



INDEX

CONTENTS	PAGE NO.
1. Board of Directors	1
2. Notice to the Shareholders	2
3. Director's Report	4
4. Management Discussions and Analysis	7
5. Corporate Governance Report	8
6. Auditor's Report	19
7. Balance Sheet	21
8. Profit & Loss Account	22
9. Schedules forming part of Accounts	23
10. Notes on Accounts	27
11. Cash Flow Statement & Auditor's Certificate	30
12. Balance Sheet Abstract & Company's General Business Profile	31
13. Statement Regarding Subsidiary Companies	32
14. Auditors Report on Consolidated Financial Statements	33
15. Consolidated Financial Statements	34
16. Consolidated Cash Flow along with Auditors' Certificate	42
17. Report & Accounts of Subsidiary : B2B Softech Inc.	43
18. Attendance Slip and Proxy Form	47

DIRECTORS

1. Dr. Ram Nemani	Chairman
2. Dr. Satyanarayana Y	Director
3. Dr. Murthy Mutyala	Director
4. Mr. M. Rambabu	Director
5. Mr. A. Rambabu	Director
6. Mr. Ch. Suresh	Director
7. Mr. V.V. Nagendra	Managing Director

REGISTERED OFFICE:

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

STATUTORY AUDITORS:

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

BANKERS:

ICICI Bank Ltd.
Khairatabad, Hyderabad – 500 004

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

HSBC,
Banjara Hills Br., Rajbhavan Road, Hyd-bad

**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



NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the members of B2B Software Technologies Limited will be held on Monday 30th of September, 2013 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 11.00 A. M., to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet of the Company as at March 31, 2013 and the Profit and Loss account for the Financial Year ended on that date together with the schedules and notes thereon and the Directors' and Auditor's Report thereof.
2. To consider and appoint Dr. Ram Nemani who retires by rotation and being eligible offers himself for reappointment.
3. To consider and appoint Ch. Suresh who retires by rotation and being eligible offers himself for reappointment.
4. To consider and appoint M/s Umamaheswara Rao & Co., Chartered Accountants as Statutory Auditors of the Company to hold office until the conclusion of next Annual General Meeting at such remuneration as may be decided by the Board of Directors.

By order of the Board

For B2B Software Technologies Limited

Date: 12.08.2013

Place: Hyderabad

V. V. NAGENDRA
Managing Director



NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
- 2 Pursuant to the provisions of Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2013 to 30.09.2013 (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 Members / Proxies should bring the Attendance slips duly filled in for identification for attending the meeting.
- 5 Members desiring any information on the Accounts are requested to write to the Company at least one week before the Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the Meeting.

PROFILE OF DIRECTORS RETIRING BY ROTATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT:

PROFILE OF Dr. RAM NEMANI:

Dr. Ram Nemani is the Chairman of the Company, is a Non Resident Doctor based in USA for past 3 decades with vast experience in the field of IT and Medicine. He is also a strategic advisor to portals like Onestopmd.com, GeniusRx.com etc.

He holds several patents pending focused on healthcare incorporating Internet Technologies. He has been on faculty as Assistant Professor of Medicine, Los Angeles, USA. He has held positions of Honours Director of Cardiac and Intensive Care Unit at High Desert Hospital, Lancaster, C.A.,

PROFILE OF MR. CH. SURESH:

Mr. Ch Suresh is a Post Graduate. He is working as Manager in Cocoa Cola Company for Nizamabad Company, Cocoa Cola Company is well known all over the world.

He is well talented in his academic and well versed with latest technologies. He also has knowledge of analysing the market in FMCG & Consumer Goods Sector. He will guide us with his valuable suggestions.

By order of the Board

Date: 12.08.2013
Place: Hyderabad

For B2B Software Technologies Limited

V. V. NAGENDRA
Managing Director

**DIRECTORS' REPORT**

To,

The Members,
B2B Software Technologies Limited

Your Directors hereby present the Nineteenth Annual Report of your Company together with the Audited Accounts including Consolidated Accounts for the financial year ended March 31, 2013 and the report of the Auditors thereon.

FINANCIAL RESULTS:

(In Rupees)

PARTICULARS:	2012 – 2013	2011 – 2012	Consolidated 2012 – 2013
Total Income	45,596,454	44,206,944	63,245,910
Expenditure	43,384,007	45,153,048	60,587,960
Profit /(Loss) before tax	2,212,447	(946,104)	2,657,950
Less: Provision for tax Fringe Benefit Tax Deferred Tax	-	-	-
Profit /(Loss) after tax	2,212,447	(946,104)	2,657,950
Add: Brought forward from previous year	(80,915,644)	(79,969,540)	(81,155,051)
Transfer to Balance Sheet	(78,703,197)	(80,915,644)	(78,497,101)

OPERATIONS & FUTURE PROSPECTS:

The Performance of the company better than previous year. There are no material changes occurred after the date of Balance Sheet affecting the business of the company. The company does not propose to transfer any amount to the reserves since the company has incurred losses. Detailed note on operations & Future prospects are given in Management Discussions & Analysis.

Dr. Murthy Mutyala (Promoter) sold 50,000 shares to meet the Minimum Public Share Holding under Regulation of 40A of the listing agreement

PARTICULARS REGARDING SUBSIDIARY COMPANY:

As required by section 212 of the Companies Act, 1956 documents relating to the Company's subsidiaries are annexed to this report.

CORPORATE GOVERNANCE:

The Corporate Governance Report and a certificate by the Statutory Auditors regarding compliance of the conditions of corporate governance by your Company as stipulated in clause 49 of the Listing Agreement with Stock Exchanges, are annexed to this Report.

DEPOSITS:

During the year under review the Company has not invited/accepted any deposits from the public as defined in Section 58A read with Companies (Acceptance of Deposit) Rules, 1975.

BOARD OF DIRECTORS:

Dr. Ram Nemani and Mr. Ch. Suresh, Directors of the company retire by rotation and being eligible offer themselves for re appointment. The Board recommends their re appointment.



DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956 the Board of Directors of the Company hereby confirm that:

- (i) in the preparation of the Annual Accounts for the year ended March 31st, 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year ended on March 31st, 2013;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) annual accounts have been prepared on a going concern basis.

AUDITORS:

M/s. Umamaheswara Rao & Co, Chartered Accountants have consented to be re appointed as the Statutory Auditors of the Company and their appointment, if approved in the General Meeting, would be within the limits specified under Section 224 of the Companies Act, 1956. The said Auditors possess a valid Peer Review Certificate issued by the Institute of Chartered Accountants of India for issuing Limited Review Certificate for the un audited results as required under the provisions of the Listing Agreement.

The Board of Directors recommends the re-appointment of M/s. Umamaheswara Rao & Co, Chartered Accountants as the Statutory Auditors of the Company.

PERSONNEL:

During the period under report, there were no employees drawing remuneration in excess of the limits laid down in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee's) Rules, 1975.

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

The disclosures required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, for the year ended March 31, 2013 are as follows:

A. CONSERVATION OF ENERGY:

- a. Adequate measures have been taken to conserve energy wherever possible.
- b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy: NIL
- c. Impact of measures for reduction of energy consumption / energy conservation: 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:
- Technology Imported - NIL
 - Year of Import - NIL
 - 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:

Approaching local marketing agencies who are working specific to Microsoft Dynamic Clients & Partners, reaching Microsoft Partner Accounts Manager with specific to region to promote our company products & services, contacting Microsoft Partner Network Portal to expand our partner network for our products and services. We have targeted to add 5 new countries in our international partner network to increase our products & services sales.

- b. Total Foreign Exchange used and earned:

Sl. No.	Particulars of the transaction	2012 – 2013 (in Rs.)	2011 – 2012 (in Rs.)
1.	Total Foreign Exchange earnings	22,890,524	21,912,230
2.	Foreign Exchange outgo		
a.	on account of Purchase of Software License	-	409,120
b.	on account of International Telephone Charges	46,809	109,750
c.	on account of Commission	-	140,975
	Total Foreign Exchange outgo	46,809	659,845

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 : 12.08.2013

V. V. NAGENDRA
Managing Director

Y. SATYANARAYANA
Director



MANAGEMENT DISCUSSION AND ANALYSIS

Snap shot of Performance:

B2B India has ended the financial year 2012-13 with revenue of 456 lacs and consolidated revenue of 632 lacs. The constant Endeavour is to build a business around revenue from new customers and annuity business coming in from our existing customers through repeat orders and BREP renewals.

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

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

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

B2B development team has developed HR & Payroll add-ons specific to different countries for Microsoft Dynamics Partners. Development team has started developing Life Sciences Vertical on Microsoft Dynamics 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 business management solutions
- 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

B2B has got their Add-ons Plant Maintenance and HR & Payroll successfully certified for Microsoft Dynamics NAV (CFMD). Microsoft Corporation's highest standard for Partner-developed Software solutions, demonstrates our level of expertise and client satisfaction.

B2B - Health Care Division

2012 was an exciting year for the EHR sector as a whole, thanks in large part to the Meaningful Use incentives that galvanized the industry. Perhaps the most noteworthy development of 2012 was GeniusDoc's ascension to the top of the Oncology EHR sector in terms of functionality, ease of use, and customer approval. In particular, GeniusDoc stood out for its ability to incorporate Meaningful Use components without compromising the core design that makes the software so revered by private practices.

The product's rise was continually validated as many influential decision makers opted for GeniusDoc over other top competitors. Indeed, GeniusDoc rode the momentum of the MU initiative into several large-scale implementations to establish footholds all over the country. Beyond the implementations, GeniusDoc demonstrated its unwavering support to its customers by helping them successfully navigate the rigorous MU audits that subsequently followed the incentive payment distribution. That commitment ultimately allowed its physicians to preserve the MU money they rightfully earned.

GeniusDoc used 2012 to reinforce its flexibility to keep up with the ongoing developments throughout the industry. Once recognized as simply a client-server application, GeniusDoc made its hosted solution a mainstream option as more practices have become enamored with the cloud. GeniusDoc also made several improvements to not only help practices earn additional incentives (i.e. PQRS), but also improve the design and functionality of its practice management module to accelerate reimbursement.

In short, GeniusDoc's continually rising industry presence combined with its relentless desire to improve portend an especially promising future.

Outlook:

B2B has picked up in the market with the recent International Projects as well as growth in domestic market. This year's company budget and projects are moderate. We hope that we can improve our company financials & performance by the turnaround 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 7 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 Promoter Chairman, the Board's composition meets the stipulated requirement of at least one-half of the Board comprising independent directors.

None of the non-executive directors have any pecuniary relationship or transactions with the Company, except receiving sitting fee of Rs.5,000/- for attending each Board Meeting.

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

4 (Four) Board Meetings were held during the financial year 2012 – 2013 on the following dates:

1. 06.04.2012
2. 03.08.2012
3. 14.11.2012
4. 11.02.2013

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

The details of the attendance of directors at meetings of the Board and annual general meeting, held during the year (April 2012 to March 2013), 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	
	Board Meetings	Last AGM	Other directorships	Committee memberships
Dr. Murthy Mutyala (Promoter and Non-Executive Director)	Nil	No	Nil	2
Dr. Ram Nemani (Promoter and Non-executive Director)	1	No	5	2
Dr. Y. Satyanarayana (Promoter and Non-Executive Director)	3	Yes	1	1
Mr. V. V. Nagendra (Non Promoter and Executive Director)	4	Yes	1	1
Mr. A. Rambabu (Non Promoter and Independent Director)	4	Yes	Nil	2
Mr. M. Rambabu (Non Promoter and Independent Director)	3	Yes	Nil	2
Mr. Ch. Suresh (Non Promoter and Independent Director)	4	Yes	Nil	2

Name of the Director and category of Directorship	Other Directorship
Dr. Murthy Mutyala, Director (Promoter and Non Executive Director)	NIL
Dr. Ram Nemani, Director (Promoter and Non-executive Director)	1. B2B Softech Inc, Sun Valley, Ca 2. B2B Infotech Pte Ltd, Singapore 3. B2B Infotech SDN BHD, Kualaumpur 4. B2B Software Technologies Kassel Gmbh 5. Exotic Granites Inc., USA
Dr. Y. Satyanarayana, Director (Promoter and Non-Executive Director)	The Kakinada Co-operative Town Bank
Mr. V. V. Nagendra, Executive Director (Non Promoter and Whole Time Director)	Rupesh Granite Exports Private Limited.
Mr. A. Rambabu (Non Promoter and Independent Director)	NIL
Mr. M. Rambabu (Non Promoter and Independent Director)	NIL
Mr. Ch. Suresh (Non Promoter and Independent Director)	NIL

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

Sl. No.	Name of the Director	No. of shares held
1.	Dr. Murthy Mutyala	4,01,150
2.	Dr. Ram Nemani	24,58,760
3.	Dr. Y. Satyanarayana	NIL
4.	Mr. V. V. Nagendra	NIL
5.	Mr. A. Rambabu	NIL
6.	Mr. M. Rambabu	NIL
7.	Mr. Ch. Suresh	NIL

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:***Composition, Names of Members & Chairperson and terms of reference***

The Audit Committee of the Board comprises of 3 Non-Executive Independent Directors and 3 Non Independent Directors. Dr. Y. Satyanarayana is the Chairman of the Audit Committee.

As on date the members of the Audit Committee are:

Sl. No	Name of the Member	Designation
1.	Dr. Y. Satyanarayana	Chairman
2.	Dr. Ram Nemani	Member
3.	Dr. Murthy Mutyala	Member
4.	Mr. A Ram Babu	Member
5.	Mr. M Ram Babu	Member
6.	Mr. Ch Suresh	Member

The Audit Committee reviews the adequacy of internal control systems and the Internal Audit Reports, and their compliance thereof as well as the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible. The Committee recommends the appointment of external auditors and fixation of their audit fee and approves the payment for any other services rendered by them. The Committee also reviews the quarterly/annual financial statements before the same is placed before the Board. The Committee also monitors and reports on the status of implementation of agreed internal and statutory audit recommendations. The Statutory and Internal Auditors attend as invitees to the meetings of the Audit Committee.

Four meetings were held during the year. The dates on which the meetings were held are:

1. 06.04.2012
2. 03.08.2012
3. 14.11.2012
4. 11.02.2013



The attendance of each member of the Committee is given below:

Sl. No	Name of the Director	No. of Meetings Attended
1.	Dr. Y. Satyanarayana	3
2.	Dr. Ram Nemani	1
3.	Dr. Murthy Mutyala	NIL
4.	Mr. A Ram Babu	4
5.	Mr. M Ram Babu	3
6.	Mr. Ch Suresh	4

4. REMUNERATION COMMITTEE:

The Remuneration Committee was reconstituted in the Board Meeting held on 14.02.2011 with Dr. Ram Nemani, Dr. Murthy Muthyala and Mr. A. Rambabu as the Members. The Remuneration Committee decides, reviews and approves the remuneration package for the directors, which includes salary, benefits, bonuses, pensions and Employee Stock Options.

Details of Remuneration paid to the Directors for the year 2012 – 2013

Particulars	V. V. Nagendra Managing Director
Remuneration 01.04.2012 – 31.03.2013	Rs.1,25,000/- per month

Non-Executive Directors receive a sitting fee of Rs.5,000/- for attending each Board Meeting..

5. SHAREHOLDERS COMMITTEE:

The Shareholders Committee was reconstituted in the meeting held on 14.02.2011 and the members of the Committee are as follows:

Sl. No	Name of the Member	Designation
1.	Mr. M. Rambabu	Chairman
2	Mr. Ch. Suresh	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, 1956 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. The Share Transfer Committee generally meets two times in a month. 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 and Commercial.

CEO/CFO CERTIFICATION:

As required by Clause 49 of the Listing Agreement, the CEO/CFO certification is provided elsewhere in the Annual Report.

6. AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE:

As required by Clause 49 of the Listing Agreement, the Auditors' certification is provided elsewhere in the Annual Report.

7. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT:

Clause 49 of the Listing Agreement states that the non-mandatory requirements may be implemented as per our discretion. However, the disclosures of compliance with mandatory requirements and adoption (and compliance) / non-adoption of the non-mandatory requirements shall be made in the section on Corporate governance in the Annual Report.

8. GENERAL BODY MEETINGS:

Location and date/time of last three Annual General Meetings

Year	Location	Date	Time	Special Resolution passed
2011 – 2012	Registered Office at 3 rd & 4 th Floor, AVR Towers, 6 – 3 – 1112, Behind West Side Showroom, Near Somajiguda, Begumpet, Hyderabad – 500016	28 th September, 2012	11.00 A. M.	None
2010 - 2011	Registered Office at 3 rd & 4 th Floor, AVR Towers, 6 – 3 – 1112, Behind West Side Showroom, Near Somajiguda, Begumpet, Hyderabad – 500016	30 th September, 2011	11.00 A. M.	None
2009 – 2010	Registered Office at 3 rd & 4 th Floor, AVR Towers, 6 – 3 – 1112, Behind West Side Showroom, Near Somajiguda, Begumpet, Hyderabad – 500016	30 th September, 2010	10.30 A. M.	Re appointment Of Managing Director

No special resolution requiring a postal ballot was placed before the last AGM. Similarly, no special resolutions requiring postal ballot is being proposed at the ensuing AGM.



9. DISCLOSURES:

Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.

Details of related party transactions have been disclosed under Note V on Schedule 20 on the financial statements. There are no transactions, which may have potential conflict with the interests of the Company at large.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

No penalties have been imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets, during the last three years.

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 also displayed on the company website : www.b2bsoftech.com

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	Venue
30.09.2013	Monday	11.00 a.m.	Registered Office

B. Financial Calendar: 1st April, 2013 to 31st March, 2014

1st Quarter results	Half Yearly results	3rd Quarter results	4th Quarter results
August, 2013	November, 2013	February, 2014	April, 2014

C. Date of Book Closure:

26.09.2013 to 30.09.2013 (both days inclusive).

D. Dividend Payment Date:

No Dividend is recommended for the financial year 2012 – 2013



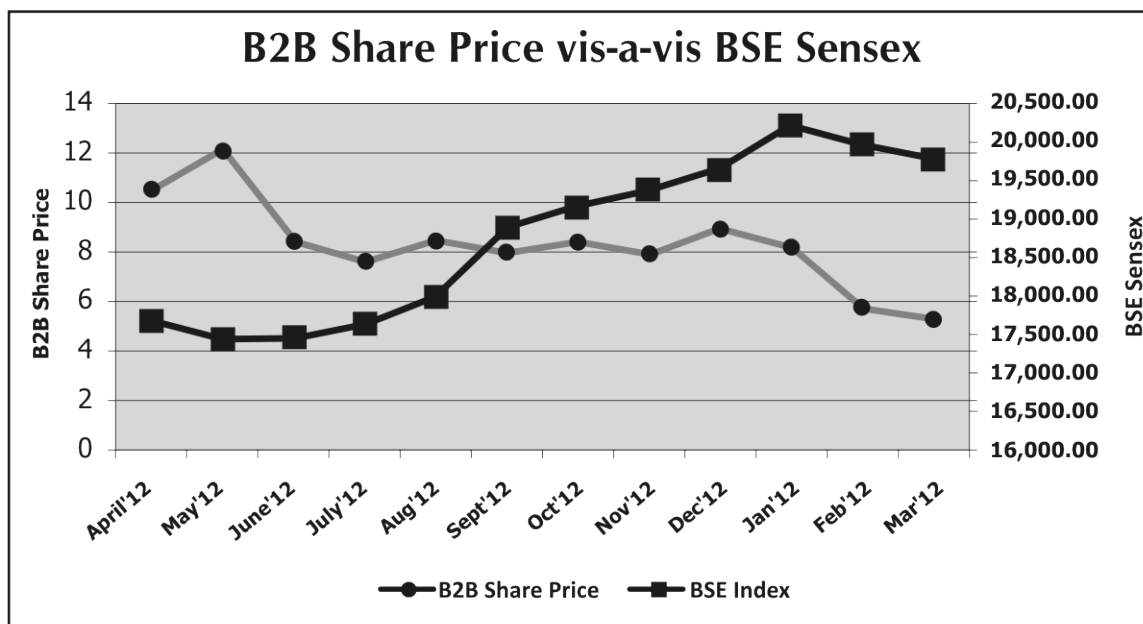
E. Listing on Stock Exchanges and Stock code:

The shares of the Company are listed on The Bombay Stock Exchange Limited, Mumbai and the Stock Code is 531268.

F. Market Price Date: High/Low during each month in last financial year (2012 – 2013)
In Rupees

Period	The Bombay Stock Exchange Limited, Mumbai	
	High	Low
April 2012	10.55	7.60
May 2012	12.09	8.64
June 2012	8.46	6.57
July 2012	7.65	5.75
August 2012	8.44	5.89
September 2012	7.98	6.89
October 2012	8.40	6.19
November 2012	7.94	6.73
December 2012	8.94	7.60
January 2013	8.20	5.87
February 2013	5.79	4.79
March 2013	5.29	4.56

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



**H. Registrar and Transfer Agents:**

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

CIL Securities Limited,

214, Raghava Ratna Towers,

Chirag Ali Lane, Abids, Hyderabad – 500 001

Ph. Nos.23203156 and 23202465

Fax: 66661277 and 23203028 e-mail: advisors@cilsecurities.com

I. Share Transfer System:

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

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:

Distribution Schedule as on 31.03.2013 is furnished below:

No. of shares slab	No. of shareholders				No. of shares					
	Physical	Demat	Total	%	Physical	%	Demat	%	Total	%
upto 5000	707	904	1611	96%	186971	2%	457129	12%	644100	6%
5001-10000	1	16	17	1%	6270	0%	118725	3%	124995	1%
10001-20000	4	12	16	1%	67910	1%	159898	4%	227808	2%
20001-30000	1	3	4	0%	25600	0%	66636	2%	92236	1%
30001-40000	1	1	2	0%	43400	1%	40026	1%	83426	1%
40001-50000	0	0	0	0%	0	0%	0	0%	0	0%
50001-100000	1	3	4	0%	78370	1%	207565	5%	285935	2%
100001 & above	12	4	16	1%	7355550	95%	2771350	73%	10126900	87%
Total	727	943	1670	100%	7764071	100%	3821329	100%	11585400	100%

Shareholding pattern as on 31st March 2013

Sl. No.	Category	No. of shares	%
1	Promoters & Associates	8,706,036	75.15
2	Private Body Corporates	153,382	1.32
3	Indian Public	2,527,930	21.82
4	Non-resident individuals & OCBs	198,052	1.71
	TOTAL	11,585,400	100%

Forfeited Shares: 15400 Equity Shares



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 31.03.2013, 38,21,329 Equity Shares have been dematerialized, constituting 32.98% 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)

The company is not adopting any of the non mandatory requirements specified in clause 49 i.e. corporate governance.

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I, V. V. Nagendra, Chief Executive Officer and Managing Director of B2B Software Technologies Limited, to the best of our knowledge and belief, certify that:

1. I had reviewed the balance sheet and profit and loss account (consolidated and unconsolidated), and all its schedules and notes on accounts, as well as the cash flow statements and the directors' report;
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;



3. Based on my knowledge and information, the financial statements and other financial information included in this report, present in all material respects, a true and fair view of, the company's affairs, the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of my knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct.
5. I am responsible for establishing and maintaining internal controls over financial reporting for the company, and I have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the company, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparing of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the company's disclosure, controls and procedures and
 - d) disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent financial year that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting.
6. I had disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of Directors.
 - a) significant changes in internal controls during the year covered by this report;
 - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
 - c) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

V. V. NAGENDRA
Managing Director

Place: Hyderabad
Date: 12.08.2013



AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
The Board of Directors
B2B Software Technologies Limited
Hyderabad

We have examined the compliance of conditions of Corporate Governance by B2B Software Technologies Limited for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of condition of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2013, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad

Date: August 12, 2013

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

(R R Dakshinamurthy)
Partner
Membership No: 211639



INDEPENDENT AUDITORS' REPORT

To
The Members
M/s B2B Software Technologies Limited

Report on the Financial Statements

We have audited the accompanying financial statements of M/s B2B Software Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and cash flow statement for the year ended 31st March 2013, and a summary of significant accounting policies and other Explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on March 31, 2013;
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended March 31, 2013.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditors' Report) Order, 2003 and amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by section 227(3) of the Act, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law, have been kept by the company, in so far as appears from our examination of such books of the company;
 - iii. The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account of the Company;
 - iv. In our opinion, the Balance Sheet and the Profit & Loss Account dealt with by this report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable;
 - v. On the basis of written representations received from the directors, as on 31st March, 2013, and taken on record by the Board of Directors, we report that subject to above, none of the directors, are disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Sec. 274 of the Companies Act, 1956;
 - vi. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place: Hyderabad
Date: April 06, 2013

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

(R R Dakshinamurthy)
Partner
Membership No: 211639



Annexure to Auditors' Report
Referred to in paragraph 1 of our report of even date:

In our opinion and according to the information and explanations given to us:

1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
As explained to us, the management has physically verified some of the fixed assets during the year. As reported to us, there were no discrepancies found during such verification.
The Company has not disposed off any substantial part of fixed assets during the year and hence no effect on the going concern.
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 neither granted nor taken any loans, secured or unsecured to or from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system.
5. In our opinion and according to the information and explanations given to us, that there were no transactions that needs to be entered in the register in pursuance of Section 301 of the Companies Act, 1956.
6. The Company has not accepted any Deposits from the public and consequently the directives issued by Reserve Bank of India; the provisions of Section 58 A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
7. In our opinion, the Company has an Internal Audit System commensurate with its size and the nature of its business.
8. 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 209 of the Companies Act, 1956 in respect of activity carried out by the company.
9. According to the information and explanations given to us and on the basis of examination of books of accounts, the Company has been generally regular in depositing Provident Fund and Employees State Insurance Dues with appropriate authorities.
According to the information and explanations given to us, no undisputed dues payable in respect of Income Tax, Wealth Tax, sales tax, customs duty and Cess were outstanding as at 31st March 2013 for a period of more than six months from the date they became payable.

According to the records of the company examined, there were no dues in respect of excise duty, wealth tax, customs duty, except in case of Sales tax (i.e. APGST/CST) and Income tax, the details are given below:

Name of the Statute (in Lacs)	Nature of Dues Financial Year	Amount to the extent payable Pending	Period to which the amount relates	Forum where dispute is
APGST/CST	Disputed Turnover	2.89	2004-05	ADC (Appeals)
Income Tax Act, 1961	TDS on payment Made to travel agents	Nil	2007-08	Commissioner Of Income Tax(Appeals)

10. The accumulated losses of the company are more than fifty percent of its Net worth. The company has not incurred cash losses during the Current financial year and has incurred cash losses in the immediately preceding year.
11. The Clause relating to payment of dues to any financial institution/Bank is not applicable, as the company has not borrowed any loans from any financial institution/Bank.
12. Based on our examination and according to the information and explanations given to us, during the year the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund, nidhi, mutual benefit fund or a society and as such clause (xiii) of the Order is not applicable.
14. The Company is not dealing or trading in shares, securities, debentures and other investments and as such clause (xiv) of the Order is not applicable.
15. 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.
16. The company did not have any term loans outstanding during the year and as such clause (xvi) of the Order is not applicable
17. According to the Information and explanations given to us and on an overall examination of the Balance sheet of the company, we report that no funds raised on short-term basis have been utilized for long-term investment.
18. During the year the company has not allotted any shares on preferential basis to parties and companies covered in the register maintained under section 301 of the Companies Act.
19. During the year, the company has not issued any secured debentures.
20. During the period the Company has not raised money by public issue and accordingly the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
21. Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.

For Umamaheswara Rao & Co.,
Chartered Accountants
Firm Registration No: 0044535

Place: Hyderabad
Date: April 06, 2013

(R R Dakshinamurthy)
Partner
Membership No: 211639

**B2B SOFTWARE TECHNOLOGIES LIMITED****Balance Sheet as at March 31, 2013***(All amounts in Indian Rupees, except share data and where otherwise stated)*

Particulars	Note No	As at 31.03.2013	As at 31.03.2012
I.EQUITY & LIABILITIES			
Shareholder's Funds			
(i) Share Capital	3	115,931,000	115,931,000
(ii) Reserves & Suplus	4	(78,703,197)	(80,915,644)
Current liabilities			
(i) Trade Payables	5	4,359,500	4,222,255
(ii) Other Current Liabilities	6	3,775,948	3,531,148
(iii) Short term Provisions	7	4,753,323	3,705,827
Total		50,116,574	46,474,586
II.ASSETS			
Non-Current Assets			
(i) Fixed assets			
(a) Tangible Assets	8	1,667,589	1,729,437
(b) Intangible Assets	8	7,614	9,517
(ii) Non-current investments	9	3,381,120	3,381,120
(iii) Long term loans and advances	10	6,808,305	6,808,305
Current assets			
(i) Current Investments	11	3,612,223	4,616,154
(ii) Inventories - Work in Progress	12	338,580	357,212
(iii) Trade Receivables	13	8,160,354	4,006,402
(iv) Cash and cash equivalents	14	23,399,267	21,303,744
(v) Short term Loans and advances	15	2,741,522	4,262,695
Total		50,116,574	46,474,586
See accompanying notes to financial statements			

As per our report of even date

For Umamaheswara Rao & Co.,*Chartered Accountants*

Firm Registration No: 004453S

For and on behalf of the Board**R.R.Dakshinamurthy***Partner*

Membership No: 211639

V.V.Nagendra*Managing Director***Dr.Y.Satyanarayana***Director*

Place: Hyderabad

Date: 06-04-2013

**B2B SOFTWARE TECHNOLOGIES LIMITED****Profit and Loss Account for the Year ended March 31,2013***(All amounts in Indian Rupees, except share data and where otherwise stated)*

Particulars	Note No	Year ended	Year ended
		31.03.2013	31.03.2012
I. Revenue from operations	16	43,152,954	42,207,588
II. Other Income	17	2,443,500	1,999,356
III. Total Revenue (I + II)		45,596,454	44,206,944
IV. Expenses			
Purchases of Software Products	18	4,755,418	6,667,365
Changes in Inventory - WIP		18,632	123,432
Employee benefit expenses	19	31,739,884	28,853,464
Administration and other Expenses	20	6,387,563	8,873,062
Financial costs		-	9,335
Depreciation	8	482,509	626,390
Total Expenses		43,384,007	45,153,048
V. Profit/(Loss) before exceptional items and tax (III - IV)		2,212,447	(946,104)
VI. Exceptional items		-	-
VII. Profit/(Loss) before tax (V - VI)		2,212,447	(946,104)
VIII. Tax Expense / (Income)			
Current tax		-	-
Deferred tax		-	-
IX. Profit/(Loss) for the year		2,212,447	(946,104)
X. Earnigs per Equity Share			
Basic and Diluted (Face value - Rs.10 per share)		0.19	(0.08)
See accompanying notes to financial statements			

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

For and on behalf of the Board

R.R.Dakshinamurthy
Partner
Membership No: 211639

V.V.Nagendra
Managing Director

Dr.Y.Satyanarayana
Director

Place: Hyderabad
Date: 06-04-2013



Schedules forming part of the Accounts

Notes forming part of the Balance Sheet

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

Particulars	As at 31.03.2013	As at 31.03.2012
3. Share Holders Funds		
(i) Share Capital		
<i>Authorised Capital :</i> 1,20,00,000 (31st March 2012 : 1,20,00,000) Equity Shares of Rs.10 each	120,000,000	120,000,000
<i>Issued, Subscribed and Paid up Capital :</i> 11,585,400 (31st March 2012 : 11,585,400) Equity Shares of Rs.10 each fully paid up	115,854,000	115,854,000
Add : Shares Forfeited (Paid up value Rs.77000/-)	77,000	77,000
	115,931,000	115,931,000
Notes:		
a) Details of Share Holders having more than 5% of Shares	No of Shares	No of Shares
1. Rama Chandra Rao Nemani (% of holding)	2,458,760 21.22%	2,458,760 21.22%
2. Ravileela Granites Limited (% of holding)	1,511,000 13.04%	1,511,000 13.04%
3. Ram Nemani Def. Ben. Pension Plan Trust (% of holding)	1,087,600 9.39%	1,087,600 9.39%
4. Janakirama Varma Meka (% of holding)	1,085,270 9.37%	1,085,270 9.37%
5. Penmetsa Satyavati Varma (% of holding)	662,400 5.72%	662,400 5.72%
6. B2B Esop Trust (% of holding)	600,000 5.18%	600,000 5.18%
b) Reconciliation of number of Shares outstanding		
Opening Balance of Shares	11,585,400	11,585,400
Add: Shares Issued during the year	-	-
Less: Buyback/ forfeited of shares during the year	-	-
Closing Balance of Shares	11,585,400	11,585,400
4. Reserves & Surplus		
Profit & Loss a/c		
Opening balance	(80,915,644)	(79,969,540)
Add : (Profit) / Loss during the year	2,212,447	(946,104)
Less: Amount drawn	-	-
Amount available for appropriations	(78,703,197)	(80,915,644)
5. Trade Payables (Unsecured and considered good)		
Dues to other than micro and small enterprises	4,359,500	4,222,255
	4,359,500	4,222,255
As at 31 Mar 2013 (31 Mar 2012: Nil) there are no amounts including interest payable to Micro and Small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, based on the information available with the Company.		
6. Other Current Liabilities		
Outstanding expenses	1,036,895	825,561
Statutory liabilities Liabilities	384,772	425,502
Security Deposit	2,354,281	2,280,085
	3,775,948	3,531,148
7. Short-term Provisions		
Provision for Gratuity	4,574,000	3,585,827
Provision for Annual Key Result Area	179,323	120,000
	4,753,323	3,705,827



Schedules forming part of the Accounts (Contd...)

8. Fixed Assets

Description	Gross Block			Depreciation			Net Block		
	As at 01.04.2012	Additions during the period	Deletions/ Discarded during the period	As at 31.03.2013	As at 01.04.2012	For the period	Deletions/ Discarded during the period	As at 31.03.2013	As at 31.03.2012
i) Tangible Assets: OWN ASSETS :									
Computers	5,448,654	320,879	-	5,769,533	4,990,960	218,104	-	5,209,064	457,694
Furniture and Fixtures	628,656	-	-	628,656	526,679	18,458	-	545,137	101,977
Office Equipment	1,596,035	97,880	-	1,693,915	1,030,683	87,561	-	1,118,244	565,352
Vehicles	2,187,266	-	-	2,187,266	1,582,852	156,483	-	1,739,335	604,414
Sub-total(i)	9,860,611	418,759	-	10,279,370	8,131,174	480,606	-	8,611,779	1,729,437
ii) Intangible Assets									
Copy Rights	18,600	-	-	18,600	9,083	1,903	-	10,987	9,517
Sub-total(ii)	18,600	-	-	18,600	9,083	1,903	-	10,987	9,517
Total(i + ii)	9,879,211	418,759	-	10,297,970	8,140,257	482,509	-	8,622,766	1,738,954
Previous Year	9,774,186	444,220	339,195	9,879,211	7,725,263	629,389	211,395	1,738,954	2,048,923



Schedules forming part of the Accounts (Contd...)

Particulars	As at 31.03.2013	As at 31.03.2012
9. Non-current Investments		
<i>(Unquoted, Investment in Equity shares)</i>		
Investment in Subsidiary		
B2B Softech Inc.,		
72,000 Equity Shares of US Dollar 1 each, fully paid-up	3,381,120	3,381,120
Other Investments		
B2B Infotech Pte Ltd		
200,000 Equity Shares of Singapore Dollar 1 each, fully paid-up	5,510,797	5,510,797
Less: Provision for Diminution in the Value of Investment	(5,510,797)	(5,510,797)
	-	-
B2B Software Technologies Kassel GmbH		
(121,431 Euro)	6,250,862	6,250,862
Advances for Addl investment in Subsidiary Companies - Pending allotment		
B2B Software Technologies Kassel GmbH - Euro 5556	286,877	286,877
Less: Advance received against sale of investment in subsidiary	(1,292,636)	(1,292,636)
Less: Provision for Loss on Sale of Investment	(3,937,554)	(3,937,554)
Less: Provision for Diminution in the Value of Investment	(1,307,549)	(1,307,549)
	-	-
B2B Infotech SDN BHD		
(2,50,000 Equity Shares of Malaysian RM 1 each fully paid up)	548,856	548,856
Less: Provision for Diminution in the Value of Investment	(548,856)	(548,856)
	-	-
Total of Non-current Investments	3,381,120	3,381,120
10. Long-term Loans and Advances		
<i>(Unsecured and considered good)</i>		
Loan to B2B ESOP Trust	6,000,000	6,000,000
Other Deposits	808,305	808,305
	6,808,305	6,808,305
11. Current Investments		
<i>(quoted, fully paidup)</i>		
UTI Mutual Fund	519,513	519,513
ICICI Mutual Funds	3,092,710	4,096,641
Total Quoted Current Investments	3,612,223	4,616,154
<i>(Aggregate market value of quoted investments - Rs.36,89,790)</i>		
12. Inventories - Work in Progress	338,580	357,212
<i>(As certified by the management)</i>	338,580	357,212
13 . Trade Receivables		
<i>(Unsecured and considered good)</i>		
Debts outstanding for a period exceeding six months	3,137,837	3,098,763
Other debts	8,121,280	4,281,049
Less: Provision for Doubtful Debts	(3,098,763)	(3,373,410)
	8,160,354	4,006,402
14. Cash and Cash Equivalents		
Cash on hand	14,442	10,342
<i>Balances with scheduled banks</i>		
- On Current accounts	2,120,411	3,748,872
- On EEFC accounts	-	142,530
- On Fixed Deposit accounts	21,264,414	17,402,000
	23,399,267	21,303,744
15. Short-term Loans and Advances		
<i>(Unsecured and considered good)</i>		
Advances recoverable in cash or in kind for value to be received	2,741,522	4,262,695
	2,741,522	4,262,695



Schedules forming part of the Accounts (Contd...)

Particulars	As at 31.03.2013	As at 31.03.2012
16. Revenue from operations		
Export Income		
Sale of Software Products	1,253,630	2,067,665
Income from Consultancy Services	24,238,074	21,903,525
Domestic Income		
Sale of Software Products	8,021,386	10,216,366
Income from Consultancy Services	9,639,863	8,020,032
	43,152,954	42,207,588
17. Other Income		
Dividend from Mutual Fund	232,561	1,021,403
Interest on Deposits	1,851,178	291,326
Miscellaneous Income	289,657	336,940
Interest TDS Refund	191,205	117,033
Exchange Fluctuation Gain/ (Loss)	(121,101)	232,654
	2,443,500	1,999,356
18. Purchases of Software Products		
Software Products	4,755,418	6,667,365
	4,755,418	6,667,365
19. Employee benefit expenses		
Salaries, Wages and Bonus*	29,116,370	26,793,517
Contribution to Provident Fund and other Funds	2,143,591	1,396,604
Staff Welfare Expenses	479,923	663,343
	31,739,884	28,853,464
<i>* Details of Managerial Remuneration included above:</i>		
Salary	1,460,640	1,460,640
Contribution to Provident Fund	9,360	9,360
20. Administrative and other Expenses		
Rent	1,792,302	1,667,250
Rates and Taxes	335,028	218,349
Insurance	38,372	25,662
Travelling Expenses	403,386	416,735
Communication Expenses		
- Internet Charges	381,737	412,822
- Telephone	151,398	235,529
- Postage & Courier	10,030	17,671
Printing and Stationery	20,681	26,796
Electricity Charges	831,422	803,066
Advertisement	60,780	55,391
Repairs and Maintenance		
- Machinery	282,420	212,705
- Vehicles-	418,157	218,022
Professional and Consultancy Charges	397,998	354,803
Commission & Brokerage	-	140,975
Auditors Remuneration		
(i) Statutory Audit Fee	120,000	60,000
(ii) Tax Audit Fee	20,000	20,000
(iii) Certification Fee	-	18,200
Directors Sitting Fee	55,000	45,000
Bad Debts	-	2,849,176
Membershipfee,Meeting&Seminar Charges	218,502	226,002
Security Charges	145,626	146,000
Office Maintenance	704,724	602,708
Loss on Sale of Fixed Assets	-	100,200
	6,387,563	8,873,062



Schedules forming part of the Accounts (Contd...)

Notes to Financial Statements:

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

21. Contingent Liabilities

Details of all cases pending

Name of the Statue	Nature of dues	Amount to the extent Not paid (in Lacs)	Period to which the amount relates Financial Year	Form where dispute is pending
a) APGST/CST	Diputed Turnover	2.89	2004-05	ADC (Appeals)
b) Income Tax Act, 1961	TDS on Payment made to Travel Agents	Nil	2007-08	Commissioner of Income Tax(Appeals)

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

Particulars	March 31, 2013	March 31, 2012
Software Development Services- Export	22,890,524	21,912,230

23. Expenditure in Foreign Currency (on payment basis)

Particulars	March 31, 2013	March 31, 2012
Commission	-	140,975
Purchase of Software	-	409,120
International Telephone Charges	46,809	109,750

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 Nimani	Director

c) Parties where key managerial person has significant influence

Name of the party	KMP	Relation of KMP
Genius Doc Inc	Dr.Ram Nimani	Director

ii) Transactions during the year

Name of the Related party	March 31, 2013	March 31, 2012
(a) With Genius Doc Inc		
Consultancy Services	20,380,715	16,811,007
(b) With Key Management Personnel		
Managerial Remuneration	1,460,640	1,460,640

iii) Balances Outstanding at the Year End

Name of the Related party	March 31, 2013	March 31, 2012
(a) With Genius Doc Inc		
Receivables	5,230,797	2,865,455
(b) With Key Management Personnel		
Managerial Remuneration	1,460,640	1,460,640
	March salary payable	March salary payable

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

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

	March 31, 2013	March 31, 2012
Profit/ (Loss) after Tax	2,212,447	(946,104)
Weighted average number of equity shares	11,585,400	11,585,400
Basic and diluted Earning Per Share	0.19	(0.08)
(Nominal value of equity shares: Rs. 10 each)		

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

	March 31, 2013	March 31, 2012
	Amount	Amount
Opening Balance	4,616,154	7,019,513
Add: Purchases	1,896,069	9,920,323
Less: Sale	2,900,000	12,323,682
Closing Balance	3,612,223	4,616,154

* Net Asset Value as on 31.03.2012 is Rs 47,10,815/- (Previous year Rs,70,19,958)



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 purchased Motor Car on Hire Purchase basis from Kotak Mahindra in the year 2008. The same has been secured against the hypothecation and personal guarantee of the directors.

29. 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.

30. 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.

31. 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.

32. Employee Benefits

During the year the company has made a provision of Rs.12,67,083/- 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, 2013	March 31, 2012
1 Changes in Present Value of Obligation		
Present value of obligation as at the beginning of the year	3,991,694	3,422,694
Interest Cost	319,000	274,000
Current service cost	921,000	703,000
Benefits paid	278,910	-
Actuarial gain/(loss) on obligations	(379,000)	(408,000)
Present value of obligations at the end of the year	4,573,784	3,991,694
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	4,573,784	3,991,694
Fair value of plan assets at the end of the year	-	-
Funded Status	4,573,784	3,991,694
Net asset/(liability) recognised in balance sheet	4,573,784	3,991,694
4 Expenses Recognised in Statement of Profit & Loss		
Current service cost	921,000	703,000
Interest Cost	319,000	274,000
Expected return on plan assets	-	-
Net Actuarial (gain)/loss recognised in the year	(379,000)	(408,000)
Expenses Recognised in Statement of Profit & Loss	861,000	569,000
5 Assumptions		
Discount	8%	8%
Escalation	6%	6%

33. 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.

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

On behalf of the Board of Directors

R.R.Dakshinamurthy
Partner
Membership No: 211639

V.V.Nagendra
Managing Director

Dr.Y.Satyanarayana
Director

Place : Hyderabad
 Date: 06-04-2013

**Notes to Financial Statements**

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

1 Nature of operations

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

2 Significant Accounting Policies**2.1 Accounting convention**

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

2.2 Use of estimates

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

2.3 Cash flows

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

2.4 Revenue recognition

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

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

2.5 Fixed assets

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

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

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

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

2.6 Foreign currency transactions

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

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

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

2.7 Inventory

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

2.8 Investments

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

2.9 Earnings per share

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

2.10 Provisions and contingencies

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

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



Cash Flow Statement for the year ended March 31, 2013

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

Particulars	31.03.2013	31.03.2012
A. Cash Flows from Operating Activities		
Net profit/(loss) before tax	2,212,447	(946,104)
Adjustments for :		
Interest	-	9,335
Depreciation	482,509	626,390
Income from Investment - Dividends	(232,561)	(1,021,403)
Interest on Fixed Deposit	(1,851,178)	(291,326)
Exchange differences on translation of foreign currency cash and cash equivalents	121,101	(232,654)
Loss on Sale of Fixed Assets	-	100,200
Operating profit before working capital changes	732,318	(1,755,562)
Adjustments for changes in working capital :		
(Increase)/Decrease in Accounts Receivables	(4,153,952)	608,412
(Increase)/Decrease in Loans and Advances	1,521,173	1,204,122
(Increase)/Decrease in Work in Progress	18,632	123,432
Increase / (Decrease) in Trade and Other Payables	382,045	107,293
Increase / (Decrease) in Provision	1,047,496	208,935
Cash generated from operations	(452,288)	496,633
Interest received from Fixed Deposit	1,851,178	291,326
Net Cash from Operating Activities	1,398,890	787,959
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(418,759)	444,220
Purchase of Mutual Funds	(1,896,069)	9,920,323
Sale of Mutual Funds	2,900,000	(12,323,682)
Sale of Fixed Assets	-	(27,600)
Income from Investment - Dividends	232,561	(1,021,403)
Net Cash used in Investing Activities	817,733	(3,008,142)
C. Cash Flows from Financing Activities		
Increase/(Decrease) in Secured Loans	-	(215,323)
Interest paid	-	(9,335)
Net Cash from/(used in) Financing Activities	-	(224,658)
D. Exchange differences on translation of foreign currency cash and cash equivalents	(121,101)	232,654
Net Increase in Cash and Cash equivalents during the year (A + B + C + D)	2,095,522	3,804,097
Cash and Cash equivalents at the beginning of the year	21,303,744	17,499,647
Cash and Cash equivalents at the end of the year	23,399,266	21,303,744

Note :

(i) Cash on hand	14,442	10,342
(ii) Balances with scheduled banks		
- On Current accounts	2,120,411	3,748,872
- On EEFC accounts	-	142,530
- On Fixed Deposit accounts	21,264,414	17,402,000
	23,399,267	21,303,744

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

On behalf of the Board of Directors

R.R.Dakshinamurthy
Partner
Membership No: 211639

V.V.Nagendra
Managing Director

Dr.Y.Satyanaryana
Director

Place: Hyderabad
Date: 06-04-2013



BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

1	8	3	5	1
---	---	---	---	---

 State code

0	1
---	---

Balance Sheet date

3	1	0	3	2	0	1	3
---	---	---	---	---	---	---	---

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	<table border="1"><tr><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>				N	I	L	Rights Issue	<table border="1"><tr><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>				N	I	L
			N	I	L										
			N	I	L										
Bonus Issue	<table border="1"><tr><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>				N	I	L	Private placement	<table border="1"><tr><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>				N	I	L
			N	I	L										
			N	I	L										

III. Position of mobilisation and Development of Funds (Amount in Rs. Thousands)

Total Liabilities	<table border="1"><tr><td></td><td>5</td><td>0</td><td>1</td><td>1</td><td>6</td></tr></table>		5	0	1	1	6	Total Assets	<table border="1"><tr><td></td><td>5</td><td>0</td><td>1</td><td>1</td><td>6</td></tr></table>		5	0	1	1	6
	5	0	1	1	6										
	5	0	1	1	6										
Sources of Funds		Reserves & Surplus	<table border="1"><tr><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>				N	I	L						
			N	I	L										
Paid-up-Capital	<table border="1"><tr><td>1</td><td>1</td><td>5</td><td>9</td><td>3</td><td>1</td></tr></table>	1	1	5	9	3	1	Unsecured Loans	<table border="1"><tr><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>				N	I	L
1	1	5	9	3	1										
			N	I	L										
Secured Loans	<table border="1"><tr><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>				N	I	L	Investments	<table border="1"><tr><td></td><td></td><td>3</td><td>3</td><td>8</td><td>1</td></tr></table>			3	3	8	1
			N	I	L										
		3	3	8	1										
Application of Funds		Miscellaneous Exp	<table border="1"><tr><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>				N	I	L						
			N	I	L										
Net Fixed Assets	<table border="1"><tr><td></td><td></td><td>1</td><td>7</td><td>3</td><td>8</td></tr></table>			1	7	3	8	Accumulated Losses	<table border="1"><tr><td></td><td>7</td><td>8</td><td>7</td><td>0</td><td>3</td></tr></table>		7	8	7	0	3
		1	7	3	8										
	7	8	7	0	3										
Net Current Assets	<table border="1"><tr><td></td><td>2</td><td>3</td><td>8</td><td>9</td><td>5</td></tr></table>		2	3	8	9	5								
	2	3	8	9	5										

IV. Performance of the Company:(Amount in Rs. Thousands)

Turnover	<table border="1"><tr><td></td><td>4</td><td>5</td><td>5</td><td>9</td><td>6</td></tr></table>		4	5	5	9	6	Total Expenditure	<table border="1"><tr><td></td><td>4</td><td>3</td><td>3</td><td>8</td><td>4</td></tr></table>		4	3	3	8	4
	4	5	5	9	6										
	4	3	3	8	4										
Profit/Loss Before Tax	<table border="1"><tr><td></td><td></td><td>2</td><td>2</td><td>1</td><td>2</td></tr></table>			2	2	1	2	Profit/Loss After Tax	<table border="1"><tr><td></td><td></td><td>2</td><td>2</td><td>1</td><td>2</td></tr></table>			2	2	1	2
		2	2	1	2										
		2	2	1	2										
Earning Per Share in Rs.	<table border="1"><tr><td></td><td></td><td>0</td><td>.</td><td>1</td><td>9</td></tr></table>			0	.	1	9	Dividend Rate	<table border="1"><tr><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>				N	I	L
		0	.	1	9										
			N	I	L										

V. Generic Names of three Principal Products of Company (as per monetary terms)

Item Code : 85429009.1
Product Description : Software Development
IT Solutions

On behalf of the Board of Directors

Place : Hyderabad
Date : April 06, 2013

V V Nagendra
Managing Director

Dr. Y. Satyanarayana
Director



Statement relating to Subsidiary Companies Pursuant to Section 212(1)(e) of the Companies Act, 1956

S.No.	Name of the Subsidiary Companies	Financial Year of the Subsidiary Companies ended on	Date from which it became Subsidiary Companies	No of shares held by B2B Software Technologies Limited with its nominees in the Subsidiaries as at 31st March 2013	Extent of interest of Holding Company as at 31.03.2013	Net aggregate amount of profit / (loss) so far as it concerns the members of the Holding Company
1.	B2B Softech Inc., 9001, San Fernando Rd, Sun Valley, CA 91352 USA	1 st April 2012 to 31 st March 2013	17-07-2001	72,000 Shares of USD 1/- each	100%	\$ 963



Auditors' Report on Consolidated Financial Statements

To

The Board of Directors

M/s B2B Software Technologies Limited.

We have audited the attached consolidated balance sheet of M/s B2B Software Technologies Limited ('the Company') and its subsidiary as at March 31, 2013 and the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by the management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiary namely, B2B softech Inc., whose financial statements reflect total assets of Rs.39.17 Lakhs as at 31st March 2013, total revenue of Rs.176.49 Lakhs. The financial statements and other information of the subsidiary have been audited by other auditors whose reports have been furnished to us and in our opinion, in so far it relates to amounts included in respect of this subsidiary are based solely on the report of other auditors.

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

Based on our audit as aforesaid and on consideration of reports of other auditors on financial statements and on other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements 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 31,2013;
- ii) In the case of consolidated Profit and Loss Account, of the Profit for year ended on that date; and
- iii) In the case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place: Hyderabad
Date: April 06, 2013

(R R Dakshinamurthy)
Partner
Membership No: 211639

**Consolidated Balance Sheet as at March 31, 2013***(All amounts in Indian Rupees, except share data and where otherwise stated)*

Particulars	Note No	As at 31.03.2013	As at 31.03.2012
I.EQUITY & LIABILITIES			
Shareholder's Funds			
(i) Share Capital	3	115,931,000	115,931,000
(ii) Reserves & Suplus	4	(78,497,101)	(81,153,895)
(ii) Foreign Currency Translation Reserve		528,067	307,243
Current liabilities			
(i) Trade Payables	5	4,359,500	4,228,270
(ii) Other Current Liabilities	6	3,775,946	3,531,148
(iii) Short term Provisions	7	4,753,323	3,705,827
Total		50,850,735	46,549,593
II.ASSETS			
Non-Current Assets			
(i) Fixed assets			
(a) Tangible Assets	8	2,259,580	2,270,465
(b) Intangible Assets	8	7,614	9,517
(ii) Non-current investments	9	-	-
(iii) Long term loans and advances	10	6,808,305	6,808,305
Current assets			
(i) Current Investments	11	3,612,223	4,616,154
(ii) Inventories - Work in Progress	12	338,580	357,212
(iii) Trade Receivables	13	8,735,115	4,006,402
(iv) Cash and cash equivalents	14	26,347,796	24,218,843
(v) Short term Loans and advances	15	2,741,522	4,262,695
Total		50,850,735	46,549,593
See accompanying notes to financial statements			

As per our report of even date

For Umamaheswara Rao & Co.,*Chartered Accountants*

Firm Registration No: 004453S

For and on behalf of the Board**R.R.Dakshinamurthy***Partner*

Membership No: 211639

V.V.Nagendra*Managing Director***Dr.Y.Satyanarayana***Director*

Place: Hyderabad

Date: 06-04-2013

**Consolidated Profit and Loss Account for the Year ended March 31,2013***(All amounts in Indian Rupees, except share data and where otherwise stated)*

Particulars	Note No	Year ended	Year ended
		31.03.2013	31.03.2012
I. Revenue from operations	16	60,802,410	55,529,574
II. Other Income	17	2,443,500	1,999,356
III. Total Revenue (I + II)		63,245,910	57,528,930
IV. Expenses			
Purchases of Software Products	18	4,755,418	6,667,365
Changes in Inventory - WIP		18,632	123,432
Employee benefit expenses	19	48,460,456	41,375,982
Administration and other Expenses	20	6,901,062	9,261,742
Financial costs		-	9,335
Depreciation	8	452,392	959,437
Total Expenses		60,587,960	58,397,293
V.Profit/(Loss) before exceptional items and tax (III - IV)		2,657,950	(868,363)
VI. Exceptional items		-	-
VII.Profit/(Loss) before tax (V - VI)		2,657,950	(868,363)
VIII. Tax Expense / (Income)			
Current tax		-	6,471
Deferred tax		-	-
IX. Profit/(Loss) for the year		2,657,950	(874,834)
X.Earnings per Equity Share			
Basic & diluted (For share of Rs.10/- each)		0.23	(0.08)
Diluted		0.18	(0.08)

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.V.Nagendra*Managing Director***Dr.Y.Satyanarayana***Director*

Place: Hyderabad

Date: 06-04-2013


Schedules forming part of the Consolidated Accounts

	Amount in Rupees	
	As at 31.03.2013	As at 31.03.2012
3. Share Capital		
Authorised :		
1,20,00,000 Equity Shares of Rs.10 each	120,000,000	120,000,000
Issued, Subscribed and Paid up:		
11,585,400 Equity Shares of Rs.10 each fully paid up	115,854,000	115,854,000
Add : Shares Forfeited	77,000	77,000
	115,931,000	115,931,000
Notes:		
a) Details of Share Holders having more than 5% of Shares	No of Shares	No of Shares
1.RAMA CHANDRA RAO NEMANI (% of holding 21.22%)	2,458,760	2,458,760
2.RAVILEELA GRANITES LTD (% of holding 13.04%)	1,511,000	1,511,000
3.RAM NEMANI DEF. BEN. PENSION PLAN TRUST (% of holding 9.39%)	1,087,600	1,087,600
4.JANAKIRAMA VARMA MEKA (% of holding 9.37%)	1,085,270	1,085,270
5.PENMETSA SATYAVATI VARMA (% of holding 5.72%)	662,400	662,400
5.B2B ESOP TRUST (% of holding 5.18%)	600,000	600,000
b) Reconciliation of Shares		
Opening Balance of Shares	11,585,400	11,585,400
Add: Shares Issued during the year	-	-
Less: Buyback of shares during the year	-	-
Closing Balance of Shares	11,585,400	11,585,400
4. Reserves & Surplus		
Profit & Loss a/c, Opening Bal.		
As per last Balance Sheet	81,155,051	80,279,061
Add : (Profit) / Loss during the year	(2,657,950)	874,834
	78,497,101	81,153,895
5. Trade Payables		
Dues to Medium & Small Scale	-	-
Dues to Others	4,359,500	4,228,270
	4,359,500	4,228,270
As at 31 Mar 2013 (31 Mar 2012: Nil) there are no amounts including interest payable to Micro and Small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, based on the information available with the Company.		
6. Other Current Liabilities		
Other Liabilities	1,421,665	1,251,063
Security Deposits	2,354,281	2,280,085
	3,775,946	3,531,148
7. Short-term Provisions		
Provision for Gratuity	4,574,000	3,585,827
Provision for Annual Key Result Area	179,323	120,000
	4,753,323	3,705,827
9. Non-current Investments		
<i>(Unquoted, Investment in Equity shares)</i>		
A. Other Investments		
B2B Infotech Pte Ltd		
200,000 Equity Shares of Singapore Dollar 1 each, fully paid-up	5,510,797	5,510,797
Less: Provision for Diminution in the Value of Investment	(5,510,797)	(5,510,797)
	-	-
B2B Software Technologies Kassel GmbH		
(121,431 Euro)	6,250,862	6,250,862
Advances for Addl investment in Subsidiary Companies - Pending allotment		
B2B Software Technologies Kassel GmbH - Euro 5556	286,877	286,877
Less: Advance received against sale of investment in subsidiary	(1,292,636)	(1,292,636)
Less: Provision for Loss on Sale of Investment	(3,937,554)	(3,937,554)
Less: Provision for Diminution in the Value of Investment	(1,307,549)	(1,307,549)
	-	-
B2B Infotech SDN BHD		
(2,50,000 Equity Shares of Malaysian RM 1 each fully paid up)	548,856	548,856
Less: Provision for Diminution in the Value of Investment	(548,856)	(548,856)
	-	-
Total of Unquoted Investments	-	-
Total of Non-current Investments	-	-



Schedules forming part of the Balance Sheet 2012-13

8. Fixed Assets

Amount in Rupees

Description	Gross Block			Depreciation			Net Block		
	As at 01.04.2012	Additions during the period	Deletions/ Discarded during the period	As at 31.03.2013	As at 01.04.2012	For the period	Deletions/ Discarded during the period	As at 31.03.2013	As at 31.03.2012
i) Tangible Assets:									
OWN ASSETS:									
Computers	5,448,653	320,879	-	5,769,532	4,990,961	218,105	-	5,209,066	457,692
Furniture and Fixtures	947,785	-	-	947,785	687,785	62,714	-	750,499	260,001
Office Equipment	4,317,966	97,880	-	4,415,846	3,348,766	13,185	-	3,361,951	969,201
Vehicles	2,187,266	-	-	2,187,266	1,582,851	156,483	-	1,739,334	604,415
Sub-total(i)	12,901,670	418,759	-	13,320,429	10,610,362	450,488	-	11,060,850	2,291,308
ii) Intangible Assets									
Copy Rights	18,600	-	-	18,600	9,083	1,904	-	10,987	9,517
Sub-total(ii)	18,600	-	-	18,600	9,083	1,904	-	10,987	9,517
Total (i+ii)	12,920,270	418,759	-	13,339,029	10,619,445	452,392	-	11,071,837	2,300,825
Previous Year	12,263,169	444,220	339,195	12,368,194	9,344,170	959,437	211,395	10,092,212	2,275,982

**Schedules forming part of the Consolidated Accounts**

Amount in Rupees

	As at 31.03.2013	As at 31.03.2012
10. Long-term Loans and Advances		
Loan to B2B ESOP Trust	-	-
Deposits	6,000,000	6,000,000
	808,305	808,305
	6,808,305	6,808,305
11. Current Investments		
UTI Mutual Fund	519,513	519,513
ICICI Mutual Funds	3,092,710	4,096,641
Market Value Rs.		
Total Quoted Current Investments	3,612,223	4,616,154
(Aggregate market value of quoted investments - Rs.36,89,790)		
12. Inventories - Work in Progress	338,580	357,212
	338,580	357,212
13 . Trade Receivables		
(Unsecured and considered good)		
Debts outstanding for a period exceeding six months	3,137,837	3,098,763
Other debts	8,696,041	4,281,049
Less: Provision for Doubtful Debts	(3,098,763)	(3,373,410)
	8,735,115	4,006,402
14. Cash and Bank Balances		
Cash on hand	14,442	10,342
Balances with scheduled banks		
- On Current accounts	2,120,411	3,748,873
- On EEFC accounts	2,948,530	3,057,628
- On Fixed Deposit accounts	21,264,414	17,402,000
	26,347,796	24,218,843
15. Short-term Loans and Advances		
(Unsecured and considered good)		
Advances recoverable in cash or in kind for value to be received	2,741,522	4,262,695
	2,741,522	4,262,695



Schedules forming part of the Consolidated Accounts

Amount in Rupees

	As at 31.03.2013	As at 31.03.2012
16. Revenue from operations		
Export Income		
Sale of Software Products	1,253,630	2,067,665
Income from Consultancy Services	41,887,528	35,225,511
Domestic Income		
Sale of Software Products	8,021,386	10,216,366
Income from Consultancy Services	9,639,866	8,020,032
	60,802,410	55,529,574
17. Other Income		
Dividend from Mutual Fund	232,561	1,021,403
Interest on Deposits	1,851,178	291,326
Miscellaneous Income	289,657	336,940
Interest TDS Refund	191,205	117,033
Exchange Fluctuation Gain/ (Loss)	(121,101)	232,654
	2,443,500	1,999,356
18. Purchases of Software Products		
Software Products	4,755,418	6,667,365
	4,755,418	6,667,365
19. Employee benefit expenses		
Salaries, Wages and Bonus*	44,376,302	37,298,947
Contribution to Provident Fund and other Funds	2,143,591	1,953,052
Staff Welfare Expenses	1,940,563	2,123,983
	48,460,456	41,375,982
(* includes Managerial Remuneration Rs.14,60,640/-, Previous year Rs.14,60,640/-)		
20. Administrative and other Expenses		
Rent	1,792,302	1,667,250
Rates and Taxes	576,106	253,097
Insurance	38,372	189,832
Travelling Expenses	451,931	454,577
Communication Expenses		
- Internet Charges	381,737	412,822
- Telephone	201,031	265,658
- Postage & Courier	10,030	17,671
Printing and Stationery	20,681	26,796
Electricity Charges	831,422	803,066
Advertisement	60,780	55,391
Repairs and Maintenance		
- Machinery	282,420	212,705
- Vehicles-	461,460	243,805
Professional and Consultancy Charges	460,968	430,489
Commission & Brokerage		140,975
Statutory Audit Fee	120,000	60,000
Tax Audit Fee	20,000	20,000
Certification Fee		
Directors Sitting Fee	55,000	45,000
Bad Debts	-	2,849,176
Membershipfee,Meeting&Seminar Charges	218,502	226,002
Security Charges	145,626	146,000
Office Maintenance	772,694	641,230
Exchange Fluctuation Loss		-
Loss on Sale of Fixed Assets		100,200
	6,901,062	9,261,742



Notes to Financial Statements:

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

21. List of subsidiaries considered for consolidation:

S.No	Name of the Subsidiary Company	Country of Incorporation	Extent of Holding (%) as on March 31, 2013
1	B2B softech Inc	USA	100

The reporting date for the above company is March 31

22. 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) Key Managerial Person (KMP)

Name of the party

Dr. Ram Nimani

Relation

Director

d) Parties where key managerial person has significant influence

Name of the party

Genious Doc Inc

KMP

Dr.Ram Nimani

Relation of KMP

Director

ii) Transactions during the year

Name of the Related party

(a) With Genius Doc Inc

Consultancy Services

Year ended

31-Mar-13

(Amount in Rupees)

Year ended

31-Mar-12

20,380,715

16,811,007

(b) With Key Management Personnel

Managerial Remuneration

1,460,640

1,460,640

iii) Balances Outstanding at the Year End

Name of the Related party

(a) With Genius Doc Inc

Receivables

5,230,797

2,865,455

(b) With Key Management Personnel

Managerial Remuneration

1,460,640

1,460,640

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	2,657,950	(874,834)
Weighted average number of equity shares	11,585,400	11,585,400
Basic and diluted Earning Per Share	0.23	(0.08)
(Nominal value of equity shares: Rs. 10 each)		

26. 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.

27. 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.

28. 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.

(All amounts in Indian Rupees Lakhs)

Sl.No	Particulars	For the Year ended 31/3/2013 Audited	For the Year ended 31/3/2012 Audited
1	Segment Revenue		
	a) India	431.53	422.08
	b) USA	176.49	133.22
	Total	608.02	555.30
	Less : Inter segment revenues	-	-
	Net Segment Revenue	608.02	555.30
	Segment Results before tax and interest		
	a) India	(2.31)	(29.36)
	b) USA	4.46	0.71
	c) Other Income	24.43	19.99
	Total	26.58	(8.65)
	Less : Interest Expenses	-	0.09
	Less : Other un-allocable expenditure net off un-allocable income.	-	-
	Total Profit/(Loss) Before Tax	26.58	(8.75)
	Capital Employed		
	a) India	338.47	316.34
	b) USA	41.15	34.50
	Total	379.62	350.84

29. 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. As per our report of even date

For Umamaheswara Rao & Co.,
Chartered Accountants.

Firm Registration No: 0044535

R.R.Dakshinamurthy

Partner

Membership No: 211639

Place : Hyderabad

Date: 06-04-2013

On behalf of the Board of Directors

V.V.Nagendra
Managing Director

Dr.Y.Satyanarayana
Director

**Notes to Financial Statements**

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

1 Nature of operations

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

2 Significant Accounting Policies**2.1 Accounting convention**

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

2.2 Use of estimates

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

2.3 Cash flows

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

2.4 Revenue recognition

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

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

2.5 Fixed assets

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

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

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

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

2.6 Foreign currency transactions

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

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

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

2.7 Inventory

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

2.8 Investments

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

2.9 Earnings per share

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

2.10 Provisions and contingencies

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

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



Amount in Rupees

Cash Flow Statement for the year ended March 31, 2013	31.03.2013	31.03.2012
A. Cash Flows from Operating Activities		
Net profit/(loss) before tax	2,657,950	(874,834)
Adjustments for :		
Interest	-	9,335
Depreciation	452,392	959,437
Income from Investment - Dividends	(232,561)	(1,021,403)
Interest on Fixed Deposit	(1,851,178)	(291,326)
Exchange differences on translation of foreign currency cash and cash equivalents	121,101	(232,654)
Loss on Sale of Fixed Assets	-	100,200
Operating profit before working capital changes	1,147,704	(1,351,245)
Adjustments for changes in working capital :		
(Increase)/Decrease in Accounts Receivables	(4,728,713)	2,770,475
(Increase)/Decrease in Loans and Advances	1,521,173	1,204,122
(Increase)/Decrease in Work in Progress	18,632	123,432
Increase / (Decrease) in Trade and Other Payables	376,028	(677,754)
Increase / (Decrease) in Provision	1,047,496	
Cash generated from operations	(617,681)	2,069,030
Interest received from Fixed Deposit	1,851,178	291,326
Net Cash from Operating Activities	1,233,497	2,360,356
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(418,759)	444,220
Purchase of Mutual Funds	(1,896,069)	2,403,359
Sale of Fixed Assets	2,900,000	(27,600)
Income from Investment - Dividends	232,561	1,021,403
Net Cash used in Investing Activities	817,733	3,841,382
C. Cash Flows from Financing Activities		
Increase/(Decrease) in Secured Loans		(215,323)
Interest paid		(9,335)
Net Cash from/(used in) Financing Activities	-	(224,658)
D. Exchange differences on translation of foreign currency cash and cash equivalents	77,723	292,801
Net Increase in Cash and Cash equivalents during the year (A + B + C + D)	2,128,954	6,719,198
Cash and Cash equivalents at the beginning of the year	24,218,843	17,499,646
Cash and Cash equivalents at the end of the year	26,347,797	24,218,844

Note :

- The above cash flow statement has been prepared using the 'Indirect method' as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

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

R.R.Dakshinamurthy
Partner
Membership No: 211639

Place: Hyderabad
Date: 06-04-2013

On behalf of the Board of Directors

V.V.Nagendra
Managing Director

Dr.Y.Satyanaryana
Director



DIRECTORS' REPORT

To,
The Members,
B2B Softech Inc.,

Your Directors present this Annual Report for the financial year ended March 31, 2013

OPERATIONS:

The company has earned a profit of \$ 963 during the year under review. The company is in process of developing and marketing a new product, which will be completed and sold in the future.

FINANCIAL RESULTS

Table with 3 columns: PARTICULARS, 2012 - 2013, 2011 - 2012. Rows include Total Income, Expenditure, Profit/(Loss) before tax, Less: Provision for tax, Profit/(Loss) after tax, Minority interest in subsidiary's losses, Net Income/(Loss).

DIRECTORS

Dr. Ram Nemani is the Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956 the Board of Directors of the Company hereby confirm that:

- i) in the preparation of the Annual Accounts for the year ended March 31st, 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the year ended on March 31st, 2013;

- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) annual accounts have been prepared on a going concern basis.

AUDITORS

Accuretta, Inc., Certified Public Accountants of the Company retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. The Board recommends their re-appointment.

ACKNOWLEDGEMENTS

Your Directors thank all the Customers, Members and Employees for their valuable support and confidence in reposed in the Company.

For and on behalf of the Board

Place : California
DATE : April 2, 2013

DR. RAM NEMANI
Director

AUDITORS REPORT

Accuretta, Inc.
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
B2B Softech Inc.
9001 San Fernando Rd
Sun Valley, Ca 91352

We have audited the accompanying balance sheet of B2B Softech Inc. as of March 31, 2013 and the related statements of operations, stockholders' equity and cash flows for the year ended March 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of B2B Softech Inc., as of March 31, 2013 and the results of its operations and its cash flows for the year ended March 31, 2013 in conformity with generally accepted accounting principles.

Sd/-
Accuretta, Inc.,
CERTIFIED PUBLIC ACCOUNTANTS
Sherman Oaks, California.
April 2, 2013.

5900 Sepulveda Blvd, Suite 435, Sherman Oaks, California 91411
Telephone 818 - 782 - 1080 Fax 818 - 514 - 2315

BALANCE SHEET MARCH 31, 2013

ASSETS

Table with 2 columns: Description, Amount. Rows include Current Assets (Cash, Account Receivables, Total Current Assets), Property and Equipment, net of Accumulated Depreciation & Amortization, Total Assets.

LIABILITIES AND STOCKHOLDERS' EQUITY

Table with 2 columns: Description, Amount. Rows include Stockholders Equity (Common stock, outstanding, Retained Earnings, Total stockholders' equity), Total Liabilities and stockholders equity.

See accompanying independent auditors' report and notes to consolidated financial statements.



**STATEMENT OF INCOME FOR THE
YEAR ENDED MARCH 31, 2013**

	Amount	Percent
Net Revenues	\$ 3,36,340	100.0%
Cost of Revenues	13,845	4.1
Gross Profit	3,22,495	95.9
Operating Expenses	3,21,532	95.6
Net Income/(Loss)	\$ 963	0.3%

**STATEMENT OF STOCKHOLDERS' EQUITY FOR THE
YEAR ENDED MARCH 31, 2013**

Balance at April 1, 2012	\$ 67,438
Net Income for the year ended March 31, 2013	963
Balance at March 31, 2013	<u>\$ 68,401</u>

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2013
INCREASE/ (DECREASE) IN CASH AND CASH
EQUIVALENTS**

Cash flow provided by (used for) operating activities:	
Net income	\$ 963
Adjustments to reconcile net income to net cash	
Provided by (used for) operating activities –	
Depreciation and amortization	\$ 6952
Changes in assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable	(10,567)
Increase (decrease) in liabilities –	
Accounts payable	(117)
Total adjustments	(3,732)
Net cash provided from operating activities	2,769
Cash Flows provided from investing activities:	
Net Increase in Cash	2,769
Cash and Cash equivalents, beginning of period	56,980
Cash and Cash equivalents, end of period	<u>\$ 54,211</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2013**

1) Summary of Significant Accounting Policies:

General:

B2B Softech Inc (the "Company") was incorporated under the laws of state Of California, on June 19, 2000.

The Company is a 100% owned subsidiary of B2B Software Technologies Ltd, a company in India.

Business Activity:

The company designs, develops, markets, and exports proprietary software products to customers worldwide. The Company also provides training and consulting services in exchange for fees from customers. The company also imports Hardware & Other products for sale.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value:

Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments, none of which are held for trading purposes, approximate carry values of such amounts.

Cash Equivalents:

For purposes of the statement of cash flows, cash equivalents include all highly liquid debt instruments with original maturities of three months or less which are not securing any corporate obligations.

2) Major Customers:

During the year ended March 31, 2013, one customers accounted for 100% of the total sales of \$3,36,340 this customer owned approximately \$ 10, 567 as of March 31, 2013.

3) Property and Equipment:

A Summary is as follows:

Office Equipment	\$ 42,749
Furniture & Fixtures	5,902
Software	1,956
Capitalized costs of new product line	30,000
	<u>80,607</u>
Less accumulated depreciation and amortization	76,984
	<u>\$ 3,623</u>

Depreciation amortization expenses related to property and equipment is \$6,952 for the year ended March 31, 2013.



4) **Stockholders' equity:**

The company is authorized to issue 1,000,000 shares with a par value of \$1.00. The company has 72,000 shares issued to B2B Software Technologies Ltd., (the parent company in India)

SCHEDULE OF COST OF SALES AND OPERATING EXPENSES FOR THE YEAR ENDED MARCH 31, 2013

	Amount	Percent
Cost of Sales:		
Contract Labor	\$ 13,845	4.1%
General and administrative:		
Salaries & Payroll Taxes	3,04,794	90.6
Bank Charges	1,898	0.5
Depreciation	6,952	2.0
Legal & Accounting	1,200	0.4
Auto & Truck Expenses	825	0.3
Supplies	1246	0.4
Taxes	2,746	0.8
Telephone	946	0.3
Travel	924	0.3
	<u>\$ 3,21,532</u>	<u>95.6%</u>

Accuretta, Inc.
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
B2B Softech Inc.,
9001 San Fernando Rd.
Sun Valley, CA-91352

The supplemental information for the year ended March 31, 2013, continued on page 9 is presented only for supplementary analysis purposes and is the representation of the Board of Directors and management of B2B Softech Inc. Such information has been subjected to the generally accepted accounting principles applied in the audit of the basic financial statements, and we are not aware of any material modification that should be made to the supplemental information in order for it to be in conformity with accounting principles generally accepted in the United States of America.

Sd/-

Accuretta, Inc.
CERTIFIED PUBLIC ACCOUNTANTS
Sherman Oaks, California
April 2, 2013.



B2B SOFTWARE TECHNOLOGIES LIMITED

Regd. Office: 6-3-1112, 3rd and 4th Floor, Behind Westside Showroom,
Near Somajiguda Circle, Begumpet, Hyderabad - 500 016.

ATTENDANCE SLIP

I hereby record my presence at the Nineteenth Annual General Meeting of B2B SOFTWARE TECHNOLOGIES LIMITED being held at its Registered Office : 6-3-1112, 3rd and 4th Floor, Behind Westside Showroom, Near Somajiguda Circle, Begumpet, Hyderabad - 500 016, on Monday the 30th day of September, 2013 at 11.00 a.m.

Name of the Member : _____
(In Capital Letters)

Name of the Proxy : _____
(In Capital Letters)

Member's/Proxy signature : _____

Registered Folio No: : _____ Client ID : _____ DP ID : _____

NOTE :

Shareholder/Proxy holder wishing to attend the meeting must bring this Attendance Slip to the meeting and hand over the same at the entrance duly signed.



B2B SOFTWARE TECHNOLOGIES LIMITED

Regd. Office: 6-3-1112, 3rd and 4th Floor, Behind Westside Showroom,
Near Somajiguda Circle, Begumpet, Hyderabad - 500 016.

PROXY FORM

I/We _____ of _____ in the district of _____
being a Member/Members of the above named
Company, hereby appoint _____ of _____ in
the district of _____ failing him _____
of _____ in the district of _____

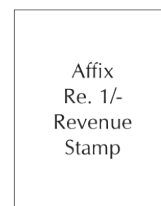
as my/our proxy to attend on my/our behalf at the Nineteenth Annual General Meeting of B2B SOFTWARE TECHNOLOGIES LIMITED being held at its Registered Office : 6-3-1112, 3rd and 4th Floor, Behind Westside Showroom, Near Somajiguda Circle, Begumpet, Hyderabad - 500 016, on Monday the 30th day of September, 2012 at 11.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Signature _____


Registered Folio No. _____ Client ID : _____

No. of Shares _____ DP ID : _____



NOTE: This Proxy form duly completed should be deposited at the Registered Office of the Company not later than 48 (Forty-Eight) hours before the time fixed for holding the Meeting.

Form A

1.	Name of the Company	B2B SOFTWARE TECHNOLOGIES LIMITED
2.	Annual financial statement for the year ended	31 st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	<p>To be signed by-</p> <ul style="list-style-type: none"> • CEO/Managing Director • Auditor of the Company • Audit Committee Chairman 	<p>B2B Software Technologies Ltd. <i>V.V. Nagendra</i> Managing Director V.V.Nagendra</p> <p><i>R.R. Dakshinamurthy</i> R.R.Dakshinamurthy Partner Umamaheswara Ra & Co., </p> <p><i>Dr. Y. Satyanarayana</i> Dr. Y. Satyanarayana </p>