.72%	5.72%
6.B2B Esop Trust	600,000	600,000
( <i>% of holding</i> )	5.18%	5.18%
b) <i>Reconciliation of number of Shares outstanding</i>		
Opening Balance of Shares	11,585,400	11,585,400
Add: Shares Issued during the year	-	-
Less: Buyback/ forfeited of shares during the year	-	-
Closing Balance of Shares	11,585,400	11,585,400
4. Reserves & Surplus		
Profit & Loss a/c		
Opening balance	65,194,629	72,560,616
Add : (Profit) / Loss during the year	(13,404,740)	(7,363,793)
Less: Amount drawn	-	-
Retained Earnings	327,856	327,856
Amount available for appropriations	52,117,745	65,524,679
5. Trade Payables		
( <i>Unsecured and considered good</i> )		
Dues to other than micro and small enterprises	5,748,068	1,474,247
6. Other Current Liabilities		
Outstanding expenses	3,639,167	3,604,610
Security Deposit	2,466,942	2,314,271
	6,106,109	5,918,881
7. Short-term Provisions		
Provision for Gratuity	5,784,000	5,454,000
Provision for Annual Key Result Area	52,020	123,874
	5,836,020	5,577,874

8. Fixed Assets -2015-16

Amount in Rupees

Description	Gross Block			Depreciation			Net Block	
	As at 01.04.2015	Additions during the period	Deletions/ Discarded during the period	As at 31.03.2016	For the period	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
i)Tangible								
Computers	1,402,145	1,092,276	-	2,494,421	645,868	-	1,465,099	582,913
Furniture and Fixtures	994,969	-	-	994,969	41,582	-	950,223	86,328
Office Equipment	1,021,944	134,900	-	1,156,844	70,470	-	966,467	125,947
Vehicles	2,276,055	-	-	2,276,055	602,967	-	946,634	1,932,388
Sub-total(i)	5,695,113	1,227,176	-	6,922,289	1,360,887	-	4,328,423	2,727,576
ii)Intangible								
Copy Rights	18,600	-	-	18,600	889	-	15,731	3,758
Sub-total(ii)	18,600	-	-	18,600	889	-	15,731	3,758
Total(i+ii)	5,713,713	1,227,176	-	6,940,889	1,361,776	-	4,344,154	2,731,334
Previous Year	12,920,270	418,759	-	13,339,029	452,392	-	11,071,837	2,300,825



## Notes forming part of the Balance Sheet

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	As at 31.03.2016	As at 31.03.2015
9. Non-current Investments (Unquoted, Investment in Equity shares)	-	-
Other Investments		
B2B Infotech Pte Ltd		
200,000 Equity Shares of Singapore Dollar 1 each, fully paid-up	5,510,797	5,510,797
Less: Provision for Diminution in the Value of Investment	(5,510,797)	(5,510,797)
	-	-
B2B Software Technologies Kassel GmbH ( 121,431 Euro)	6,250,862	6,250,862
Advances for Adtl investment in Subsidiary Companies - Pending allotment		
B2B Software Technologies Kassel GmbH - Euro 5556	286,877	286,877
Less: Advance received against sale of investment in subsidiary	(1,292,636)	(1,292,636)
Less: Provision for Loss on Sale of Investment	(3,937,554)	(3,937,554)
Less: Provision for Diminution in the Value of Investment	(1,307,549)	(1,307,549)
	-	-
B2B Infotech SDN BHD (2,50,000 Equity Shares of Malaysian RM 1 each fully paid up)	548,856	548,856
Less: Provision for Diminution in the Value of Investment	(548,856)	(548,856)
	-	-
Total of Non-current Investments	-	-
10. Long-term Loans and Advances (Unsecured and considered good)		
Loan to B2B ESOP Trust	6,000,000	6,000,000
Other Deposits	746,713	748,514
	6,746,713	6,748,514
11. Current Investments (quoted, fully paidup )		
UTI Mutual Fund	518,256	518,256
ICICI Mutual Funds	22,561,738	6,820,772
Total Quoted Current Investments ( Aggregate market value of quoted investments - Rs 23,083,892/-.)	23,079,994	7,339,028
12. Inventories - Work in Progress ( As certified by the management )	447,903	322,005
	447,903	322,005
13. Trade Receivables (Unsecured and considered good)		
Debts outstanding for a period exceeding six months		
Other debts	10,983,058	15,485,157
Less: Provision for Doubtful Debts	(4,299,053)	(3,635,336)
	6,684,005	11,849,822
14. Cash and Cash Equivalents		
Cash on hand	7,471,336	4,093,023
Balances with scheduled banks		
- On Current accounts	4,700,947	4,133,028
- On EEFC accounts	-	-
- On Fixed Deposit accounts	26,016,485	23,262,887
	38,188,768	31,488,937
15. Short-term Loans and Advances (Unsecured and considered good)		
Advances recoverable in cash or in kind for value to be received	1,282,326	1,092,819
IT Reund Due	3,872,754	2,931,110
	5,155,080	4,023,929

Notes forming part of the Balance Sheet

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	As at 31.03.2016	As at 31.03.2015
16. Revenue from operations		
Export Income		
Sale of Software Products	-	978,524
Income from Consultancy Services	38,656,290	31,319,613
Domestic Income		
Sale of Software Products	53,299,477	41,073,246
Income from Consultancy Services	10,688,628	9,548,400
	<b>102,644,395</b>	<b>82,919,783</b>
17. Other Income		
Dividend from Mutual Fund	1,223,944	360,890
Interest on Deposits	2,124,548	2,081,483
Miscellaneous Income	-	-
Interest TDS Refund	70,189	90,130
Exchange Fluctuation Gain/ (Loss)	(18,855)	(264,872)
Profit/Loss Assets	-	217,013
	<b>3,399,826</b>	<b>2,484,645</b>
18. Purchases of Software Products		
Software Products	8,897,991	6,744,552
	<b>8,897,991</b>	<b>6,744,552</b>
19. Employee benefit expenses		
Salaries, Wages and Bonus*	69,082,668	55,833,260
Contribution to Provident Fund and other Funds	2,535,601	1,785,728
Staff Welfare Expenses	267,783	676,166
	<b>71,886,053</b>	<b>58,295,154</b>
20. Administrative and other Expenses		
Rent	1,920,000	2,071,210
Rates and Taxes	623,749	728,202
Insurance	882,012	2,274,156
Travelling Expenses	1,508,501	1,950,185
Communication Expenses		
- Internet Charges	315,657	389,945
- Telephone	97,150	94,931
- Postage & Courier	12,066	16,040
Printing and Stationery	21,900	10,706
Electricity Charges	973,289	864,950
Advertisement	72,680	177,960
Repairs and Maintenance		
- Machinery	139,987	142,228
- Vehicles-	627,756	524,283
Professional and Consultancy Charges	894,905	1,158,821
Auditors Remuneration		
(i) Statutory Audit Fee	150,000	160,000
(ii) Tax Audit Fee		
Directors Sitting Fee	170,000	80,000
Provision for Bad Debts	936,244	99,666
Membershipfee,Meeting&Seminar Charges	604,873	231,852
Security Charges	290,500	131,600
Office Maintenance	379,179	492,291
	<b>10,620,448</b>	<b>11,599,025</b>

## Notes to Financial Statements:

### 21. Contingent Liabilities Details of all cases pending (All amounts in Indian Rupees, except share data and where otherwise stated)

Name of the Statute	Nature of dues	Amount to the extent Not paid (in Lacs)	Period to which the amount relates Financial year	Form where dispute is pending
		NIL		

22. Earnings in Foreign Exchange during the Year ( on receipt basis ) Particulars March 31, 2016 March 31, 2015  
 Software Development Services- Export 41,497,563 31,328,797

23. Expenditure in Foreign Currency ( on payment basis ) Particulars March 31, 2016 March 31, 2015

International Telephone Charges - -  
 Foreign-Traveling Exps 40,006 -

24. Disclosure is made as per the requirement of the Accounting Standard 18 on related Party Transactions during the Year:

i) List of Related Parties

a) Parties where control exist

Name of the party

B2B Softech Inc.

Relation  
Subsidiary Company

b) Key Managerial Person (KMP)

Name of the party

Dr. Ram Nemani

V.V.Nagendra

V. Bala Subramanyam

Sunil Nemani

Relation  
CEO & Director  
Executive Director  
Executive Director  
CFO

c) Parties where key managerial person has significant influence

Name of the party

KMP  
Dr.Ram Nimani

Relation of KMP  
Director

Genious Doc Inc

ii) Transactions during the year

Name of the Related party

March 31, 2016

March 31, 2015

(a) With Genius Doc Inc Consultancy Services

22,699,747

24,617,103

(b) With Key Management Personnel Managerial Remuneration

4,352,597

2,966,615

iii) Balances Outstanding at the Year End

Name of the Related party

March 31, 2016

March 31, 2015

(a) With Genius Doc Inc

Receivables

3,927,205

6,869,462

(b) With Key Management Personnel

Managerial Remuneration

317,960

-

25. Earning/(loss) Per Share as per Accounting Standard 20

The Computation of EPS as per AS 20 is set out below:

Profit/ (Loss) after Tax

March 31, 2016

March 31, 2015

13,404,740

7,363,793

Weighted average number of equity shares

11,585,400

11,585,400

Basic and diluted Earning Per Share

1.16

0.64

(Nominal value of equity shares: Rs. 10 each)

March 31, 2016

March 31, 2015

26. Investment in Mutual Funds of Unit Trust of India & ICICI Prudential

Amount

Amount

Opening Balance

7,339,028

5,560,490

Add: Purchases

16,740,966

12,278,538

Less: Sale

1,000,000

10,500,000

Closing Balance

23,079,995

7,339,028

\* Net Asset Value as on 31.03.2014 is Rs 230,79,995/-

27. There are no taxable profits for the current year after availing the brought forward losses as per the provisions of The Income tax act, 1961. Thus Provision for income tax has not been made for the current year.

28. The Company has received Rs.12,92,636/- (equivalent to Euros 20,000) during the financial year 2009-10 towards advance for the sale of 80% shareholding in its wholly owned subsidiary B2B Technologies Kassel GmbH. The shares have not been transferred pending approval from RBI. The company has made a provision of Rs. 39,37,554 towards loss on sale of investment and a provision for Rs.13,07,549 for diminution in the value of investment.

29. The Wholly Owned Subsidiaries of the company at Malaysia, B2B Infotech SDN BHD and at Singapore, B2B Infotech Pte Ltd are under liquidation. The Company has made a provision for diminution in the value of investment to the extent of 100% of the carrying amount.

30. The Company is primarily engaged in Information Technology and related services. The segment report of B2B Software Technologies Limited and its subsidiary has been prepared in accordance with the AS 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India and notified by Companies (Accounting Standards) Rules, 2006.

31. Deferred tax asset/liability is not determined and accounted as per Accounting Standard-22 issued by ICAI as the related benefits on tax losses are considered virtually uncertain.

Sl.No	Particulars	For the Year Ended	
		3/31/2016	3/31/2015
		Audited	Audited
1	Segment Revenue		
	a) India	655.43	545.73
	b) USA	371.01	282.42
	Total	1,026.44	828.15
	Less : Inter segment revenues	-	-
	Net Segment Revenue	1,026.44	828.15
	Segment Results before tax and interest		
	a) India	99.58	55.42
	b) USA	0.47	0.42
	c) Other Income	34.00	22.26
	Total	134.05	78.10
	Less : Interest Expenses	-	-
	Less : Other un-allocable expenditure net off un-allocable income.	-	-
	Total Profit/(Loss) Before Tax	134.05	78.10
	Capital Employed		
	a) India	595.60	469.82
	b) USA	56.51	45.50
	Total	652.11	515.32

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## Notes to Financial Statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

### 1. Nature of operations

B2B Software Technologies is one of the most prominent and competent Microsoft Dynamics Navision Solution Center of Microsoft Dynamics and the number one partner in Andhra Pradesh, India. The team of Microsoft Dynamics NAV 2009 certified consultants has carried out successful implementations across various industry segments. Our customers include end-user companies as well as other solution centers in Europe, USA, Australia and Asian markets, for whom we undertake the off-shore / onsite solution development

### 2. Significant Accounting Policies

#### 2.1 Accounting convention

The Financial Statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles in India (GAAP) and comply with the mandatory Accounting Standards as specified in the Companies (Accounting Standards) Rules 2006 ('Rules'), other pronouncements of the Institute of Chartered Accountants of India (ICAI) to the extent applicable, the provisions of Companies Act, 1956 and guidelines issued by Securities and Exchange Board of India.

#### 2.2 Use of estimates

The Preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure relating to contingent assets and contingent liabilities as on date of financial statements and the reported amounts of income and expenses during the period. Actual results could differ from the estimates. Examples of such estimates include provision for doubtful debt, future obligation under employee retirement benefit plan, income taxes, useful life of fixed assets, etc. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 2.3 Cash flows

Cash flows are reported using the indirect method, where by the net profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated and presented separately.

#### 2.4 Revenue recognition

Revenue from Consultation services consists of revenue earned from services performed on a time and material basis and time bound fixed - price engagements. In respect of Time and Material Contracts, revenue is recognised as and when the services are performed. In respect of time bound fixed-price engagements, revenue is recognised using the percentage of completion method of accounting, unless work completed cannot be reasonably estimated. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the change becomes known. In respect of Sale of software products, revenue is recognised on transfer of ownership to the customers.

#### 2.5 Fixed assets

Fixed assets are stated at cost of acquisition. Cost of acquisition is inclusive of freight, duties, levies and all incidentals directly or indirectly attributable to bringing the asset to its working condition for its intended use. The cost of fixed assets includes cost of initial warranty/ insurance spares purchased along with the capital asset, which are grouped as single item under respective assets.

Depreciation has been provided on Written down value Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 except for assets costing up to Rs. 5,000/-, which are fully depreciated in the year of capitalization. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

Depreciation on initial/ warranty spares are provided on the same rates applicable for that Asset group, irrespective of its actual usage.

The company owns Intellectual Property Right relating to its service business and the carrying amount thereof is disclosed in the schedule of Fixed Assets. This would be amortised on a written down value method @ 20% per annum.

#### 2.6 Foreign currency transactions

Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.

At the Balance Sheet date, foreign currency monetary items are reported using the closing/contracted rate. Non monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.

All exchange differences are recognised as income or expense in the period in which they arise.

#### 2.7 Inventory

Work in Progress is valued at cost or rate assured under a contract whichever is lower.

#### 2.8 Investments

Long-term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

#### 2.9 Earnings per share

Basic earnings per share are computed by dividing the net profit or loss after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit or loss after tax attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

#### 2.10 Provisions and contingencies

The Company recognises a provision when there is a present obligation as a result of past obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

## Consolidated Cash Flow Statement for the year ended March 31, 2016

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	31.03.2016	31.03.2015
<b>A. Cash Flows from Operating Activities</b>		
Net profit/(loss) before tax	13,404,740	7,363,793
Adjustments for :		
Interest	-	-
Depreciation	1,360,887	1,261,475
Income from Investment - Dividends	(1,223,944)	(360,890)
Interest on Fixed Deposit	(2,124,548)	(2,081,483)
Exchange differences on translation of foreign currency cash and cash equivalents	18,855	264,872
Operating profit before working capital changes	11,435,990	6,447,766
Adjustments for changes in working capital :		
(Increase)/Decrease in Accounts Receivables	5,165,817	(2,795,676)
(Increase)/Decrease in Loans and Advances	(1,131,151)	(821,546)
(Increase)/Decrease in Work in Progress	(125,898)	140,429
Increase / (Decrease) in Trade and Other Payables	4,461,049	521,609
Increase / (Decrease) in Provision	258,146	172,729
Cash generated from operations	20,063,953	3,665,311
Interest received from Fixed Deposit	2,124,548	2,081,483
<b>Net Cash from Operating Activities</b>	<b>22,188,501</b>	<b>5,746,794</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	(1,227,176)	(2,938,055)
Sale of Fixed Assets	-	339,002
Purchase of Mutual Funds	(16,740,966)	(12,278,538)
Sale of Mutual Funds	1,000,000	10,500,000
Decrease in Long Term Loans & Advances	1,801	59,791
Income from Investment - Dividends	1,223,944	360,890
<b>Net Cash used in Investing Activities</b>	<b>(15,742,397)</b>	<b>(3,956,910)</b>
<b>C. Cash Flows from Financing Activities</b>		
Increase/(Decrease) in Secured Loans	-	-
Interest paid	-	-
<b>Net Cash from/(used in) Financing Activities</b>	<b>-</b>	<b>-</b>
<b>D. Exchange differences on translation of foreign currency cash and cash equivalents</b>	<b>253,726</b>	<b>(86,797)</b>
<b>Net Increase in Cash and Cash equivalents during the year (A+B+C+D)</b>	<b>6,699,830</b>	<b>1,703,087</b>
Cash and Cash equivalents at the beginning of the year	31,488,938	29,785,851
Cash and Cash equivalents at the end of the year	38,188,768	31,488,938

As per our report of even date  
For Umamaheswara Rao & Co.,  
Chartered Accountants.  
Firm Registration No: 004453S

R.R.Dakshinamurthy  
Partner  
Membership No: 211639

Place: Hyderabad  
Date : 23-04-2016

On behalf of the Board of Directors

V.Bala Subramanyam  
Executive Director  
DIN: 06399503

Sunil Nemani  
Chief Financial Officer

V.V. Nagendra  
Executive Director  
DIN: 00231729

Dr. Ram Nemani  
CEO & Director  
DIN: 01131212

Form No. SH - 13  
Nomination Form  
(Pursuant to section 72 of the Companies Act, 2013 and rule 19 (1) of the Companies  
(Share Capital and Debentures) Rules, 2014)

To  
B2B SOFTWARE TECHNOLOGIES LIMITED,  
3rd and 4th Floor, AVR Towers, 6-3-1112,  
Behind West Side Showroom  
Begumpet, Hyderabad - 500 016.

I / We \_\_\_\_\_ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons shall vest, all the rights in respect of such securities in the event of my / our death.

(1) PARTICULARS OF THE SECURITIES (In respect of which nominations is being made)

Nature of Securities	Folio No.	No. of Securities	Certificate No(s)	Distinctive No(s)

(1) PARTICULARS OF NOMINEE / S :-

- (a) Name :
- (b) Date of Birth :
- (c) Father's / Mother's / Spouse's Name :
- (d) Occupation:
- (e) Nationality:
- (f) Address:
  
- (g) Email Id:
- (h) Relationship with the Security Holder:

(2) IN CASE OF NOMINEE IS A MINOR :-

- (a) Date of Birth:
- (b) Date of attaining majority:
- (c) Name of Guardian:
- (d) Address of Guardian:

Name :  
Address :

Name(s) of the Security Holder(s):

Signature:

Signature of witness with name and address

Form No. SH - 14  
Cancellation or Variation of Nomination Form  
(Pursuant to sub-section (3) of Section 72 of the Companies Act, 2013 and rule 19(9) of the Companies  
(Share Capital and Debentures) Rules, 2014)

To  
B2B SOFTWARE TECHNOLOGIES LIMITED,  
3rd and 4th Floor, AVR Towers, 6-3-1112,  
Behind West Side Showroom  
Begumpet, Hyderabad - 500 016.

I / We hereby cancel the nomination (s) made by me / us in favour of \_\_\_\_\_ (name and address of the nominee (s) in respect of the below mentioned securities.

OR

I / We hereby nominate the following person in place of \_\_\_\_\_ as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my / our death.

(1) PARTICULARS OF THE SECURITIES (In respect of which nominations is cancelled / varied)

Nature of Securities	Folio No.	No. of Securities	Certificate No(s)	Distinctive No(s)

(1) PARTICULARS OF NOMINEE / S :-

- (a) Name :
- (b) Date of Birth :
- (c) Father's / Mother's / Spouse's Name :
- (d) Occupation:
- (e) Nationality:
- (f) Address:
  
- (g) Email Id:
- (h) Relationship with the Security Holder:

(2) IN CASE OF NOMINEE IS A MINOR :-

- (a) Date of Birth:
- (b) Date of attaining majority:
- (c) Name of Guardian:
- (d) Address of Guardian:

Name :  
Address :

Name(s) of the Security Holder(s):

Signature:

Signature of witness with name and address

## B2B SOFTWARE TECHNOLOGIES LIMITED

Regd. Office: 6-3-1112, 3rd and 4th Floor, Behind Westside Showroom, Near Somajiguda Circle,  
Begumpet, Hyderabad - 500 016. Ph : 040 - 2337 2522, 2337 5926. Fax : 040 - 23322385  
Email : investorservice@b2bsofttech.com | www.b2bsofttech.com | CIN : L72200TG1994PLC018351

### ATTENDANCE SLIP

PLEASE BRING THIS ATTENDANCE SLIP DULY COMPLETED WITHOUT FAIL AND  
HAND IT OVER AT THE ENTRANCE FOR OBTAINING ENTRY PASS

I/We hereby record my presence at the Twenty Second Annual General Meeting of B2B SOFTWARE TECHNOLOGIES LIMITED being held at its Registered Office : 6-3-1112, 3rd and 4th Floor, Behind Westside Showroom, Near Somajiguda Circle, Begumpet, Hyderabad - 500 016, on Friday the 30th day of September, 2016 at 10.30 a.m.

Name of the Shareholder : \_\_\_\_\_

Folio No./Client Id / DP ID : \_\_\_\_\_

Name of the Proxy / representative, if any : \_\_\_\_\_

I/We certify that I/We are registered Shareholder / Proxy for the Shareholder of the Company.

Signature of the Shareholder / Proxy

- Notes :
1. Attendance slip which is not complete in all respects shall not be accepted.
  2. The registration counter will remain open between 10.00 AM to 11.00 AM
  3. Joint Shareholders may obtain additional attendance slip on request.



### MGT-11 PROXY FORM

#### B2B SOFTWARE TECHNOLOGIES LIMITED

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)  
6-3-1112, 3rd and 4th Floor, Behind Westside Showroom, Near Somajiguda Circle,  
Begumpet, Hyderabad - 500 016. Ph : 040 - 2337 2522, 2337 5926. Fax : 040 - 23322385  
Email : investorservice@b2bsofttech.com | www.b2bsofttech.com | CIN : L72200TG1994PLC018351

Name(s) of the Member(s)
Registered Address
Email ID
Folio No./Client ID
DP ID

I/We being the member (s) of \_\_\_\_\_ shares of the above name Company, hereby appoint

1. Name
Address
E-mail Id
Signature _____ on failing him :
2. Name
Address
E-mail Id
Signature _____ on failing him :
3. Name
Address
E-mail Id
Signature _____ on failing him :

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 22nd Annual General Meeting of the Company to be held on the Friday the 30th September, 2016 at 10.30 AM, at 3rd and 4th Floor, AVR Tower, 6-3-1112, Behind West Side Showroom, Near Somajiguda Circle, Begumpet, Hyderabad - 500 016. and any adjournment thereof in respect of such resolution are indicated overleaf:

Contd...





Regd. - Post / Courier



If Undelivered please return to :

**B2B SOFTWARE**

TECHNOLOGIES LTD  
PEOPLE . VALUES . TECHNOLOGIES

6-3-1112, 3rd & 4th Floor, AVR Tower,  
Behind Westside Showroom, Near Somajiguda Circle,  
Begumpet, Hyderabad - 500 016. TELANGANA. INDIA.  
E: [investorservice@b2bsoftech.com](mailto:investorservice@b2bsoftech.com)  
Ph : 040 - 2337 2522, 2337 5926. Fax : 040 - 23322385

CIN : L72200TG1994PLC018351

[www.b2bsoftech.com](http://www.b2bsoftech.com)