

22nd

ANNUAL REPORT



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ANNUAL REPORT 2015 - 2016

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DIRECTORS

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

KEY MANAGERIAL PERSONNEL

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

STATUTORY AUDITORS:

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

INTERNAL AUDITORS:

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

BANKERS:

ICICI Bank Ltd.
Khairatabad,
Hyderabad – 500 004

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

SHARE TRANSFER AGENTS AND DEMAT REGISTRARS:

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

REGISTERED OFFICE:

6-3-1112, 3rd & 4th Floor, AVR Tower, Behind Westside Showroom
Near Somajiguda Circle, Begumpet, Hyderabad - 500 016.
Website: www.b2bsoftech.com | E: investorservice@b2bsoftech.com
CIN : L72200TG1994PLC018351

NOTICE

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

ORDINARY BUSINESS:

Item No. 1 – Adoption of Financial Statement:

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

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

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

Item No. 3 – Ratification of Appointment of Auditors

3. To ratify the appointment of Auditors and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made there under and pursuant to the resolution passed by the members at the 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, 2017 at such remuneration as may be agreed upon between the auditors and the Board of Directors.

SPECIAL BUSINESS:

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

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

Item No. 5 – Re classification of Promoters

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

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

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

By order of the Board
For B2B Software Technologies Limited

Date: 13.08.2016
Place: Hyderabad

V. BALA SUBRAMANYAM
Executive Director
(DIN: 06399503)

Registered Office: 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@b2bsofttech.com
Website: www.b2bsofttech.com
CIN: L72200TG1994PLC018351

Notes

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

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

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

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3. Members holding shares in physical form are requested to intimate the change, if any, in their Registered Address to the Company quoting their Registered Folio.
If the shares are held in Demat form, intimation regarding the change of address, if any, has to be notified to the concerned Depository Participant where the Shareholder is maintaining the Demat Account.
 4. Statement as required under the provisions of Section 102 (1) of the Companies Act, 2013 is enclosed to this notice.
 5. Members / Proxies should bring the Attendance slips duly filled in for identification for attending the meeting.
 6. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the Meeting.
 7. In accordance with Section 101 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, the Annual Report (Audited Financial Statements, Directors Report, Auditors Report etc.) is being sent to the shareholders in electronic form to the email address registered with their Depository Participant (in case of electronic shareholding) the Company's Registrar and Share Transfer Agents (in case of physical shareholding).

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

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

The soft copy of the Annual Report 2015 – 2016 can also be downloaded from the company's website i.e., www.b2bsoftech.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 22nd Annual General Meeting of the Company. The Company has appointed Mrs. Dipti Tilak, Practicing Company Secretary as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2016.

The instructions for E-Voting are as under:

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

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (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 OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> ● 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.

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- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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.

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

PROFILE OF Dr. Y. SATYANARAYANA:

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

Directorship in other Companies: Nil

Shareholding in the Company: Nil

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

Item No. 4:

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

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

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

Item No. 5:

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

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

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

Promoters before the proposed reclassification:

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

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

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

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

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

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

By order of the Board
For B2B Software Technologies Limited

Date: 13.08.2016
Place: Hyderabad

V. BALA SUBRAMANYAM
Executive Director
(DIN: 06399503)

Registered Office: 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@b2bsofttech.com | Website: www.b2bsofttech.com
CIN: L72200TG1994PLC018351

DIRECTORS' REPORT

To,
The Members,
B2B Software Technologies Limited

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

FINANCIAL RESULTS:

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

Industry Structure and development

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

State of Company affairs

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

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

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

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

LISTING OF EQUITY SHARES:

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