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DIRECTORS

1. Dr. Ramachandra Rao 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

STATUTORY AUDITORS:
UMAMAHESWARA RAO & CO.,
Chartered Accountants,
5H, Krishna Apartments,
8-3-324, Ameerpet, 'X' Road,
Hyderabad - 500 073.

INTERNAL AUDITORS:
M.V. Vijaya 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

KEY MANAGERIAL PERSONNEL

1. Dr. Ramachandra Rao 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.

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 : L72200TG1994PL018351

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the members of **B2B SOFTWARE TECHNOLOGIES LIMITED** will be held on Monday the 25th of September, 2017 at the registered office of the Company situated at 3rd & 4th Floor, AVR Towers, 6 – 3 – 1112, Behind West Side 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, 2017, including the audited Balance Sheet as at March 31, 2017, 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. Murthy Mutyala (DIN: 0002394524) 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 20th AGM held on 30th 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 25th 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 31st March, 2018 at a remuneration as may be agreed upon between the auditors and the Board of Directors.

SPECIAL BUSINESS:

Item No. 4 – Re appointment of Mr. V. Bala Subramanyam as Whole Time Director:

4. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:
RESOLVED THAT pursuant to the provisions of Section 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013 the approval of members of the Company be and is hereby accorded for the re appointment of Mr. V. Bala Subramanyam (DIN: 06399503) as the Whole Time Director of the Company with effect from 1st October, 2017 on the terms and conditions as specified in the Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 annexed to this Notice and on the remuneration, which is as follows:
 - a. Term of office: 1st October, 2017 to 30th September, 2020
 - b. Salary: Rs.2,50,000/- per month
 - c. Perquisites: Provision of a Car with Driver, Mobile and Land Phone and Internet
 - d. Expenses on Fuel for car, Driver, mobile, Land Line and Internet provision: Rs.35,000/- per month
 - e. 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. The same however, shall not to be included in the computation of limits for the remuneration of perquisites aforesaid.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force)

Item No. 5 – Re appointment of Mr. V. V. Nagendra as Whole Time Director:

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013 the approval of members of the Company be and is hereby accorded for the re appointment of Mr. V. V. Nagendra (DIN: 0231729) as the Whole Time Director of the Company with effect from 1st October, 2017 on the terms and conditions as specified in the Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 annexed to this Notice and on the remuneration, which is as follows:

- a. Term of office: 1st October, 2017 to 30th September, 2020
- b. Salary: Rs.2,50,000/- per month
- c. Perquisites: Provision of a Car with Driver, Mobile and Land Phone and Internet
- d. Expenses on Fuel for car, Driver, mobile, Land Line and Internet provision: Rs.35,000/- per month
- e. 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. The same however, shall not to be included in the computation of limits for the remuneration of perquisites aforesaid.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force)

Date: 14.08.2017
Place: Hyderabad

By order of the Board
For **B2B Software Technologies Limited**
V. BALA SUBRAMANYAM
Executive Director
(DIN: 06399503)

Registered Office: 3rd & 4th 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

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 18th September 2017 to 25th September 2017 (both days inclusive).

3. Members holding shares in physical form are requested to intimate the change, if any, in their Registered Address to the Company quoting their Registered Folio.

If the shares are held in Demat form, intimation regarding the change of address, if any, has to be notified to the concerned Depository Participant where the Shareholder is maintaining the Demat Account.

4. 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 2016 – 2017 can also be downloaded from the company's website i.e., 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 23rd Annual General Meeting of the Company. The Company has appointed Mr. D. S. M. Ram, Proprietor of DSMR & Associates (C. P. No. 4239) Company secretary in practice 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 18th September, 2017. The Company is providing Ballot facility at the venue of the AGM for the Shareholders who have not cast their vote electronically.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Friday, the 22nd of September, 2017 at 9:00 am and ends on Sunday, the 24th of September, 2017 at 5:00 pm. 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 18th September, 2017 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.
- (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 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"> ● 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. ● 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.
Dividend Bank Details of OR Date 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"> ● 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).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then 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.
- (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 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.
 - 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 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

PROFILE OF DIRECTORS AS REQUIRED UNDER REGULATION 34 (3) SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Dr. Murthy Mutyala

Dr. Murthy Mutyala is a graduate in Medicine from Rangaraya College, Kakinada and he is presently Chief of Medicine and Chief of Staff, V.A. Medical Center, Marlin, Texas.

He has got many awards during his career including Gold Medal from the Chief Minister of Andhra Pradesh in the year 2008 and very actively involved in community services for the upliftment of poor people.

Directorship in other Companies: Nil

Shareholding in the Company: 3,51,150

Mr. V. Bala Subramanyam

He holds a Master's degree in Industrial Instrumentation and Management. He has over 20 years of experience with over 10 years in ERP area and has been the Practice Head with B2B Software Technologies Ltd. He has extensive experience in ERP Project executions and supervised development and launching of intellectual products for B2B in multiple ERP verticals like Pharma, Plant maintenance, HR and Payroll and Quality Add On's certified by Microsoft for Domestic and International markets.

Directorship in other Companies: One (1)

Shareholding in the Company: Nil

Mr. V. V. Nagendra

He holds B.S Degree in Mechanical Engineering from Gulbarga University. He has extensive experience in multiple programming languages and testing tools. He Joined B2B Software Technologies Limited in the year 2000 as Software Engineer and supervised the QA department. He supervised Multiple Surveillance and Certification Audits. He was appointed as Executive Director in the year 2008 and subsequently appointed as MD in the year 2011. However, subsequently he was re designated as the Executive Director of the Company with effect from 1st October, 2014 consequent to change in the management structure with the implementation of the Companies Act, 2013.

Directorship in other Companies: Nil

Shareholding in the Company: Nil

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**Item No. 4:**

Mr. V. Bala Subramanyam was appointed as the Executive Director of the Company with effect from 1st October, 2014 for a period of three years on the terms and conditions as approved by the Board of Directors and subsequently by the members of the Company in the 20th Annual General Meeting of the Company held on 30th September, 2014. The term of Mr. V. Bala Subramanyam as the Executive Director of the Company ceases on 30th September, 2017.

Considering the contribution made by Mr. V. Bala Subramanyam for the growth of the Company, the Board of Directors in their meeting held on 20th May, 2017 had proposed to re appoint him as the Executive Director of the Company for a further period of three years with effect from 1st October, 2017 on the following terms and conditions:

1. Remuneration: As provided in the Resolution
2. Period of re appointment: as provided in the Resolution
3. Mr. V. Bala Subramanyam shall perform such duties as shall from time to time be entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.

Additional Information as required under Proviso to Section II of Schedule V:

I. General Information:

- (1) Nature of Industry: Software
- (2) Date or expected date of commencement of Commercial Production: The Company has started its software operations during the year 2000.
- (3) In case of new companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus: NOT APPLICABLE
- (4) Financial Performance based on given indicators:

Financial Performance during the past three years:

Particulars	2014 - 2015	2015 - 2016	2016 - 2017
Turnover	54,572,549	65,543,441	66,548,881
Net Profit / Loss	7,322,163	13,357,491	11,792,435

Export performance and net foreign exchange earnings

Particulars	2014 - 2015	2015 - 2016	2016 - 2017
Export earnings	31,328,797	41,497,563	37,764,066

- (5) Foreign Investment or collaborations, if any: The Company has investment from NRI shareholders who belong to the Promoter and Promoter Group.

II. Information about the appointee:

(1) Background details:

He holds a Master's degree in Industrial Instrumentation and Management. He has over 20 years of experience with over 10 years in ERP area and has been the Practice Head with B2B Software Technologies Ltd. He has extensive experience in ERP Project executions and supervised development and launching of intellectual products for B2B in multiple ERP verticals like Pharma, Plant maintenance, HR and Payroll and Quality Add Ons Certified by Microsoft for Domestic and International markets.

- (2) Past remuneration: 1,58,980/- per month as the Executive Director of the Company for the period starting from 1st October, 2014 to 30th September, 2017 plus perquisites.

(3) Recognition or awards:

- Completed 15 full cycle MS Dynamics implementations.
- Completed 2 Add-Ons development on "MS Dynamics (AX)" (Quality and Plant Maintenance).

- Completed 1 Vertical development on “MS Dynamics (AX)” (Tower Manufacturing).
- Completed 4 Verticals development on “MS Dynamics (NAV)” (Apparel, Construction, Printing and Tower Manufacturing).
- Completed 2 Add-Ons development on “MS Dynamics (NAV)” (Quality and Plant maintenance).

(4) Job Profile and his suitability:

Heading the Microsoft Dynamics division and the management is confident of his capability in delivering the results for the said division. The management has proposed to reappoint him as Executive Director only after considering his suitability for the said post.

- Exposed to all phases of product rollout's including Pre Sales, Post Implementation Support and Project Management.
- Client facing responsibilities like Functional Presentations, Negotiations, Project Planning Meetings, Steering Committee Meetings, Managing Customer Expectations & Changes etc.,
- Point of contact for Microsoft for Business development and Dynamics Practice like operational contact, Service Plan contact, Customer Account Manager NAV & AX, Contact for all VOICE Account issues with Administrative Rights (Partner account Manager and Partner Technology Specialist).
- Responsible for division readiness in terms of resources skills and strategic decisions on product development and Implementation

(5) Remuneration proposed – As mentioned in the resolution

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: Rs.3,00,000/- per month plus perks

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

He is not related to any of the promoters. However, prior to his appointment he has been working in the Company in different levels from July, 2004.

He does not have any other relationship directly or indirectly with the Company or relationship with the managerial personnel.

III. Other Information:

(1) Reasons of loss or inadequate profits:

The Company was previously carrying out NBFC activities since from its inception till 2000. Subsequently, during the year 2000 the Company changed its objects and name to carry out the business of designing and development of software. The losses were incurred during the NBFC period are being carried forward and the profits arising out of software business are being set off against the losses.

(2) Steps taken or proposed to be taken for improvement:

Development and launching of own products (certified by Microsoft) which works on Microsoft Dynamics ERP Software. The company is already started earning profits, however the same are not sufficient to compensate the Executive Director

(3) Expected increase in productivity and profits in measurable terms:

The plans of management discussed in step 2 would help in increasing the revenues in measurable terms and the company would be able to wipe out all its accumulated losses.

The Company has received from Mr. V. Bala Subramanyam (i) Consent in Writing to act as Director in Form DIR – 2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR – 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The re appointment of Mr. V. Bala Subramanyam as Executive Director was approved and recommended by the members of the Nomination and Remuneration Committee in their meeting held on 20th May, 2017 as required under the provisions of the Companies Act, 2013 read with Schedule V to the Act.

The resolution seeks the approval of members in terms of Section 196 and 197 read with Schedule V and other

applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modifications or re-enactments thereof for the time being in force) for the re appointment of Mr. V. Bala Subramanyam as the Whole Time Director with effect from 1st October, 2017

No director, key managerial personnel or their relatives, except Mr. V. Bala Subramanyam to whom the resolution relates and his relatives is interested or concerned in the said resolution.

Re appointment of Whole Time Director requires the approval of members by way of an Ordinary Resolution. The Board recommends the resolutions set forth in Item No. 4 for the approval of members.

Item No. 5:

Mr. V. V. Nagendra was appointed as the Executive Director of the Company with effect from 1st October, 2014 for a period of three years on the terms and conditions as approved by the Board of Directors and subsequently by the members of the Company in the 20th Annual General Meeting of the Company held on 30th September, 2014. The term of Mr. V. V. Nagendra as the Executive Director of the Company ceases on 30th September, 2017.

Considering the contribution made by Mr. V. V. Nagendra for the growth of the Company, the Board of Directors in their meeting held on 20th May, 2017 had proposed to re appoint him as the Executive Director of the Company for a further period of three years with effect from 1st October, 2017 on the following terms and conditions:

1. Remuneration: As provided in the Resolution
2. Period of Appointment: Three years beginning on 1st October, 2014 and ending on 30th September, 2017
3. Mr. V. V. Nagendra shall perform such duties as shall from time to time be entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.

Additional Information as required under Proviso to Section II of Schedule V:

I. General Information:

- (1) Nature of Industry: Software
- (2) Date or expected date of commencement of Commercial Production: The Company has started its software operations during the year 2000.
- (3) In case of new companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus: NOT APPLICABLE
- (4) Financial Performance based on given indicators:
Financial Performance during the past three years:

Particulars	2014 - 2015	2015 - 2016	2016 - 2017
Turnover	54,572,549	65,543,441	66,548,881
Net Profit / Loss	7,322,163	13,357,491	11,792,435

Export performance and net foreign exchange earnings

Particulars	2014 - 2015	2015 - 2016	2016 - 2017
Export earnings	31,328,797	41,497,563	37,764,066

- (5) Foreign Investment or collaborations, if any:
The Company has investment from NRI shareholders who belong to the Promoter and Promoter Group.

II. Information about the appointee:

- (1) Background details:

He holds B.E Degree in Mechanical Engineering from Gulbarga University. He has extensive experience in multiple programming languages and testing tools. He Joined B2B Software Technologies Limited in the year 2000 as Software Engineer and supervised the QA department. He

supervised Multiple Surveillance and Certification Audits. He was appointed as Executive Director in the year 2008 and subsequently appointed as MD in the year 2011. He was re designated as Executive Director of the Company with effect from 1st October, 2014

- (2) Past remuneration: 1,58,980/- per month as the Executive Director of the Company for the period starting from 1st October, 2014 to 30th September, 2017 plus perquisites.

- (3) Recognition or awards:

He was the project lead for multiple projects in languages like vb.net, php and asp also worked as MR for ISO 9001:2000 and successfully completed 6 surveillance audit including one certification audit. He was part of the team for MU-2 certification project for the GeniusDoc software product. This improves the standard of the product and helps in increasing the sales of the product

- (4) Job Profile and his suitability:

Heading the QA, R&D and Training divisions of the company in ERP and Health Care arena, the management is confident of his capability in delivering the results for the said divisions. Given his expertise in the aforementioned areas, Mr. Nagendra would suit to head the said divisions as Executive Director of the Company.

- (5) Remuneration proposed –As mentioned in the resolution.

- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: Rs.3,00,000/- per month plus perks

- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

He is not related to any of the promoters. However, prior to his re designation as the Executive Director of the Company he has been working in various levels in the Company since March, 2000.

He does not have any other relationship directly or indirectly with the Company or relationship with the managerial personnel.

III. Other Information:

- (1) Reasons of loss or inadequate profits:

The Company was previously carrying out NBFC activities since from its inception till 2000. Subsequently, during the year 2000 the Company changed its objects and name to carry out the business of designing and development of software. The losses were incurred during the NBFC period are being carried forward and the profits arising out of software business are being set off against the losses.

- (2) Steps taken or proposed to be taken for improvement:

Development and launching of own products (certified by Microsoft) which works on Microsoft Dynamics ERP Software. The company is working on increasing the client base world wide which results in better revenues and margins.

- (3) Expected increase in productivity and profits in measurable terms:

The plans of management discussed in step 2 would help in increasing the revenues in measurable terms during the next three years.

The Company has received from Mr. V. V. Nagendra (i) Consent in Writing to act as Director in Form DIR – 2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR – 8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The re appointment of Mr. V. V Nagendra as Executive Director was approved and recommended by the members of the Nomination and Remuneration Committee in their meeting held on 20th May, 2017 as required under the provisions of the Companies Act, 2013 read with Schedule V to the Act.

The resolution seeks the approval of members in terms of Section 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modifications or re-enactments thereof for the time being in force) for the re appointment of Mr. V. V. Nagendra as the Whole Time Director with effect from 1st October, 2017

No director, key managerial personnel or their relatives, except Mr. V. V. Nagendra to whom the resolution relates and his relatives is interested or concerned in the said resolution.

Re appointment of Whole Time Director requires the approval of members by way of an Ordinary Resolution. The Board recommends the resolutions set forth in Item No. 5 for the approval of members.

By order of the Board
For B2B Software Technologies Limited

Date: 14.08.2017
Place: Hyderabad

V. BALA SUBRAMANYAM
Executive Director
(DIN: 06399503)

Registered Office: 3rd & 4th 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 Third Annual Report of your Company together with the Audited Accounts including Consolidated Accounts for the financial year ended March 31, 2017 and the report of the Auditors thereon.

1. FINANCIAL RESULTS:

(In Rupees)

	Standalone		Consolidated	
PARTICULARS:	2016 –2017	2015 – 2016	2016–2017	2015 – 2016
Revenue from operations	66,548,881	65,543,441	101,234,964	102,644,395
Other Income	4,066,009	3,399,826	4,066,009	3,399,826
TOTAL INCOME	70,614,890	68,943,267	105,300,973	106,044,221
Total Expenditure	58,822,455	55,585,776	93,564,812	92,639,481
Profit / (Loss) before exceptional Items	11,792,435	13,357,491	11,736,161	13,404,740
Exceptional Items	-	-	-	-
Profit / (Loss) before extraordinary items	11,792,435	13,357,491	11,736,161	13,404,740
Extraordinary items	-	-	-	-
Profit / (Loss) before tax	11,792,435	13,357,491	11,736,161	13,404,740
Less: Provision for tax	-	-	-	-
Fringe Benefit Tax	-	-	-	-
Deferred Tax	-	-	-	-
Profit / Loss after tax for the year	11,792,435	13,357,491	11,736,161	13,404,740
Basic and Diluted EPS	1.02	1.15	1.01	1.16

2. 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.

3. STATE OF COMPANY'S 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.

4. LISTING OF EQUIT 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 2016 – 2017.

5. TRANSFER TO RESERVES:

Your Company has accumulated losses amounting to Rs.52,209,860/- brought forward from the previous years. The profit of Rs.11,792,435/- earned during the year has been adjusted against the losses and the accumulated losses are reduced to Rs.40,417,425/-. Hence your company does not propose to transfer any amount to the Reserves.

6. 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.

7. 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, 2017 to the date of signing of the Directors Report.

8. 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 each of the subsidiaries. Policy for determining material subsidiary as required under SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 is available on the company's website 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. These documents will also be available for inspection during business hours at our registered office.

9. 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed to this Report.

10. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis forms an integral part of this Report and gives details of the overall industry structure, developments, performance and state of affairs of the Company and other material developments during the financial year.

11. 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.

12. 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. The meeting of Independent Directors happened on 10th December, 2016 wherein all the Independent Directors were present for the meeting.

13. 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 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.

14. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

15. CHANGES IN DIRECTORS:

INDUCTIONS:

The Company has not made any appointment of Directors during the year under review.

RE – APPOINTMENTS:

As per the provisions of Section 152 of the Companies Act 2013 read with Companies (Qualifications and Appointment of Directors) Rules, 2014 Dr. Murthy Mutyala (DIN: 02394524) retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

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

RESIGNATIONS:

None of the Directors have resigned during the year under review.

CHANGES IN KEY MANAGERIAL PERSONNEL:

There have been no changes in KMP (Key Managerial Personnel) during financial year 2016 – 17. The following are the KMP as on date:

1. Dr. Ramachandra Rao Nemani - Chief Executive Officer
2. Mr. Sunil Nemani - Chief Financial Officer
3. Mr. V. Bala Subramanyam - Executive Director
4. Mr. V. V. Nagendra - Executive Director

RE- APPOINTMENT OF EXECUTIVE DIRECTORS:

Mr. V. Bala Subramanyam and Mr. V. V. Nagendra were appointed as Executive Directors of the Company with effect from 1st October, 2014 for a period of three years. Their office as the Executive Directors of the Company ceases on 30th September, 2017.

Considering the services rendered by Mr. V. Bala Subramanyam and Mr. V. V. Nagendra for the growth of the Company, the Board of Directors based on the recommendation and approval of the Nomination and Remuneration Committee decided to re appoint them as the Executive Directors of the Company for a further period of three years on the terms and conditions mentioned in the notice convening the 23rd Annual General Meeting.

Mr. V. Bala Subramanyam and Mr. V. V. Nagendra have given their consent for re appointment and stated that they stand free from disqualification from being re appointed. The Board recommends their re appointment.

The Company has not appointed any Whole Time Company Secretary as required under the provisions of Section 203 of the Companies Act, 2013

16. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year under review 5 (Five) Board meetings were held on the following dates:

- a. 23.04.2016
- b. 13.08.2016
- c. 08.11.2016
- d. 10.12.2016
- e. 09.02.2017

Attendance of Directors at the Board Meetings and Annual General Meeting has been furnished in the Corporate Governance Report, which forms part of the Directors 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.

17. COMMITTEES OF THE BOARD:

a. Audit Committee:

The Audit Committee constitutes of Mr. M. Rambabu, Mr. A. Rambabu, Mr. Ch. Suresh, Ms. Rajeswari Immani, Dr. Murthy Mutyala and Dr. Ramachandra Rao Nemani. The Board of Directors have accepted all the recommendations given by the Audit Committee. Mr. M. Rambabu is the Chairman of the Audit Committee. The terms and reference of Audit Committee and details of meetings held during the financial year 2016 – 2017 and the attendance of members are given in the Corporate Governance Report, which forms part of the Directors Report.

b. 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. Mr. A. Rambabu is the Chairman of the Nomination and Remuneration Committee. The terms of reference and the Nomination and Remuneration policy and details of meetings held during the financial year 2016 – 2017 and the attendance of members are provided in the Corporate Governance Report, which forms part of the Directors Report.

c. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee consists of Mr. Ch. Suresh, Mr. M. Rambabu and Mr. V. V. Nagendra. Mr. Ch. Suresh is the Chairman of the Committee. The terms of reference and the details of meetings held during the financial year 2016 – 2017 and the attendance of the members are provided in the Corporate Governance Report, which forms part of the Directors Report

18. 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.

19. 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 2016 -17, 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

20. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

During the financial year 2016 – 17 your Company had not given any loans or provided any guarantees or made any investments as specified under the provisions of Section 186 of the Companies Act, 2013 read with rules made there under.

21. 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.b2bsoftech.com

All the material contracts with related parties have been approved by the Audit Committee and the Members 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.

22. 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.

23. 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.

24. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (1) 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 statement containing particulars of employees as required under Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is 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.

25. 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 not required to furnish any information in this report as required under the provisions of the said Act.

26. 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.

27. 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.

28. 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.

29. AUDITORS:**a. 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.

b. 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 2016 – 2017. 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 forms as required under the SEBI (Listing obligations and Disclosure Requirements) Regulations 2015

30. DISCLOSURE AS PER SEXUAL HARASSMENT 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 2016 – 17, the Company has not received any complaints on sexual harassment.

31. 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.

32. ACKNOWLEDGEMENTS:

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

For and on behalf of the Board

Place : Hyderabad
Date : 14.08.2017

V. BALA SUBRAMANYAM
Executive Director
DIN: 06399503

V. V. NAGENDRA
Executive Director
DIN: 0231729

Annexure – I to the Directors Report

[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 been acquired	17 th 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 64.8386
5.	Share Capital	3,381,120
6.	Reserves & Surplus	37,358
7.	Total Assets	4,705,340
8.	Total Liabilities	4,705,340
9.	Investments	-
10.	Turnover	34,686,084
11.	Profit before taxation	(56,273)
12.	Provision for taxation	(56,273)
13.	Profit after taxation	-
14.	Proposed dividend	-
15.	% 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: 00231729

Place: Hyderabad
Date: 20th May 2017

Sunil Nemani
Chief Financial Officer

Dr. Ramachandra Rao 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	01 st Jan 2016 to 31 st Dec 2020	Not Applicable	Not Applicable
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 : 14.08.2017

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 | NIL |
| b. the steps taken by the company for utilizing alternate sources of energy | NIL |
| c. capital investment on energy conservation equipments | NIL |

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	2016 – 2017 (in Rs.)	2015 – 2016 (in Rs.)
1.	Total Foreign Exchange earnings	37,764,066	41,497,563
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 : 14.08.2017

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, 2017

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 2016 – 17	<table><tr><td>Mr. V. V. Nagendra</td><td>9.20:1</td></tr><tr><td>Mr. V Bala Subramanyam (Annualised)</td><td>9.38:1</td></tr><tr><td>Dr Ramachandra Rao Nemani</td><td>NA</td></tr><tr><td>Dr. Y Satyanarayana</td><td>NA</td></tr><tr><td>Dr. Murthy Muthayala</td><td>NA</td></tr><tr><td>Mr. M. Rambabu</td><td>NA</td></tr><tr><td>Mr. A. Rambabu</td><td>NA</td></tr><tr><td>Mr. CH Suresh</td><td>NA</td></tr><tr><td>Ms. Rajeswari Immani</td><td>NA</td></tr></table>	Mr. V. V. Nagendra	9.20:1	Mr. V Bala Subramanyam (Annualised)	9.38:1	Dr Ramachandra Rao Nemani	NA	Dr. Y Satyanarayana	NA	Dr. Murthy Muthayala	NA	Mr. M. Rambabu	NA	Mr. A. Rambabu	NA	Mr. CH Suresh	NA	Ms. Rajeswari Immani	NA										
Mr. V. V. Nagendra	9.20:1																													
Mr. V Bala Subramanyam (Annualised)	9.38:1																													
Dr Ramachandra Rao Nemani	NA																													
Dr. Y Satyanarayana	NA																													
Dr. Murthy Muthayala	NA																													
Mr. M. Rambabu	NA																													
Mr. A. Rambabu	NA																													
Mr. CH Suresh	NA																													
Ms. Rajeswari Immani	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 2016 – 17	<table><tr><td colspan="2">DIRECTORS</td></tr><tr><td>Dr Ramachandra Rao Nemani</td><td></td></tr><tr><td>NA</td><td></td></tr><tr><td>Dr. Y Satyanarayana</td><td>NA</td></tr><tr><td>Dr. Murthy Muthayala</td><td>NA</td></tr><tr><td>Mr. M Rambabu</td><td>NA</td></tr><tr><td>Mr. A Rambabu</td><td>NA</td></tr><tr><td>Mr. CH Suresh</td><td>NA</td></tr><tr><td>Ms. Rajeswari Immani</td><td>NA</td></tr><tr><td colspan="2">KEY MANAGERIAL PERSONNEL</td></tr><tr><td>Dr. Ramachandra Rao Nemani Nemani</td><td>NA</td></tr><tr><td>Mr. V. V. Nagendra</td><td>0.17</td></tr><tr><td>Mr. V. Bala Subramanyam</td><td>3.05</td></tr><tr><td>Mr. Sunil Nemani</td><td>NA</td></tr></table>	DIRECTORS		Dr Ramachandra Rao Nemani		NA		Dr. Y Satyanarayana	NA	Dr. Murthy Muthayala	NA	Mr. M Rambabu	NA	Mr. A Rambabu	NA	Mr. CH Suresh	NA	Ms. Rajeswari Immani	NA	KEY MANAGERIAL PERSONNEL		Dr. Ramachandra Rao Nemani Nemani	NA	Mr. V. V. Nagendra	0.17	Mr. V. Bala Subramanyam	3.05	Mr. Sunil Nemani	NA
DIRECTORS																														
Dr Ramachandra Rao Nemani																														
NA																														
Dr. Y Satyanarayana	NA																													
Dr. Murthy Muthayala	NA																													
Mr. M Rambabu	NA																													
Mr. A Rambabu	NA																													
Mr. CH Suresh	NA																													
Ms. Rajeswari Immani	NA																													
KEY MANAGERIAL PERSONNEL																														
Dr. Ramachandra Rao Nemani Nemani	NA																													
Mr. V. V. Nagendra	0.17																													
Mr. V. Bala Subramanyam	3.05																													
Mr. Sunil Nemani	NA																													
3.	The percentage increase in the median remuneration of employees in the financial year 2016 – 17	13.64																												
4.	The number of permanent employees on the rolls of the Company as on 31 st March, 2017	82																												
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 2016-17 was 13.64% in comparison with 1.61% increase managerial remuneration.																												
6.	Affirmation that the remuneration is as per the remuneration policy of the company	Remuneration paid during the year ended 31 st March, 2017 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, 2015

(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 : 14.08.2017

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 31.03.2017

[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.	Name and Address of the Company	CIN / GLN	Holding /Subsidiary / Associate	% of shares held	Applicable No. 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%	156170	248280	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%	1667170	248280	1915450	16.53%	0.00%
(2) Foreign									
a) NRIs – Individuals	1510752	3819030	5329782	46.00%	3960202	1360270	5320472	45.92%	-0.08%
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):	1510752	5109930	6620682	57.15%	3960202	2651170	6611372	57.07%	-0.08%
Total Shareholding of Promoter (A) = (A) (1)+ (A) (2)	3058322	5477810	8536132	73.68%	5627372	2899450	8526822	73.60%	-0.08%
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	133895	1000	134895	1.16%	109675	1000	110675	0.96%	-0.21%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
Individual shareholders holding nominal share capital upto Rs.1 lakh	695349	178021	873370	7.54%	546847	177021	723868	6.25%	-1.29%
Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1098303	342700	1441003	12.44%	1281335	342700	1624035	14.02%	1.58%
Others(specify)B2B ESOP TRUST	0	600000	600000	5.18%	0	600000	600000	5.18%	0.00%
Sub Total (B) (2):	1927547	1121721	3049268	26.32%	1937857	1120721	3058578	26.40%	0.08%
Total Public Shareholding (B) = (B) (1)+(B)(2)	1927547	1121721	3049268	26.32%	1937857	1120721	3058578	26.40%	0.08%
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)	4985869	6599531	11585400	100.00%	7565229	4020171	11585400	100.00%	0.00%

II) Share holding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the Year (As at 01-04-2016)			Shareholding at the end of the Year (As at 31-03-2017)			% 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	RAMACHANDRA 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	68710	0.59%	-	60000	0.52%	-	-
14	ANJANEYULU KROTHAPALLI	5622	0.05%	-	5022	0.04%	-	-
15	DR K LAHIRI	21580	0.19%	-	21580	0.19%	-	-
16	HARSHINI	18000	0.16%	-	18000	0.16%	-	-
17	SAMANTHAREDDY	15900	0.14%	-	15900	0.14%	-	-
18	NEELAM JAYANTH REDDY	7900	0.07%	-	7900	0.07%	-	-
19	KRISHNA VARMA MEKA	6270	0.05%	-	6270	0.05%	-	-
20	P LEELAVATHI	2510	0.02%	-	2510	0.02%	-	-
21	N LAVANYA REDDY	2500	0.02%	-	2500	0.02%	-	-
22	S RAMESH	2000	0.02%	-	2000	0.02%	-	-
23	R SUBBARAMI REDDY	1010	0.01%	-	1010	0.01%	-	-
24	L PRATAP REDDY	1000	0.01%	-	1000	0.01%	-	-
25	SRINIVAS REDDY P	300	0.00%	-	300	0.00%	-	-
26	J MADAN MOHAN REDDY	10	0.00%	-	10	0.00%	-	-
27	N CHINNAPPA REDDY	10	0.00%	-	10	0.00%	-	-
28	ARUN RAJ	10	0.00%	-	10	0.00%	-	-
	TOTAL	85,36,132	73.68%	0.00%	85,26,822	73.60%	0.00%	0.00%

(iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (As at 01-04-2016)					Shareholding at the end of the year (As at 31-03-2017)	
		No. of shares	% of the total shares of the Company	Date	Increase / Decrease in shareholding	Reason	No. of shares	% of the total shares of the Company
1	CHENDRA L J MEKHA	68710	0.59%	-	8710	Sale	60000	0.52%
2	ANJANEYULU KROTHAPALLI	5622	0.05%	-	600	Sale	5022	0.04%
	GRAND TOTAL	74,332	0.64%		9,310		65,022	0.56%

There has been no change in the remaining Promoters holding during the financial year 2016 – 2017

(iv) Shareholding pattern of top ten 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 01-04-2016)					Shareholding at the end of the year (As at 31-03-2017)	
		No. of shares	% of the total shares of the Company	Date	Increase / Decrease in share holding	Reason	No. of shares	% of the total shares of the Company
1	PENMETSA SATYAVATI VARMA	6,62,400	5.72%	-	-	Nil Movement	6,62,400	5.72%
2	B2BESOP TRUST	6,00,000	5.18%	-	-	Nil Movement	6,00,000	5.18%
3	MARNI RAMA DEVI	2,34,700	2.03%	-	-	Nil Movement	2,34,700	2.03%
4	ADISESHA B REDDY	1,97,000	1.70%	-	-	Nil Movement	1,97,000	1.70%
5	KOPPISETTI VENKATA RAMANA	60,000	0.52%	-	-	Nil Movement	60,000	0.52%
6	DEEPINDER SINGH POONIAN	51,754	0.45%	10-06-2016	253	Purchase		
				17-06-2016	210	Purchase		
				15-07-2016	210	Purchase		
				16-12-2016	2,697	Purchase		
				31-12-2016	900	Purchase		
				13-01-2017	1,267	Purchase		
				31-01-2017	1,699	Purchase	58,990	0.51%
7	MARAM REDDY RAJARAM REDDY	43,400	0.37%	-	-	Nil Movement	43,400	0.37%
8	DHEERAJ KUMAR LOHIA	11,036	0.10%	08-04-2016	11,000	Purchase		
				29-04-2016	1,432	Purchase		
				06-05-2016	6,862	Purchase		
				17-06-2016	200	Purchase		
				29-07-2016	6,266	Purchase		
				31-12-2016	660	Purchase		
				06-01-2017	2,000	Purchase	39,456	0.34%
9	MANISH DHINGRA	31,108	0.27%	-	2,200			
				06-05-2016	108	Purchase		
				17-06-2016	1,000	Purchase		
				29-07-2016	100	Purchase		
				31-12-2016	2,592	Purchase		
				06-01-2017	1,000	Purchase	38,108	0.33%
10	VIJAY KUMAR BANGAD	-	0.00%	24-06-2016	25,649	Purchase	25,649	0.22%
11	M NEELA REDDY	25,000	0.22%	-	-	Nil Movement	25,000	0.22%
12	MADHUSUDHANA REDDY MALIGI	20,000	0.17%	-	-	Nil Movement	20,000	0.17%
13	SUMAN PRAKASH SHAH	18,488	0.16%	-	-	Nil Movement	18,488	0.16%
14	RUKMANI DEVI BANGAD	25,649	0.22%	24-06-2016	-25,649	Sale	-	0.00%
15	KAMAL GADALAY	24,649	0.21%	08-04-2016	-17,649	Sale		
				06-05-2016	-5	Sale		
				13-05-2016	-2,001	Sale		
				20-05-2016	-3,201	Sale		
				27-05-2016	-1,793	Sale	-	0.00%
	GRAND TOTAL	14,05,184	12.13%		18,007		14,23,191	12.28%

(v) Shareholding of Directors and Key Managerial Personnel

Sl No.	For each of the Directors and Key Managerial Personnel DIRECTORS	Shareholding at the beginning of the year (As at 1 st April 2016)		Shareholding at the beginning of the year (As at 31 st March 2017)	
		No. of Shares	% of the total shares of the Company	No. of Shares	% of the total shares of the Company
1	Dr. RAMACHANDRA RAO NEMANI	2458760	21.22%	2458760	21.22%
2	Dr. MURTHY MUTYALA	351150	3.03%	351150	3.03%
3	Dr. Y SATYANARAYANA	0	0	0	0
4	Mr. M RAMBABU	0	0	0	0
5	Mr. A RAMBABU	0	0	0	0
6	Mr. CH SURESH	0	0	0	0
7	Ms. IMMANI RAJESWARI	0	0	0	0
8	Mr. V V NAGENDRA	0	0	0	0
9	Mr. V BALA SUBRAMANYAM	0	0	0	0
	KEY MANAGERIAL PERSONNEL				
1	Dr. RAMACHANDRA RAO NEMANI (Director & CEO)	2458760	21.22%	2458760	21.22%
2	Mr. SUNIL NEMANI (CFO)	373600	3.22%	373600	3.22%
3	Mr. V V NAGENDRA (Executive Director)	0	0	0	0
4	Mr. V BALA SUBRAMANYAM (Executive Director)	0	0	0	0

V. INDEBTEDNESS

The Company has not made any borrowings during the financial year 2016 – 2017. 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 Wholetime Director	Mr. V Bala Subramanyam DIN: 06399503 Wholetime Director	Total Amount
	Gross Salary			
	(a) Salary as per provision contained in section 17 (1) of the Income Tax Act, 1961	1,907,760.00	1,907,760.00	3,815,520.00
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	281,337.00	325,645.00	606,982.00
	(C) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961—	-	-	-
	Stock option	-	-	-
	Sweat equity	-	-	-
	Commission	-	-	-
	- as % of profit	-	-	-
	- Others	-	-	-
	Others (Retirals)	-	-	-
	TOTAL	2,189,097.00	2,233,405.00	4,422,502.00
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)			

B. REMUNERATION TO OTHER DIRECTORS:

Sl No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	Mr. M. Rambabu DIN: 03473901	Mr. A. Rambabu DIN: 03473906	Mr. Ch. Suresh DIN: 03473921	MS. I Rajeswari DIN: 07127791	
	Fee for attending board/ committee meetings	50,000	40,000	50,000	40,000	180,000
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	TOTAL (1)	50,000	40,000	50,000	40,000	180,000
2	Other Non-Executive Directors	Dr. Ramachandra Rao Nemani DIN: 01131212	Dr. Y Satyanarayana DIN: 00360679	Dr. Murthy Mutyala DIN: 02394524		
	Fee for attending board/ committee meetings	20,000	20,000	10,000	-	50,000
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	TOTAL (2)	20,000	20,000	10,000	-	50,000
	TOTAL (B) = (1+2)	70,000	60,000	60,000	40,000	230,000
	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. Ramachandra Rao Nemani	CFO 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	-	-	-
	Commission			
	- as % of profit	-	-	-
4	- 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.

For and on behalf of the Board

Place : Hyderabad
Date : 14.08.2017

V. BALA SUBRAMANYAM
Executive Director
DIN: 06399503

V. V. NAGENDRA
Executive Director
DIN: 0231729

Secretarial Audit Report

For the Financial Year Ended 31-03-2017

[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 31-03-2017, 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 31-03-2017 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, 2015;
During the period of Audit, the Company has no activities under these regulations. Hence the reporting of compliance under these regulations does not arise.
 - 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
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 Obligations and Disclosure Requirements) Regulations, 2015 except Clauses and regulations relating to Corporate Governance Report. 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 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:14-08-2017

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:14-08-2017

MANAGEMENT DISCUSSION AND ANALYSIS

B2B - Health Care Division

The Healthcare Information Technology industry continued to evolve in 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 third 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 patients 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 solutions 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 200 add-on sales in India and Abroad. Our Reseller base abroad spreads across, USA, Singapore, Philippines, Malaysia, Vietnam, Sri Lanka, Australia, Belgium, South Africa, UAE, Kenya, Nigeria, Mauritius and Middle East.

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, enabled 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.

Scale of operations is limited to the existing level unless a fresh funding route is identified.

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 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.

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:

5 (Five) Board Meetings were held during the financial year 2016 – 2017 on the following dates:

1. 23.04.2016
2. 13.08.2016
3. 08.11.2016
4. 10.12.2016
5. 09.02.2017

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

The details of the attendance of directors at meetings of the Board and annual general meeting, held during the year (starting from 1st April 2016 to 31st March 2017), along with the details of Committee memberships and their other directorships are furnished below:

Name of the Director and category of Directorship	Attendance particulars		No. of other directorships and committee memberships in other companies	
	Board Meetings	Last AGM	Other directorships	Committee memberships
Dr. Murthy Mutyala (Promoter and Non-Executive Director)	2	No	Nil	Nil
Dr. Ramachandra Rao Nemani (Promoter and Non-executive Director)	2	No	1	Nil
Dr. Y. Satyanarayana (Promoter and Non-Executive Director)	2	No	Nil	Nil
Mr. V. V. Nagendra (Non Promoter and Executive Director)	5	Yes	Nil	Nil
Mr. V. Bala Subramanyam (Non Promoter and Executive Director)	5	Yes	1	Nil
Mr. A. Rambabu (Non Promoter and Independent Director)	4	Yes	Nil	Nil
Mr. M. Rambabu (Non Promoter and Independent Director)	5	Yes	Nil	Nil
Mr. Ch. Suresh (Non Promoter and Independent Director)	5	No	Nil	Nil
Ms. Immani Rajeswari (Non Promoter and Independent Woman Director)#	4	Yes	Nil	Nil

Name of the Director and category of Directorship	Other Directorships	Shares held in the Company
Dr. Murthy Mutyala, Director (Promoter and Non Executive Director)	NIL	3,51,150
Dr. Ramachandra Rao Nemani, Director (Promoter and Non-executive Director)	B2B Softech Inc., USA	24,58,760
Dr. Y. Satyanarayana, Director (Promoter and Non-Executive Director)	NIL	NIL
Mr. V. V. Nagendra, Executive Director (Non Promoter and Whole Time Director)	NIL	NIL
Mr. V. Bala Subramanyam, Executive Director (Non Promoter and Whole Time Director)	Stellar IT Solutions Private Limited	NIL
Mr. A. Rambabu (Non Promoter and Independent Director)	NIL	NIL
Mr. M. Rambabu (Non Promoter and Independent Director)	NIL	NIL
Mr. Ch. Suresh (Non Promoter and Independent Director)	NIL	NIL
Ms. Immani Rajeswari (Non Promoter and Independent Director)	NIL	NIL

- During the year 2016 – 2017, 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 on a periodical basis reviews the compliance status of all the laws that are 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.b2bsoftech.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.b2bsoftech.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;
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

Name of the Member	Category	Attendance at the meetings held on			
		23.04.16	13.08.16	08.11.16	09.02.17
Mr. M. Rambabu	Independent Non Executive Chairman]	Yes	Yes	Yes	Yes
Mr. A. Rambabu	Independent Non Executive	No	Yes	Yes	Yes
Mr. Ch. Suresh	Independent Non Executive	Yes	Yes	Yes	Yes
Ms. Rajeswari Immani	Independent Non Executive	Yes	Yes	No	Yes
Dr. Ramachandra Rao Nemani	Promoter Non Executive	Yes	No	No	No
Dr. Murthy Mutyala	Promoter Non Executive	No	No	Yes	Yes

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.

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

Name of the Member	Category	Attendance Meeting held on 23 rd April, 2016
Mr. A. Rambabu	Independent Non Executive [Chairman]	NO
Mr. M. Rambabu	Independent Non Executive	YES
Mr. Ch. Suresh	Independent Non Executive	YES
Ms. Rajeswari	ImmaniIndependent Non Executive	YES
Dr. Murthy Mutyala	Promoter Non Executive	NO

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:

Sl. No.	Name of the Director	Sitting Fees paid in Rs.
1.	Dr. Murthy Mutyala	10,000
2.	Dr. Ramachandra Rao Nemani	20,000
3.	Dr. Y. Satyanarayana	20,000
4.	Mr. A. Rambabu	40,000
5.	Mr. M. Rambabu	50,000
6.	Mr. Ch. Suresh	50,000
7.	Ms. Immani. Rajeswari	40,000

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

Name and designation of the Director	Salary	Benefits	Variable pay	Service contracts	Notice Period	Total
Mr. V. V. Nagendra, Executive Director	19,07,760	2,81,337	-	Appointed for 3 years	As per rules of Company	21,89,097
Mr.V. Bala Subramanyam, Executive Directorfor	19,07,760	3,25,645	-	Appointed 3 years	As per rules of Company	22,33,405

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. The Nomination and Remuneration policy is available on the Company's website: www.b2bsofttech.com

(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

The Share Transfer 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.

5A INDEPENDENT DIRECTORS MEETING

During the year, the Independent Directors met on 10th December, 2016 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.

5B 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 17th April, 2014.

6. AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE:

As required under the 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 has been incorporated outside India under the name and style of B2B Softech Inc., USA. The Audit Committee reviews the financial statements of the Subsidiary Company on an Annual basis.

The policy on determining material subsidiaries is available on the website of the Company i.e., www.b2bsoftech.com. The financials of the individual subsidiary for the financial year 2016 – 2017 and for the previous years are available on the Company's website www.b2bsoftech.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:

The details of transactions with related parties were placed before the Audit Committee and the Committee has reviewed the same for the year ended 31st March, 2017. 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.

(iii) Vigil Mechanism/Whistle Blower Policy

In terms of Section 177(9) and 177(10) of the Companies Act, 2013 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

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.

(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

(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 31st March, 2017 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 i.e., www.b2bsofttech.com. 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 Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information.

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 31st March, 2017 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(x) Adoption of Mandatory Requirements

The Company has complied with all the mandatory requirements as specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.b2bsoftech.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 also available on the website of the Company www.b2bsoftech.com.

9. GENERAL BODY MEETINGS:

Location and date/time of last three Annual General Meetings

Year	Location	Date	Time
2015-16	Registered Office at 3 rd & 4 th Floor, AVR Towers, 6 – 3 – 1112, Behind West Side Showroom, Near Somajiguda, Begumpet, Hyderabad – 500016	30th September, 2016	10.30.a.m.
2014-15	Registered Office at 3 rd & 4 th Floor, AVR Towers, 6 – 3 – 1112, Behind West Side Showroom, Near Somajiguda, Begumpet, Hyderabad – 500016	30th September, 2015	11.00.a.m.
2013-14	Registered Office at 3 rd & 4 th Floor, AVR Towers, 6 – 3 – 1112, Behind West Side Showroom, Near Somajiguda, Begumpet, Hyderabad – 500016	30th September, 2014	11.00 a.m.

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

a. Annual General Meeting held on 30th September, 2016

One Special Resolution was passed as mentioned herein:

1. Reclassification of Promoters as envisaged under Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

b. Annual General Meeting held on 30th September, 2015

One Special Resolution was passed as mentioned herein:

1. Authority for entering into related party transactions with GeniusDoc

c. Annual General Meeting held on 30th 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

No special resolution requiring a postal ballot was passed during the last three years. The Company is not proposing to pass any resolutions through postal ballot at the ensuing Annual General Meeting.

10. 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. No presentations were made to either analysts or Investors during the financial year 2016 – 2017.

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

11. GENERAL SHAREHOLDER INFORMATION:

A. Details of the ensuing Annual General Meeting

Date	Day	Time	Vunue
25-09-2017	Monday	25-09-2017, 10-30 a.m.	Registered Office

B. Financial Calendar: 1st April, 2017 to 31st March, 2018

1 st Quarterly Results	Half Yearly Results	3 rd Quarter	4 th Quarter
August, 2017	November, 2017	February, 2018	May, 2018

C. Date of Book Closure:

18.09.2017 to 25.09.2017 (Both days inclusive)

D. Dividend Payment Date:

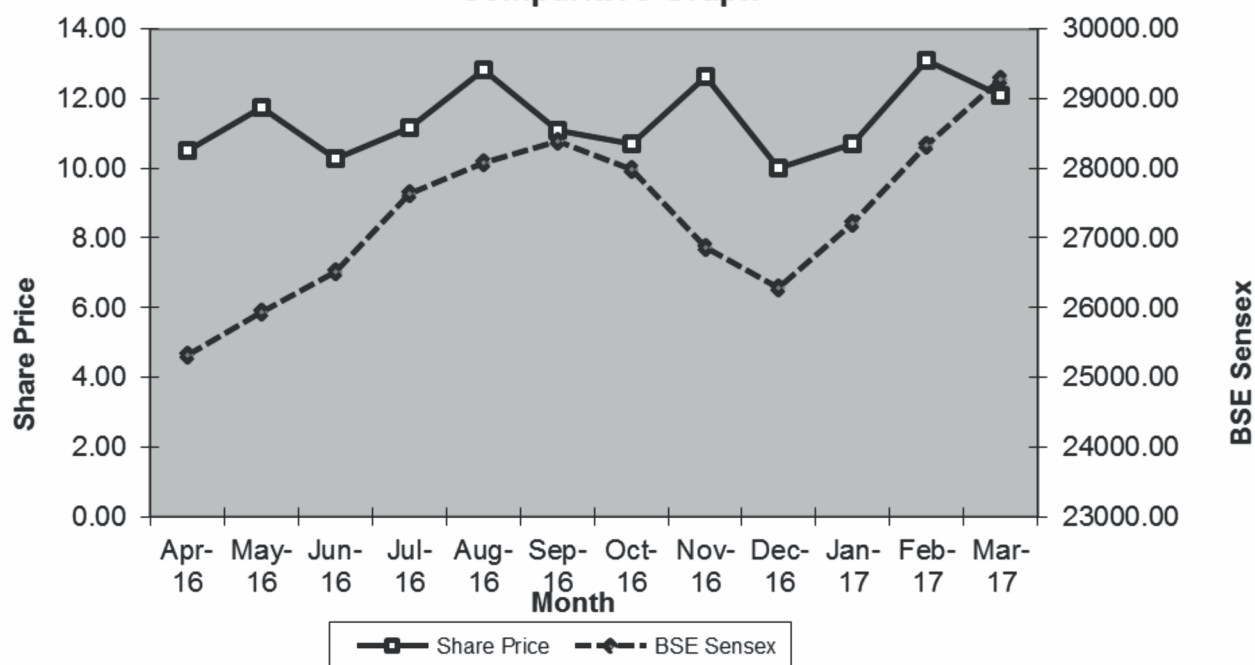
No Dividend is recommended for the financial year 2016 – 2017

E. Listing on Stock Exchanges and Stock code:

The shares of the Company are listed on The BSE Limited, Mumbai and the Stock Code is 531268. The Company has paid listing fees to BSE Limited and to the Depositories i.e., NSDL and CDSL for the financial year 2016 – 2017.

F. Market Price Date: High/Low during each month in last financial year (2016 – 2017)

Period	BSE Limited, Mumbai	
	High	Low
April, 2016	12.00	9.03
May, 2016	12.88	10.64
June, 2016	11.32	9.20
July, 2016	13.17	9.18
August, 2016	13.50	12.15
September, 2016	12.80	9.34
October, 2016	12.14	9.30
November, 2016	14.82	10.45
December, 2016	11.00	9.03
January, 2017	12.35	9.03
February, 2017	15.20	11.00
March, 2017	14.00	10.15

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

Normally the shares, without any technical objections, are transferred and the certificates are sent to the shareholders within 30 days from the date of receipt of the request. The requests, which contain technical objections are rejected and rejection letters along with the requests are sent to the shareholders within 15 days from the date of receipt of the request.

J. Distribution of shareholding:

No. of shares slab	No. of shareholders				No. of shares					
	Physical	Demat	Total	%	Physical	%	Demat	%	Total	%
upto 5000	701	998	1699	96.64%	185071	4.60%	500481	6.62%	685552	5.92%
5001-10000	1	15	16	0.91%	6270	0.16%	113623	1.50%	119893	1.03%
10001-20000	4	11	15	0.85%	67910	1.69%	139379	1.84%	207289	1.79%
20001-30000	1	4	5	0.28%	25600	0.64%	92572	1.22%	118172	1.02%
30001-40000	0	2	2	0.11%	0	0.00%	77564	1.03%	77564	0.67%
40001-50000	1	0	1	0.06%	43400	1.08%	0	0.00%	43400	0.37%
50001-100000	0	4	4	0.23%	0	0.00%	256630	3.39%	256630	2.22%
100001 & above	9	7	16	0.91%	3691920	91.83%	6384980	84.40%	10076900	86.98%
Total	717	1041	1758	100%	4020171	100%	7565229	100%	11585400	100%

Forfeited Shares: 15400 Equity Shares

Sl. No	Category	No. of Shares	%
1	Promoters & Associates	8,526,822	73.60
2	Private Body Corporates	110,675	0.96
3	Indian Public	2,749,426	23.73
4	Non-Resident Individuals and OCBs	198,477	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

International Securities Identification Number (ISIN): INE151B01011

The Company has entered into Agreements with NSDL and CDSL, and as on 31.03.2017, 7,565,229 Equity Shares have been dematerialized, constituting 65.30% 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@b2bsoftech.com

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

DECLARATION

As provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 this is to confirm that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2017.

Hyderabad
14th August, 2017

V. BALA SUBRAMANYAM
Executive Director
DIN: 06399503

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

Place: Hyderabad
Date: 14th August, 2017

V. BALA SUBRAMANYAM
Executive Director
DIN: 06399503

SUNIL NEMANI
Chief Financial Officer

AUDITORS' REPORT ON CORPORATE GOVERNANCE

Auditors' Certificate regarding compliance of the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 31 March 2017, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

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. 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 which the management has conducted the affairs of the Company.

For **Umamaheswara Rao & Co.,**
Chartered Accountants

R R Dakshinamurthy
Partner
ICAI MRN 205565
FRN 004453S

Place: Hyderabad
Date: 14th August, 2017

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 comprises the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash flow statement for the year ended 31st March 2017, 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 Standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 Standalone 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 Standalone 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, 2017;
- b) in the case of the Statement of Profit and loss, of the profit for the year ended on March 31, 2017;
- c) in the case of Cash Flow Statement, of the cash flows for the year ended March 31, 2017.

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 the Companies Act, 2013 under section 143(3)(I) and 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, we give in the Annexure—B Audit Report of Internal Financial Controls over Financial Reporting.
3. As required by section 143(3) of the Act, we report that:
 - i. We have sought and 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, 2017, and taken on record by the Board of Directors, none of the directors, are disqualified as on 31st March, 2017 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.
 - iv. The Company has provided requisite disclosures in its Standalone Financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 33.

For Umamaheswara Rao & Co.,
Chartered Accountants

R R Dakshinamurthy
Partner

Membership No: 211639
FRN : 004453S

Place: Hyderabad
Date: May 20, 2017

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 2017, 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.

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 2017 for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us, there are no material dues of Income tax, wealth tax, sales tax, duty of custom, duty of excise and cess which have not been deposited with the appropriate authorities on account of any dispute except those given in **Annexure-C**
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 given 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 given 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
FRN: 004453S

Place: Hyderabad
Date: May 20, 2017

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 2017 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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 2017, 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

FRN: 004453S

Place: Hyderabad
Date: May 20, 2017

Annexure –C to the Auditors' Report

Name of the statute	Nature of dues	Amount to the extent Not paid (in R.s)	Period to which the amount relates Financial Year	Form where dispute is pending
Commercial tax department Govt. of Telangana	Sales tax	57,997	2012-13	Telangana Sales tax and VAT Appellate Tribunal

Balance Sheet as at March 31, 2017
(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Note No	As at 31.03.2017	As at 31.03.2016
I.EQUITY & LIABILITIES			
Shareholder's Funds			
(i) Share Capital	3	11,59,31,000	11,59,31,000
(ii) Reserves & Suplus	4	(4,04,17,425)	(5,22,09,860)
Current liabilities			
(i) Trade Payables	5	27,93,475	31,58,830
(ii) Other Current Liabilities	6	64,96,529	61,06,109
(iii) Short term Provisions	7	70,72,000	58,36,020
Total		9,18,75,579	7,88,22,099
II.ASSETS			
Non-Current Assets			
(i) Fixed assets			
(a) Tangible Assets	8	24,55,001	25,95,642
(b) Intangible Assets	8	1,969	2,869
(ii) Non-current investments	9	33,81,120	33,81,120
(iii) Long term loans and advances	10	67,46,713	67,46,713
Current assets			
(i) Current Investments	11	3,24,68,168	2,30,79,994
(ii) Inventories - Work in Progress	12	4,16,460	4,47,903
(iii) Trade Receivables	13	54,04,240	66,84,005
(iv) Cash and cash equivalents	14	3,54,13,874	3,07,28,772
(v) Short term Loans and advances	15	55,88,034	51,55,080
Total		9,18,75,579	7,88,22,099
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

R.R.Dakshinamurthy

Partner

Membership No: 211639

Hyderabad

Date : 20th May 2017

For and on behalf of the Board

V.Bala Subramanyam

Executive Director

DIN : 06399503

Sunil Nemani

Chief Financial Officer

V.V. Nagendra

Executive Director

DIN : 00231729

Dr. Ramachandra Rao Nemani

CEO & Director

DIN: 01131212

Profit & Loss Account for the Year ended March 31,2017*(All amounts in Indian Rupees, except share data and where otherwise stated)*

Particulars	Note No	As at	As at
		31.03.2017	31.03.2016
I. Revenue from operations	16	6,65,48,881	6,55,43,441
II. Other Income	17	40,66,009	33,99,826
III. Total Revenue (I+II)		7,06,14,890	6,89,43,267
IV. Expenses			
Purchases of Software Products	18	76,31,320	88,97,991
Changes in Inventory - WIP		31,443	(1,25,898)
Employee benefit expenses	19	4,09,94,958	3,57,65,628
Administration and other Expenses	20	85,98,927	97,15,597
Financial costs		-	-
Depreciation and amortization expenses	8	15,65,807	13,32,459
Total Expenses		5,88,22,455	5,55,85,776
V. Profit/(Loss) before exceptional items and tax (III-IV)		1,17,92,435	1,33,57,491
VI. Exceptional items		-	-
VII. Profit before tax extraordinary items and tax (V- VI)		1,17,92,435	1,33,57,491
VIII. Extraordinary Items		-	-
IX. Profit Before tax (VII-VIII)		1,17,92,435	1,33,57,491
X. Tax Expense / (Income)			
Current tax		-	-
Deferred tax		-	-
XI. Profit/(Loss) for the year		1,17,92,435	1,33,57,491
XII. Earnings per Equity Share			
a) Basic Earning Per Share		1.02	1.15
b) Diluted Earning Per Share		1.02	1.15
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

Hyderabad
Date : 20th May 2017

Sunil Nemani
Chief Financial Officer

Dr. Ramachandra Rao Nemani
CEO & Director
DIN: 01131212

Cash Flow Statement for the year ended March 31, 2017
(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	31.03.2017	31.03.2016
A. Cash Flows from Operating Activities		
Net profit/(loss) before tax	1,17,92,435	1,33,57,491
Adjustments for :		
Depreciation	15,65,807	13,32,459
Income from Investment - Dividends	(23,27,695)	(12,23,944)
Exchange differences on translation of foreign currency cash and cash equivalents	5,45,260	18,855
Loss on Sale of Fixed Assets	3,353	-
Operating profit before working capital changes	1,15,79,160	1,34,84,861
Adjustments for changes in working capital :		
(Increase)/Decrease in Accounts Receivables	12,79,765	47,27,681
(Increase)/Decrease in Loans and Advances	(4,32,954)	(11,31,151)
(Increase)/Decrease in Work in Progress	31,443	(1,25,898)
Increase / (Decrease) in Trade and Other Payables	25,065	18,71,811
Increase / (Decrease) in Provision	12,35,980	2,58,146
Cash generated from operations	1,37,18,459	1,90,85,450
Less: Taxes Paid	-	-
Net Cash from Operating Activities	1,37,18,459	1,90,85,450
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(14,30,619)	(12,27,176)
Sale of Fixed Assets	3,000	-
Purchase of Mutual Funds	(1,18,88,173)	(1,67,40,966)
Sale of Mutual Funds	25,00,000	10,00,000
Decrease in Long Term Loans & Advances	-	1,801
Income from Investment - Dividends	23,27,695	12,23,944
Net Cash used in Investing Activities	(84,88,098)	(1,57,42,397)
C. Cash Flows from Financing Activities		
Increase/(Decrease) in Secured Loans	-	-
Interest paid	-	-
Net Cash from/(used in) Financing Activities	-	-
D. Exchange differences on translation of foreign currency cash and cash equivalents	(5,45,260)	(18,855)
Net Increase in Cash and Cash equivalents during the year (A+B+C+D)	46,85,102	33,24,198
Cash and Cash equivalents at the beginning of the year	3,07,28,772	2,74,04,575
Cash and Cash equivalents at the end of the year	3,54,13,874	3,07,28,772

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
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Executive Director
DIN : 00231729

Hyderabad
Date : 20th May 2017

Sunil Nemani
Chief Financial Officer

Dr. Ramchandra Rao Nemani
CEO & Director
DIN: 01131212

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, 2013 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.

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.

Notes forming part of the Balance Sheet

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

Particulars	As at	As at
	31.03.2017	31.03.2016
3. Share Holders Funds		
(i) Share Capital		
Authorised Capital :		
1,20,00,000 (31st March 2016 : 1,20,00,000) Equity Shares of Rs.10 each	12,00,00,000	12,00,00,000
Issued, Subscribed and Paid up Capital :		
11,585,400 (31st March 2016 : 11,585,400)		
Equity Shares of Rs.10 each fully paid up	11,58,54,000	11,58,54,000
Add : Shares Forfeited (Paid up value Rs.77000/-)	77,000	77,000
	11,59,31,000	11,59,31,000
Notes:		
a) Details of Share Holders having more than 5% of Shares	No of Shares	No of Shares
1. Rama Chandra Rao Nemani	24,58,760	24,58,760
(% of holding)	21.22%	21.22%
2. Ravileela Granites Limited	15,11,000	15,11,000
(% of holding)	13.04%	13.04%
3. Ram Nemani Def. Ben. Pension Plan Trust	10,87,600	10,87,600
(% of holding)	9.39%	9.39%
4. Janakirama Varma Meka	10,85,270	10,85,270
(% of holding)	9.37%	9.37%
5. Penmetra Satyavati Varma	6,62,400	6,62,400
(% of holding)	5.72%	5.72%
6. B2B Esop Trust	6,00,000	6,00,000
(% of holding)	5.18%	5.18%
b) Reconciliation of number of Shares outstanding		
Opening Balance of Shares	1,15,85,400	1,15,85,400
Add: Shares Issued during the year	-	-
Less: Buyback/ forfeited of shares during the year	-	-
Closing Balance of Shares	1,15,85,400	1,15,85,400
4. Reserves & Surplus		
Profit & Loss a/c		
Opening balance	(5,22,09,860)	(6,52,39,495)
Add : (Profit) / Loss during the year	1,17,92,435	1,33,57,491
Retained Earnings	-	(3,27,856)
Amount available for appropriations	(4,04,17,425)	(5,22,09,860)
5. Trade Payables		
(Unsecured and considered good)		
Dues to other than micro and small enterprises	27,93,475	31,58,830
	27,93,475	31,58,830
6. Other Current Liabilities		
Outstanding expenses	31,96,625	31,45,903
Statutory liabilities	5,22,567	4,93,264
Security Deposit	27,77,337	24,66,942
	64,96,529	61,06,109
7. Short-term Provisions		
Provision for Gratuity	70,06,000	57,84,000
Provision for Annual Key Result Area	66,000	52,020
	70,72,000	58,36,020

8. Fixed Assets -2016-17

Amount in Rupees

	Gross Block			Depreciation				Net Block	Net Block
Description	As at 01.04.2016	Additions during the period	Deletions Discarde during period	As at 31.03.2017	As at 01.04.2016	For the period	Deletions Discarde during period	As at 31.03.2017	As at 31.03.2016
i)Tangible									
Computers	35,39,954	8,91,745	-	44,31,699	28,93,551	7,81,150	-	7,56,998	6,46,403
Servers	12,71,761	4,47,000	-	17,18,761	8,88,840	2,62,668	-	-	
			-				-	5,67,233	3,82,921
Furniture & Fixtures	6,28,656	-	48,750	5,79,906	5,82,136	15,098	45,171	27,843	46,520
				-				-	
Office Equipment	17,44,404	91,874	20,850	18,15,428	15,54,028	93,851	18,076	1,85,625	1,90,376
				-				-	
Vehicles	22,76,055	-	-	22,76,055	9,46,634	4,12,120	-	9,17,301	13,29,421
ii)Intangible									
Copy Rights	18,600	-	-	18,600	15,731	900	-	1,969	2,869
Total	94,79,430	14,30,619	69,600	1,08,40,449	68,80,920	15,65,807	63,247	24,56,969	25,98,510
Previous Year	82,52,255	12,27,176	-	94,79,731	55,48,460	13,42,460	-	25,98,511	27,03,795

Notes forming part of the Balance Sheet

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

Particulars	As at	As at
	31.03.2017	31.03.2016
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	33,81,120	33,81,120
Other Investments		
B2B Infotech Pte Ltd		
200,000 Equity Shares of Singapore Dollar 1 each, fully paid-up	55,10,797	55,10,797
Less: Provision for Diminution in the Value of Investment	(55,10,797)	(55,10,797)
	-	-
B2B Software Technologies Kassel GmbH		
(121,431 Euro)	62,50,862	62,50,862
Advances for Addl investment in Subsidiary Companies - Pending allotment		
B2B Software Technologies Kassel GmbH - Euro 5556	2,86,877	2,86,877
Less: Advance received against sale of investment in subsidiary	(12,92,636)	(12,92,636)
Less: Provision for Loss on Sale of Investment	(39,37,554)	(39,37,554)
Less: Provision for Diminution in the Value of Investment	(13,07,549)	(13,07,549)
	-	-
B2B Infotech SDN BHD		
(2,50,000 Equity Shares of Malaysian RM 1 each fully paid up)	5,48,856	5,48,856
Less: Provision for Diminution in the Value of Investment	(5,48,856)	(5,48,856)
	-	-
Total of Non-current Investments	33,81,120	33,81,120
10. Long-term Loans and Advances		
(Unsecured and considered good)		
Loan to B2B ESOP Trust	60,00,000	60,00,000
Security Deposits	7,46,713	7,46,713
	67,46,713	67,46,713
11. Current Investments		
(quoted, fully paidup)		
UTI Mutual Fund	5,18,256	5,18,256
ICICI Mutual Funds	3,19,49,912	2,25,61,738
Total Quoted Current Investments	3,24,68,168	2,30,79,994
(Aggregate market value of quoted investments - Rs 324,68,126/-.)		
12. Inventories - Work in Progress	4,16,460	4,47,903
(As certified by the management)	4,16,460	4,47,903
13. Trade Receivables		
(Unsecured and considered good)		
Debts outstanding for a period exceeding six months	-	-
Other debts	96,11,975	1,09,83,058
Less: Provision for Doubtful Debts	(42,07,735)	(42,99,053)
	54,04,240	66,84,005
14. Cash and Cash Equivalents		
Cash on hand	8,586	11,339
Balances with scheduled banks		
- On Current accounts	64,12,640	47,00,948
- On Fixed Deposits	2,89,92,648	2,60,16,485
	3,54,13,874	3,07,28,772
15. Short-term Loans and Advances		
(Unsecured and considered good)		
Advances recoverable in cash or in kind for value to be received	10,49,602	12,82,326
IT Refund Due	45,38,432	38,72,754
	55,88,034	51,55,080

Notes forming part of the Balance Sheet

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

Particulars	As at	As at
	31.03.2017	31.03.2016
16. Revenue from operations		
Export Income		
Sale of Software Products	-	-
Income from Software services	3,62,63,730	3,86,56,290
Domestic Income		
Sale of Software Products	1,39,31,160	1,61,98,524
Income from Software Services	1,63,53,991	1,06,88,628
	6,65,48,881	6,55,43,441
17. Other Income		
Dividend from Mutual Fund	23,27,695	12,23,944
Interest on Deposits	20,92,184	21,24,548
Other Income	15,543	-
Interest TDS Refund	84,529	70,189
Exchange Fluctuation Gain/ (Loss)	(5,45,260)	(18,855)
Bad debts recovered	91,318	-
	40,66,009	33,99,826
18. Purchases of Software Products		
Software Products	76,31,320	88,97,991
	76,31,320	88,97,991
19. Employee benefit expenses		
Salaries, Wages and Bonus*	3,66,54,887	3,29,62,244
Contribution to Provident Fund and other Funds	41,08,982	25,35,601
Staff Welfare Expenses	2,31,089	2,67,783
	4,09,94,958	3,57,65,628
*includes Director Remuneration		
Salary	38,15,520	38,15,520
Contribution to Provident Fund and other Funds	6,06,982	5,37,077
20. Administrative and other Expenses		
Rent	19,20,000	19,20,000
Rates and Taxes	5,58,762	5,37,435
Insurance	84,777	86,037
Travelling Expenses	14,71,977	15,08,501
Communication Expenses		
- Internet Charges	3,17,345	3,15,657
- Telephone	91,838	97,150
- Postage & Courier	9,520	12,066
Printing and Stationery	20,852	21,900
Electricity Charges	7,28,477	9,73,289
Advertisement	42,840	72,680
Repairs and Maintenance		
- Machinery	1,30,721	1,39,987
- Vehicles-	5,51,191	6,27,756
Professional and Consultancy Charges	11,15,712	8,72,343
Auditors Remuneration		
(i) Statutory Audit Fee	1,40,000	1,30,000
(ii) Tax Audit Fee	20,000	20,000
Directors Sitting Fee	2,30,000	1,70,000
Provision for Bad Debts	-	9,36,244
Membershipfee & Seminar Expenses	6,11,056	6,04,873
Security Charges	2,94,640	2,90,500
Loss on sale of Fixed assets	3,353	-
Office Maintenance	2,55,866	3,79,179
	85,98,927	97,15,597

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 R.s)	Period to which the amount relates Financial Year	Form where dispute is pending
Commercial tax department Govt of Telangana	Sales tax	57,997	2012-13	Telangana Sales tax and VAT Appellate Tribunal

22. Earnings in Foreign Exchange during the Year (on receipt basis)

Particulars	March 31, 2017	March 31, 2016
Software Services	3,77,64,066	4,14,97,563

23. Expenditure in Foreign Currency (on payment basis)

Particulars	March 31, 2017	March 31, 2016
Foreign-Traveling Exps	79,310	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>	March 31, 2017	March 31, 2016
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(a) With Genius Doc Inc

Export of Software Services	2,62,49,516	2,26,99,747
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(b) With Key Management Personnel

Managerial Remuneration	44,22,502	43,52,597
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iii) Balances Outstanding at the Year End

<u>Name of the Related party</u>	March 31, 2017	March 31, 2016
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(a) With Genius Doc Inc

Receivables	20,77,995	39,27,205
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(b) With Key Management Personnel

Managerial Remuneration	3,17,960	3,17,960
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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, 2017	March 31, 2016
	1,17,92,435	1,33,57,491
Weighted average number of equity shares	1,15,85,400	1,15,85,400
Basic and diluted Earning Per Share	1.02	1.15

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

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

	March 31, 2017	March 31, 2016
	Amount	Amount
Opening Balance	2,30,79,994	73,39,028
Add: Purchases	1,18,88,173	1,67,40,966
Less: Sale	25,00,000	10,00,000
Closing Balance	3,24,68,168	2,30,79,994

* Net Asset Value as on 31.03.2017 is Rs 324,68,168/-

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. 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, 2017	March 31, 2016
1 Changes in Present Value of Obligation		
Present value of obligation as at the beginning of the year	57,82,784	54,52,784
Interest Cost	4,63,000	4,36,000
Current service cost	1,16,000	1,09,000
Benefits paid	(11,41,000)	(5,90,000)
Actuarial gain/(loss) on obligations	17,85,000	3,75,000
Present value of obligations at the end of the year	70,05,784	57,82,784
2 Changes in Fair Value of Plan Assets		
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	-	-
3 Assets Recognised in Balance Sheet		
Present value of obligation as at the end of the year	70,05,784	57,82,784
Fair value of plan assets at the end of the year	-	-
Funded Status	70,05,784	57,82,784
Net asset/(liability) recognised in balance sheet	70,05,784	57,82,784
4 Expenses Recognised in Statement of Profit & Loss		
Current service cost	1,16,000	1,09,000
Interest Cost	4,63,000	4,36,000
Settlement Cost	-	(5,90,000)
Net Actuarial (gain)/loss recognised in the year	17,85,000	3,75,000
Expenses Recognised in Statement of Profit & Loss	23,64,000	3,30,000
5 Assumptions		
Discount	7%	8%
Escalation	6%	6%

33. Disclosure on Specified Bank Notes (SBN's)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 and the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	63,500	4,471	67,971
(+) Permitted receipts (Amount withdrawn from Banks)		1,54,175	1,54,175
(-) Permitted payments		1,57,822	1,57,822
(-) Amount deposited in Banks	63,500		63,500
Closing cash in hand as on December 30, 2016	-	824	824

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

Report on the Consolidated Financial Statements.

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 Consolidated Balance Sheet as at 31st March 2017, the consolidated statement of Profit and Loss, the Consolidated Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, hereinafter referred to as "the 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.

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, 2017;
- ii. In the case of consolidated Statement of Profit and Loss, 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.47.05 Lakhs as at 31st March 2017, total revenue of Rs.346.86 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.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors. **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 6 and 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our Separate report in 'Annexure'; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group does not have any pending litigations which would impact its financial position.
 - ii. The Group 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 Group.
 - iv. The Company has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer No. No 32.

For Umamaheswara Rao & Co.,
Chartered Accountants

(R R. Dakshinamurthy)
Partner
M No 211639 FRN 004453S

Place: Hyderabad
Date: May 20, 2017

Annexure - A 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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of B2B Software Technologies Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are 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") issued by ICAI 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 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.

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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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 2017, 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 ICAI.

For Umamaheswara Rao & Co.,
Chartered Accountants

(R R. Dakshinamurthy)
Partner
M No 211639
FRN 004453S

Place: Hyderabad
Date: May 20, 2017

Consolidated Balance Sheet as at March 31, 2017*(All amounts in Indian Rupees, except share data and where otherwise stated)*

Particulars	Note No	As at 31.03.2017	As at 31.03.2016
I.EQUITY & LIABILITIES			
Shareholder's Funds			
(i) Share Capital	3	11,59,31,000	11,59,31,000
(ii) Reserves & Suplus	4	(4,03,80,049)	(5,21,17,745)
(iii) Foreign Currency Translation Reserve		12,86,842	13,97,523
Current liabilities			
(i) Trade Payables	5	27,93,475	57,48,068
(ii) Other Current Liabilities	6	64,96,529	61,06,109
(iii) Short term Provisions	7	70,72,000	58,36,020
Total		9,31,99,797	8,29,00,975
II.ASSETS			
Non-Current Assets			
(i) Fixed assets			
(a) Tangible Assets	8	24,55,001	25,95,642
(b) Intangible Assets	8	1,969	2,869
(ii) Non-current investments	9	-	-
(iii) Long term loans and advances	10	67,46,713	67,46,713
Current assets			
(i) Current Investments	11	3,24,68,168	2,30,79,994
(ii) Inventories - Work in Progress	12	4,16,460	4,47,903
(iii) Trade Receivables	13	54,04,240	66,84,005
(iv) Cash and cash equivalents	14	4,01,19,214	3,81,88,768
(v) Short term Loans and advances	15	55,88,034	51,55,080
Total		9,31,99,797	8,29,00,975
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
Hyderabad
Date : 20th May 2017

For and on behalf of the Board

V.Bala Subramanyam
Executive Director
DIN : 06399503

Sunil Nemani
Chief Financial Officer

V.V. Nagendra
Executive Director
DIN : 00231729

Dr. Ramachandra Rao Nemani
CEO & Director
DIN: 01131212

Consolidated Profit and Loss Account for the Year ended March 31,2017
(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Note No	As at	As at
		31.03.2017	31.03.2016
I. Revenue from operations	16	10,12,34,964	10,26,44,395
II. Other Income	17	40,66,009	33,99,826
III. Total Revenue (I+II)		10,53,00,973	10,60,44,221
IV. Expenses			
Purchases of Software Products	18	76,31,320	88,97,991
Changes in Inventory - WIP		31,443	(1,25,898)
Employee benefit expenses	19	7,24,24,312	7,18,86,053
Administration and other Expenses	20	1,19,11,930	1,06,20,448
Financial costs		-	-
Depreciation	8	15,65,807	13,60,887
Total Expenses		9,35,64,812	9,26,39,481
V. Profit/(Loss) before exceptional items and tax (III-IV)		1,17,36,161	1,34,04,740
VI. Exceptional items		-	-
VII. Profit/(Loss) before tax (V - VI)		1,17,36,161	1,34,04,740
VIII. Tax Expense / (Income)		-	-
Current tax		-	-
Deferred tax		-	-
IX. Profit/(Loss) for the year		1,17,36,161	1,34,04,740
X. Earnigs per Equity Share			
Basic and Diluted (Face value - Rs.10 per share)		1.01	1.16
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
Hyderabad
Date : 20th May 2017

V.Bala Subramanyam
Executive Director
DIN : 06399503

Sunil Nemani
Chief Financial Officer

V.V. Nagendra
Executive Director
DIN : 00231729

Dr. Ramachandra Rao Nemani
CEO & Director
DIN: 01131212

Consolidated Cash Flow Statement for the year ended March 31, 2017
(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	31.03.2017	31.03.2016
A. Cash Flows from Operating Activities		
Net profit/(loss) before tax	1,17,36,161	1,34,04,740
Adjustments for :		
Depreciation	15,65,807	3,60,887
Income from Investment - Dividends	(23,27,695)	(12,23,944)
Interest on Fixed deposit	(20,92,184)	(21,24,548)
foreign currency cash and cash equivalents	5,45,260	18,855
Loss on Sale of Fixed Assets	3,353	-
Operating profit before working capital changes	94,30,702	1,14,35,990
Adjustments for changes in working capital :		
(Increase)/Decrease in Accounts Receivables	12,79,765	51,65,817
(Increase)/Decrease in Loans and Advances	(4,32,954)	(11,31,151)
(Increase)/Decrease in Work in Progress	31,443	(1,25,898)
Increase / (Decrease) in Trade and Other Payables	(25,64,173)	44,61,049
Increase / (Decrease) in Provision	12,35,980	2,58,146
Cash generated from operations	89,80,763	2,00,63,953
Interest received from Fixed Deposit	20,92,184	21,24,548
Net Cash from Operating Activities	1,10,72,947	2,21,88,501
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(14,30,619)	(12,27,176)
Sale of Fixed Assets	3,000	-
Purchase of Mutual Funds	(1,18,88,173)	(1,67,40,966)
Sale of Mutual Funds	25,00,000	10,00,000
Decrease in Long Term Loans & Advances	-	1,801
Income from Investment - Dividends	23,27,695	12,23,944
Net Cash used in Investing Activities	(84,88,098)	(1,57,42,397)
C. Cash Flows from Financing Activities		
Increase/(Decrease) in Secured Loans	-	-
Interest paid	-	-
Net Cash from/(used in) Financing Activities	-	-
D. Exchange differences on translation of foreign currency cash and cash equivalents		
Net Increase in Cash and Cash equivalents during the year (A+B+C+D)	19,30,446	66,99,830
Cash and Cash equivalents at the beginning of the year	3,81,88,768	3,14,88,938
Cash and Cash equivalents at the end of the year	4,01,19,214	3,81,88,768

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

Hyderabad
Date : 20th May 2017

Sunil Nemani
Chief Financial Officer

Dr. Ramachandra Rao Nemani
CEO & Director
DIN: 01131212

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, 2013 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.

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.

Notes forming part of the Balance Sheet

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

Particulars	As at	As at
	31.03.2017	31.03.2016
3. Share Holders Funds		
(i) Share Capital		
Authorised Capital :		
1,20,00,000 (31st March 2016 : 1,20,00,000) Equity Shares of Rs.10 each	12,00,00,000	12,00,00,000
Issued, Subscribed and Paid up Capital :		
11,585,400 (31st March 2016 : 11,585,400) Equity Shares of Rs.10 each fully paid up	11,58,54,000	11,58,54,000
Add : Shares Forfeited (Paid up value Rs.77000/-)	77,000	77,000
	11,59,31,000	11,59,31,000
Notes:		
a) Details of Share Holders having more than 5% of Shares	No of Shares	No of Shares
1. Rama Chandra Rao Nemani	24,58,760	24,58,760
(% of holding)	21.22%	21.22%
2. Ravileela Granites Limited	15,11,000	15,11,000
(% of holding)	13.04%	13.04%
3. Ram Nemani Def. Ben. Pension Plan Trust	10,87,600	10,87,600
(% of holding)	9.39%	9.39%
4. Janakirama Varma Meka	10,85,270	10,85,270
(% of holding)	9.37%	9.37%
5. Penmetsa Satyavati Varma	6,62,400	6,62,400
(% of holding)	5.72%	5.72%
6. B2B Esop Trust	6,00,000	6,00,000
(% of holding)	5.18%	5.18%
b) Reconciliation of number of Shares outstanding		
Opening Balance of Shares	1,15,85,400	1,15,85,400
Add: Shares Issued during the year	-	-
Less: Buyback/ forfeited of shares during the year	-	-
Closing Balance of Shares	1,15,85,400	1,15,85,400
4. Reserves & Surplus		
Profit & Loss a/c		
Opening balance	5,17,88,354	6,51,94,629
Add : (Profit) / Loss during the year	(1,17,36,161)	(1,34,04,740)
Retained Earnings	3,27,856	3,27,856
Amount available for appropriations	4,03,80,049	5,21,17,745
5. Trade Payables		
(Unsecured and considered good)		
Dues to other than micro and small enterprises	27,93,475	57,48,068
	27,93,475	57,48,068
6. Other Current Liabilities		
Outstanding expenses	37,19,192	36,39,167
Security Deposit	27,77,337	24,66,942
	64,96,529	61,06,109
7. Short-term Provisions		
Provision for Gratuity	70,06,000	57,84,000
Provision for Annual Key Result Area	66,000	52,020
	70,72,000	58,36,020

8. Fixed Assets -2016-17

Amount in Rupees

Description	Gross Block			Depreciation				Net Block	
	As at 01.04.2016	Additions during the period	Deletions Discarde during period	As at 31.03.2017	As at 01.04.2016	For the period	Deletions Discarde during period	As at 31.03.2017	As at 31.03.2016
i)Tangible									
Computers	48,11,715	13,38,745		61,50,460	37,82,391	10,43,838	-	48,26,229	10,29,324
Furniture & Fixtures	6,28,656	-	48,750	5,79,906	5,82,136	15,098	45,171	-	46,520
Office Equipment	17,44,404	91,874	20,850	18,15,428	15,54,028	93,851	18,076	-	1,90,376
Vehicles	22,76,055	-	-	22,76,055	9,46,634	4,12,120	-	13,58,754	13,29,421
Sub-total(i)	94,60,830	14,30,619	69,600	1,08,21,849	68,65,189	15,64,907	63,247	83,66,849	25,95,641
ii)Intangible									
Copy Rights	18,600	-	-	18,600	15,731	900	-	16,631	2,869
Sub-total(ii)	18,600	-	-	18,600	15,731	900	-	16,631	2,869
Total(i+ii)	94,79,430	14,30,619	69,600	1,08,40,449	68,80,920	15,65,807	63,247	83,83,480	25,98,510
Previous Year	1,29,20,270	4,18,759		1,33,39,029	1,06,19,445	4,52,392		1,10,71,837	23,00,825

Notes forming part of the Balance Sheet

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

Particulars	As at	As at
	31.03.2017	31.03.2016
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	55,10,797	55,10,797
Less: Provision for Diminution in the Value of Investment	(55,10,797)	(55,10,797)
	-	-
B2B Software Technologies Kassel GmbH		
(121,431 Euro)	62,50,862	62,50,862
Advances for Addl investment in Subsidiary Companies - Pending allotment		
B2B Software Technologies Kassel GmbH - Euro 5556	2,86,877	2,86,877
Less: Advance received against sale of investment in subsidiary	(12,92,636)	(12,92,636)
Less: Provision for Loss on Sale of Investment	(39,37,554)	(39,37,554)
Less: Provision for Diminution in the Value of Investment	(13,07,549)	(13,07,549)
	-	-
B2B Infotech SDN BHD		
(2,50,000 Equity Shares of Malaysian RM 1 each fully paid up)	5,48,856	5,48,856
Less: Provision for Diminution in the Value of Investment	(5,48,856)	(5,48,856)
	-	-
Total of Non-current Investments	-	-
10. Long-term Loans and Advances		
(Unsecured and considered good)		
Loan to B2B ESOP Trust	60,00,000	60,00,000
Other Deposits	7,46,713	7,46,713
	67,46,713	67,46,713
11. Current Investments		
(quoted, fully paidup)		
UTI Mutual Fund	5,18,256	5,18,256
ICICI Mutual Funds	3,19,49,912	2,25,61,738
Total Quoted Current Investments	3,24,68,168	2,30,79,994
(Aggregate market value of quoted investments - Rs 324,68,126/-.)		
12. Inventories - Work in Progress	4,16,460	4,47,903
(As certified by the management)	4,16,460	4,47,903
13. Trade Receivables		
(Unsecured and considered good)		
Debts outstanding for a period exceeding six months		
Other debts	96,11,975	1,09,83,058
Less: Provision for Doubtful Debts	(42,07,735)	(42,99,053)
	54,04,240	66,84,005
14. Cash and Cash Equivalents		
Cash on hand	8,586	11,339
Balances with scheduled banks		
- On Current accounts	1,11,17,979	1,21,60,944
- On Fixed Deposits	2,89,92,648	2,60,16,485
	4,01,19,214	3,81,88,768
15. Short-term Loans and Advances		
(Unsecured and considered good)		
Advances recoverable in cash or in kind for value to be received	10,54,442	12,82,326
IT Refund Due	45,33,592	38,72,754
	55,88,034	51,55,080

Notes forming part of the Balance Sheet

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

Particulars	As at	As at
	31.03.2017	31.03.2016
16. Revenue from operations		
Export Income		
Sale of Software Products	-	-
Income from Software services	7,09,49,813	3,86,56,290
Domestic Income		
Sale of Software Products	1,39,31,160	5,32,99,477
Income from Software Services	1,63,53,991	1,06,88,628
	10,12,34,964	10,26,44,395
17. Other Income		
Dividend from Mutual Fund	23,27,695	12,23,944
Interest on Deposits	20,92,184	21,24,548
Other Income	15,543	-
Interest TDS Refund	84,529	70,189
Exchange Fluctuation Gain/ (Loss)	(5,45,260)	(18,855)
Bad debts recovered	91,318	-
	40,66,009	33,99,826
18. Purchases of Software Products		
Software Products	76,31,320	88,97,991
	76,31,320	88,97,991
19. Employee benefit expenses		
Salaries, Wages and Bonus*	6,80,84,240	6,90,82,668
Contribution to Provident Fund and other Funds	41,08,982	25,35,601
Staff Welfare Expenses	2,31,089	2,67,783
	7,24,24,312	7,18,86,053
20. Administrative and other Expenses		
Rent	19,20,000	19,20,000
Rates and Taxes	6,96,837	6,23,749
Insurance	32,54,133	8,82,012
Travelling Expenses	14,71,977	15,08,501
Communication Expenses		
- Internet Charges	3,17,345	3,15,657
- Telephone	91,838	97,150
- Postage & Courier	9,520	12,066
Printing and Stationery	20,852	21,900
Electricity Charges	7,28,477	9,73,289
Advertisement	42,840	72,680
Repairs and Maintenance		
- Machinery	1,30,721	1,39,987
- Vehicles-	5,51,191	6,27,756
Professional and Consultancy Charges	11,15,712	8,94,905
Auditors Remuneration		
(i) Statutory Audit Fee	1,60,000	1,50,000
(ii) Tax Audit Fee	-	-
Directors Sitting Fee	2,30,000	1,70,000
Provision for Bad Debts	-	9,36,244
Membershipfee & Seminar Expenses	6,11,056	6,04,873
Security Charges	2,94,640	2,90,500
Loss on sale of Fixed assets	3,353	-
Office Maintenance	2,61,437	3,79,179
	1,19,11,930	1,06,20,448

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 R.s)	Period to which the amount relates Financial Year	Form where dispute is pending
Commercial tax department Govt of Telangana	Sales tax	57,997	2012-13	Telangana Sales tax and VAT Appellate Tribunal

22. Earnings in Foreign Exchange during the Year (on receipt basis)

Particulars

March 31, 2017March 31, 2016

Software Services

3,77,64,066

4,14,97,563

23. Expenditure in Foreign Currency (on payment basis)

Particulars

March 31, 2017March 31, 2016

Foreign-Traveling Exps

79,310

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

Name of the Related partyMarch 31, 2017March 31, 2016**(a) With Genius Doc Inc**

Export of Software Services

2,62,49,516

2,26,99,747

(b) With Key Management Personnel

Managerial Remuneration

44,22,502

43,52,597

iii) Balances Outstanding at the Year End

Name of the Related party

March 31, 2017March 31, 2016**(a) With Genius Doc Inc**

Receivables

20,77,995

39,27,205

(b) With Key Management Personnel

Managerial Remuneration

3,17,960

3,17,960

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

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

March 31, 2017March 31, 2016

Profit/ (Loss) after Tax

1,1736,161

1,34,04,740

Weighted average number of equity shares

1,15,85,400

1,15,85,400

Basic and diluted Earning Per Share

1.01**1.16**

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

26. Investment in Mutual Funds of Unit Trust of India & ICICI PrudentialMarch 31, 2017March 31,**Amount****Amount**

Opening Balance

2,30,79,994

73,39,028

Add: Purchases

1,18,88,173

1,67,40,966

Less: Sale

25,00,000

10,00,000

Closing Balance

3,24,68,168

2,30,79,994

* Net Asset Value as on 31.03.2017 is Rs 324,68,168/-

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 dimution 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 dimution 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.

Sl.No	Particulars	For the Year ended	
		31-03-2017	31-03-2017
		Audited	Audited
1	Segment Revenue		
	a) India	665.49	655.43
	b) USA	346.86	371.01
	Total	1,012.35	1,026.44
	Less : Inter segment revenues	-	-
	Net Segment Revenue	1,012.35	1,026.44
	Segment Results before tax and interest		
	a) India	77.26	99.58
	b) USA	(0.56)	0.47
	c) Other Income	40.66	34.00
	Total	117.36	134.05
	Less : Interest Expenses	-	-
	Less : Other un-allocable expenditure net off un-allocable income.	-	-
	Total Profit/(Loss) Before Tax	117.36	134.05
	Capital Employed		
	a) India	721.43	595.60
	b) USA	46.95	56.51
	Total	768.38	652.11

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. Disclosure on Specified Bank Notes (SBN's)
During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 and the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	63,500	4,471	67,971
(+) Permitted receipts (Amount withdrawn from Banks)		1,54,175	1,54,175
(-) Permitted payments		1,57,822	1,57,822
(-) Amount deposited in Banks	63,500		63,500
Closing cash in hand as on December 30, 2016	-	824	824

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& 4th Floor, AVR Towers, 6 – 3 – 1112,
Behind West Side Showroom, Near Somajiguda,
Begumpet, Hyderabad – 500016

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 in whom 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 nomination 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 NOMINEE IS A MINOR:-

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

Name:

Address:

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

Signature:

Signature of Witness with Name and Address

Cancellation or Variation of Nomination

[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& 4th Floor, AVR Towers, 6 – 3 – 1112,
Behind West Side Showroom, Near Somajiguda,
Begumpet, Hyderabad – 500016

I / We hereby cancel the nomination(s) made by me / us in favour of _____ (name and address of the nominee) 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 nomination is cancelled / varied)

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

(1) PARTICULARS OF THE NEW NOMINEE-

- Name:
- Date of Birth:
- Father's / Mother's / Spouse's Name:
- Occupation:
- Nationality:
- Address:
- Email id:
- Relationship with the Security holder:

(2) IN CASE NOMINEE IS A MINOR:-

- Date of Birth:
- Date of attaining majority
- Name of Guardian:
- Address of Guardian:

Signature:

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

Signature of Witness with Name and Address

B2B SOFTWARE TECHNOLOGIES LIMITED,

Registered Office: 3rd & 4th Floor, AVR Towers, 6 – 3 – 1112, Behind West Side Showroom, Near Somajiguda, Begumpet, Hyderabad – 500016. Tel: 040 – 23372522, 23375926 Fax: 040 – 233223285
Email ID –investorservice@b2bsofttech.com, Website: www.b2bsofttech.com

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 / our presence at the 23rd Annual General Meeting of B2B SOFTWARE TECHNOLOGIES LIMITED held at 3rd & 4th Floor, AVR Towers, 6 – 3 – 1112, Behind West Side Showroom, Near Somajiguda, Begumpet, Hyderabad – 500016 on Monday the 25th of September, 2017 at 10.30 A.M.

Name of the Shareholder: _____

Folio No. / Client ID / DP ID: _____

Name of the proxy / representative, if any: _____

I certify that I am a 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 A.M to 11.00 A. M.
 3. Joint Shareholders may obtain additional attendance slip on request.



MGT – 11
PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

B2B SOFTWARE TECHNOLOGIES LIMITED,

Registered Office: 3rd & 4th Floor, AVR Towers, 6-3-1112, Behind West Side Showroom, Near Somajiguda, Begumpet, Hyderabad-500016
Tel: 040 – 23372522, 23375926 Fax: 040 – 233223285
Email ID – investorservice@b2bsofttech.com, Website: www.b2bsofttech.com

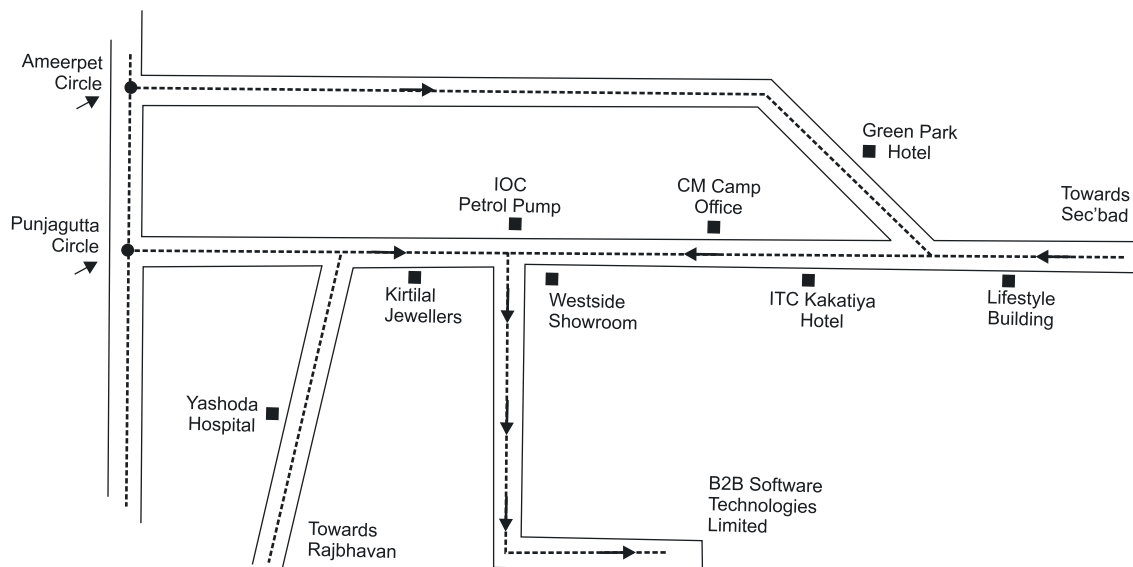
Name (s) of the Member (s)	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID	

I / We being the member (s) of _____ shares of the above named Company, hereby appoint

1.	Name	
	Address	
	E-mail ID	
	Signature	or failing him
2.	Name	
	Address	
	E-mail ID	
	Signature	or failing him
3.	Name	
	Address	
	E-mail ID	
	Signature	or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 76th Annual General Meeting of the Company to be held on the Monday the 25th of September, 2017 at 10.30 a.m., at 3rd & 4th Floor, AVR Towers, 6 – 3 – 1112, Behind West Side Showroom, Near Somajiguda, Begumpet, Hyderabad – 500016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Route Map:



Resolution No.	Resolution	For	Against
1.	Adoption of Financial Statements for the year ended 31st March, 2017 along with the Report of Board of Directors and Auditors thereon		
2.	Re appointment Dr. Murthy Mutyala as Director who retires by rotation and being eligible seeks his re appointment		
3.	Ratification for Re appointment of M/s Umamaheswara Rao & Co., Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of 20th Annual General Meeting till the conclusion of 25th Annual General Meeting at a remuneration as may be decided by the Board of Directors.		
4.	Re appointment of Mr. V Bala Subramanyam as Whole Time Director		
5.	Re appointment of Mr. V V Nagendra as Whole Time Director		

Signed this _____ day of _____, 2017

Signature of the Shareholder:

Signature of the Proxy holder(s):

Affix
Re. 1/-
Revenue
Stamp

NOTE: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Regd. Post / Courier



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
Ph.: 040 - 23372522, 2337 5926. Fax: 040 - 23322385

CIN : L72200TG1994PLC018351

www.b2bsoftech.com