

CLOUD
Technologies



Integrating People, Process & Technology

10TH
annual report
2013



Mobile
Solutions



Infrastructure
Management

Transforming lives

Vision & Mission

To be a choice of providers in the SMB market segment for cloud enablement services, by 2015

"Provide Innovative Managed IT Services at a Committed Quality and Optimal Cost leveraging Technology, Thought Leadership and Global Delivery Model"

Core values

- ✓ Entrepreneurship
- ✓ Integrity
- ✓ Pursuit of Excellence

GSS Infotech – A Snapshot

- ✓ One of the fastest growing Managed IT Services company
- ✓ A Global organization with operations in US, India & ME
- ✓ Strong Business Acumen with Technology Leadership
- ✓ World-class delivery engine delivering solutions to Fortune 500 companies and Global 1000 companies
- ✓ SEI-CMMi Level-5 company, ITIL compliant processes, ISO 9001 and 27001 certifications
- ✓ Ranked in Forbes Asia's best 200 under \$ 1 billion companies in 2010 for the third consecutive year after 2008 and 2009
- ✓ Global Operations Command Center (GOCC) and remote delivery center in Hyderabad, India
- ✓ Empowering SMEs globally, through 9 Business /Development Centers
- ✓ Best-in-class top tier technology alliances and domain intensive Centers of Excellence
- ✓ 7 Acquisitions in the last five years

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Corporate Information

Board of Directors

Patri Venkata Rama Krishna Prasad
Chairman, Non-Executive & Independent Director
Bhargav Marepally
CEO & Managing Director
Ramesh Yerramsetti
Non-Executive Director
Keerthy Jaya Tilak
Non-Executive & Independent Director
Mark Silgardo
Non-Executive Non-Independent Director
Madhukar Sheth
Non-Executive Non-Independent Director
Javed Faizullah Tapia
Non-Executive Non-Independent Director
Farokh Kekhushroo Banatwalla
Non-Executive & Independent Director
Company Secretary & Compliance Officer
R.S.Kalyan Bhaskar
Bankers
Bank of India
Axis Bank Limited
ICICI Bank Limited

Committees of Board of Directors

Audit Committee
P.V.R.K. Prasad
Bhargav Marepally
Keerthy Jaya Tilak
Remuneration Committee
P.V.R.K. Prasad
Ramesh Yerramsetti
Keerthy Jaya Tilak
Share Transfer and Shareholders'/ Investors' Grievance Committee
Bhargav Marepally
Ramesh Yerramsetti
Keerthy Jaya Tilak
Auditors
M/s. Sarath & Associates
Chartered Accountants, 4 th floor, Mass heights,
H.NO.8-2-577/B, Road No.8, Banjara Hills,
Hyderabad-500034
Registered Office
Cyber Pearl, Block '2', 5th Floor - 01,
Madhapur, Hyderabad - 81, India.
Ph: +91 40 44556600
Fax: +91 40 40028703
www.gssinfotech.com
Registrar and Share Transfer Agents
Bigshare Services Private Limited
E/2, Ansa Industrial Estate, Saki Vihar Road,
Saki Naka, Andheri (E), Mumbai – 400 072, India
Tel: +91 22 2847 3747
Fax: +91 22 2847 5207

Notice of Annual General Meeting (AGM)

Notice is hereby given that the Tenth Annual General Meeting (AGM) of the members of GSS Infotech Limited will be held on Friday, July 19th 2013 at 10.00 A.M at Ellaa Suites, Jasmine Banquet Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad 500 032 to transact the following business:

Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at 31st March 2013, the Statement of Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Keerthy Jaya Tilak, who retires by rotation, and being eligible, offers himself for Re-appointment.
3. To appoint a Director in the place of Mr. Mark Silgardo, who retires by rotation, and being eligible, offers himself for Re-appointment
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s.Sarath & Associates, Chartered Accountants (Registration No. 005120S), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

Special Business

5. **APPOINTMENT OF MR.JAVED FAIZULLAH TAPIA AS A DIRECTOR LIABLE TO RETIRE BY ROTATION.**
To consider and if thought fit, to pass, with or without any modification(s), if any, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr.Javed Faizullah Tapia be and is hereby appointed as a Director of the company, liable to retire by rotation.
6. **APPOINTMENT OF MR. FAROKH KEKHUSHROO BANATWALLA AS A DIRECTOR LIABLE TO RETIRE BY ROTATION.**
To consider and if thought fit, to pass, with or without any modification(s), if any, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Farokh Kekhushroo Banatwalla be and is hereby appointed as a Director of the company, liable to retire by rotation.
7. **APPROVAL FOR ISSUANCE OF RESTRICTED EMPLOYEE STOCK OPTION PLAN – 2013**
To consider and if thought fit, to pass, with or without any modification(s), if any, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956(including any modification or re-enactment thereof for the time being in force, and in accordance with the provisions of the Memorandum of Articles of Association of the Company, the listing agreements with the Stock Exchanges and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and other rules and regulations, prescribed by the Securities and Exchange Board of India ("SEBI") or

any other relevant authority, from time to time, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board to introduce and implement the Employee Stock Options Scheme (ESOS) as detailed in explanatory statement to this notice and to create, grant, offer issue and allot, to directly or through allotment to the trust created/to be created for this purpose, or to utilize the shares held by the Trust created for this purpose, for the benefit of such person(s) who are in the permanent employment of the Company and the "Directors (including whole-time Directors) of the Company (hereinafter collectively referred to as the "Employees") equity shares of the company and/or options giving right to purchase such number of equity shares of the company, at such price, in such manner, during such period in one or more tranches and on such terms and conditions as the Board may decide upto a limit not exceeding 20,00,000 equity shares of Rs.10/- each.

RESOLVED FURTHER THAT the maximum number of Securities issued/granted in terms of this resolution, to any single Employee (including any Director) during any one year shall be less than one percent of the issued and paid-up equity shares of the company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to formulate, evolve, decide upon and bring into effect the ESOS on such terms and conditions as contained in the Explanatory Statement to this Item in the Notice and to make any modification(s), changes, variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOS from time to time including but not limited to, amendment(s) or revision(s) in the terms and conditions of the ESOS from time to time including but not limited to amendment(s) with respect to vesting period and schedule, number of options, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the ESOS.

RESOLVED FURTHER THAT the shares may be allotted in accordance with the ESOS either directly and/or through an existing trust or a trust which may be set up and/or in any other permissible manner and that the ESOS may also envisage for providing any financial assistance to the trust to enable the trust to acquire, purchase or subscribe the Securities of the Company as per the ESOS.

RESOLVED FURTHER THAT subject to the terms stated herein, the equity shares allotted pursuant to the aforesaid Resolution shall in all respects rank pari passu inter se with the then existing equity shares of the company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of Securities, without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval there to expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of Directors with a power to further delegate to any executives/officers of the company to do all such acts, deed, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard.

RESOLVED FURTHER THAT all the lapsed options will be added back to ESOS pool and the Board be and is hereby authorised to allot these lapsed options to the eligible employees as per the ESOS Scheme.

8. EXTENSION OF THE RESTRICTED ESOS SCHEME 2013 TO THE SUBSIDIARY COMPANY EMPLOYEES

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:



"RESOLVED THAT in accordance with the provisions contained in the Articles of Association and Sections 81(1A) and all other applicable provisions of the Companies Act, 1956 ("the Act") and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committees thereof), consent of the members be and is hereby accorded to the Board to extend the benefits of Employees Stock Option Plan proposed in the Resolution under Item no.7 in this Notice to the eligible employees/ directors of the subsidiary companies, and/or to such other persons, as may from time to time be allowed under prevailing laws, rules and regulations, and/ or amendments thereto from time to time, on such terms and conditions as may be decided by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of Securities, the Board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company".

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of Directors with a power to further delegate to any executives/officers of the company to do all such acts, deed, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard

RESOLVED FURTHER THAT all the lapsed options will be added back to ESOS pool and the Board be and is hereby authorised to allot these lapsed options to the eligible employees as per the ESOS Scheme."

By Order of the Board of GSS Infotech Limited

Place: Hyderabad
Date: 30th May, 2013

Sd/-
R.S.Kalyan Bhaskar
Company Secretary & Compliance Officer

Notes:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVE BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In terms of the Article 106 of the Articles of Association of the Company, and in accordance with Section 255 & 256 of the Companies Act, 1956, Mr. Keerthy Jaya Tilak and Mr. Mark Silgado will retire by rotation at the Annual General Meeting of the company and being eligible, offer themselves for re-election. Additional information pursuant to Clause 49 of the Listing Agreement with Stock Exchanges of those directors retiring by rotation and seeking reappointment at Annual General Meeting is given in the notes to this notice.
4. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the special business is annexed hereto.

5. Members/proxies are requested to bring their copy of the Annual Report and duly filled in attendance slips to the meeting. The form of attendance slip is given at the end of this Annual Report.
6. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days of the Company between 11:00 am to 1:00 pm up to the date of the Annual General Meeting and at the venue of the Meeting for the duration of the Meeting.
9. The members may inspect the register of directors' shareholding maintained under section 307 of the Companies Act, 1956 at the venue of the Tenth Annual General Meeting and at the registered office of the Company.
10. In respect of holding of shares in electronic form, members are requested to notify any change of address or bank account details to their respective Depository Participants. Members holding shares in electronic form may please note that their bank details as furnished to the respective Depositories will be printed on their Dividend Warrant as per the applicable regulations.
11. Members having share certificates in physical form are requested to update immediately bank details and change of address, if any, to the Company's Registrar and Share Transfer Agent enabling the Company to dispatch the dividend warrants at their correct address.
12. Members who still hold shares certificates in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which include easy liquidity, since trading is permitted in dematerialized form only, electronic transfer, saving in stamp duty and elimination of any possibility of documents and bad deliveries.
13. Members desirous of obtaining any clarification on queries concerning accounts and operations of the Company are requested to address their questions in writing to the Company Secretary, at least seven days before the date of the Tenth Annual General Meeting.
14. The register of members and the share transfer books will remain closed from Monday, 15th July, 2013 to Friday, 19th July 2013 (both days inclusive) for the purpose of Annual General Meeting

Explanatory Statement Pursuant to the provisions of Section 173(2) of the Companies Act, 1956

Item No 5 :

Mr.Javed Faizullah Tapia was co-opted as an Additional Director of the company with effect from 14th February, 2013, pursuant to section 260 of the Companies Act 1956, read with article 102 of the articles of association of the company. Mr.Javed holds office of a Director up to the date of commencement of forthcoming Annual General Meeting. The company has received a notice in writing from a member proposing the candidature of Mr.Javed for the office of a Director under the provisions of section 257 of the Companies Act 1956. None of the Directors of the company other than Mr.Javed is interested or concerned in the resolution.

Item No 6 :

Mr. Farokh Kekhushroo Banatwalla was co-opted as an Additional Director of the company with effect from 30th May, 2013, pursuant to section 260 of the Companies Act 1956, read with article 102 of the articles of association of the company. Mr.Farokh holds office of a Director up to the date of commencement of forthcoming Annual General Meeting.

The company has received a notice in writing from a member proposing the candidature of Mr.Farokh for the office of a Director under the provisions of section 257 of the Companies Act 1956. None of the Directors of the company other than Mr.Farokh is interested or concerned in the resolution.

Item No.7 & 8 :

To attract talented employees / Directors, it is necessary to provide incentive to the employees to remain with the company and to reward them with the opportunities to have a share in the success of the company. To achieve this objective, it is proposed to grant an option to the employees to subscribe to the shares of the company.

The SEBI Guidelines have provided a conductive environment for the implementation of an Employee Stock Option Scheme. The Company proposes to introduce the following Stock Option Scheme for the benefit of employees of the Company, its Directors, and such other persons / entities as may be prescribed by SEBI from time to time, and in accordance with the provisions of prevailing regulations.

Employee Stock Option Scheme

Under this scheme, employees will be granted an option to acquire a certain number of equity shares at a Price as mentioned hereinafter. The broad terms and conditions of the Scheme are as under:

The Company's Compensation Committee, which is a committee of the Board of Directors, and consisting of a majority of independent Directors, will be responsible for administration and superintendence of the ESOS. The Compensation Committee will formulate the detailed terms and conditions of the ESOS; Compensation Committee will specify, inter alia, the following.

1. Quantum of options to be granted under the Scheme per employee.
2. Conditions under which options vested in employees may lapse in case of termination of employment for misconduct.
3. Time period within which an employee may exercise vested options in the event of termination or resignation.
4. The exercise period within which the employee should exercise the options and that option would lapse on failure to exercise the options within the exercise period.
5. Rights of employees to exercise all the vested options at one time or at various points of time.
6. Procedure for making a fair and reasonable adjustment to the number of options and to the exercise period, in case of rights issues, bonus issues, other corporate actions, or otherwise.
7. Lock-in period for the shares issued pursuant to exercise of the options, if any.
8. Any other related or incidental matters.

The following is the explanatory statement, which sets out the various disclosures as required by clause 6 of the SEBI Guidelines.

The salient features of the Scheme are as under:

1. The total number of options to be granted:

The total number of options to be granted under this scheme cannot exceed 20,00,000 i.e.14 % of the issued equity share capital of the Company as on date or such additional quantity as may be required on account of Corporate Action. The options which lapse/expire or are forfeited will be available for grant to the eligible employees.

One option would be entitle the holders of the options a right to apply for one equity share of face value of Rs. 10/- each and / or equity linked instrument including any depository receipt entitling for one equity share of Rs. 10/- each of the company, as may be decided by the Board. The option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner. The Committee has power to choose the quantum of options for each of the plans.

2. Identification of classes of employees entitled to participate in the ESOS

Employees entitled to participate in the ESOS are:

- a. Persons as are in the permanent employment of the company in such grade and with such experience / association with the company, as may be decided by the board / committee.
- b. Directors (Including whole – time Directors) of the company at any time.
- c. Such other persons, as may from time to time, be allowed under prevailing laws and regulations and as may be approved by the board for this purpose.

Above persons are referred herein collectively as the "Eligible Employees"

An employee who is a promoter or belongs to promoter group or a director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10 percent of the outstanding equity shares of the company at the time of granting of option shall not be eligible to participate in ESOS.

3. Requirements of vesting, period of vesting and maximum period of vesting

There shall be a minimum period of one year between the grant of options and vesting of options. The Vesting of options may be spread over a period of seven years from the date of grant. The committee is empowered to implement and decide the vesting schedule to suit the needs of the organization.

The options may vest in tranches subject to the terms and conditions as may be stipulated by the Committee, which may include satisfactory performance of the Employee/Directors and their continued employment with the company, as the case may be, unless such employment is discontinued on account of death, permanent/total disability or on retirement.

If the employee/Director voluntarily terminates employment with the Company, the options to the extent not vested shall lapse/expire and be forfeited forthwith. However, this shall not be applicable to the employee/Director (including whole time Director) of the company who has resigned or who may resign from time to time to join in the subsidiary companies or as approved by the Committee.

4. Exercise price or pricing formula

The exercise price shall be Market Price less 10% discount, subject to a minimum price of par value.

5. Exercise period and the process of Exercise

The exercise period shall commence from the date of vesting, and will expire not later than seven years from the date of first vesting. The options will be exercisable by the Eligible Employees by a written application to the Committee to exercise the options, in such manner, and on execution of such documents, in such manner, as may be prescribed by the Compensation Committee from time to time. The options will lapse if not exercised within the specified exercise period.

6. Process for determining the eligibility of employees to ESOS

The process for determining the eligibility criteria for the eligible employees will be specified by the Compensation committee, and will be based on, such criteria such as length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential., etc., and such other factors as may be appropriate as may be decided by the Compensation Committee, in its discretion, from time to time.

7. Maximum number of options to be issued per employee and in aggregate

The maximum number of options granted per an eligible employee will not exceed 1% of the Shares of the Company in any financial year and shall not be more than 5% in aggregate to a single employee.

8. Disclosure and Accounting Policy

The company shall comply with the disclosure and accounting policies prescribed by Securities and Exchange Board of India (SEBI) and any other appropriate authority, from time to time.

9. Method of Valuating the Options

The company will adopt the intrinsic value method to value the options granted under the Scheme.

10. Disclosure in Director's Report

The Company calculates the Employee Compensation cost using the intrinsic value of the Stock Options, the difference between the employee compensation cost so computed and the employee compensation cost that would have been recognized if it had used the fair value of the options and its impact on the profits and earnings per shares would be disclosed in the Directors' Report. The fair value method would be determined using the Black Scholes Model.

As the Scheme will entail further shares to be offered to persons other than existing shareholders of the company, consent of the members is sought pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Act, and as per the requirement of SEBI Guidelines.

The Options to be granted under the Plan shall not be treated as an offer or an invitation made to public for subscription in the securities of the company.

The Directors other than i) Promoter Director and (ii) those directors if any, holding directly or indirectly more than 10% of the outstanding equity shares of the company, namely, Mr.Bhargav Marepally, Mr.Ramesh Yerramsetti, and Mr.Madhukar Sheth shall be deemed to be interested or concerned in passing of this resolution to the extent of benefit they may derive under the Scheme.

The Board accordingly recommends the resolution for approval of the members as a special resolution.

By Order of the Board of GSS Infotech Limited

Sd/-

R.S.Kalyan Bhaskar

Company Secretary & Compliance Officer

Place: Hyderabad
Date: 30th May, 2013

**Details of the Directors seeking re-election / appointment at the ensuing AGM as per Clause "49 IV G" of the listing agreement
Item no.2, 3, 5 & 6**

Name of the Director	Mr.Keerthy Jaya Tilak	Mr. Mark Silgardo	Mr.Javed Faizullah Tapia	Mr.Farokh Kekhushroo Banatwalla
Brief resume and details of expertise in their functional areas	Mr.Keerthy Jaya Tilak is an IIM Graduate. He has 35 years of experience in marketing, developing marketing strategies, establishing systems and procedures & business promotion. He has worked with Escorts Ltd, LML Ltd, Essar Group and Nagarjuna group. He has been a part of many projects for SMEs for Project Funding, Product Launches & Mergers rehabilitation, New Product	Mr. Mark is a Senior Managing Partner at IIML and has over 28 years of experience across the financial Services Industry. Mark has held senior positions with Banque Nationale de Paris, ANZ Grindlays. He subsequently headed Kotak Mahindra Capital Company and as Director, Corporate Finance of ABN Amro and Price WaterhouseCoopers, he led M&A transactions with deal sizes ranging from \$25 million to \$500 Million. Mark holds an MBA in International Finance from University of Rochester, New York, and a post graduate marketing degree in Marketing from IIM Ahmedabad	Mr.Javed, an entrepreneur, is a MBA from the Fuqua School of Business-Duke University, USA. He has over 18 years of experience in founding and steering a number of different ventures under the Clover Group of Companies, which has interests ranging from Information Technology to Real Estate Development, Infrastructure and Renewable Energy. Javed is also the founder of Duke University's Fuqua Alumni Club in India and serves on the interview panel for prospective applicants to Fuqua School of Business.	Mr.Farokh is holding L.L.B and CAIIB(I) from a premier institute and having 38 years of experience with Indian and foreign banks. He is an advisor for various business group engaged in Finance, Manufacturing and Real estate.

Name of the other companies in which the person also holds the directorship and the membership of committees of the Board	a) Jaytee Management Consultants Pvt. Ltd	a) The mobile store services private ltd b) Quickjet Cargo Airlines Pvt ltd c) IIML Asset advisors Pvt ltd d) Karuturi Global Limited e) SFO Technologies Private Limited f) Jyothi Fabricare services limited g) Network Systems and Technologies Pvt Ltd Nest Hi-Tech Park Pvt Ltd	a) Bevery Hills Realty Private Limited b) Bayside properties Pvt ltd c) Clover estates Pvt ltd d) Clover Holdings and trading pvt ltd e) Clover housing development pvt ltd f) Clover infotech pvt ltd g) Clover livestock pvt ltd h) Clover realty and infrastructure pvt ltd i) Clover solar pvt ltd j) Clover technologies pvt ltd k) Clover transaction systems pvt ltd l) Cordial agro farms pvt ltd m) Corniche farms pvt ltd n) Corniche realty pvt ltd o) Delta magnets ltd p) Deluxe developers pvt ltd q) Hexagon renewabale energy resources pvt ltd r) Intertrade mercantile co.pvt ltd s) Logical properties pvt ltd t) MMG india pvt ltd u) Sanguine fresh farms pvt ltd v) Sienna renewable energy resources pvt ltd w) Voyager renewable energy resources pvt ltd x) Worthwhile properties pvt ltd	a) Josts Engineering Company Ltd b) Oil filed instrumentation (I) Pvt ltd c) Simmonds Marshall Ltd d) Clover Infotech Pvt Ltd e) Gramos Chemicals India Pvt Ltd f) Sameera Developers Pvt Ltd g) Clover Realty & Infrastructure Pvt Ltd h) Bullows India Pvt Ltd i) Bullows Paint equipments pvt ltd j) worth while properties pvt ltd k) Uni-Abex Alloy Products Ltd l) Logical Properties Pvt Ltd m) Amalfi Realty Pvt Ltd
Shareholding in the company	NIL	NIL	450916	NIL

DIRECTOR'S REPORT

Dear Members,

We are delighted to present the report on our business and operations for the financial year ended March 31, 2013

I. FINANCIAL RESULTS

The Company's financial results (consolidated & standalone) for the year ended 31st March 2013 is provided in the Annual Report.

Consolidated Revenues of the Company for the year ended 31.03.2013 is R294.30 Crores and standalone revenues of the company is R39.88 Crores.

The Consolidated Profit After Tax of the company for the year ended 31.03.2013 is R(5.94) Crores and Standalone Profit After Tax is R(4.94)Crores.

Particulars	GSS Infotech Limited (Standalone)		GSS Infotech Limited and its subsidiaries (consolidated)	
	Year ended (Rs.in Crores)		Year ended (Rs.in Crores)	
	31.03.2013	31.03.2012*	31.03.2013	31.03.2012*
Total Income	41.91	46.45	296.46	296.86
Gross Profit	13.18	6.84	31.77	31.19
Profit (+)/Loss (-) from Ordinary Activities before tax	2.99	(6.42)	1.60	(9.30)
Net Profit (+)/ Loss (-) from Ordinary Activities after tax	(4.94)	(15.49)	(5.94)	(50.98)
Paid-up equity share capital(Face Value. R10/- each)	14.13	14.13	14.13	14.13
Reserves and Surplus	270.04	274.99	293.66	285.25
Earnings Per Share	(3.49)	(10.96)	(4.20)	(36.06)

*for the nine months ended 31st March 2012

II. DIVIDEND

The Directors did not recommend any dividend for the year ended 31st March 2013.

III. FIXED DEPOSITS

During the year under review, the Company has not accepted any deposit under Sections 58A and 58AA of the Companies Act, 1956 read with the Companies (acceptance of Deposits) Rules, 1975.

IV. DIRECTORS

Mr. Keerthy Jaya Tilak and Mr. Mark Silgado, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

During the financial year Mr. Javed Faizullah Tapia appointed as an Additional Director on the Board with effect from 14 February 2013 and holds office up to the commencement of forthcoming Annual General Meeting and in respect of whom the company has received a notice in writing from a member under section 257 of the Companies Act 1956 proposing his candidature to the office of the Director of the company be and is hereby appointed as a Director of the company who shall be liable as retire by rotation.

V. AUDITORS

M/s. Sarath & Associates, Chartered Accountants, Statutory Auditors of the Company have offered themselves for re-appointment at the ensuing Annual General Meeting and to hold the office from the conclusion of ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

M/s Sarath & Associates have also expressed their willingness to act as Auditors of the company, if appointed, and have further confirmed that the said appointment would be in conformity with the provisions of section 224(1B) of the companies act, 1956.

VI. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as prescribed under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are set out in the Annexure A to this Report.

VII. AUDIT COMMITTEE

The Company has an Audit Committee comprising of three Directors namely, Mr. P.V.R.K. Prasad, Non-Executive and Independent Director, Mr. Keerthy Jaya Tilak, Non-Executive and Independent Director and Mr. Bhargav Marepally, promoter, CEO & Managing Director.

VIII. PARTICULARS OF EMPLOYEES:

As required under the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out hereunder. The Ministry of Corporate Affairs, has amended the Companies (Particulars of Employees) Rules, 1975 to the effect that particulars of employees of companies engaged in Information Technology sector posted and working outside India not being directors or their relatives, drawing more than Rs. 6 million per financial year or Rs. 500,000 per month, as the case may be, need not be included in the statement but, such particulars shall be furnished to the Registrar of Companies. Accordingly, the statement included in this report does not contain the particulars of employees who are posted and working outside India.

Sl.no	Name	Designation	Qualification	Age (years)	Previous employer	Designation at previous employment	Date of joining	Remuneration (INR)
1	Mr.Rajeev Banduni	Chief Sales Officer	BE Computer Science	43	Gatner Inc services Development	Offshore Business	11 th February 2013	14,25,328

IX. CORPORATE GOVERNANCE:

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is set out as **Annexure B** and **Annexure C** to this Report

X. EMPLOYEES STOCK OPTION SCHEME (ESOS)

The Board proposed to introduce the new ESOS scheme 2013 in place of ESOS 2010 being non vesting of options by the eligible employees due to the share price fallen drastically during the financial year and all eligible employees surrendered their options.

Thus, the board decided to scrap the existing ESOS 2010 scheme.

XI. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A report on Management Discussion and Analysis is set out as **Annexure D** to this Report.

XII. CEO's DECLARATION

Certificate from the 'Chief Executive Officer and Managing Director of the Company regarding the financial statements as per the Corporate Governance Norms is given as **Annexure E** to the report. Further, the declaration by the Managing Director of the Company declaring that all the members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company is set out as **Annexure F** to the Report.

XIII. DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, and after due enquiry, confirm:

- That in preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- That the selected accounting policies were applied consistently and the Directors 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 as at 31st March 2013 and of the profit of the Company for the year ended on that date;
- That proper and sufficient care has been taken 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; and
- That the annual accounts have been prepared on a going concern basis.



XIV. STATEMENT PURSUANT TO EXEMPTION UNDER SECTION 212(8) OF THE COMPANIES ACT 1956

As per the provisions of the companies act 1956 we are required to attach the Director's report, Balance Sheet and Profit and Loss account of our subsidiaries. The Ministry of Corporate Affairs, Government of India Vide its circular no. 2/2011 dated February 8, 2011 has provided an exemption to companies from complying with section 212, provided such companies publish the audited consolidated financial statements in the annual report. Accordingly the annual report 2012-13 does not contain the financial statements of our subsidiaries.

The audited annual accounts and related information of our subsidiaries, where applicable will be made available upon request. These documents will also be available for inspection during business hours at registered office of the company.

The same will also be published in our website. www.gssinfotech.com

XV. GREEN INITIATIVE

During the financial year we started a sustainability initiative with the aim of being green and minimizing our impact on the environment.

XVI. ACKNOWLEDGEMENTS:

We thank our customers, vendors, investors and bankers for their continued support during the year.. Our consistent growth was made possible by their hard work, solidarity, cooperation and support. We thank the governments of various countries where we have our operations. We also thank the Government of India, the Central and State Governments and their various agencies, particularly, the Ministry of Communication & Information Technology, FAPCCI, Software Technology Parks of India, Departments of Customs and Central Excise, MCA, SEBI, Stock Exchanges, Reserve Bank of India, and other Governmental Agencies for extending their support during the year and look forward to their continued support.

By Order of the Board of GSS Infotech Limited

Place: Hyderabad
Date: 30th May 2013

Sd/-
Mr. Bhargav Marepally
CEO & Managing Director

Sd/-
Mr. Ramesh Yerramsetti
Director

ANNEXURE A

Particulars as prescribed under section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

I. Details of Conservation of Energy:

Your Company's operations consume very low levels of energy. It is pleasure to announce that your Company's technology center has latest technology energy management system based on human occupancy. As the cost of energy consumed by the Company forms a very small portion of the total costs, the impact of changes in energy cost on total cost is insignificant.

II. Technology, absorption, adaptation and innovation

Your Company is a technology driven organization and understands the importance of acquisition of technical expertise from time to time. It has successfully built such expertise over a period of years and shall continue to work with emerging technologies to be on a leading edge to offer its customers the state of art solutions.

Your Company's quality systems are ISO 9001:2008 and ISO 27001: 2005 certified, which reflects a high degree of technology absorption, adoption and innovation across various operating layers within the company. During the year technology absorption activities have mainly centered on:

- Network Operations Center
- Disaster Recovery Center
- IT Infrastructure Management
- Offshore Development Center using BOT delivery model
- Software Testing Service using SaaS model

III. Foreign Exchange Earnings and Outgo:

a. Activities relating to Exports:

The Company is in the business of software exports. All efforts of the Company are geared to increase the business of software exports in different products and markets.

b. Total Foreign Exchange Earnings used and earned:

Particulars	Current Year (2012-13) (R in Lakhs)	Previous Year (2011-12) (R in Lakhs)
Foreign Exchange expenditure	49.12	75.13
Foreign Exchange earned	3057.17	3221.87

By Order of the Board of GSS Infotech Limited

Place: Hyderabad
Date: 30th May 2013

Sd/-
Mr. Bhargav Marepally
CEO & Managing Director

Sd/-
Mr. Ramesh Yerramsetti
Director

ANNEXURE B

Report on Corporate Governance

1 (a) Company's Philosophy on Code of Governance

Good governance practices stem from the culture and mindset of the organization. Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, fairness in all its transactions and meets its stakeholders' aspirations.

The demands of corporate governance require professionals to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the board of directors, audit committee, accounting and corporate secretarial team, auditors and senior management – the CEO and CFO.

The Company is committed to achieve and maintain the highest standards of Corporate Governance. The Company believes that all its actions must serve the underlying goal of enhancing shareholder value over a sustained period of time.

Over the years, governance processes and systems have been strengthened within the Company and corporate governance has been an integral part of the way business has been done

GSS Infotech Limited, looks upon good corporate governance practices as a key driver of sustainable corporate growth and long-term shareholder value creation. Good corporate governance is about enhancing value for all our stakeholders.

Following are the salient features of our Corporate Governance philosophy:

1. Provide complete transparency on our operations
2. Act in the spirit of law and not just the letter of law;
3. Do what is right and not what is convenient; and
4. Follow openness in our communication to all our stakeholders

2. Board of Directors:

2.1 Composition of Board:

The board of Directors of the Company "the Board" comprises of Eight Directors- one (1), Managing Director, seven (7) non executive Directors.

The current composition of Board of Directors of the Company is as follows:

Name of the Director	Nature of Directorship	Relationship with Other Directors	No. of Directorships in other Companies*	No. of committees of Public Companies in which he is Chairman/ Member
Mr.Bhargav Marepally	CEO & Managing Director, Promoter	None	3	Nil
Mr.Ramesh Yerramsetti	Non Executive Director, Promoter	None	3	Nil
Mr.P.V.R.K. Prasad	Chairman & Non Executive & Independent Director	None	1	1
Mr. Keerthy Jaya Tilak	Non Executive & Independent Director	None	1	Nil
Mr. Mark Silgardo	Non Executive & Non Independent Director	None	8	Nil
Mr. Madhukar Sheth	Non Executive & Non Independent Director	None	3	Nil
Mr.Javed Faizullah Tapia**	Additional, Non Executive Non Independent Director	& None	24	Nil
Mr. Farokh Kekhushroo Banatwalla ***	Additional, Non Executive & Independent Director	None	13	Nil

* Includes listed, unlisted Public and Private Indian Companies

** Joined on the board on 14th February 2013 as an Additional, Non Independent and Non executive Director

*** Joined on the board on 30th May 2013 as an Additional, Independent and Non executive Director

The requirement that a Director shall not be a member of more than ten committees and Chairman of more than five committees has been complied with while constituting the Committee of Directors

2.2 Board Meetings

Scheduling and selection of Agenda items for Board Meetings minimum of four Board Meetings are held in each year. The time gap between two consecutive meetings is not more than 4 months. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation under section 289 of the Companies Act, 1956.

2.3 Role of Independent Directors:

The Independent Directors play an important role in deliberation at the Board and Committee meetings and bring to the Company their expertise in the fields of management, finance, law and public policy.

2.4 Information Supplied to the Board:

- a) Annual operating plans and budgets and any updates
- b) Quarterly, half yearly and annual results of the company

- c) Minutes of meetings of audit committee and other committees of the board
- d) Information on recruitment of senior officers just below the Board level
- e) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
- f) Details of any joint venture or collaboration agreement.
- g) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- h) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- i) Internal audit findings and external audit management reports (through the audit committee)
- j) Dividend declaration

2.5 Disclosure of shareholdings of Non Executive Directors as required under clause 49(IV) (E) (IV)

Name of the director	Shares held as on 31st March, 2013
Mr. P. V. R. K. Prasad	Nil
Mr. Keerthy Jaya Tilak	Nil
Mr. Mark Silgado	Nil
Mr.Ramesh Yerramsetti	1105279
Mr.Madhukar Sheth	1550535
Mr.Javed Faizullah Tapia	450916

2.6 Appointment / Re-appointment of Directors:

The Directors whose appointment/re-appointment is proposed at the forthcoming Annual General Meeting are:

- I. **Mr. Keerthy Jaya Tilak:** Mr. Tilak, appointed as a Director on the Board on 21 July, 2006. Mr. Tilak will retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. If re-appointed will be an Independent and Non Executive Director.
- II. **Mr. Mark Silgado:** Mr. Mark, appointed as a Director on the Board on 13th May 2011 as a nominee of IL&FS Trust Company Limited. Mr. Mark will retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. If re-appointed will be a non Independent and Non executive Director.
- III. **Mr.Javed Faizullah Tapia:** Mr.Javed was co-opted as an Additional Director of the company with effect from 14th February, 2013, Pursuant to section 260 of the Companies Act 1956. Mr.Javed holds office of a Director upto the date of commencement of forthcoming Annual General Meeting. The company has received a notice in writing from a member proposing the candidature of Mr.Javed for the office of a Director under the provisions of section 257 of the Companies Act 1956, if appointed will be a non executive and non independent Director.
- IV. **Mr. Farokh Kekhushroo Banatwalla:** Mr.Farokh was co-opted as an Additional Director of the company with effect from 30th May, 2013, Pursuant to section 260 of the Companies Act 1956. Mr.Farokh holds office of a Director upto the date of commencement of forthcoming Annual General Meeting. The company has received a notice in writing from a member proposing the candidature of Mr.Farokh for the office of a Director under the provisions of section 257 of the Companies Act 1956, if appointed will be an Independent and non executive Director.

2.7 Board meetings and the previous Annual General Meeting

During the financial year 5 board meetings were held on various occasions, 15th May 2012, 14th August 2012, 03rd September 2012, 14th November 2012, and 14th February 2013. The last AGM of the Company was held on 28th September, 2012. The details of attendance of Directors in Board Meetings and the last Annual General Meeting are as follows:

Name of the Director	No. of Board meetings attended	Attendance at the last AGM
Mr. Bhargav Marepally	5	present
Mr. Ramesh Yerramsetti	5	Present
Mr. P. V. R. K. Prasad	5	Present
Mr. Keerthy Jaya Tilak	5	Absent
Mr. Mark Silgardo	4	Absent
Mr. Madhukar Sheth	5	Absent
Mr. Javed Faizullah Tapia*	1	N.A

*appointed on 14th February 2013

2.8 Code of Conduct

The code of conduct as adopted by the Board of Directors is applicable to all directors, senior management and employees in above officers' level. The prime purpose of the code is to create an environment wherein all the Board Members and Senior Management of the Company maintain ethical standards and to ensure compliance to the laid down ethical standards. The code is available on the Company's website: www.gssinfotech.com. A confirmation to that effect from the Chairman and Managing Director is given in Annexure G to the Directors' report.

2.9 Risk Management

The Board regularly discusses the significant business risks identified by the management and the mitigation process being taken up.

3 Audit Committee

3.1 Constitution of Audit Committee:

Audit Committee was constituted on July 22, 2006. Presently, the Audit Committee comprises of the three members, majority of them independent Directors. The Chairman of the Audit Committee, Mr.P.V.R.K. Prasad, a Retired I.A.S. officer, has many years of experience in general administration. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and revised clause 49 of the Listing agreement.

3.2 Composition of Audit Committee and attendance of members:

During the financial year 2012-13, the Audit Committee met five times on various occasions i.e. 15th May 2012, 14th August 2012, 03rd September 2012, 14th November 2012, and 14th February 2013. The composition of the Audit Committee and the number of meetings attended during the financial year 2012-13 were as follows:

Name of the member	Designation	Nature of Directorship	No. of meetings attended
P. V. R. K. Prasad	Chairman	Non- Executive, Independent	5
Mr. Keerthy Jaya Tilak	Member	Non- Executive, Independent	5
Mr. Bhargav Marepally	Member	Executive, Promoter group	5

3.3 Attendance of the Chairman of the Audit Committee at the AGM:

Mr.PVRK Prasad, Chairman of audit committee attended the Annual General Meeting held on 28th September 2012 and redressed the Shareholder's queries.

3.4 Attendees:

The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The Statutory Auditors attends such meetings. The Statutory Auditors are also invited to these meetings. The Company Secretary acts as the Secretary of the Committee.

3.5 The Terms of Reference of the Audit Committee:

The terms of reference of the Audit Committee as defined by the Board are as under:

- A. Overview of the company's financial reporting process and the disclosure of its financial information to ensure
- B. Recommending the appointment and removal of the statutory auditors, fixation of audit fees and also approval or payment for any other services.
- C. Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- D. Reviewing, with the management, the annual financial statements before submission to the board, focusing primarily on :
 - i) Matters required to be included in the Director's Responsibility statement to be incorporated in terms of Section 217 (2AA) of the Companies Act, 1956
 - ii) Any changes in accounting policies and practices
 - iii) Major accounting entries based on the exercise of judgment by management
 - iv) Significant adjustments arising out of audit ;
 - v) Compliance with listing and other legal requirements relating to financial statements
 - vi) Disclosure of any related party transactions
 - vii) Qualifications in the draft audit report.
 - viii) Compliance with accounting standards;
 - ix) Management discussion and analysis of financial condition and result of operations
- E. Reviewing the Quarterly Financial Results before submitting the same to the Board's approval
- F. Reviewing, with the management, the performance of external and internal auditors and adequacy of the internal control systems.
- G. Reviewing the adequacy of internal audit function and frequency of internal audit.
- H. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- I. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

3.6 Powers of the Audit Committee:

The following are the powers of the Audit Committee:

- i. Investigating any activity within its terms of reference as above, or in relation to the items specified in Section 292A of the Companies Act, 1956, or as may be referred to it by the Board, from time to time and for this purpose, it shall have full access to information contained in the records of the Company and external professional advice, if necessary

- ii. Seek information from any employee.
- iii. Obtain outside legal or other professional advice, if necessary.
- iv. Secure attendance of outsiders with relevant expertise, if it considers necessary.

4 Remuneration Committee

The broad terms of reference of the Remuneration Committee are as follows:-

- a) Recommend to the Board with respect to incentive and compensation plans.
- b) Recommend to the Board, remuneration including salary and perquisites to be paid to the Company's Senior Management team.
- c) Stock option details, if any

4.1 Constitution of Remuneration Committee:

The Remuneration Committee was constituted on July 22, 2006. The Remuneration Committee comprises of three members. All members are non executive Directors and Chairman of the Committee is an Independent Director.

4.2 Composition of Remuneration Committee and attendance of members:

One Remuneration Committee meeting held during the year under review Committee on 03rd September 2012. The Composition of the Remuneration Committee is given below:

Name of the member	Designation	Nature of Directorship
Mr. P. V. R. K. Prasad	Chairman	Non-Executive, Independent
Mr. Ramesh Yerramsetti	Member	Non-Executive Director
Mr. Keerthy Jaya Tilak	Member	Non-Executive, Independent

4.3 The Terms of Reference of the Remuneration Committee:

The purposes for which the committee was constituted and the general business transacted by the committee was to decide and approve the terms and conditions for appointment of Executive Directors of the Company and other matters related thereto.

4.4 Remuneration Policy :

4.4.1 Management staff :

The Company's remuneration policy is driven by the success and performance of the individual employees. The Company follows a compensation policy of fixed pay, allowances & perquisites. Performance of the individuals is measured through the quarterly, half yearly and annual appraisal process.

4.4.2 Non-Executive Directors:

Except sitting fees paid within the limits of the Companies Act, 1956, in the normal course of attending the Board meetings, no other remuneration is paid to the Non- Executive Directors of the Company.

4.4.3 Executive Directors

The Company has one Executive Director namely Bhargav Marepally, Chief Executive Officer & Managing Director. During the financial year under review, there was no remuneration paid to Mr.Bhargav Marepally from the company based on his waiver letter to the company that he is willing to forgone his salary as per waiver letter and hence company did not pay any salary for the financial year 2012-13

Share Transfer and Shareholders' / Investors Grievance Committee

4.5 Constitution of the Committee:

The Share Transfer and Shareholders' / Investors Grievance Committee was constituted on July 22, 2006 and comprises of three members. The committee specifically looks into redressal of shareholders' grievances arising out of issues regarding share transfers, dividends, dematerialization and related matters.

4.6 Composition of the Committee and attendance of members:

Five meetings of the Share transfer and Shareholders/ Investors Grievance Committee were held on 15th May 2012, 14th August 2012, 03rd September 2012, 14th November 2012, and 14th February 2013. The composition of the Remuneration Committee and the attendance of members are given below

Name of the member	Designation	Nature of Directorship	No.of meetings attended
Mr. Keerthy Jaya Tilak	Chairman	Non-Executive, Independent	5
Mr. Ramesh Yerramsetti	Member	Non-Executive Director, Promoter	5
Mr. Bhargav Marepally	Member	Executive, Promoter	5

4.7 The Terms of Reference of the Committee:

- i. To reject the share applications as may be fit and proper
- ii. To allot the shares as may be fit and proper.
- iii. To affix common seal of the Company on the Share Certificates in presence of and under the signature of such directors as may be decided by the Committee from time to time in compliance with Companies (Issue of Share Certificate) Rules, 1960.
- iv. The share certificates should be duly stamped as per respective state stamp Act.
- v. To do all works relating to registration of transfer, transmission, consolidation, split and issue of duplicate shares of the Company and also authorized to do all necessary works relating to equity shares of the company subject to the provisions of the various enactments.
- vi. To do all necessary things as may be required from time to time under the Companies Act, 1956 and other related enactments.

4.8 Name of the Compliance Officer

During the year 2012-13, due to certain pre-occupations Mr.Someswara Rao, Company Secretary & Compliance Officer resigned from the company on 28th September 2012 and in his place the Board appointed Mr.R.S.Kalyan Bhaskar as Company Secretary & Compliance Officer to address the grievances/ complaints of the investors.

4.9 Status of Shareholders' complaints

Status of the investor complaints during the FY 2012-2013:

Investor Complaints pending at the beginning of the year	Received during the year	Resolved during the year	Pending/ unresolved at the end of the year
Nil	Nil	Nil	Nil

4.10 Share Transfers in Physical Mode

In order to expedite the process of share transfers, the Directors delegated the power to the Company's Registrar & Share Transfer Agent (The R&TA), Bigshare Services Private Limited. The R&TA transfers the shares received in the physical mode on a fortnightly basis.

5 General Body Meetings:

5.1 Annual General Meeting:

Location, time and date of holding of the last three Annual General Meetings (AGM) are given below:

Financial Year	Date	Time	Meeting location
2011-2012	28 th September 2012 30th December 2011	10.30 A.M. 10.30A.M.	Ella Suites, Jasmine Banquet Hall, Hillridge springs, No.25, Kancha, Gachbowli, ISB Road, Hyderabad-500032 Ella Suites, Jasmine Banquet Hall, Hillridge springs, No.25, Kancha, Gachbowli, ISB Road, Hyderabad-500032
2009-2010	27 th December 2010	10.30A.M.	Ella Suites, Jasmine Banquet Hall, Hill ridgesprings, No.25, Kancha, Gachbowli, ISB Road, Hyderabad-500032

5.2 The details of the shareholders meeting held during the last 1 year are as follows:

Date of the General Meeting	Type of Meeting	Purpose
Friday, 28 th September 2012	Annual General Meeting	<ul style="list-style-type: none"> a) To consider and adopt the audited balance sheet as at 31st March 2012, the statement of profit and loss account for the nine months and year ended on that date together with the reports of the Board of Directors and Auditors thereon. b) To appoint a director in the place of Mr.PVRK Prasad who retires by rotation, and being eligible offers himself for re-appointment c) To appoint auditors and to fix their remuneration d) Appointment of Mr.Madhukar Sheth as a director liable to retire by rotation. e) Modification of terms of grants under ESOS Scheme 2010-B f) Extension of ESOS scheme 2010 to the subsidiary company employees g) Raising of funds through Foreign Currency Convertible Bonds (FCCB)/American Depository receipts/ Global Depository Receipts/ Qualified Institutional Placements routes.
19 th December 2012	Extra-ordinary General Meeting passed through postal ballot	For issue of 28,00,000 convertible warrants to Non-Promoter group entities on preferential basis under section 81, 81(1A) of the Companies Act 1956.

5.3 The resolutions moved at the Shareholders meeting were passed on a show of hands by the shareholders present at the meeting and no resolution was put to vote by postal ballot.

5.4 No special resolution is proposed to be conducted through Postal Ballot in this AGM.

5.5 A procedure for postal ballot has been laid down internally by the Company

6 Disclosures

6.1 Disclosure on materially significant related party transactions:

Please see Note on Accounts. These transactions do not have any potential conflict with the interest of the Company at large.

6.2 Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authorities on any matter related to capital markets during last three years.

None in last three years

6.3 Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practice

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Company has formulated, adopted and implemented the Code of Prevention of Insider Trading and Code of Corporate Disclosure Practices.

6.4 Confirmation of compliance with the Mandatory/ Non-mandatory requirements

The Company has complied with all the mandatory requirements of the clause 49 of the listing agreement. The details of these compliances have been given in the relevant section of this report. The Company is moving towards the regime of adoption of all the non-mandatory requirements and has already complied with the some of the major points in those requirements.

6.5 Whistle blower policy:

The Company has adopted a whistle blower policy and has established the necessary mechanism in line with clause 49 of the listing agreement with the stock exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the audit committee.

7 Means of Communication

- a) The main channel of communication to the shareholders is through the Annual Report which includes inter alia, the Directors' Report, The report on Corporate Governance and annual audited financial results.
- b) The website of the Company www.gssinfotech.com acts as the primary source of information regarding the operations of the company.
- c) The quarterly, half yearly and annual results of the Company are published in leading national and regional news papers which include Economic Times, Business Standard, Andhra Prabha and Surya (the regional newspaper as required under clause 41 of the listing agreement). The results are also displayed on the Company's website and also on the websites of stock exchanges.
- d) Management Discussion and Analysis forms part of this Annual Report.

We also send financial updates to all investors whose e-mail id's are made available to us

8. General Shareholder Information

8.1 Annual General Meeting

The AGM of the Company for the financial year 2012-13 is scheduled to be held on Friday, 19th July 2013 at 10:00 A.M Ellaa Suites, Jasmine Banquet Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad 500 032. The notice convening the AGM is provided elsewhere in the Annual Report.

8.2 Financial Year

It is to be informed that, the financial year of the company is from 01st April 2012 to 31st March 2013 (both consolidated and standalone).

8.3 Book Closure

Register of Members and the Share Transfer Book of the Company will remain closed from Monday, July 15th 2013 to Friday, 19th July 2013 (Both days are inclusive)

8.4 Listing on Stock Exchanges & Stock Code

The Company is listed on the following Stock Exchanges

* BSE Limited (BSE): Scrip ID: GSS; Scrip Code: 532951

* National Stock Exchange of India Limited (NSE): Symbol: GSS

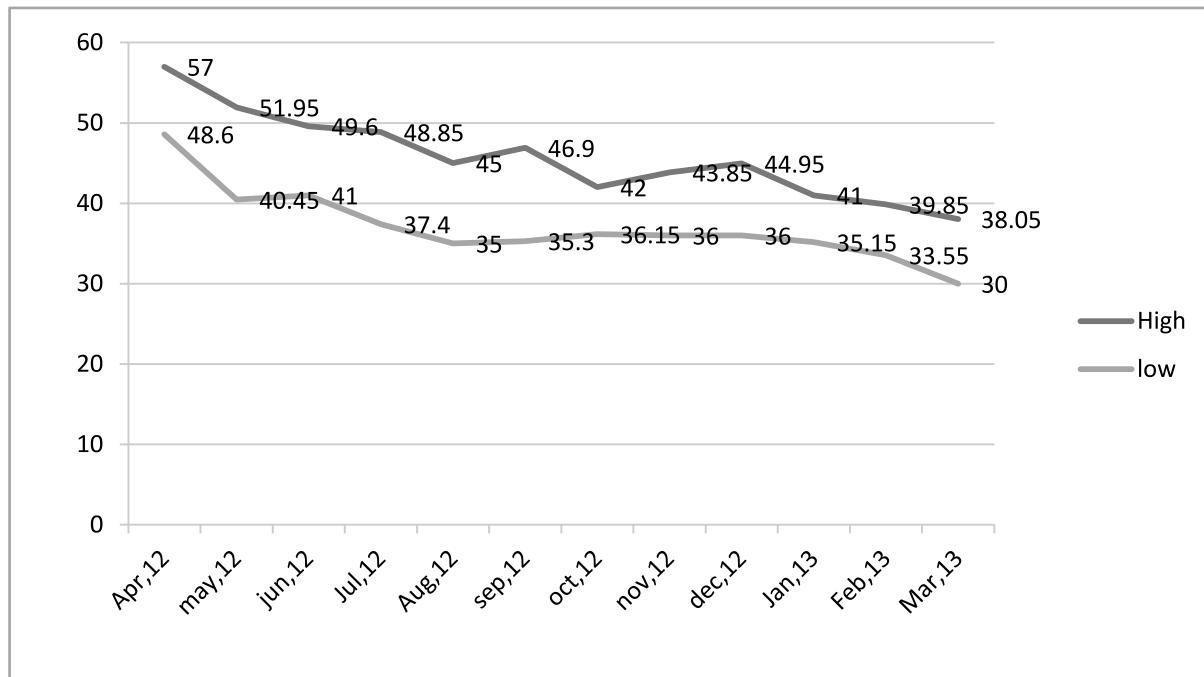
Listing fees has been paid to both the Exchanges for the FY 2012-13. The ISIN number of the equity shares of the Company is INE870H01011.

8.5 Market Price Data: High, Low during each month in last financial year

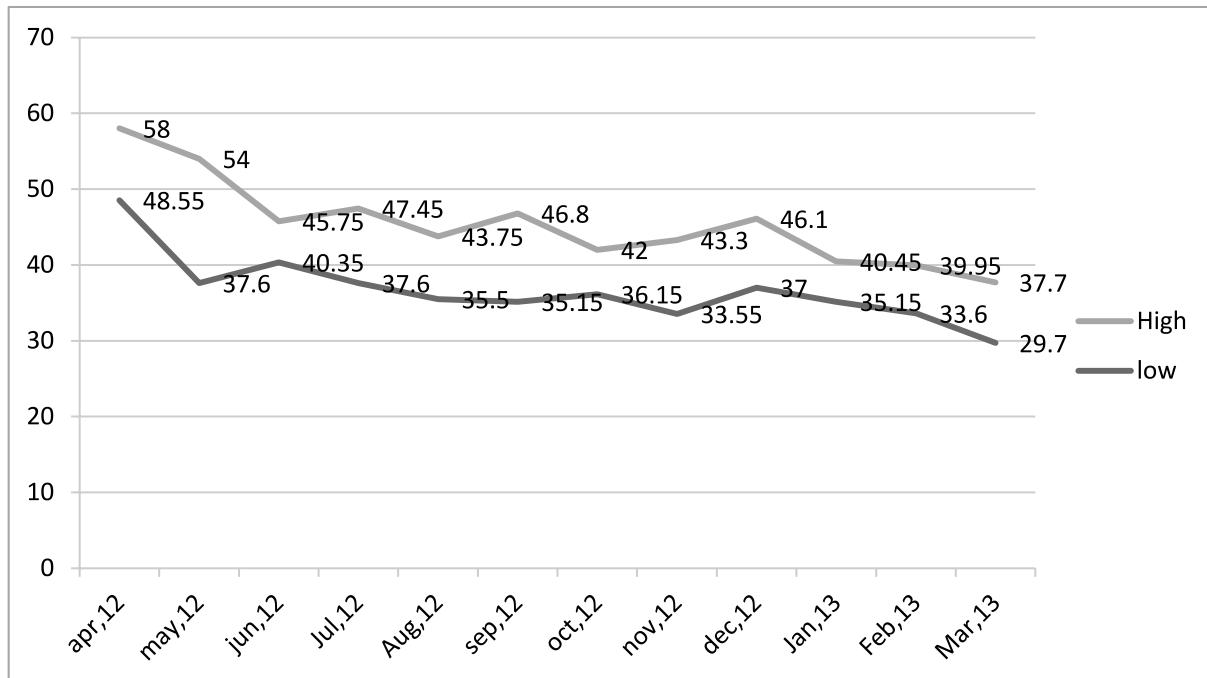
Share price Date (in Rs. Per share)

Month	NSE		BSE	
	High	Low	High	Low
April 2012	57.00	48.60	58.00	48.55
May 2012	51.95	40.45	54.00	37.60
June 2012	49.60	41.00	45.75	40.35
July 2012	48.85	37.40	47.45	37.60
August 2012	45.00	35.00	43.75	35.50
September 2012	46.90	35.30	46.80	35.15
October 2012	42.00	36.15	42.00	36.15
November 2012	43.85	36.00	43.30	33.55
December 2012	44.95	36.00	46.10	37.00
January 2013	41.00	35.15	40.45	35.15
February 2013	39.85	33.55	39.95	33.60
March 2013	38.05	30.00	37.70	29.70

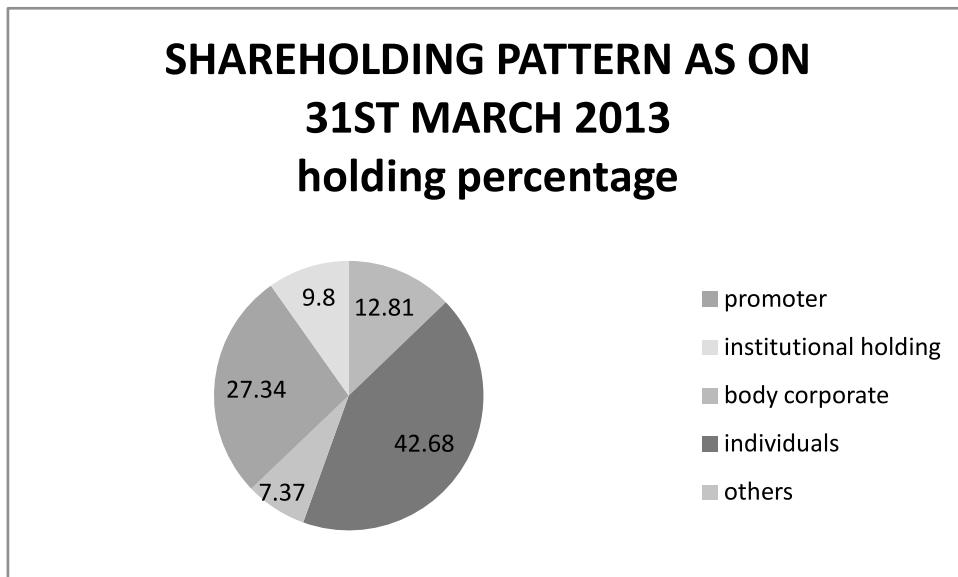
The graphical representation of the high and low price in National Stock Exchange for the financial year 2012 - 13



The graphical representation of the high and low price in Bombay Stock Exchange for the financial year 2012 - 13



8.6 Shareholding pattern as on March 31st, 2013



The detailed shareholding pattern is available on the Company's website at
<https://www.gssinfotech.com/about/shareholding-pattern.php>

Shareholding pattern as on March 31st, 2013

Category of shareholder	Number of shareholders	Total number Shares	Total shareholding as a % of total number of Shares		Shares pledged or otherwise encumbered	
			As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a %
Shareholding of promoter and promoter group						
Indian	6	1810960	12.81	12.81	1411000	77.91
Foreign	0	0	0	0	0	0
Total Share holding of Promoter and Promoter Group	6	1810960	12.81	12.81	1411000	77.91
Public shareholding						
Institutions	7	6034091	42.68	42.68	0	0
Non-institutions						
Bodies Corporate	304	1041375	7.37	7.37	0	0
Individuals	10200	3864707	27.34	27.34	0	0
Any Other (specify)	88	1385710	9.80	9.80	0	0
Total Public Shareholding	10599	12325883	87.19	87.19	0	0
TOTAL	10605	14136843	100	100	0	0
Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0
GRAND TOTAL	10605	14136843	100	100	1411000	9.98

8.7 Distribution of shareholding as on 31st March, 2013

Range in Rs.	Total Holders	% of Total Holders	Total holding in Rs	% of Total Capital
Up to 5000	10179	95.9	6011280	4.25
5001 to 10000	204	1.92	1558600	1.10
10001 to 20000	93	0.88	1372390	0.97
20001 to 30000	33	0.31	830250	0.59
30001 to 40000	12	0.11	446290	0.32
40001 to 50000	14	0.13	624010	0.44
50001 to 100000	31	0.29	2252340	1.59
100001 and above	48	0.45	128273270	90.74
Total	10614		141368430	100

8.8 Registrar and Share Transfer Agents

Big Share Services Private Limited
 E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai - 400 072, India Tel: +91 22 2847 3747;
 Fax: +91 22 2847 5207
 Website: <https://www.bigshareonline.com>; E-mail: bighshare@bom7.vsnl.net.in

8.9 Bankers to the Company

- ✓ Bank of India, Midcorp banking branch, Hyderabad
- ✓ Axis Bank Ltd, RP Road Branch, Rashtrapati Road, Secunderabad - 500 003
- ✓ ICICI Bank, Jublie hills Branch, Hyderabad

8.10 Share Transfer System

Shares lodged for physical transfer would be registered with in a period of 15 days as per service standard, if the documents are clear in all respects. In the case of shares held in dematerialized form the transfers are processed and approved in the electronic form by NSDL/ CDSL through their depository participants.

8.11 Dematerialization of shares and liquidity

The Company has entered into agreements with NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited) to establish electronic connectivity. The details of dematerialization as on 31st March 2013 are as follows:

Mode	Records	% to holders	Shares	% to capital
NSDL	5997	56.50	12463559	88.16
CDSL	4613	43.50	1322803	9.36
Physical	4	0.00	350481	2.48
Total	10614	100	14136843	100.00

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

During the year, the company issued 28,00,000 convertible warrants to non promoter group on a preferential basis at an exercise price of Rs.41.00/- per share (Rupees fourty one only) (including premium of Rs.31.00) aggregating to Rs. 11,48,00,000/- vide its board resolution dated 14th November 2012 and shareholders approval through postal ballot declared on 19th December 2012 and the said warrants to be converted within 18 (eighteen) months from its allotment date i.e. 24th January 2013 .

8.13 Office Locations

The Company has development centers and branches, the details of which are as follows :

North America

Chicago, IL, USA North America HQ 1699 Wall Street, Suite 201, Mt. Prospect, IL 60056, USA. Tel: +1 847-640-3700 Fax: +1 847-640-3701 e-mail: chicago@gssinfotech.com	Albany, NY, USA 1762 Central Ave, Albany, NY 12205, USA. Tel: +1 518-452-3700 Fax: +1 518-452-3939 e-mail: albany@gssinfotech.com	Hartford, CT, USA 2842 Main Street, Glastonbury, CT, 06033, USA Tel: +1 860-633-7174 Fax: +1 860-633-7162 e-mail: glbury@gssinfotech.com
Minneapolis, MN, USA 655 County Road E WestShoreview, MN 55126 Tel: +1 651-604-5770 Fax: +1 651-604-5775 e-mail: minneapolis@gssinfotech.com	Dublin, CA, USA 11875 Dublin Blvd, Suite #C-155 Dublin, CA - 94568. Tel: +1 925-803-1117/1118/1119 Fax: +1 209-879-0162 e-mail:california@gssinfotech.com	North Brunswick, NJ, USA 2550 US Highway No 1 NJ-08902. Tel: +1 888-248-5627 Fax: +1 866-726-0520 e-mail: northbrunswick@gssinfotech.com

India Hyderabad - Global HQ Cyber Pearl, Block - 2, Level – 5, Wing 05-01, HITEC City, Madhapur, Hyderabad - 500 081. AP. India. Tel: +91 40 44556600 Fax:+91 40 40028703 e-mail: india@gssinfotech.com	Singapore 3 Shenton Way, #03-09, Shenton House, Singapore 068805. Tel: +65 6227 8157 Fax: +65 6491 5300 e-mail: singapore@gssinfotech.com
United Arab Emirates P.O. Box 73030, Dubai Internet City, Dubai, UAE. Tel: +97 143 755 710 Fax:+97 143 672 786 e-mail: dubai@gssinfotech.com	Kingdom of Saudi Arabia A1, Hafisia Building No.3, office no.14 extended dabbab street, Sulaimania, Riyadh, KSA. Ph: +9661 4164577 fax: +9661 4164576 email: saudi@gssinfotech.com

8.14 Address for correspondence

Any queries relating to the financial statements and Investors' correspondence may be addressed to :

Mr.R.S.Kalyan Bhaskar, Company Secretary & Compliance Officer

- 9 The corporate identification number (CIN) allotted by the Registrar of Companies, Andhra Pradesh to the Company is L72200AP2003PLC041860.

By Order of the Board of GSS Infotech Limited

Place: Hyderabad
Date: 30th May 2013

Sd/-
Mr. Bhargav Marepally
CEO & Managing Director

Sd/-
Mr.Ramesh Yerramsetti
Director



ANNEXURE C

Certificate on Corporate Governance

To The Members of GSS Infotech Limited

Level-5, Wing-5-01,
Block -2, Cyber Pearl
Hitech City
Hyderabad- 500081

We have examined the compliance of conditions of Corporate Governance by GSS Infotech Limited, for the period ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us by the Directors and Management, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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.

Sd/-

A.SOMESWARA RAO
M.NO.18979; C.P.NO.11366

PARTNER

A.SOMESWARA RAO & ASSOCIATES.,
COMPANY SECRETARIES

Place: Hyderabad
Date: 30th May 2013

ANNEXURE-D

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

outlook for IT Industry in 2013: New business models, emerging technologies drives growth

A recently conducted survey by CompTIA's did a comprehensive review on how the IT industry companies performed in 2012 and their growth plans in 2013. The report revealed some great insights on how the economy and other unknowns are impacting IT spending habits and which trends and technologies are key to understanding in order to stay competitive. Let's dive into some of the highlights.

Looking back

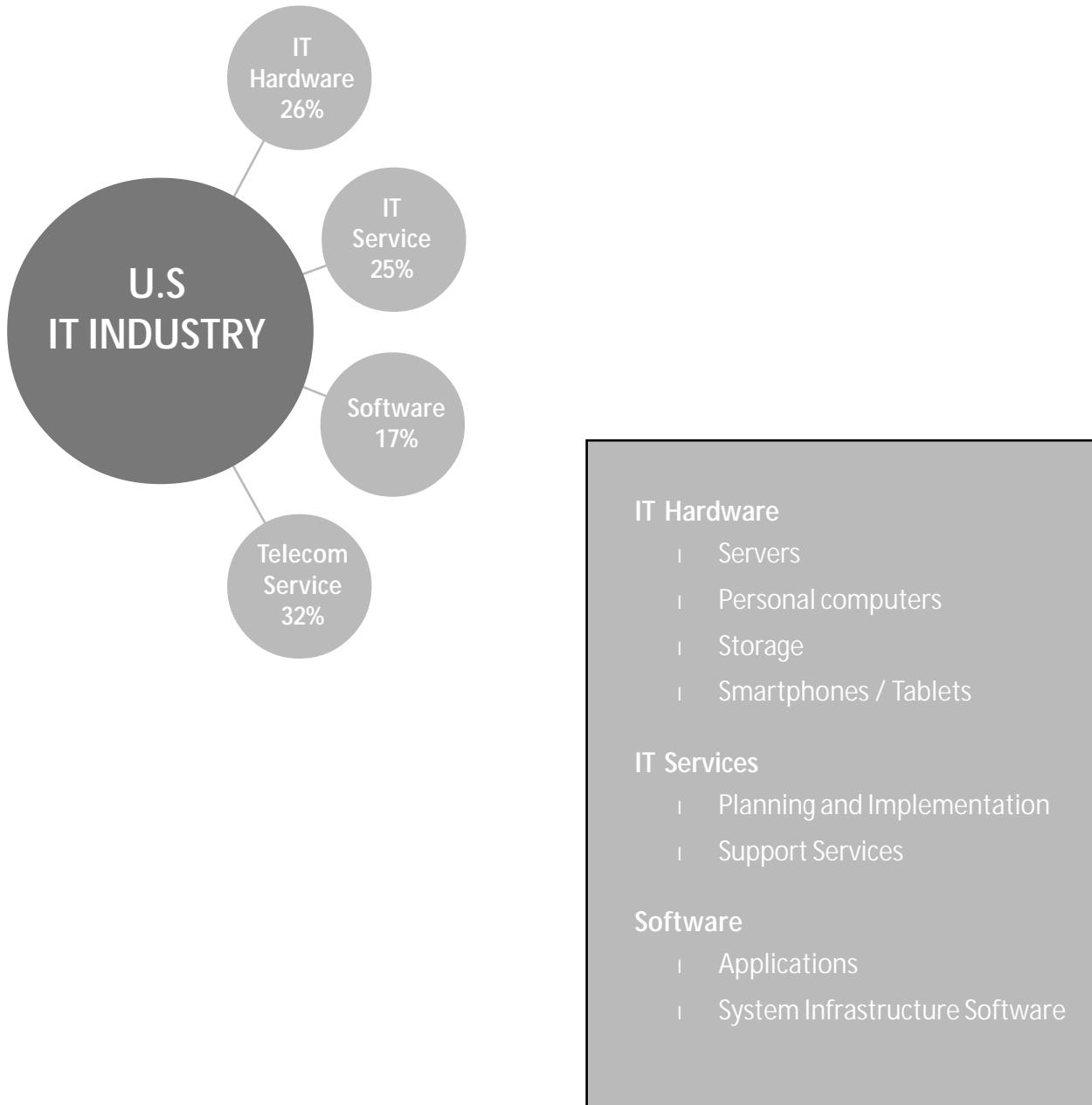
- F An estimated 5 million workers were employed in the U.S. IT industry in 2012, with an additional 4.16 million IT workers in core positions across all US industries and government. Of those employees, 1.5 million work in IT services (computer system design and implementation, custom computer programming, computer training, etc.), 1.5 million in telecom services, 650,000+ in IT hardware manufacturing and the rest in software publishing and retail and wholesale distribution.
- F Key growth categories (on a percent change basis) for 2012 include tablets, smartphones, storage, software, managed IT services, and wireless data services.
- F According to the research consultancy IDC, the global information technology (IT) market reached \$3.6 trillion in 2012. The U.S. market accounts for approximately 26% of the total, representing more than \$950 billion in IT hardware, software, services and telecommunications.

2013 industry trends

- F For 2013, CompTIA projects a worldwide IT industry growth rate of 3.0%, with upside potential of 5.2%. The U.S. forecast trails slightly at 2.9% and 4.9%, respectively. IT industry executives are most bullish in the IT services and software segments.
- F Cloud, mobility, social and big data will continue to impact and shift the focus of the industry, and 2013 may be the year when embracing mobile devices, automation and cloud-based computing will finally pay off for businesses.
- F Information technology is more critical than ever to achieving business objectives, but many companies haven't realized this yet. As the report states, "IT must learn how to provide broad oversight for a company and proactively bring technology to bear on corporate objectives."
- F Cloud skills will continue to be in high demand (and short supply) as more companies look to build out private and public solutions.
- F The "big data" isn't going anywhere as companies adopt new tools to sort and store vast amounts of data.

Key Industry Segment: U.S. IT Market

The IT industry can be segmented into a number of primary categories. One natural dividing line breaks the industry into a grouping of hardware, software and IT services and then a grouping of telecommunication services. Along these lines, the global IT industry consists of a 56% allocation towards hardware, software and IT services and 44% towards telecom services.



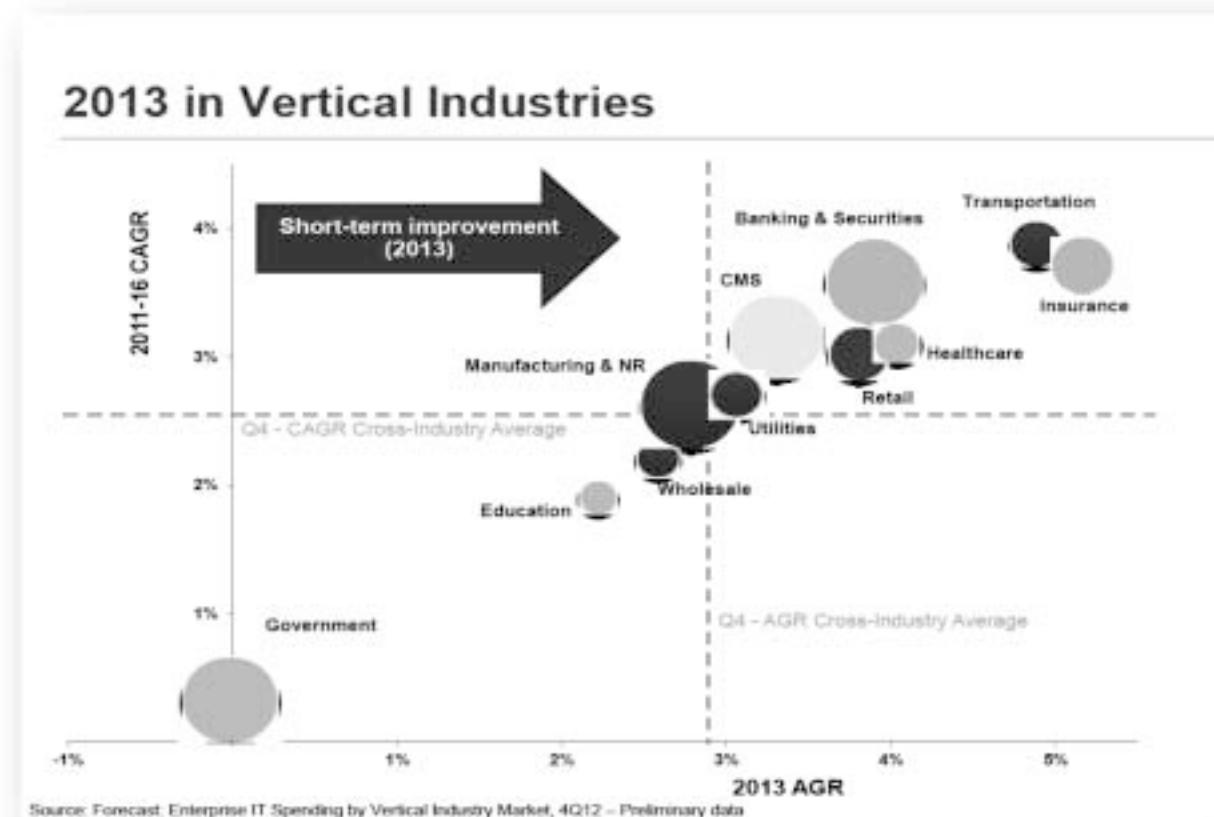
IT Spending

Gartner Says Worldwide IT spending is projected to total \$3.8 trillion in 2013, a 4.1 percent increase from 2012 spending of \$3.6 trillion, according to the latest forecast by Gartner, Inc. Currency effects are less pronounced this quarter with growth in constant dollars forecast at 4 percent for 2013.

Table 1. Worldwide IT Spending Forecast (Billions of U.S. Dollars)

	2012 Spending	2012 Growth (%)	2013 Spending	2013 Growth (%)	2014 Spending	2014 Growth (%)
Devices	665	9.0	718	7.9	758	5.7
Data Center Systems	141	1.9	146	3.7	152	4.0
Enterprise Software	279	3.5	297	6.4	316	6.7
IT Services	878	1.5	918	4.5	963	4.9
Telecom Services	1,655	-0.4	1,688	2.0	1,728	2.4
Overall IT	3,618	2.1	3,766	4.1	3,917	4.0

2013 in Vertical Industries



Managed Services

Managed services will remain the “secret ingredient” to success as integration complexity proliferates. With more regulation, security considerations, and an increased diversification and federation of data, companies will begin to recognize that technology alone cannot solve the challenge of integrating disparate systems. Analyst firms such as Liaison predicts that we will see a renewed focus on blended solutions that combine technology, people, and processes particularly as it relates to the marriage of integration and data management. Companies will look to managed services experts to obtain the human touch they've been missing. The users' desire for lower cost, simplicity, and more assured security will drive this trend in the new year and solution providers should prepare to offer integration expertise to accommodate the demand.

Cloud Adoption

As companies continue to move to the cloud, they will seek complete data integration solutions instead of distinguishing between various silos of integration “features” that exist today such as; Application to Application (A2A), Business to Business (B2B), Managed File Transfer (MFT) and Business Process Management (BPM). This convergence in the integration market will have profound implications across IT organizations including internal Centers of Excellences, vendors, and overall sourcing/ deployment strategies for IT. This shift across the industry will ultimately lead to more comprehensive and “data aware” integration architectures within the next few years.

Gartner announced the **Amazon Web Services (AWS)** as the market share leader, and a thought leader in Cloud Infrastructure as a Service; it is extraordinarily innovative, exceptionally agile and very responsive to the market. It has the richest IaaS product portfolio, and is constantly expanding its service offerings and reducing its prices.”

Other companies mentioned include BlueLock, CSC, Fujitsu, GoGrid, Joyent, Rackspace, Savvis, SoftLayer, Terremark, & Tier 3.

IT Infrastructure & Operations (I&O)

The pressure on IT to take cost out of the business has never been more intense. The IT Infrastructure & Operations (I&O) budget is a significant part of the overall IT budget and hence under the spotlight to optimize costs to free up money for innovation. There will also be more reliance on IT to deliver business efficiency and effectiveness. Thus, I&O Leaders will have to cope with more demands of improved availability, consumerization of IT, deliver rapid change and lower costs, all at the same time in an increasingly complex world.

Remote Infrastructure Management (RIM) services

Like cloud computing, remote management of IT infrastructure is a growing trend with Indian companies. A cost effective and popular outsourcing option, remote infrastructure management (RIM) allows organizations to focus on core business functions.

RIM's attractiveness is evident from the huge market potential this Industry has come to have. As per a recent Report by NASSCOM-McKinsey, globally, the RIM industry is expected to achieve a penetration of 25 to 27 per cent by 2013, a US\$20 billion to US\$21 billion increase over the revenues of about US\$6 billion to US\$7 billion today. The Report goes on to state that with Global CIOs' continued comfort with India as “primary” offshore destination, the country will capture greater than 50 per cent of the world market i.e., US\$13 billion to US\$15 billion in revenue by 2013, which would create 325,000 to 375,000 jobs.

RIMS – Workload Automation

In today's age of cloud and IT-as-a-Service, the importance of Workload Automation (WLA) as the evolution of job scheduling, and its sister discipline IT Process Automation (ITPA), has grown tremendously. As a new chapter opens in enterprise IT, where business-unaware technology silos no longer count as a valid excuse for SLA violations, the WLA and ITPA is the glue that keeps business processes tightly integrated. Operating systems, middleware, databases, applications, and business services are simply technical necessities that must be orchestrated to support and streamline these business processes in the most efficient manner.

Gartner a leading research analyst firm identified the following vendors as leaders in workload automation: BMC, Cisco Systems, ORSYP and UC4.

Applications and Portals Development

In this ever-changing world of software development it's extremely important to keep up with current technologies, methodologies and trends. Agile increased its dominance as the software development methodology of choice with over one-half selecting its use as their preferred method, notably up from 42% in 2009. Iterative was the second most selected methodology with 13% giving it their top choice.

Portals

Portals are the access technology that harness the wealth of structured and raw information distributed across the Internet or buried in business applications, databases, data warehouses, e-mail, and other documents. Portal Development is a multi-dimensional operation that requires the finest blend of knowledge and expertise at many levels, to ensure an unparalleled result.

SharePoint

Microsoft SharePoint is a Web application platform developed by Microsoft. SharePoint can be used to provide intranet portals, document & file management, collaboration, social networks, extranets, websites, enterprise search, and business intelligence. It also has system integration, process integration, and workflow automation capabilities. The Gartner Group put SharePoint in the "leaders" quadrant in three of its Magic Quadrants (for search, portals, and enterprise content management). SharePoint is used by 78% of Fortune 500 companies.

Mobility

Today, the speed at which people access internet on mobile is high. And, is increasing exponentially. Gartner, an industry-leading research firm, predicts that this year (2013) more people will access the mobile web than the desktop web. This enormous mobile usage is placing demands on enterprises to exist on platforms their consumer's prefer.

Businesses often use these mobility services: Mobile consulting, Application Development: (Mobile websites, third-party web services (SMS/MMS) integration), Maintenance and Support (Porting, testing, bug-fixes, enhancements) and seamlessly upgrade versions of existing apps;

Healthcare - RCM Tools

Choosing the right revenue cycle management (RCM) system can make or break a hospital or physician practice. The moment a patient makes a doctor's appointment or enters the hospital, the RCM system kicks in. What happens after that depends a lot on whether there is an effective and transparent marriage between claims data, clinical data and IT.



The market for revenue cycle management (RCM) consulting and outsourcing is growing, a new KLAS Research report says. Increasing pressures on hospitals to cut costs, as well as the diversion of hospital resources to Meaningful Use and ICD-10, are among the factors driving the trend, noted the Orem, Utah-based research firm.

"What we're seeing in some instances are folks choosing to use outside resources so they can have some more focus on Meaningful Use," said Mike Smith, VP of financial and services research for KLAS, in an interview with InformationWeek Healthcare. In addition, he noted, many healthcare systems are replacing their electronic health record systems to meet Meaningful Use objectives. As they do that, some organizations are purchasing financial systems from the same source so they can deal with a single vendor for everything. While they undergo the transition to the new system, he said, they might bring in an outside RCM vendor to deal with "legacy stuff," such as collecting old receivables.

Organizations have three options if they need help with RCM operations, he pointed out:

- They can continue to do RCM themselves and bring in a consulting firm such as Deloitte Consulting, Huron Consulting or PWC to help them redesign their processes to increase efficiency and collections. KLAS calls this revenue cycle transformation (RCT).
- They can outsource certain operations, such as "low-dollar self-pay collection work," to outside firms. These are known as extended business outsourcing services (EBOS).
- They can outsource their entire revenue cycle department to revenue cycling outsourcing (RCO) companies. Relatively few organizations are doing this, Smith says, but some are quite large.

GSS OVERVIEW

GSS Infotech is one of the fastest growing managed IT Services companies, headquartered in Hyderabad, India. Founded in 1999, GSS Infotech operates worldwide through its offices in India, the Middle East and the United States of America.

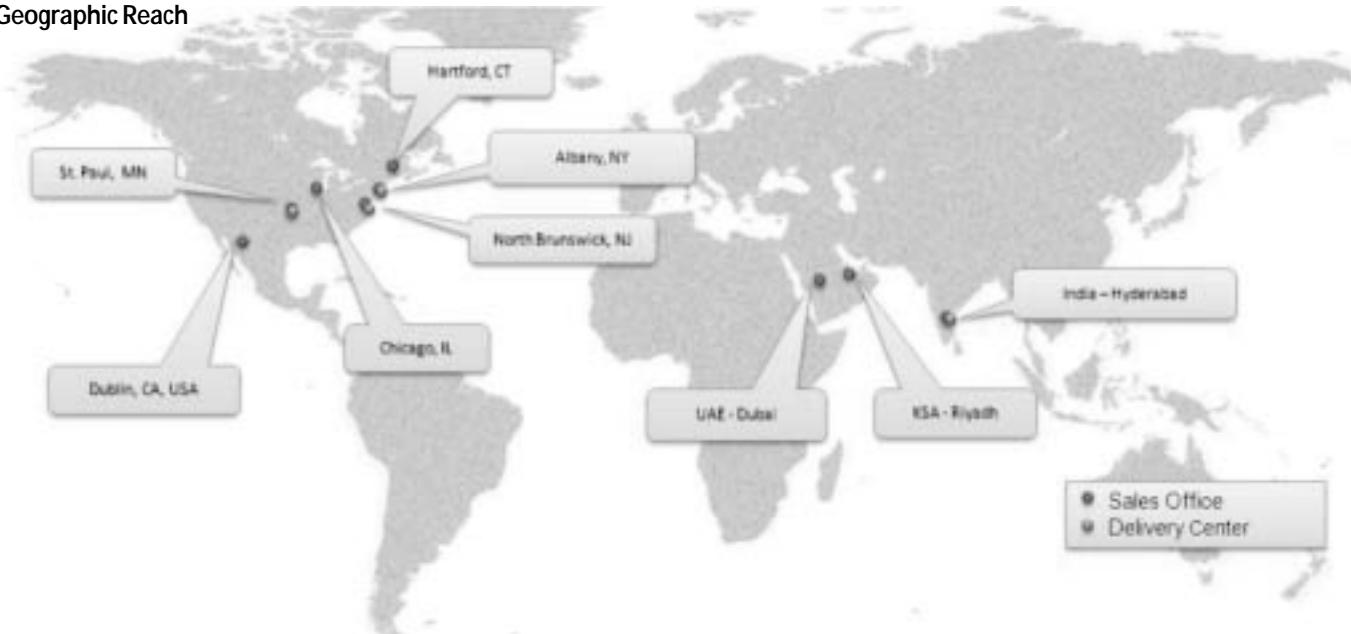
A pioneer in managed IT Services, GSS Infotech offers Infrastructure and Application management services and solutions to customers across the globe. Over the years, GSS Infotech has established itself as a premium provider of IT service and solutions. With over 50 "Fortune 100" customers and works with over 100 "Fortune 1000" organizations covering Telecom, Banking and Financial Services, Insurance, HealthCare and Retail industry segments.

As part of an expansion program which took place from 2004 through 2010 GSS Infotech grew rapidly, acquiring a number of companies in North America that offered complimentary technology competencies to further increase the range of services and therefore value GSS provide to our customers in the continental United States.

GSS Key Differentiators	
Low Cost Of Ownership	Custom solutions delivered with higher scalability through a flexible framework. Leads to 15-30 % reduction in TCO
Global Delivery Center	Ability to serve any geographical location Leveraging various time zones to deploy remotely and achieve higher run rates during migrations.
Robust Framework and Processes	Proven processes and frameworks to optimize the migration lifecycle
Strategic Partnership	Strategic Partnerships with Tier 1 vendors provides agnostic solutionsPiloted onshore then executed offshore, ensuring minimal end user risk

Credentials	<p>Significant experience in Designing &Architecting, Developing, Deploying and Supporting technology platforms and environments.</p> <p>Practice teams in Microsoft, Oracle, Java/J2EE, Open Source technology streams.</p> <p>Strong experience in database platforms like MS SQL, MySQL, Oracle & Sybase</p> <p>Rich expertise in creating extended quality and testing environments for the clients.</p> <p>Considerable experience in making the CoE for the client environments.</p> <p>Significant experience in application development and operational support of large clients across the globe in addition to experience in various technology areas</p>
Resources	Large pool of resources skilled and certified in niche technologies at all levels
Process	<p>Proven methodologies which are refined on a continuous basis, working on some challenging engagements for clients across the world</p> <p>SEI CMMI level 5 certified organization with mature frameworks to ensure security, quality, and continuous service delivery improvement</p>
Tools and Techniques	<p>Developed and adopted technology frameworks that exceed industry standards and tools that support the rapid application development and support environments</p> <p>Proven methodologies matured through prior engagementsBest practices and learning from prior engagements</p>
Pricing	Flexible Pricing Models Higher Offshore Leverage

Geographic Reach



Infrastructure Management

GSS Infotech Infrastructure Management Services provide clients with a flexible, yet affordable suite of services that provide more efficient infrastructure management at much lower TCO than traditional models of IT delivery.

Strength and Depth

Our services range from complete environment management, to monitoring and maintenance of specific elements of the infrastructure including: distributed servers, network and security devices, desktop, and helpdesk.

Innovation

We leverage our expertise in new-generation cloud based transformation models to optimize your IT roadmap and provide you with innovative methods of IT services delivery. GSS Infotech's transformation labs enable technologies such as Virtualization and the Cloud to optimize IT Infrastructure, and in parallel lower investment, improve performance, and increase reliability.

Blended Delivery

With blended onsite/offsite service delivery models, advanced toolset, ISO frameworks, and ITIL consulting group, GSS Infotech enables organizations to improve the quality and stability of IT operations. By outsourcing the management, ongoing support and maintenance of business critical infrastructure we help our clients focus their resources on driving mission critical projects.

Monitoring and Management

- E Using our in-house developed integrated dashboards and toolsets we monitor defined parameters within a client environment.
- E High automation ensures real time alerts guaranteeing immediate attention.
- E Fully integrated with the GSS Infotech ticketing system, our monitoring systems issue automatic notifications based on predetermined hierarchies.

Network and Security Services

- E GSS Infotech Network and Security Services converge to provide a total defense against security threats. Companies need their entire network infrastructure to work together to ensure access to information assets, systems and resources, but also to protect them against security vulnerabilities, risks and threats.
- E GSS Infotech ensures protection against data disruption, intrusions, confidentiality exposures, and other vulnerabilities through restricted identity and access management, firewall and security alert systems, and penetration testing and compliance services.
- E GSS Infotech adopts "best practice" standards with cutting edge security innovation, access management, vulnerability assessments and intrusion detection to provide integrated network management and security services for WAN, LAN and datacenter. We take care of the security so you know your network is safe.

Networking Services

- E Managed LAN and WAN
- E Network Design and Architecture
- E Network Monitoring and Security

Security Services

- E Firewall & Security Alert Services
- E Identity and Access Management (IAM)
- E Intrusion Detection/Prevention
- E Vulnerability/Penetration Testing
- E Audit and Compliance Services
- E VPN Services - IPSec and SSL

Service Desk

Service Desk provides your users with a single point of contact for all IT related questions, incidents and requests. We develop a holistic and innovative plan to realign how your users contact the Service Desk and take full advantage of self-service features. This not only assures business continuity and higher workforce mobility, but also reduces cost.

Service Desk acts as the nodal point between service providers and end users. The users are proactively informed of all relevant service actions that will affect them. Our proactive and integrated workbench delivers high quality service desk support 24x7 with rapid performance management and incident reporting.

Infrastructure Solutions

Our complete range of infrastructure services can help you build and manage highly available, reliable IT infrastructures capable of meeting the dynamic needs of your business.

Virtualization Service

Virtualization helps you improve the efficiency, agility and availability of IT resources and applications. We help you optimize your IT resources through a virtualized IT infrastructure that drives down hardware, power, and cooling and management costs.

Whether you are just starting down the path of virtualization, or aspire to increase your virtualization ratio, GSS Infotech can help.

Building on a wide range of expert-level services including strategy and planning, migration, consolidation, implementation and ongoing support, GSS Infotech creates solutions that fit your business from the desktop to the datacenter.

- E Server Virtualization
- E Desktop Virtualization
- E Application Virtualization
- E Network Virtualization
- E Storage Virtualization
- E File Virtualization
- E Data Virtualization

Application Development and Maintenance Services

GSS Infotech utilizes its strong proficiency in technology, infrastructure management, and cloud enablement practices to deliver high-performance applications while lowering the costs of development and management. We offer 360 degree full service platform for development, maintenance, cloud enablement and testing. Our core competencies are Microsoft technologies, J2EE, Java, mainframes, databases, mobile and enterprise applications.

- E **Custom Application Development:** Proven track record in development of Web, desktop, kiosk and mobility applications, web services, and portals.
- E **Cloud Solutions:** Get the right strategy for cloud adoption through our visioning & assessment services, SaaS readiness assessment, platform deployment etc.
- E **Application Maintenance and Support:** Rapid and reliable support services including service desk, incident management, bug fixes, performance monitoring and tuning, database support & maintenance, etc.
- E **Application Transformation:** Seamlessly upgrade versions of your existing apps and make them compatible with other platforms.
- E **Testing Services:** Functional / Regression Testing, Performance Testing, Security Testing, Test Automation etc.

Testing

GSS Infotech is a CMMI Level 5 company. Our Quality Management System (QMS) covers both the business and delivery process is certified to ISO 9001 QMS, ISO 27001 ISMS, and ISO 20000 ITSM standards.

The intrinsic behavior of any IT application is greatly influenced by the maturity of the testing and development protocol. The GSS Infotech Quality Management System (QMS) is available online 24x7 to all employees to support process compliance and predictable delivery to all customers. We leverage Six Sigma methodology for driving continuous improvements in processes and customer satisfaction.

Testing Business Solutions

- E System Testing
- E Regression Testing
- E Database Testing
- E SOA / Web Services / API Testing
- E GUI and Usability Testing
- E Compatibility Testing

Functional Testing

- E Load, Stress, Volume, Scalability
- E Security Testing
- E Defect Analysis & Reporting

Test Automation

- E Core Test Automation
- E Automation Consultancy

Quality Assurance Services

- E Process Performance Modeling
- E Process Definition & Assessment
- E Testing Center of Excellence
- E Six Sigma
- E Metrics Management

GSS Alliances:

GSS' well-integrated network of leading global technology partners contributes significantly to its IT Service and Solution offerings. The collaborative endeavors not only addresses key business and operational challenges, but also deliver high performance and assure global reach and end to end solution offerings for customers.





- QPLedge - GSS Infotech's Delivery Excellence Framework
- Integrates best-in-class quality metrics, process improvement frameworks and systems
- Aligned with CMMI Level 5, ISO and Six Sigma
- Ground-up, enterprise-wide adoption
- Measurable business impact for customers



ISO 9001: 2008
Quality Management
System



ISO 27001: 2005
Information Security
Management System



ISO 20000-1: 2005
Information Technology
Service Management

The Global Development Center (GDC) of GSS at Hyderabad, India, has matured processes, development methodologies and templates in place fostering Standardization across projects delivery. GSS developed a unique Quality Management System, called as QPLEDGE™ (Quality, Process and Learning EDGE framework), which is aligned with SEI CMMI-DEV v1.2, ISO 9001:2008, Information Security Management Systems (ISO 27001:2005) and IT Service Management (ISO 20000:2005). This QPLEDGE is the key enabler in delivering high quality outcomes at an agreed upon service levels. The word, QPLedge™ symbolizes our pledge to provide Quality Solutions and Services to the internal and external customers. GSS employees undergo mandatory training on this framework, which consists of the required processes and best practices for different SDLC methodologies such as Waterfall and Agile.

To foster continuous improvements culture across processes and projects, GSS has initiated Six Sigma program to enhance analytical skills of the resources and deliver sustainable business results to our customers. Six Sigma GB training and certification is enabling data-based approach with use of various analytical tools for effective decision making leading to process and service improvements. Competencies gained through process standardization and knowledge enhancements have resulted in 100% compliance to the defined processes which are helping us deliver predictable levels of Quality to our esteemed customers.

Risks and Concerns

2012-13 risks

- a) A downturn in the economy of the United States as a part of the global economic recession;
- b) General economic conditions in India and the larger global markets;
- c) Changes in the demand for IT products and services, particularly in the banking and financial services sectors;
- d) Fluctuations in the rate of exchange of major foreign currencies;
- e) Increase in our debt component due to acquisitions and new business initiatives;
- f) Competition in India, the United States and other international markets from other IT product and service companies, which among other things affects the Company's ability to penetrate its target market segment;
- g) Increase in salaries and wages due to increases in operations after acquisitions;
- h) Increase in depreciation due to investment in new business;
- i) Changes in net working capital;
- j) Identification and integration of acquisition targets; and

- k) Management of differing regulations and taxation for our global operations.
- l) The aforesaid factors and a number of other future developments may affect the Company's results of operations, financial condition and cash flow in future periods. Further, the Company believes that other developments that may affect the Company's future results of operations, financial condition and cash flow may among other things include:
- m) Acceptance of the Company's service offerings in the domestic and international markets;
- n) Pricing pressures for the Company's IT services due to continued competition from other IT products, services and transaction services companies;
- o) Capital expenditure and related financings;
- p) The Company's ability to expand international operations;
- q) Gain or loss of significant customers;
- r) New strategic partnerships or mergers/acquisitions; and
- s) Obtaining funding for additional acquisition opportunities and their working capital requirements.
- t) Internal controls and adequacy
- u) Your company has a comprehensive information security policy covering multiple components, viz., logical security, physical security, organizational information assets and process security, thereby maximizing the benefits of Information Systems for data protection and customer privacy, while minimizing the risks of offshore software outsourcing.
- v) Your company confirms to Information Security Management System standards as per the ISO 27001:2005 with monthly Internal Quality Audits and Yearly External Certification /Surveillance Audits by TUV.
- w) Your company has network firewalls, anti-virus protection at various levels, encryption methodologies, authentication and access controls & Intrusion Detection Systems. Also we enforce strict compliance and disabled CD/DVD ROM, USB drives and all other removable storage devices on PCs as per the ISMS policies.
- x) Your company conducts employee background screening, information security education and regular training on IP protection to all its employees working on various projects.
- y) Your company has documented business continuity and disaster recovery plans
- z) Your company has appointed an independent audit firm, M/s. Polamraju & Associates, Chartered Accountants, have conducted a quarterly internal audit and verify internal controls and its adequacy in the areas of operations, HR, Secretarial and Finance and Accounts. Their report is placed and discussed in the audit committee, and there are no adverse observations made by the firm post their review

Discussion on financial performance with respect to operational performance.

DISCUSSION ON RESULTS OF OPERATIONS (STANDALONE)

Operational Income

The operational income for the twelve months and year ended 31st March 2013 stood at R398.77 million as compared to R412.07 million in the year 2011-12. The decrease in revenues is not comparable as audited financials are for 12 months in comparison to 9 months in the previous year.

Total staff costs and other direct costs

The direct costs including staff costs in the year 2012-13 stood at R287.26 million as compared to R396.16 million in the year 2011-12.

Total expenditure

The operating, general and selling expenses in the year 2012-13 stood at R62.05 million as compared to R74.39 million in the year 2011-12.

Depreciation / Amortization

The depreciation / amortization in FY 2012-13 stood at Rs.13.36 million as compared to R49.98 million in the year 2011-12.

Financial Expenses

The financial expenses in 2012-13 of R26.47 million as compared to R8.28 million on 2011-12. In the previous year the company utilised the credit facilities only for a period of four months.

Extraordinary items

The Company, despite its best efforts and initiating legal action, could not realize R7,79,50,000/- hence these amounts accordingly became unrealizable.

Profit before Tax

The Company's net Loss before tax for the period 2012-13 stood at R48.01 million as compared to net Loss before tax of R224.9 million in the year 2011-12.

Profit after Tax

The Company's net Loss after tax for the period 2012-13 stood at R49.37 million as compared to net loss after tax of R154.9 million in the year 2011-12.

Consolidated financial Performance

**A summary of our past financial results based on our consolidated accounts is given below
(R In Lakhs)**

Particulars	For the year ended 31 st March 2013	For the year ended (9 months) 31 st March 2012
Income	R	R
Sales:		
a) Software Services	29429.75	29146.93
b) Other Income	215.97	538.60
Total	29645.72	29,685.53
 Expenditure:		
a) Direct cost	12965.23	14741.56
b) Employee benefit expense	13503.61	11824.83
c) Other expenses	2344.51	2313.28
d) Financial costs	470.52	224.16
e) Depreciation and amortization expense	201.80	1511.47
f) Exceptional items	Nil	4823.89
Net Profit before tax and extraordinary items	160.05	(5753.66)
Tax expense	(25.34)	(655.79)
	779.50	Nil
 Extraordinary item		
 Net loss after Tax	594.11	5097.87

Material developments in Human Resources / Industrial Relations front, including number of people employed.

Employees As of 31/03/13 is 629 FTE's. as a result of additional focus and programs to improve the working environment employee satisfaction has increased from 3.6 to 4.1 on a scale of 1-5 compared to the same time period in 2013. Scores of note include: Work Relationships, Work Culture and Career Growth which received a score of 4+ in all cases.



Annexure E

CEO certification

I, Bhargav Marepally, CEO & Managing Director of GSS Infotech Limited, to the best of my knowledge and belief, certify that:

- a. I have reviewed financial statements and the cash flow statement for the year 2012-13 and that to the best of my knowledge and belief :
 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have:
 1. Evaluated the effectiveness of internal control systems of the company pertaining to financial reporting
 2. Disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit committee significant changes in internal control over financial reporting during the year;
- e. There are no significant changes in accounting policies during the year to be disclosed to the auditors and the audit committee
- f. There are no instances of significant fraud of which I 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 over financial reporting

For GSS Infotech Limited

Sd/-
Bhargav Marepally
CEO & Managing Director

Date: 30th May, 2013

Place: Hyderabad



Annexure F

CEO's Declaration

I, Bhargav Marepally, CEO & Managing Director of GSS Infotech Limited do hereby declare that pursuant to the provisions of the Corporate Governance as laid down by the Stock Exchanges in India, all the members of the Board and Senior Management of the Company have furnished their affirmation of compliance with the code of conduct of the Company for Board members and senior management for the financial year 2012-2013.

On behalf of the Board of Directors

Sd/-

Mr. Bhargav Marepally
Chief Executive Officer & Managing Director

Place: Hyderabad

Date: 30th May, 2013

CONSOLIDATED REPORT



AUDIT REPORT

To
The Board of Directors,
GSS INFOTECH LIMITED
HYDERABAD

1. We have audited the attached Balance Sheet of M/s. GSS Infotech Limited ('the Company') and its subsidiaries which comprise the Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statements for the year ended on that date and a summary of Significant accounting policies and other explanatory information.
2. The Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated 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 the Management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion
4. 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 Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013; and
 - ii. In the case of the Consolidated Statement of Profit and Loss of the year ended on that date;
 - iii. In the case Consolidated Cash Flow Statement, of the cash flows for the year end on that date.

For SARATH & ASSOCIATES
Chartered Accountants
Firm Regn. No. 005120S

Sd/-
S Srinivas
Partner
Membership No. 202471.

Place: Hyderabad
Date: 30.05.2013

GSS INFOTECH LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT AND LOSS
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Particulars	Note	Year ended 31st March 2013	Year(9 Months) ended 31st March 2012
I.	Revenue from operations	15	₹ 2,942,975,243	₹ 2,914,693,252
II.	Other Income	16	21,596,675	53,859,534
III			2,964,571,918	2,968,552,786
IV	Expenses: Direct cost Purchase of Stock-in-Trade Changes in inventories of finished goods, work-in-progress and Stock-in-Trade Employee benefit expense Other expenses	17 18 20	1,296,523,287 1,350,361,051 234,450,569 2,881,334,907	1,474,156,855 1,182,483,779 231,327,883 2,887,968,517
V	Earnings before Interest, Tax, Depreciation, Exceptional and extraordinary items (EBITDA) Financial costs Depreciation and amortization expense	(III - IV) 19 9	83,237,011 47,051,999 20,180,283	80,584,269 22,416,106 151,147,139
VI	Profit before exceptional and extraordinary items and tax		16,004,729	(92,978,976)
VII	Exceptional Items		-	482,389,703
VIII	Profit before extraordinary items and tax	(VI - VII)	16,004,729	(575,368,679)
IX	Extraordinary Items		77,950,000	-
X	Profit before tax	(VIII-IX)	(61,945,271)	(575,368,679)
XI	Tax expense: (1) Current tax (2) Deferred tax Total Tax Expense	21	3,726,923 (6,260,633) (2,533,711)	9,314,844 (74,894,245) (65,579,401)
XII	Profit(Loss) from the period from continuing operations	(X-XI)	(59,411,560)	(509,789,278)
XIII	Profit/(Loss) from discontinuing operations		-	-
XIV	Tax expense of discounting operations		-	-
XV	Profit/(Loss) from Discontinuing operations	(XIII + XIV)	-	-
XVI	Profit/(Loss) for the period	(XII + XV)	(59,411,560)	(509,789,278)
XVII	Earning per equity share: (1) Basic (2) Diluted		(4.20) (3.51)	(36.06) (36.06)

*Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement
 This is the Profit & Loss Statement referred to in our Report of even date.*

For and on behalf of the board

Per Our Report of Even Date
 For SARATH & ASSOCIATES
 Chartered Accountants
 Firm Regn No:005120S

Sd/-
 Mr.Bhargav Marepally
 CEO & Managing Director

Sd/-
 Mr.Ramesh Yerramsetti
 Director

Sd/-
 S.Srinivas
 Partner
 Membership No: 202471

Sd/-
 R.S.Kalyan Bhaskar
 Company Secretary

Hyderabad
 30.05.2013

GSS INFOTECH LIMITED

Note No-9:FIXED ASSETS

S.No.	Particulars	Gross Block Value			Accumulated Depreciation			Net Block Value		
		As at 01-04-12	Additions	Deductions	As at 31-03-13	As at 01-04-12	Additions	Deductions	As at 31-03-13	As at 31-03-12
A. TANGIBLE ASSETS:										
1	Computer Equipment	53,777,415	3,221,208	-	56,998,624	36,960,960	7,615,509	-	44,576,469	12,422,155
2	Furniture And Fixtures	15,547,363	15,660	2,671,015	12,892,008	7,887,196	1,391,212	1,037,533	8,240,875	4,651,134
3	Vehicles	12,187,567	-	-	12,187,567	7,567,245	1,196,201	-	8,763,446	3,424,121
4	Plant and Machinery	11,267,799	102,248	-	11,370,047	4,693,825	967,579	-	5,661,404	5,708,643
Total (A)		92,780,145	3,339,116	2,671,015	93,448,246	57,109,226	11,170,501	1,037,533	67,242,194	26,206,052
B. INTANGIBLE ASSETS:										
5	Goodwill	2,615,853,810	219,868,959	-	2,835,722,769	-	-	-	-	2,835,722,769
6	Software	9,145,030	-	-	9,145,030	7,548,244	638,714	-	8,186,958	958,072
7	Copyrights	41,855,336	-	-	41,855,336	6,301,235	8,371,067	-	14,672,302	27,183,034
Total (B)		2,666,854,176	219,868,959	-	2,886,723,135	13,849,479	9,009,782	-	22,859,260	2,863,863,874
GRAND TOTAL		2,759,634,321	223,208,075	2,671,015	2,980,171,381	70,958,705	20,180,283	1,037,533	90,101,455	2,890,069,926
Previous Year Total		5,341,338,867	3,951,045	2,585,655,592	2,759,634,320	588,359,664	151,147,139	668,548,098	70,958,705	2,688,675,615

* Deductions during the previous year includes the impairment of software

GSS INFOTECH LIMITED AND ITS SUBSIDIARIES
Notes Forming Part of the Consolidated Statement of Profit & Loss for the
year ended 31st March , 2013

PARTICULARS	Year ended 31st March 2013	Year(9 Months) ended 31st March 2012
	₹	₹
Note - 15: Revenue from Operations		
Sale of services		
a) Export Sales	2,942,975,243	2,914,693,252
Other operating revenues		
	2,942,975,243	2,914,693,252
Note - 16: Other Income		
Interest Income (Gross)		
a) Interest on Fixed Deposits	2,354,589	1,660,214
b) Other interest	-	-
Miscellaneous Income	628,137	454,108
Gain on Exchange Rate Fluctuations	18,613,949	51,745,212
	21,596,675	53,859,534
Note - 17: Direct Cost		
Software Expenses	8,306,204	23,123,102
Subcontractor Expenses	428,603,043	590,658,663
Hardware Expenses	821,800,685	832,436,526
Rent - Equipments	37,813,356	27,938,564
	1,296,523,287	1,474,156,855
Note - 18: Employee benefit expense		
Salaries And Allowances	1,314,387,259	1,140,245,777
Contribution to PF and Others	5,542,860	4,319,553
Managerial Remuneration	-	6,268,323
Recruitment & Training	27,864,993	30,341,993
Employee Welfare Expenses	2,565,939	1,308,132
	1,350,361,051	1,182,483,779

GSS INFOTECH LIMITED AND ITS SUBSIDIARIES
Notes Forming Part of the Consolidated Statement of Profit & Loss for the
year ended 31st March , 2013

PARTICULARS	Year ended 31st March 2013	Year(9 Months) ended 31st March 2012
Note - 19: Financial Costs	₹ 47,051,999	₹ 22,416,106
Interest Expenses	40,616,284	16,300,555
Other borrowing costs	6,435,715	6,115,551
	47,051,999	22,416,106
Note - 20: Other Expenses		
Recruitment And Training		
Directors' Sitting Fees	520,000	380,000
Bank Service Charges	-	-
Printing & Stationery	624,864	2,172,180
Telephone Expenses	10,504,951	7,755,762
Internet and Web Expenses	4,909,202	4,426,009
Rent	45,445,567	35,066,590
Insurance	38,730,360	37,976,556
Rates And Taxes	1,451,075	1,694,124
License, Immigration And Permits	15,005,683	11,045,590
Local Conveyance and Vehicle Maintainence	4,248,260	2,812,300
Repairs And Maintainence:		
- Buildings	970,457	1,542,592
- Machinery	467,887	233,409
- Others	2,601,298	3,923,526
Travel Expenses	32,013,743	34,319,933
Utilities	8,042,140	5,037,530
Professional Fees	28,858,932	38,894,736
Auditor's Remuneration	1,542,477	1,124,400
Advertisement And Business Promotion	8,816,954	9,267,921
Bad Debts Written Off	-	27,151,695
Provision of Bad Debts	18,254,281	-
Meeting Expenses	147,061	187,958
General Office Expenses	11,295,378	6,315,071
Exchange Rate Fluctuation - Loss	-	-
Miscellaneous Expenses	-	-
Loss on sale of fixed assets	-	-
	234,450,569	231,327,883
Note - 21: Tax Expenses:		
Current Tax (MAT)	1,342,614	4,373,100
Current Tax Relating to Previous Years A/c	3,726,923	4,941,745
Less: MAT Credit Entitlements	(1,342,614)	-
<i>Net Current Tax</i>	<i>3,726,923</i>	<i>9,314,844</i>
Deferred Tax	(6,260,633)	(74,894,245)
	(2,533,711)	(65,579,401)



GSS INFOTECH LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIALS STATEMENTS

(A) COMPANY OVERVIEW:

GSS Infotech (GSS) is one of the fast growing managed IT Services companies, headquartered at Hyderabad, India. Founded in 1999, GSS operates worldwide through its offices in India, Middle East and the USA. A Pioneer in managed IT Services, GSS offers Cloud Enablement Services Remote Infrastructure and Application management services to customers across the globe. Over the years, GSS has established itself as a choice of providers with over 40 Fortune global customers covering Financial Services, Insurance, HealthCare, Education and Government industry segments.

A CMMI Level 5 company, GSS helps its customers reduce their CAPEX on infrastructure and helps convert it to manageable operational expense, leveraging its premier partnerships with leading technology providers such as Microsoft, CISCO, HP, Symantec, VMWARE, BMC and NetApp. GSS Infotech offers consulting services to help customers choose the right cloud deployment models, migrates application portfolio to the cloud environment, ensures functional and performance equivalence of applications through its independent validation and verification services and also offers remote application & infrastructure monitoring and management services through its Global Operations Command Center in Hyderabad, India.

GSS Infotech, with an ambitious inorganic growth strategy, has been very successful through a spate of acquisitions in the USA. The company has been successful in integrating all of its overseas acquisitions and creating a globally integrated Infrastructure Management Services practice. GSS is now well positioned to capitalize on the emerging technology trends in the cloud computing arena leveraging its unparalleled expertise in Infrastructure Virtualization, Remote Infrastructure Management, Cloud Consulting and Migration services. The company offers world class services propelled by over 700 consultants consisting of MCSE's, BS-25999 certified professionals, VMware VCP's, Remedy CA, CCNA, CCNP, CCSE, CCVP, CCIE, CISSP, BMC Control-M professionals with Consulting, Deployment and Management expertise.

GSS Infotech provides pragmatic and unique solutions to customers looking for excellence and high-quality. Our Thought Leadership, Responsiveness, Passion and Professionalism to work as a 'Virtual Extension' to customer's business has always been acknowledged to be a great strength, by our customers.

GSS INFOTECH LIMITED

B) List of Subsidiaries and Step down Subsidiaries considered for consolidation:

S. No.	Name of the Entity	Country of Incorporation	Extent of Holding held by Parent Company	
			31.03.2013	31.03.2012
A.	Subsidiaries:			
1	GSS Infotech Inc, (A Delaware Company)	USA	100%	100%
2	GSS IT Solutions Private Ltd	India	100%	100%
B.	Step Down Subsidiaries:			
1	System Dynamix Corporation	USA	100%	100%
2	ATEC Group	USA	100%	100%
3	GCI Systems	USA	100%	100%
4	Veloce Group	USA	100%	100%
5	Infovista Technologies	USA	100%	100%
6	Technovant Inc	USA	100%	100%
7	Infovision Technologies Inc	USA	100%	100%

(C) Significant Accounting Policies :

1. Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. Indian GAAP comprises mandatory accounting standards notified under Companies Act, 1956, accounting standards issued by Institute of Chartered Accountants of India (ICAI), and also the guidelines issued by the Securities and Exchange Board of India (SEBI).

Management evaluates all recently issued or revised accounting standards on an ongoing basis.

2. Principles of Consolidation

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, 'Consolidated Financial Statements' on the following basis:

- (i) The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. Inter-Company balances and transactions & unrealized profit or losses have been fully eliminated.
- (ii) The excess of cost to the Company of its investments in the subsidiary company over its share of the net assets of the subsidiary company at the dates, on which the investments in the subsidiary company is made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of net assets in the subsidiary company as on the date of investment, is in excess of cost of investment of the Company, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- (iii) Minority interest in the net assets of the subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary company and further movements in their share in the equity, subsequent to the dates of investments.

GSS INFOTECH LIMITED

3. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, and the useful lives of fixed assets and intangible assets.

4. Revenue recognition

Revenue from Software Development on fixed-price, fixed time frame contracts, where there is no uncertainty as to the measurement or collectability of consideration is recognized as per the percentage of completion method. On time and material contracts, revenue is recognized as the related services are rendered. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates. Annual technical services revenue and revenue from fixed price maintenance contracts are recognized proportionately over the period in which services are rendered. Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license, except multiple element contracts, where revenue is recognized as per the percentage of completion method.

Profit on sale of investments is recorded on transfer of title from the company and is determined as the difference between the sales price and the then carrying value of the investment. Dividend income is recognised where the company's right to receive dividend is established. Interest and Other Income is recognised on accrual basis.

5. Expenditure and provisions

All items of expenditure are accounted on accrual basis. Provisions are made for all known losses and liabilities, which involves substantial degree of estimation in measurement and when there is present obligation as a result of past events and it is probable that there will be an outflow of resources.

6. Fixed Assets, Intangible Assets and Capital work in progress

Fixed assets are stated at cost less accumulated depreciation. All costs, directly attributable to bringing the asset to the present condition for its intended use of assets, are capitalised.

Intangible assets are stated at the cost of acquisition /development of such assets and are carried at cost less accumulated amortization and impairment.

Capital work in progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

7. Depreciation and Amortisation

Depreciation on Fixed assets has been provided on Written down method and depreciation on assets acquired during the year is provided on pro-rata basis at the rates specified in schedule XIV of the companies act, 1956.

Depreciation for assets purchased/ sold during the period is proportionately charged. Individual low cost assets (acquired for less than R5000/-) are depreciated in the same year of acquisition.

Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis commencing from the date the asset is available to the company for its use.

8. Impairment of Assets

The carrying amount of assets are being tested on annual basis for impairment so as to determine the provision required for impairment loss if any or for reversal of the provision, if any required on account of impairment loss recognised in previous periods.

9. **Investments**

Investments are classified into current investments and long term Investments. Current investments are carried at the lower of cost or market value. Any reduction in carrying amount and any reversals of such reduction are charged or credited to the profit and loss account. Long-term investments are carried at cost less provision made to recognise any decline, other than temporary, in the value of such investments.

10. **Foreign Currency Transactions**

Revenue from overseas clients and collections deposited are recorded at the exchange rate as at the date of the respective transactions. Expenditure in foreign currency during the year is accounted at the exchange rate prevalent when such expenditure is incurred. The exchange differences arising on the foreign currency transactions during the year are recognized as income or expenses in the period in which they arise.

Non-Monetary assets and liabilities are translated at the rate on the date of the transaction.

Current assets and Current Liabilities denominated in foreign currency are translated at the exchange rate prevalent at that date of the Balance Sheet. The resulting differences are also recorded in the profit and loss account.

Integral operations:

In respect of integral operations, monetary assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. Non-monetary items are translated at the historical rate. The items in the profit and loss account are translated at the average exchange rate during the period. The differences arising out of the translation is recognized in the profit and loss account.

Non-integral operations:

In respect of non-integral operations, assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the profit and loss account are translated at the average exchange rate during the period. The differences arising out of the translation are transferred to foreign exchange translation reserve and is shown under "Reserves And Surplus".

11. **Taxes on Income**

Tax expense for the year comprises of current tax and deferred tax.

Current taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws. Income tax is accrued in the same period that the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the consolidated Balance Sheet.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the profit and loss account in the year of change. Deferred tax assets and deferred tax liabilities are recognised for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases of the respective countries.

12. **Employee Benefits**

Short Term Benefits:

Short Term Employee Benefits, at the undiscounted amount in the year in which the services have been rendered, are charged off to the Profit and Loss Account.

Long Term Benefits:

Eligible employees receive benefit from matching contribution from the employer to Provident Fund Scheme, State Insurance and Other Schemes which are defined benefit plans. Both the employee and company make monthly contributions to these plans equal to specified percentage of the employee's salary.

Retirement Benefits:

Retirement benefits such as gratuity and earned leave encashment which are defined benefit plans, wherever applicable is made on the basis of an actuarial valuation at the balance sheet under Project Unit Credit Method. The Present value of liability of gratuity is being met through contributions to a fund setapart for this purpose.

Terminal Benefits

Terminal Benefits are recognised as an expense as and when incurred.

13. Borrowing Costs:

Borrowing costs that are attributable to the acquisition of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use. Other borrowing costs are recognised as expense for the period.

14. Leases:

Lease of assets under which all the risks and rewards of ownership are effectively retained by the Lessor are classified as operating leases. Lease Payments under operating leases are recognised as an expense on a straight line basis over the period of lease.

15. Proposed Dividend:

Dividends, if any as recommended by the Board of Directors are accounted in the books of account, pending approval of the members at the Annual General Meeting.

16. Earnings Per Share:

The basic earnings per share is calculated considering the weighted average number of equity shares outstanding during the year.

The diluted earnings per share is calculated considering the effects of potential equity shares on net profits after tax for the year and weighted average number of equity shares outstanding during the year.

17. Contingent Liabilities and Contingent Assets:

Contingent Liabilities, which are possible or present obligations that may but probably will not require outflow of resources, are not recognised but are disclosed in the Notes to Accounts to the financial statement. Contingent Assets are neither recognised nor disclosed in the financial statements.

2. NOTES TO ACCOUNTS:

2.1 For the current period the company closed its financial year as of March 31, 2013 for a period of 12 months. The company closed the previous year financial statements for 9 months ended March 31, 2012. Therefore the figures as of March 31, 2013 are not comparable to the previous year's figures.

2.2 The figures are rounded off to the nearest rupee and figures of the previous year are regrouped and reclassified wherever necessary to confirm to the current year figures.

2.3 Contingent Liabilities:

Bank Guarantees issued by Banks towards financial and performance guarantees outstanding as at 31st March, 2013 amountsR3,66,23,266 (Previous Year: R6,59,02,266)

2.4 Claims Not Acknowledged as Debts :

On account of disputed Income Tax Liability - Nil (Previous Year -Nil)

2.5 Details of Fees to Auditors:

Particulars	2012-13	2011-12
	R	R
As Auditors	12,00,000	9,00,000
For Certifications	1,00,000	2,00,000
Out of Pocket Expenses	14,387	24,400
Total	13,14,387	11,24,400

2.6 Tax Expense:

- i) Current Income tax represents tax on income payable as per relevant statutes of the respective countries recognised and provided.
- ii) Tax Credits, where there is certainty in availing the tax credit against the taxes on income paid, are recognised and shown as "Tax Credit Entitlements" under Loans and Advances in the financial statements.

2.7 Managerial Remuneration:

The Managerial Remuneration to Whole Time Directors for the year is R54,45,000/- (Previous year R62,68,323/-)

2.8 In the view of Management, no event has taken place to trigger the need for testing its assets for impairment. Accordingly, as per the management's assessment, the carrying values of its assets as at the Balance sheet date are not higher than their corresponding recoverable amounts.

2.9 Leases:

The Company has operating lease for office premises, which is renewable on a periodical basis and cancellable at its option. Rental Expenses for operating lease recognized in Profit and Loss account is R4,54,45,567/- (Previous Year R 3,50,66,590/-)

The future minimum lease payments are as given below:

	2012-13	2011-12
	R	R
Not later than one year	5,65,36,987	8,89,18,534
Later than one year and not later than five years	5,73,39,073	7,96,94,469
Later than five years	NIL	NIL

2.10 Segment Reporting

Business Segments:

The Company operates in a single business segment i.e., Software Services.

2.12 Earnings Per Share (EPS):

The Numerator and Denominator used to calculate Earnings Per Share:

Particulars	2012-13 R	2011-12 R
A. EARNINGS:		
Profit attributable to Equity Shareholders	(5,94,11,560)	(50,97,89,278)
B. NO.OF SHARES:		
Weighted average number of Equity Shares outstanding during the year (No s) – Basic	1,41,36,843	1,41,36,843
Weighted Average number of Equity shares arising out of outstanding stock options that have diluting effect on Earnings Per Share	28,00,000	—
Weighted average number of Equity Shares outstanding during the year – Diluted	1,69,36,843	1,41,36,843
C. EARNINGS PER SHARE:		
Earnings per Share of Par Value Rs.10/- each – Basic	(4.20)	(36.06)
Earnings per Share of Par Value Rs.10/- each – Diluted	(3.51)	(36.06)

2.13 The previous year's figures have been regrouped where necessary to correspond with current year's figures. The figures are rounded off to the nearest rupee. The financial statements are prepared as per the Revised Schedule VI effective from 1st April 2011 for preparation of financial statements, which has significant impact on the disclosures and presentations made in the financial statements. There are, however, no material issues requiring presentation of specific reconciliation statements

2.14 The Notes referred in the financial statements form an integral part of Accounts.

For Sarath & Associates
Chartered Accountants
Firm Regn No: 005120S

for GSS Infotech Limited

Sd/-
S.Srinivas
Partner
Membership No: 202 471

Sd/-
Mr. Bhargav Marepally
CEO & Managing Director

Sd/-
Mr. Ramesh Yerramsetti
Director

Place: Hyderabad
Date: 30.05.2013

Sd/-
R.S.Kalyan Bhaskar
Company Secretary

STANDALONE REPORT

AUDIT REPORT

To
The Members,
GSS INFOTECH LIMITED
HYDERABAD

- 1 We have audited the attached Balance Sheet of M/s. GSS Infotech Limited ('the Company') which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statements for the year ended on that date and a summary of Significant accounting policies and other explanatory information.
- 2 The 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.
- 3 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 the 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

- 4 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 Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;
 - (ii) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 ("Act") of India (the Act) and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, 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, so far as appears from our examination of those books.
- (iii) The Balance Sheet and the statement of profit & loss and cash flow statements dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and the statement of profit & loss and cash flow statements comply with the Accounting Standards referred to in Sub – Section 3(c) of Section 211 of the Companies Act, 1956; and
- (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, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) Since the Central Government has not issued any notification as 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.

For SARATH & ASSOCIATES
Firm Regn. No. 005120S
Chartered Accountants

Sd/-
S Srinivas
Partner
Membership No. 202471.

Place: Hyderabad
Date: 30.05.2013

**The Annexure referred to in our report to the
members of GSS Infotech Limited ('the Company')
for the year ended 31 March, 2013. We report that :**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) We were informed that the Company has a regular programme of physical verification of fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

(c) In our opinion and according to the information and explanations given to us, the company has not disposed off any assets during the year.
2. The Company is a service company, primarily rendering Information Technology Services. Accordingly, as it does not hold any physical Inventories, the provisions of Clause 4 (ii) of the Order are not applicable to the Company for the current year.
3. (a) As per the information and explanations given to us, the Company had granted advances to two parties covered in the Register maintained under Section 301 of the Act, aggregating to R1468.87 Lakhs and the maximum balance outstanding is R1542.43 Lakhs.

(b) As per the information and explanations given to us, in our opinion, the above loan are purely temporary in nature and does not specify any specific repayment schedule and hence is repayable on demand. Accordingly the terms and conditions on which interest free loans have been granted to Companies and parties listed in the register maintained under Section 301 of the Companies Act, 1956 are, *prima facie*, are not prejudicial to the interests of the Company.

(c) As per the information and explanations given to us, these loans do not carry any specific repayment schedule and accordingly do not warrant any comments under Clauses 4 (iii) (c) and (d) of the Order for the current year.

(d) The Company has not taken any loans from parties covered in the register maintained under 301 of the Act. Accordingly, paragraphs 4(iii)(e) to 4(iii)(g) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for purchase of fixed assets and for sale of services and during the course of our audit, we have not come across any instances of continuing failure to correct major weaknesses in internal control system.
5. (a) According to information and explanations furnished to us and as confirmed by the management of the company, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, company has entered transactions in pursuance of contracts or arrangements that need to be entered into the register referred to in clause 5 (a) above, and exceeding the value of R5.00 Lakhs have been made during the year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. As the Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and rules framed there under, the provisions of Clause 4(vi) of the Order are not applicable to the Company for the current year.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. As the Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub section (1) of section 209 of the Act for any of the activities of the company, the provisions of Clause 4(viii) of the Order are not applicable to the Company for the current year.
9. (a) According to records of company and as per the information and explanation given to us, the company is generally regular in depositing with the appropriate authorities, the undisputed statutory dues including provident fund, Investor Education protection Fund, Income Tax, Sales Tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it and in respect of these statutory dues, there are no outstanding statutory dues as on 31.03.2013, which are outstanding for a period of more than six months from the date they become payable.
(b) According to records of Company and as per information and explanations given to us, there are no dues of Income tax, Wealth tax, Service tax, Customs duty, Excise duty, which have not been deposited on account of any dispute, except as stated hereinunder:-

Asst Year	Amount involved	Particulars
2008-09	2,30,912	Appeal pending before CIT Appeals (3)

10. The Company does not have any accumulated losses at the end of the current financial year. The Company had incurred cash losses in the current financial period as against cash profit in the immediately preceding financial year.
11. As per the information and explanations given to us, the Company did not have any outstanding dues to any financial institution or bank or debenture holders as at the balance sheet date, and hence the provisions of Clause 4(xi) of the Order are not applicable to the Company for the current year.
12. As per the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, and accordingly the provisions of Clause 4(xii) of the Order are not applicable to the Company for the current year.
13. In our opinion, as the Company is not a chit fund or a nidhi or mutual benefit fund or society, the provisions of Clause 4 (xiii) of the Order are not applicable to the Company for the current year.
14. As the company is not dealing or trading in shares, securities, debentures and other Investments, the Provisions of clause 4(xiv) of the order are not applicable to the Company for the current year.
15. As per the information and explanations given to us, as the Company has not given any guarantees for loans taken by others from banks or financial institutions, and hence the provisions of Clause 4(xv) of the Order are not applicable to the Company for the current year.
16. In our opinion, and according to the Information and explanations furnished to us, as the company has not availed any term loans, the provisions of Clause 4(xvi) of the Order are not applicable to the Company for the current year.

17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, no funds raised on a short-term basis have been used for long-term Investment by the Company.
18. As per the information and explanations given to us, as the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act during the year, the provisions of Clause 4(xviii) of the Order are not applicable to the Company for the current year.
19. As the Company has not issued any secured debentures, the provisions of Clause 4(xix) of the Order are not applicable to the Company for the current year.
20. As the Company has not raised any money by public issues during the year, the provisions of Clause 4(xx) of the Order are not applicable to the Company for the current year.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as per the representation given by the Company and relied on by us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such cases by the management.

For SARATH & ASSOCIATES
Chartered Accountants
Firm Regn. No. 005120S

Sd/-
S Srinivas
Partner
Membership No. 202471

Place: Hyderabad
Date : 30.05.2013

GSS INFOTECH LIMITED
NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013

PARTICULARS	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012		
	₹	₹		
Note No - 1: Share Capital				
Authorised Share Capital:				
50,000,000 Equity shares of ₹10/- each.	500,000,000	500,000,000		
Issued, Subscribed and Paid up Share Capital:				
1,41,36,843 (Previous Year 1,41,36,843) Equity Shares of ₹10/- each fully paid up	141,368,430	141,368,430		
(Out of the above 79,90,000 fully paid up equity shares of ₹10/- each were issued as bonus shares by capitalisation of Retained Earnings and General Reserves)	141,368,430	141,368,430		
a.Reconciliation of shares outstanding at the beginning and at the end of reporting period				
Equity shares				
	31 March 2013	31 March 2012		
	No. of shares	Amount In ₹	No. of shares	Amount In ₹
At the beginning of the period	14,136,843	141,368,430	14,136,843	141,368,430
Issued during the period	-	-	-	-
Outstanding at the end of the period	14,136,843	141,368,430	14,136,843	141,368,430
b. Terms/rights attached to equity shares				
The Company has only one class of equity shares having a par value of Rs.10/- each. Each share holder of equity shares is entitled to one vote per share				
C.Details of shareholders having more than 5% of share holding				
	31 March 2013	31 March 2012		
	No. of shares	% of holding	No. of shares	% of holding
Bhargav Marepally	629,459	4.45%	1,082,460	7.66%
Venkata Ramesh Babu Yerramsetti	1,105,279	7.82%	1,059,279	7.49%
IL & FS Trust Company Ltd	1,952,505	13.81%	1,952,505	13.81%
Madhukar Sheth	1,550,535	10.97%	1,449,561	10.25%
Beaumaris Investments Ltd	1,410,000	9.97%	1,410,000	9.97%
Ellara Capital PLC A/c. Clear water capital partner Singapore fund III Pvt Ltd	1,384,950	9.80%	1,384,950	9.80%
Kubera Cross Border Fund (Mauritius) Ltd	1,000,000	7.07%	1,000,000	7.07%
	9,032,728	63.89%	9,338,755	66.06%
	31-Mar-13	31-Mar-12		
Note No-2: Reserves and Surplus				
Securities Premium Account				
Balance as per the last financial statements	1,965,580,129	2,000,583,834		
Add: Additions during the year	-	-		
Less: Amounts utilised during the year	-	35,003,705		
Closing balance	1,965,580,129	1,965,580,129		
General Reserve				
Balance as per the last financial statements	23,918,390	23,918,390		
Add: Transferred by appropriation from profits	83,213	-		
Add: Additions for account reconciliation of Buyback	-	-		
Closing balance	24,001,603	23,918,390		
Foreign exchange Translation Reserve	198,479,211	197,812,778		
Surplus/ (Deficit) in the Statement of Profit and Loss Account				
Balance as per last financial statements	562,671,925	717,625,606		
Profit for the year	(49,365,487)	(154,953,681)		
<i>Less: Appropriations</i>				
- Proposed Dividend	-	-		
- Tax on Proposed Dividend	(987,524)	-		
Transfer to General Reserve	-	-		
Goodwill Impairment	-	-		
Closing Balance	512,318,914	562,671,925		
Total	2,700,379,858	2,749,983,222		

GSS INFOTECH LIMITED
NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2013

PARTICULARS	AS AT 31ST MARCH, 2013		AS AT 31ST MARCH, 2012	
	₹	₹	₹	₹
Note No - 11: Loans and advances: <i>(Unsecured, Considered good unless otherwise stated)</i>	Non-current		Current	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Security deposits (<i>Secured, considered good</i>)	13,551,625	5,193,864	-	11,255,587
Loans and Advances to Related Parties*			146,887,196	26,317,902
Advances Recoverable in <i>Cash or in Kind or for value to be received</i>	119,730,425	3,500,000	237,428	197,284,146
Prepaid Expenses	-	3,995,808	11,558,300	
Loan to Employees	-	64,459	105,642	
Balances with Statutory/government authorities	-	19,912,320	11,333,673	
Total	133,282,050	8,693,864	171,097,211	257,855,250
Note No - 12: Other Current assets :				
	Non-current		Current	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
MAT Credit Entitlements	79,918,092	80,860,934		
Advance Tax				
Accrued Income		10,331,561	2,239,682	
	79,918,092	80,860,934	10,331,561	2,239,682
Note No-13.Trade Receivables: <i>(Unsecured, Considered Good)</i>		31-Mar-13		31-Mar-12
Outstanding for a period exceeding Six Months	209,411,095		258,911,393	
Others	115,325,185		242,763,000	
	324,736,281			501,674,393
Note No - 14: Cash and Bank balances				
	Non Current		Current	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Cash and cash Equivalents				
Balance with banks:				
On current accounts			58,551,317	9,374,173
Deposits with original maturity of less than 3 months			-	-
On unpaid dividend accounts		437,590	436,990	
Cash on hand		6,699	58,395	
Deposits with original maturity for more than 12 months	17,526,889	5,088,069		
Deposits with original maturity for more than 3 months but less than 12 months	-	-		
Margin money deposits		838,508	25,346,337	
	17,526,889	5,926,577	58,995,606	35,215,895

GSS INFOTECH LIMITED
Note No-9:FIXED ASSETS

S.No.	Particulars	Gross Block Value			Accumulated Depreciation			Net Block Value		
		As At 01-04-12	Additions	Deductions	As At 31-03-13	01-04-12	Additions	Deductions	As At 31-03-13	As At 31-03-12
A. TANGIBLE ASSETS:										
1	Computer Equipment	27,355,497	1,190,600	-	28,546,097	20,197,485	3,183,711	-	23,381,196	5,164,902
2	Furniture And Fixtures	6,111,762	15,660	-	6,127,422	4,273,049	338,008	-	4,611,057	1,516,365
3	Vehicles	6,396,341	-	-	6,396,341	4,691,084	441,491	-	5,132,575	1,263,766
4	Plant and Machinery	4,591,319	61,809	-	4,653,128	1,911,129	390,942	-	2,302,072	2,351,056
Total (A)		44,454,919	1,268,069	-	45,722,988	31,072,748	4,354,152	-	35,426,900	10,296,088
										13,382,171
B. INTANGIBLE ASSETS:										
5	Goodwill	-	-	-	-	-	-	-	-	-
6	Software	9,145,030	-	-	9,145,030	7,548,244	638,714	-	8,186,958	958,072
7	Copyrights	41,855,336	-	-	41,855,336	6,301,235	8,371,067	-	14,672,302	27,183,034
Total (B)		51,000,366	-	-	51,000,366	13,849,479	9,009,782	-	22,859,260	28,141,106
										37,150,887
GRAND TOTAL										
		95,455,285	1,268,069	-	96,723,354	44,922,226	13,363,934	-	58,286,160	38,437,193
										50,533,058
	Previous Year Total	352,617,384	2,837,901	260,000,000	95,455,285	94,242,344	49,987,046	99,307,765	44,922,226	50,533,059
										258,374,439

* Deductions during the previous year includes the impairment of software

GSS INFOTECH LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1. Corporate information:

GSS Infotech (GSS) is one of the fast growing managed IT Services companies, headquartered at Hyderabad, India. GSS operates worldwide through its offices in India, Middle East and the USA. A Pioneer in managed IT Services, GSS offers Cloud Enablement Services Remote Infrastructure and Application management services to customers across the globe. Over the years, GSS has established itself as a choice of providers with over 40 Fortune global customers covering Financial Services, Insurance, HealthCare, Education and Government industry segments.

A CMMI Level 5 company, GSS helps its customers reduce their CAPEX on infrastructure and helps convert it to manageable operational expense, leveraging its premier partnerships with leading technology providers such as Microsoft, CISCO, HP, Symantec, VMWARE, BMC and NetApp. GSS Infotech offers consulting services to help customers choose the right cloud deployment models, migrates application portfolio to the cloud environment, ensures functional and performance equivalence of applications through its independent validation and verification services and also offers remote application & infrastructure monitoring and management services through its Global Operations Command Center in Hyderabad, India.

GSS Infotech, with an ambitious inorganic growth strategy, has been very successful through a spate of acquisitions in the USA. The company has been successful in integrating all of its overseas acquisitions and creating a globally integrated Infrastructure Management Services practice. GSS is now well positioned to capitalize on the emerging technology trends in the cloud computing arena leveraging its unparalleled expertise in Infrastructure Virtualization, Remote Infrastructure Management, Cloud Consulting and Migration services. The company offers world class services propelled by over 700 consultants consisting of MCSE's, BS-25999 certified professionals, VMware VCP's, Remedy CA, CCNA, CCNP, CCSE, CCVP, CCIE, CISSP, BMC Control-M professionals with Consulting, Deployment and Management expertise.

GSS Infotech provides pragmatic and unique solutions to customers looking for excellence and high-quality. Our Thought Leadership, Responsiveness, Passion and Professionalism to work as a 'Virtual Extension' to customer's business has always been acknowledged to be a great strength, by our customers.

2. Basis of Preparation:

The financial statements are prepared in accordance with Indian Generally Accepted Principles (GAAP) under the historical cost convention on the accrual basis. The Company has prepared the financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provisions of the Companies Act, 1956.

2.1 Summary of significant accounting policies:

Presentation and disclosure of financial statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, and the useful lives of fixed assets and intangible assets

a) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions

and estimates could result in the outcomes requiring a material judgment to the carrying amounts of assets or liabilities in future periods. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, and the useful lives of fixed assets and intangible assets.

b) Fixed Assets, Intangible Assets and Capital work in progress:

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. All costs, directly attributable to bringing the asset to the present condition for its intended use of assets, are capitalized.

Intangible assets are stated at the cost of acquisition /development of such assets and are carried at cost less accumulated amortization and impairment.

Capital work in progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

c) Depreciation and amortization :

Depreciation on fixed assets has been provided on written down method and depreciation on assets acquired during the year is provided on pro-rata basis at the rates specified in schedule XIV of the Companies Act, 1956 or at the rates based on their estimated useful lives of the assets.

Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis commencing from the date the asset is available to the Company for its use.

d) Impairment of tangible and intangible assets:

The Company assess at each reporting date whether there is an indication that the assets are impaired. If any indication exists or when an annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Assets recoverable amount is higher of asset's or Cash generating unit's (CGU) net selling price and its value in use.

The carrying amount of assets are being tested on annual basis for impairment so as to determine the provision required for impairment loss, if any, or for reversal of the provision, if any required on account of impairment loss recognized in previous periods.

e) Revenue recognition:

Revenue from Software Development on fixed-price, fixed time frame contracts, where there is no uncertainty as to the measurement or collectability of consideration is recognized as per the percentage of completion method. On time and material contracts, revenue is recognized as the related services are rendered. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates. Annual technical services revenue and revenue from fixed price maintenance contracts are recognized proportionately over the period in which services are rendered. Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license, except multiple element contracts, where revenue is recognized as per the percentage of completion method.

Profit on sale of investments is recorded on transfer of title from the company and is determined as the difference between the sales price and the then carrying value of the investment. Dividend income is recognised where the company's right to receive dividend is established. Interest and Other Income is recognised on accrual basis.

f) Expenditure and provisions:

All items of expenditure are accounted on accrual basis. Provisions are made for all known losses and liabilities, which involves substantial degree of estimation in measurement and when there is present obligation as a result of past events and it is probable that there will be an outflow of resources.

g) Investments

Investments are classified into current investments and long term Investments. Current investments are carried at the lower of cost or market value. Any reduction in carrying amount and any reversals of such reduction are charged or credited to the profit and loss account. Long-term investments are carried at cost less provision made to recognize any decline, other than temporary, in the value of such investments.

h) Foreign Currency Transactions:

Revenue from overseas clients and collections deposited are recorded at the exchange rate as at the date of the respective transactions. Expenditure in foreign currency during the year is accounted at the exchange rate prevalent when such expenditure is incurred. The exchange differences arising on the foreign currency transactions during the year are recognized as income or expenses in the period in which they arise.

Non-Monetary assets and liabilities are translated at the rate on the date of the transaction.

Current assets and Current Liabilities denominated in foreign currency are translated at the exchange rate prevalent at that date of the Balance Sheet. The resulting differences are also recorded in the Profit and Loss Account.

The operations of foreign branches of the company are of integral in nature and the financial statements of these branches are translated using the same principles and procedures of the head office. The resulting net exchange difference on translation is also recorded in the Profit and Loss Account.

i) Taxes on Income:

Tax expense for the year comprises of current tax and deferred tax. Current taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the profit and loss account in the year of change. Deferred tax assets and deferred tax liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases.

j) Employee Benefits

Short Term Benefits:

Short Term Employee Benefits, at the undiscounted amount in the year in which the services have been rendered, are charged off to the Profit and Loss Account.

Long Term Benefits:

Provident Fund:

Eligible employees receive benefit from matching contribution from the employer to Government Provident Fund Scheme, which is a defined benefit plan. Both the employee and company make monthly contributions to the Provident Fund plan equal to specified percentage of the employee's salary.

Gratuity:

In accordance with Payment of Gratuity Act 1972, the company provides for Gratuity, a defined benefit plan covering eligible employees. The Gratuity plan provides a lump sum payment to eligible employees on retirement, death, incapacitation or termination of employment, of an amount based on the respective employee salary and the tenure of the employment with company. In this regard the Company is contributing its liability to the Gratuity Fund maintained under a master policy with Life Insurance Corporation of India, as advised from time to time. The provision is made for difference if any, between the liabilities determined under actuarial valuation carried out under Projected Unit Credit Method and the value of funds at the balance sheet date.

Leave Encashment:

The company provides for unutilized encashable earned leave based on the undiscounted value of such leave balance eligible for carry forward as per the policy of the company.

Terminal Benefits:

Terminal Benefits to employees are recognized as an expense as and when incurred.

k) Borrowing Costs:

Borrowing costs that are attributable to the acquisition of a qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use. Other borrowing costs are recognized as expense for the period.

l) Leases:

Lease of assets under which all the risks and rewards of ownership are effectively retained by the Lessor are classified as operating leases. Lease Payments under operating leases are recognized as an expense on a straight line basis over the period of lease.

m) Proposed Dividend:

Dividends, if any as recommended by the Board of Directors are accounted in the books of account, pending approval of the members at the Annual General Meeting.

n) Earnings Per Share:

The basic earnings per share are calculated considering the weighted average number of equity shares outstanding during the year.

The diluted earnings per share is calculated considering the effects of potential equity shares on net profits after tax for the year and weighted average number of equity shares outstanding during the year.

o) Contingent Liabilities and Contingent Assets:

Contingent Liabilities, which are possible or present obligations that may but probably will not require outflow of resources, are not recognized but are disclosed in the Notes to Accounts to the financial statement. Contingent Assets are neither recognized nor disclosed in the financial statements.

p) Measurement of EBITDA

As permitted by the Guidance note on Revised Schedule VI to the Companies Act, 1956 the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement the company does not include depreciation and amortization expense, finance cost and tax expenses.

2.2 NOTES TO ACCOUNTS:

1. Closure of Accounting Year

For the current period the company closed its financial year as of 31st March, 2013 for a period of 12 months. The company closed the previous year financial statements for 9months ended 31, March, 2012. Therefore the figures as of 31st March, 2013 are not comparable to the previous years figures.

2. The figures are rounded off to the nearest rupee and figures of the previous year are regrouped and reclassified wherever necessary to confirm to the current year figures.

3. In the current year, the gains on account of exchange fluctuations on advances have been credited to the exchange fluctuation reserve account, as the management feels that the gains are of temporary nature and have occurred in a magnitude disproportionate to the normal course of business. This was as a result of adopting a conservative approach to enable consistency in the reported earnings for the period.
4. **Contingent Liabilities:**
i.) Against Bank Guarantees issued by Banks towards financial and performance guarantees outstanding as at 31st March, 2013 amounts R3,66,23,266/- (Previous Year: R6,59,02,266-)
5. **Claims Not Acknowledged as Debts :**
On account of disputed Income Tax demand, not acknowledged as debt by the company RNIL (Previous Year ' NIL).
6. **Advances to Subsidiaries:**
a) The Company has given advances to its wholly owned subsidiary viz., GSS Infotech Inc and GSS IT Solutions Private Limited with no specific repayment schedule.
b) Information pursuant to clause 32 of Listing Agreement with Stock exchanges w.r.t. Loan and Advances in the nature of loans to wholly owned subsidiaries is as given below:

Particulars	Balance as on		Maximum Balance Outstanding during the year	
	31.03.2013 R	31.03.2012 R	31.03.2013 R	31.03.2012 R
GSS Infotech Inc.	12,24,95,132	32,43,390	12,55,41,433	1,40,61,32,910
GSS IT Solutions Private Limited	2,43,92,064	2,30,74,512	2,87,01,873	2,48,18,543

7. **Employee Stock Options:**
The Board proposed to introduce the new ESOS scheme 2013 in place of ESOS 2010 being non vesting of options by the eligible employees due to the share price fallen drastically during the financial year and all eligible employees surrendered their options. Thus, the board decided to scrap the existing ESOS 2010 scheme.
8. **Details of Remuneration to Auditors:**

Particulars	2012-13		2011-12	
	R	R	R	R
As Auditor	12,00,000		9,00,000	
For taxation matters	-		-	
For Certifications	1,00,000		2,00,000	
For reimbursement of expenses	14,387		24,400	
Total	13,14,387		11,24,400	

9. **Employee Benefits:**
- Defined Contribution Schemes:**
The Contributions to Employees Provident Funds and Miscellaneous Provisions Act, 1952 made and charged off during the year is R52,75,500/- (Previous Year: R43,05,601/-)

Defined Benefit Plans:

Leave Encashment:

The Present value of obligation in respect of Earned Leave Encashment payable to employees on termination is determined, recognized and charged off during the year are as under:

Particulars	2012-13	2011-12
	R	R
Expenses recognized during the year	9,37,515	2,78,167
Present value of obligation at the year end	23,28,269	28,03,526

Gratuity:

The Present value of obligation in respect of Gratuity to employees on termination is determined based on actuarial valuation using Projected Unit Credit Method.

The Company has created GSS Infotech Ltd Employee Group Gratuity Assurance Scheme Trust (GSSGGAST) to implement gratuity scheme and contributions are being made to the designated scheme operated by LIC of India.

The details of obligation and funded assets are as under:

Particulars	2012-13	2011-12
	R	R
Expenses recognized during the year	6,72,160	2,94,905
Present value of obligation at the year end	19,75,707	23,07,715
Value Present value of Planned Assets at the year end	20,21,799	26,04,999
Liability at the year end	—	—

Tax Expense:

- i) Current Income tax represents tax on income payable as per relevant statutes of the respective countries recognised and provided.
- ii) Minimum Alternate Tax Credit, where there is certainty in availing the tax credit against the taxes on income paid, are recognised and shown as "MAT Credit Entitlement" under Loans and Advances in the financial statements.
- iii) **Deferred Tax:**

Particulars	Deferred Tax Liability/(Asset) in R
Timing Difference on Account of WDV of assets	14,720,198
Timing Difference on Account of Provision of Leave Encashment	(2,328,269)
Timing Difference on Account of Loss Carry forward	(243,872,070)
Timing difference (a)	(231,480,141)
Deferred Tax Asset as on 31.03.2013 @ 30.9% on (a)	(71,527,364)
Less: Deffered Tax Asset as on 31.03.2012	(69,159,530)
Asset Provided During the year	(2,367,834)

10. Note on Exceptional Item:

"The Company had given an advance amounting to R9,27,50,000 to certain parties towards fulfilment of certain obligations. However, the said obligation was not fulfilled and the Company, despite its best efforts and initiating legal action , could not realize R7,79,50,000/- hence these amounts accordingly became unrealizable.

Considering all the facts, the Board had passed resolution confirming the write offs during the current year in the Books of Account.

11. There are no dues to Micro and Small Enterprises as on 31st March, 2013.

12. The Balances of Trade receivables, Loans and Advances and Trade payables are subject to confirmation and consequential adjustment if any required.

13. Current Assets and Loans and Advances:

In the opinion of the Board of Directors the Current assets, Loans and advances have a value realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities has been made.

14. The Ministry of Corporate Affairs, Government of India, vide General circular No.2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 211 of the Companies Act, 1956. Subject to fulfillment of conditions stipulated in the circular, the Company has satisfied the conditions stipulated in the circular and hence entitled to exemption. Necessary information relating to subsidiaries has been included in Consolidation of Financial statements.

15. Leases:

The Company has operating lease for office premises, which is renewable on a periodical basis and cancellable at its option. Rental expenses for operating lease recognized in Profit and Loss account is R15,070,872/- (Previous Year R13,284,850/-)

The future minimum lease payments are as given below:

Particulars	2012-13		2011-12	
	R	R	R	R
Not later than one year	5,02,83,007		8,38,00,027	
Later than one year and not later than five years	5,50,84,281		7,52,36,847	
Later than five years	—		—	

16. Details of Balances with Non-Scheduled Banks:

Name of the Bank's	As at 31.03.2013		Maximum Balance outstanding during the year	
	As at 31.03.2013		outstanding during the year	
	R	R	2012-13	2011-12
Harris Bank	1,317,972	3,95,804	1,26,55,925	3,33,71,322
HSBC, Dubai	4,45,013	9,46,515	61,37,979	56,99,600
IndianBank, Singapore	1,73,536	1,65,196	1,62,959	3,69,938
SBI Bank, Bangladesh	35,16,453	33,60,613	46,23,311	33,12,766

17. Segment Reporting:

Business Segments:

The Company operates in a single business segment i.e., Software Services.

Geographical Segments:

Particulars	2012-2013	2011-12
	R	R
Business from United States of America	23,99,05,168	25,30,98,969
Business from Middle East	2,12,79,689	1,79,17,143
Business from Singapore	33,67,434	16,11,137
Business from Bangladesh	4,11,64,434	4,41,58,266
Domestic	9,30,50,118	9,52,90,801
Total	39,87,66,843	41,20,76,316

Note: The Company does not track its assets and liabilities by geographical areas.

18. Transactions with Related Parties:

The List of Related parties with whom transactions have taken place and nature of relationship is:

A) List of Related Parties:

i) Subsidiaries:

a) GSS Infotech Inc (A Delaware Company)

b) GSS IT Solutions Private Limited

ii) Step down Subsidiaries:

- | Infovision Technologies, inc
- | Infospectrum Consulting Inc
- | GSS Infotech CT Inc (formerly System Dynamix Corporation)
- | GSS Infotech NY Inc (formerly ATEC Group)
- | Infovista TechnologiesInc
- | Technovant Inc
- | GCI Systems Inc
- | Veloce Group LLC

iii) Key Management Personnel:

a) Mr. Bhargav Marepally Chief Executive Officer
And Managing Director

b) Mr. Ramesh Yerramsetti Director

C. EARNINGS PER SHARE:

Earnings per Share of Par Value R10/- each – Basic	(3.49)	(10.96)
Earnings per Share of Par Value R10/- each – Diluted	(2.91)	(10.96)

22. Additional information as required under Part-II of Schedule VI of the Companies Act, 1956:

	2012-13 R	2011-12 R
1. Expenditure in Foreign Currency Towards: (On Accrual basis)		
Travelling Expenses	49,12,137	75,13,503
Foreign Branch Expenses incurred abroad	15,83,23,979	21,97,78,020
3. Earnings in Foreign Exchange: (On Accrual Basis)		
FOB Value of Exports	30,57,16,725	32,21,86,978
4. CIF Value of Imports		
Capital goods	Nil	Nil
5. Remittance of Dividend in Foreign Currency:		
No. of Shareholders	Nil	Nil
No. of Shares Held (Nos.)	Nil	Nil
Amount of Dividend paid (Net of Tax)	Nil	Nil
6. The other particulars as required are not given as the same are not applicable to the Company for the Current Year.		

23. Rounding off & Regrouping:

The previous year's figures have been regrouped where necessary to correspond with current year's figures. The figures are rounded off to the nearest rupee. The financial statements are prepared as per the Revised Schedule VI effective from 1st April 2011 for preparation of financial statements, which has significant impact on the disclosures and presentations made in the financial statements. There are, however, no material issues requiring presentation of specific reconciliation statements.

24. The Notes referred to in the financial statements form an integral part of Accounts.

For Sarath & Associates
Chartered Accountants
Firm Regn No: 005120S

Sd/-
S Srinivas
Partner
Membership No: 202471

Place: Hyderabad
Date: 30.05.2013

for GSS Infotech Limited

Sd/-
Mr. Bhargav Marepally
CEO & Managing Director

Sd/-
Mr. Ramesh Yerramsetti
Director

Sd/-
R.S.Kalyan Bhaskar
Company Secretary

**Statement pursuant to exemption received under Section 212(8)
(iv) of the Companies Act, 1956 relating to Subsidiary Companies**

S.No.	Particulars	GSS Infotech Inc	GSS IT
		(A Delaware Company)*	Solutions Pvt Ltd
1	Reported Currency	R	R
2	Capital	11,704,337	100,000
3	Reserves	2,447,291,043	9,810
4	Total Assets	3,202,605,293	28,312,689
5	Total Liabilities	996,040,824	28,202,879
6	Investments	-	-
7	Turnover	2,655,013,972	2,69,03,715
8	Profit/(Loss) Before Taxation	(16,999,958)	8,296,498
9	Provision for taxation	-	1,342,614
10	Profit/(Loss) After Taxation	(16,999,958)	6,953,884
11	Proposed dividend	-	-
12	Country	USA	INDIA

* Includes subsidiaries and step subsidiaries



GSS INFOTECH LIMITED

Level-5, Block-2, Cyber Pearl, Madhapur, Hyderabad- 500081

Proxy Form

Regd. Folio No.		Depository Participant ID*	
No. of Shares held		Client ID*	

I/ we..... being a member of GSS Infotech Limited
hereby appoint

ofor failing him..... ofas my
/ our proxy to attend and vote for me/ us on my / our behalf at the AGM at Ellaa Suites, Jasmine Banquet Hall, Hill Ridge
Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad 500 032 to be held on
at 10.00 A.M. and at any adjournment thereof

As witness my /our hand (s) this Day of 2013

Signed by the said

Affix 1/-
revenue
stamp

Note: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting; The proxy need not be a member of the Company.

* Applicable for investors holding shares in electronic form.

GSS INFOTECH LIMITED

Level-5, Block-2, Cyber Pearl, Madhapur, Hyderabad- 500081

Attendance Slip for the Annual General Meeting on 19th July, 2013 at 10.00 A.M.

Regd. Folio No.		Depository Participant ID*	
No. of Shares held		Client ID*	
Name of the Shareholder			
Name of Proxy			
Signature of the Member/ Proxy			

I hereby record my presence at the AGM of the Company held on Friday, 19th July, 2013 at 10.00 A.M. and at any adjournment thereof
at Ellaa Suites, Jasmine Banquet Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad - 500 032

Signature of the member or proxy attending the meeting:

If member, please sign here:

If proxy, please sign here:

Note: This form should be signed and handed over at the meeting venue. No duplicate attendance slip will be issued at the meeting hall. You are requested to bring copy of the annual report to the meeting.

BOOK-POST

If undelivered please return this copy to the following address

GSS Infotech Ltd.

Cyber Pearl, Block '2', 5th Floor - 01,
HITEC City, Madhapur,
Hyderabad - 500 081,
India.

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