

**COURIER**

If undelivered please return this copy to the following address :

**GSS Infotech Ltd.**

CIN : L72200TG2003PLC041860

Level – 3 and 4, Brigade Towers, Plot no. 30 and  
31, Financial District, Nanakramguda, Gachibowli,  
Hyderabad – 500032, Telangana State, India.

Ph: +914044556600, Fax: +914040028703

website: [www.gssinfotech.com](http://www.gssinfotech.com)

OSSV - 9133324212



*Integrating People, Process and Technology*

# 2015-16

13<sup>th</sup> Edition

## Vision & Mission

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

“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 Companies in India
- ❖ A Global organization with operations in US & India
- ❖ 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
- ❖ wholly owned subsidiary in India providing best in class Healthcare support services to prospective clients
- ❖ Empowering SMEs globally, through 5 Business /Development Centers
- ❖ Best-in-class top tier technology alliances and domain intensive Centers of Excellence
- ❖ Highly capable global team
- ❖ 7 Acquisitions in the last seven years

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# Corporate Information

## Board of Directors

### Mr. Keerthy Jaya Tilak

Chairman, Non-Executive & Independent Director

### Mr. Bhargav Marepally

CEO & Managing Director

### Mr. Ramesh Yerramsetti

Non-Executive, Non-Independent Director

### Mr. Mark Silgado

Non-Executive, Non-Independent Director

### Mr. Madhukar Sheth

Non-Executive, Non-Independent Director

### Mr. Patri VenkataRamakrishna Prasad

Non-Executive, Non-Independent Director

### Mrs. Nagajayanthi Das Juttur Ragavendra

Non-Executive, Independent Director

### Mr. Sanjay Heda

Chief Financial Officer

### Mrs. Esha Sinha

Company Secretary & Compliance Officer

### Bankers

Bank of India

Axis Bank Limited

## Committees of Board of Directors

### Audit Committee

Mr. Keerthy Jaya Tilak

Mrs. Nagajayanthi Das Juttur Ragavendra

Mr. Bhargav Marepally

### Nomination and Remuneration Committee

Mr. Patri VenkataRamakrishna Prasad

Mr. Keerthy Jaya Tilak

Mrs. Nagajayanthi Das Juttur Ragavendra

Mr. Madhukar Sheth

### Stakeholders Relationship Committee

Mr. Madhukar Sheth

Mrs. Nagajayanthi Das Juttur Ragavendra

Mr. Bhargav Marepally

### Statutory Auditors

M/s. Sarath & Associates

Chartered Accountants, 4th floor, Mass heights,  
H.NO.8-2-577/B, Road No.8, Banjara Hills,  
Hyderabad - 500034. Telangana State

### Registered Office

CIN: L72200TG2003PLC041860

Level – 3 and 4, Brigade Towers, Plot no. 30 and  
31, Financial District, Nanakramguda, Gachibowli,  
Hyderabad – 500032, Telangana State, India

Ph: +914044556600 Fax:+914040028703

website: [www.gssinfotech.com](http://www.gssinfotech.com)

### Registrar and Share Transfer Agents

Bigshare Services Private Limited

E-2 & 3, Ansa Industrial Estate, Saki Vihar Road,  
Saki Naka, Andheri(E), Mumbai-400072, India

Tel:+912240430200, Fax:+912228475207

## Notice of Annual General Meeting (AGM)

Notice is hereby given that the 13<sup>th</sup> Annual General Meeting (AGM) of the members of GSS Infotech Limited will be held on Friday, the 30<sup>th</sup> Day of September, 2016, at 10.30 A.M at Ellaa Suites, Lotus Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad - 500 032 to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt:
  - a) The audited financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2016 and the reports of the Board of Directors and the report of the Auditors thereon
  - b) The audited consolidated financial statement of the company for the financial year ended 31<sup>st</sup> March, 2016 and the report of the Auditors thereon.
2. To appoint a Director in the place of Mr. Mark Silgado (DIN: 02298310), who retires by rotation, and being eligible, offers himself for Re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:
 

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Mark Silgado (DIN: 02298310), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."
3. 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** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Sarath and Associates, Chartered Accountants (Firm Registration Number 005120S) be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of the 13<sup>th</sup> Annual General Meeting till the conclusion of the 16<sup>th</sup> Annual General Meeting of the Company to be held in the year 2019, on such remuneration as shall be fixed by the Board of Directors of the Company in addition to the out of pocket expenses as may be incurred by them during the course of Audit"

### Special Business:

4. To re-appoint Mr. Bhargav Marepally as Managing Director for a period of five years and in this regard to consider and if thought fit to pass the following resolution with or without modification(s) as an **Ordinary resolution**:
 

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, read with provisions of Schedule V of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other approvals, permissions and sanctions, as may be required, consent of the Company be and is hereby accorded for the re-appointment of Mr. Bhargav Marepally (DIN: 00505098) as Managing Director of the Company for a period of five years with effect from 01<sup>st</sup> June, 2016 to 31<sup>st</sup> May, 2021, without remuneration and he shall have the right to manage the day-to-day business and affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company."

**"RESOLVED FURTHER THAT** Mr. Bhargav Marepally shall have the right to exercise such powers of Management of the Company as may be delegated to him by the Board of Directors, from time to time".

**"RESOLVED FURTHER THAT** the Board of Directors of the Company and/or the Company Secretary of the Company be and are hereby authorized severally to take such steps as it may consider necessary, proper or expedient to give effect to the aforesaid resolution."

5. To approve offer or invitation to subscribe to Non-Convertible Debentures on private placement and in this regard, pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Rules made thereunder, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, including any amendment, modification, variation or re-enactment thereof and the provisions of the Memorandum and Articles of Association of the Company and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) for issuing, making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures (‘NCDs’) on private placement, in one or more tranches, such that the total amount does not exceed Rs.479.15 Crores during a period of one year from the date of passing of this Resolution”.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to determine the terms of issue, including the class of investors to whom the NCDs may be issued/offered, time, type, number of NCDs, tranches, issue/offer price, tenor, interest rates, premium/discount on redemption, listing, and to appoint Debenture Trustees and/or Registrar & Transfer Agents, if necessary, and to do all such acts, deeds and things and deal with all such matters as may be necessary in this regard.”

**By Order of the Board of Directors**

**Keerthy Jaya Tilak**  
Chairman

**Date: 13<sup>th</sup> August, 2016**  
**Place: Hyderabad**

### Route Map for the venue of Annual General Meeting





## Explanatory Statement (pursuant to section 102 (1) of the Companies Act, 2013)

### ITEM No 4:

The Board of Directors of the Company in its meeting held on 30<sup>th</sup> May, 2016, re-appointed Mr. Bhargav Marepally, as the Managing Director of the Company without remuneration for a period of 5 years from 01<sup>st</sup> June, 2016 to 31<sup>st</sup> May, 2021, as recommended by the Nomination and Remuneration Committee of the Board of Directors. Since Mr. Bhargav Marepally is not a resident of India in accordance with Schedule V of the Companies Act, 2013, the Company is in the process of Central Government approval for his re-appointment as Managing Director of the Company.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Bhargav Marepally are as under:

- The Appointment of Mr. Bhargav Marepally shall be governed by this memorandum containing the terms and conditions of appointment which can be amended from time to time by the Board of Directors
- The period of appointment is for 5 years with effect from 01<sup>st</sup> June, 2016
- There shall be no remuneration to be drawn by Mr. Bhargav Marepally in terms of the Companies Act, 2013.
- Mr. Bhargav Marepally is entitled to do all the activities and acts, as may be delegated to him from time to time apart from the general functions, which is a Managing Director of the Company is entitled to under law in India for the day-to-day running and functioning of the Company
- This Memorandum may be terminated by the Company at any time by providing a two years prior written notice to the Managing Director, with or without cause.
- He shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he may incur or sustain by or by reason of any bona fide and good faith act done, concurred in or omitted in the execution of his duty.
- It is explicitly provided that for matters not provided in this memorandum and for any matters containing ambiguity in interpretation with regard to appointment of Mr. Bhargav Marepally, the same shall be referred to the Board of Directors for necessary directions.

The above is the written memorandum setting out the terms of re-appointment of Mr. Bhargav Marepally, under Section 190 of the Companies Act, 2013.

Brief resume of Mr. Bhargav Marepally is given below:

<b>Name of the Director</b>	Mr. Bhargav Marepally
<b>Date of Birth</b>	27.08.1971
<b>Qualification</b>	M.Sc. and Masters in Management Studies from BITS Pilani
<b>Experience</b>	Bhargav Marepally, the CEO and founder of GSS Infotech comes with 20 years of experience in the IT Services Industry. He is a member of many technology and management associations worldwide. He was also nominated for "The Entrepreneur of the Year" contest by Ernst & Young in 2005. He has been awarded the "Udyog Rattan Award" on April 11, 2008, in recognition of his significant contribution to the country's IT industry. This award also recognizes his outstanding performance as the Best Manager for putting GSS on the express elevator to growth.
<b>Shareholding in GSS Infotech Limited as on March 31, 2016</b>	4992 shares
<b>Interest in Companies and nature of Interest:</b>	
<b>GSS Healthcare IT Solutions Private Limited</b>	- Director
<b>GSS IT Solutions Private Limited</b>	- Director
<b>BM Technologies Private Limited</b>	- Director
<b>BM Energy Private Limited</b>	- Director



#### ITEM No 5:

The members of the Company, at the twelfth Annual General Meeting held on 30<sup>th</sup> September, 2015, had passed a special resolution authorising the Board of Directors of the Company to borrow any sum or sums of money for the business of the Company, from time to time, in Indian or Foreign currency or both, whether by way of cash credit, advance or deposit, loans or bill discounting or otherwise or by way of issue of debentures/bonds or any other security(ies), from time to time from any Bank(s)/Financial Institutions(s) or any other Institution(s), firms, body corporate(s) or other person(s), in India or abroad from any one or more of the Company's Bankers and / or from any one or more other persons, firms, bodies corporate or financial institutions and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable, immovable including intangibles, or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose but, so however, that the total amount upto which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed Rs. 500 Crores (Rupees Five Hundred Crores only).

Persuant to the above authorisation, the Company has decided to make private placement of redeemable non-convertible debentures. The Board may, at an appropriate time, consider offering or inviting subscriptions for secured/ unsecured redeemable non-convertible debentures, in one or more series / tranches, on private placement, issuable / redeemable at par, in order to augment long-term resources for financing inter alia the ongoing capital expenditure and for general corporate purposes.

Section 71 of the Act which deals with the issuance of debentures read with Section 42 of the Act which deals with the offer or invitation for subscription of securities of a company on private placement and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 provide that a company which intends to make a private placement of its non-convertible debentures, shall, before making an offer or invitation for subscription, obtain approval of its shareholders by means of a special resolution. It shall be sufficient if the company passes a special resolution only once in a year for all the offers or invitations for such non-convertible debentures during the year.

Keeping in view the above, consent of the members is sought for passing the Special Resolution as set out at Item No. 5 of the Notice. This enabling resolution authorises the Board of Directors of the Company to offer or invite subscription for redeemable non-convertible debentures, as may be required by the Company, from time to time and as set out herein, for a year from the date of passing this resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

#### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/ HERSELF. A Proxy need not be a member of the Company. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the AGM i.e. by 10.30 a.m. on **Wednesday, 28<sup>th</sup> September, 2016**. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person shall not act as a proxy for more than 50 (fifty) members and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. However, a single person may act as a proxy for a member holding more than 10% (ten percent) of the total share capital of the Company provided that such person shall not act as a proxy for any other person.
2. Relevant documents referred to in the accompanying Notice and the statement pursuant to Section 102(1) of the Companies Act, 2013 are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public Holidays up to the date of the AGM.

3. The Register of Members and Share Transfer Books of the Company will remain closed from **23<sup>rd</sup> September, 2016 to 30<sup>th</sup> September, 2016 (both days inclusive)**.
4. Members holding shares in electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall where the AGM is proposed to be held. The Members are requested to fill the details i.e. folio number in case of physical shares and DP ID and Client ID numbers for identification.
6. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the AGM, to the Company's Registrar and Transfer Agent or to the Company's Registered office by 10.30 a.m. on **Wednesday, 28<sup>th</sup> September, 2016**.
7. In terms of Section 125 of the Companies Act, 2013 and Sections 205A and 205C of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) for the time being in force), (including any statutory modification(s) or re-enactment(s) for the time being in force), the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Members are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.
8. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit PAN to their Depository Participant(s) with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer agent or at the Company's registered office.
9. Electronic copy of the Annual Report containing the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form are being sent to the members who have registered their email ids with the Company/Depository Participant(s). For members who have not registered their email ids, physical copies of the aforementioned documents are being sent in the permitted mode.
10. *Members, who have not registered their email address so far, are requested to register their email ids for receiving all communications including Annual Report, Notices, etc., from the Company electronically.*
11. As a measure of austerity, copies of the Annual Report will not be distributed at the AGM. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.
12. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013 read with the Rules issued thereunder. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled to the Company's Registrar and Share Transfer agent i.e. Bigshare Services Private Limited. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
13. Members who wish to obtain any information on any item of business of this meeting are requested to forward the same before **23<sup>rd</sup> September, 2016**, to the Company Secretary at the Registered Office of the Company, email : [esha.sinha@gssinfotech.com](mailto:esha.sinha@gssinfotech.com), so that the same may be attended appropriately. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days i.e. Monday to Friday up to 29<sup>th</sup> September, 2016.

#### 14. E-Voting:

In compliance with the provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations

2015, E-voting facility is being provided to Members to exercise their right to vote on the resolutions proposed to be passed at the 13<sup>th</sup> AGM by electronic means. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on the **27<sup>th</sup> September, 2016 at 9:00 A.M.** and will end on **29<sup>th</sup> September, 2016 at 5:00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the record date i.e. 23<sup>rd</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. In addition, the facility for voting through ballot paper shall also be made available at the venue of AGM and the Members attending the 13<sup>th</sup> AGM who have not cast their vote by e-voting shall be eligible to cast their vote at the 13<sup>th</sup> Annual General Meeting venue.

EVEN (E-VOTING EVENT NUMBER)	COMMENCEMENT OF E-VOTING	END OF E-VOTING
160823087	27 <sup>th</sup> September, 2016 at 9:00 A.M.	29 <sup>th</sup> September, 2016 at 5:00 P.M.

**THE INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:-**

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) <ol style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of O's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ol>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your Demat account or in the company records for the said Demat account or folio #. Please enter the DOB or Dividend Bank Details in order to login. Incase either the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then directly reach GSS Infotech Limited selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- x. Select the “EVEN”(EVSN 160823087) of GSS Infotech Limited. Members can cast their vote online from **27<sup>th</sup> September, 2016 at 9.00 A.M. to 29<sup>th</sup>, September, 2016 at 5.00 P.M. e-Voting shall not be allowed beyond the said time.**
- xi. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting.
- xii. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO Implies that you dissent to the Resolution
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed.
- xv. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. **For Non – Individual Shareholders and Custodians**
  - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c. After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - d. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xvii. In case of any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xviii. Members are advised to cast their vote only through e-voting or through Poll at the AGM. In case you cast your votes through both the modes, votes cast through e-voting shall only be considered and votes cast at the meeting through Poll would be rejected.

**In case of members receiving the physical copy:**

- a. Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
  - b. The voting period begins on 27<sup>th</sup> September, 2016 at 09:00 A.M. and ends on 29<sup>th</sup> September, 2016 at 05:00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the record date i.e. 23<sup>rd</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - c. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and evoting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
15. **Ms. V. Sravani**, Practicing Company Secretary (ACS 22956, COP 8235) has been appointed as the **Scrutinizer** to scrutinize the e-voting and also the polling process in a fair and transparent manner.
  16. The Scrutinizer shall within a period not exceeding one (1) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against and submit her report to the Chairman of the Company.
  17. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto. As per the requirements of Section 102(1) read with Section 110 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information to enable the shareholders to consider and approve the Ordinary and Special Resolutions set out at items no. 4 & 5 of the Notice for the Annual General Meeting of the Company.

**By Order of the Board of Directors**

**Date: 13<sup>th</sup> August, 2016**  
**Place: Hyderabad**

**Keerthy Jaya Tilak**  
**Chairman**

## BOARD'S REPORT

Dear Members,

We are delighted to present the report on our business and operations for the financial year ended March 31, 2016.

### FINANCIAL RESULTS

The Company's Financial results (standalone & consolidated) for the year ended 31<sup>st</sup> March 2016 is provided in the Annual Report.

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
Net sales/income from operations	21,372.71	24,289.34	2,982.82	3,534.80
Less: Direct cost	7,459.56	9,485.26	220.04	408.67
Indirect Cost	13,508.58	13,881.08	2,379.05	2,217.87
<b>Profit / (Loss) from operations before other income, finance costs and exceptional items</b>	<b>404.57</b>	<b>923.00</b>	<b>383.73</b>	<b>908.26</b>
Other income	226.29	251.58	222.37	44.34
<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items</b>	<b>630.86</b>	<b>1,174.58</b>	<b>606.10</b>	<b>952.60</b>
Finance costs	217.52	366.21	139.57	128.90
Profit / (Loss) from ordinary activities after finance costs but before exceptional items	413.34	808.36	466.53	823.70
Exceptional items*	-	19,331.25	-	13,492.99
<b>Profit / (Loss) from ordinary activities before tax</b>	<b>413.34</b>	<b>(18,522.89)</b>	<b>466.53</b>	<b>(12,669.29)</b>
Tax expense	43.30	845.30	25.84	808.49
<b>Net Profit / (Loss) from ordinary activities after tax</b>	<b>370.04</b>	<b>(19,368.19)</b>	<b>440.69</b>	<b>(13,477.78)</b>
<b>Net Profit / (Loss) for the period</b>	<b>370.04</b>	<b>(19,368.19)</b>	<b>440.69</b>	<b>(13,477.78)</b>

\*In the Financial Year 2014-15, the Company had provided for Rs. 13,492.99 lakhs towards diminution in the value of Company's Investment in Wholly owned foreign subsidiaries, consequent upon losses in the WOS due to impairment of goodwill in the step down subsidiaries as per the audited financials of WOS.

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year ended 2015-16 and the date of this report.

### I. STATE OF COMPANY'S AFFAIRS

GSS primary focus is in the ADMS (Application Development and Maintenance Services), IMS (Infrastructure Management Services) and Healthcare services, while our major revenue contributor has been Professional Services. We continue to execute our business operations under the same units as last year. As we continue to meet customers, we remain convinced of the huge potential our company has given the services we offer today. We not only intend to leverage on our existing customer base to drive growth we will also be focusing on emerging technologies in the Business Intelligence and Analytics areas, which will be driving transformation and be within the demand circle.

### II. CONSOLIDATED ACCOUNTS

The consolidated financial statements of your Company for the financial year 2015-16, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as prescribed by the Securities and Exchange Board of India (SEBI). The consolidated financial statements have been prepared on the basis of audited financial statements of the Company, its subsidiary companies, as approved by their respective Board of Directors.

### III. SUBSIDIARIES

A separate statement (Form No. AOC-1) containing the salient features of financial statements of all subsidiaries of your Company forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013. The financial statements of the subsidiary companies and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Saturdays, Sundays and public holidays up to the date of the Annual General Meeting (AGM) as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of your Company. The financial statements including the consolidated financial statements of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of your Company [www.gssinfotech.com](http://www.gssinfotech.com)

### IV. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms an integral part of this Report and gives detail of the overall industry structure, developments, performance and state of affairs of the Company's various businesses during the financial year ended 31<sup>st</sup> March, 2016, is enclosed as **Annexure [F]** to this report.

### V. CORPORATE GOVERNANCE REPORT

In compliance with the Regulations 34 of Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance forms an integral part of this Report and is enclosed as **Annexure [G]** to this report.

### VI. DIVIDEND

The Board of Directors did not recommend dividend for the financial year ended 31<sup>st</sup> March, 2016.

### VII. PUBLIC DEPOSITS

During the financial year 2015-16, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

### VIII. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Mark Silgado, Non-Executive Director and Nominee Director, is liable to retire by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the resolution passed in the Annual General Meeting held on 30<sup>th</sup> December, 2011, and being eligible have offered himself for re-appointment. Appropriate resolutions for his re-appointment are being placed for your approval at the ensuing AGM. Your Directors recommend the re-appointment of Mr. Mark Silgado, as Non-Executive Director and Nominee Director of your Company.

The Independent Directors Mr. Keerthy Jaya Tilak and Mrs. Nagajayanthi Das Juttur Ragavendra hold office up to 30<sup>th</sup> September, 2020 and are not liable to retire by rotation.

#### Key Managerial Personnel:

- The Board of Directors of the Company in its meeting held on 30<sup>th</sup> May, 2016, re-appointed Mr. Bhargav Marepally, as the Managing Director of the Company without remuneration for a period of 5 years from 01<sup>st</sup> June, 2016 to 31<sup>st</sup> May, 2021, as recommended by the Nomination and Remuneration Committee of the Board of Directors.
- Mr. Sanjay Heda is the Chief Financial Officer of the Company.
- Mrs. Esha Sinha, Company Secretary and Compliance Officer of the Company was appointed at the Board Meeting held on 13<sup>th</sup> August, 2016
- Mr. Lalit Kumar Tiwari, due to his personnel reasons, resigned as Company Secretary and Compliance Officer of the Company with effect from 5<sup>th</sup> August, 2016.

The Key Managerial Personnel have been appointed in accordance with the provisions of section 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Mr. Bhargav Marepally, Managing Director, Mr. Sanjay Heda, CFO and Mrs. Esha Sinha Company Secretary, are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).



#### **Annual Evaluation of Board's Performance:**

In terms of the provisions of the Companies Act, 2013 read with Rules issued thereunder and the Listing Regulations, the Board of Directors on recommendation of the Nomination and Remuneration Committee, have annually evaluated the effectiveness of the Board/Director(s) for the financial year 2015-16.

#### **IX. DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES:**

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this report. None of the Directors draw remuneration from the Company other than sitting fees paid to the eligible directors.

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in **Annexure [B]** to this report and is also available on the website of your Company ([www.gssinfotech.com](http://www.gssinfotech.com)).

#### **X. NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE**

The details of the number of Board and Audit Committee meetings of your Company are set out in the Corporate Governance Report which forms an integral part of this Report

#### **XI. DECLARATION OF INDEPENDENCE**

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013, read with the Schedules and Rules issued thereunder as well as Listing Regulations.

#### **XII. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3) (c) of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) for the time being in force), the Directors of your Company confirm that:

- (a) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2016, the applicable Accounting standards and Schedule III of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) for the time being in force) have been followed and there are no material departures from the same;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31<sup>st</sup> March, 2016 and of the profit and loss of the Company for the financial year ended 31<sup>st</sup> March, 2016;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the Provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) for the time being in force) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a 'going concern' basis;
- (e) Proper internal financial controls laid down by the Directors were followed by the Company and that such internal Financial controls are adequate and were operating effectively; and
- (f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

#### **XIII. AUDITORS AND AUDITOR'S REPORT**

At the 12<sup>th</sup> AGM of your Company, M/s. Sarath and Associates, Chartered Accountants (Firm Registration No. 005120S) were appointed as the Auditors to hold office till the conclusion of the 13<sup>th</sup> AGM of your Company.

The Audit Committee and Board of Directors at the meetings held on 13<sup>th</sup> August, 2016 recommended the appointment of M/s. Sarath and Associates, Chartered Accountants, (Firm Registration No. 005120S), retiring Auditor, to continue to act as the Statutory Auditors of your Company for a period of 3 years till the conclusion of the 16<sup>th</sup> AGM of your Company. M/s. Sarath and Associates, Chartered Accountants, (Firm Registration No. 005120S), who retire at the ensuing AGM of your Company are eligible for re-appointment for a period of 3 years. Your Company has received written consent and a certificate stating that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 read with the



Companies (Audit and Auditors) Rules, 2014 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules issued thereunder. As required under the Listing Regulations, M/s. Sarath and Associates, Chartered Accountants, have also confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

The Audit Committee and the Board of Directors recommend the appointment of M/s. Sarath and Associates, Chartered Accountants, (Firm Registration No. 005120S), as the Auditors of your Company for a period of 3 years from the conclusion of 13<sup>th</sup> AGM till the conclusion of the 16<sup>th</sup> AGM of your Company to be held in the year 2019.

The Auditors' Report for the financial year 2015-16, does not contain any Audit qualification, for which the reply of Directors is required.

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force).

#### **XIV. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Ms. V. Sravani, Practicing Company Secretary, to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is annexed herewith as **Annexure [C]** to this Report. The Board of Directors reply to the comments/qualifications/observations by the Secretarial Auditor is as follows:

The Composition of the Board was not in order for the period 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016, in violation of section 149 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Reply:** Due to change in the Independent Status of Mr. Patri VenkataRamakrishna Prasad, from Independent Director to Non- Independent Director of the Company the composition of the board is not in order. The Company is making utmost efforts to bring the composition in order to have an appropriate mix of Independent and Non-Independent Directors and to ensure Compliance with section 149 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

#### **XV. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as **Annexure [D]** to this Report.

#### **XVI. RELATED PARTY TRANSACTIONS**

During the financial year 2015-16, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arms' length basis and in accordance with the provisions of the Companies Act, 2013, Rules issued thereunder and Listing Regulations. During the financial year 2015-16, there were no transactions with related parties which qualify as material transactions under the Listing Agreement.

The details of the related party transactions as required under Accounting Standard - 18 are set out in point 17 of the notes to the standalone financial statements forming part of this Annual Report.

The Form AOC-2 pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as **Annexure [E]** to this Report.

## XVII. LOANS AND INVESTMENTS

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

### A. Details of investments made by the Company.

#### (i) Investments in Equity Instruments in wholly owned Subsidiaries as at 31<sup>st</sup> March, 2016:

(In Indian ₹)

Particulars	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>GSS Infotech Inc (Delaware)</b>		
1,500 (31-March-2015: 1,500) equity shares of \$ 1 each fully paid up in GSS Infotech Inc (Delaware)	873,480,744	873,480,744
<b>GSS Healthcare IT Solutions Private Limited</b>		
9,990 (31- March-2015: 9,990) Equity Shares of Rs. 10/- Each fully paid up in GSS Healthcare IT Solutions Private Limited.	99,900	99,900
<b>GSS IT Solutions Private Limited</b>		
9,990 (31- March-2015: 9,990) Equity Shares of Rs. 10/- Each fully paid up in GSS IT Solutions Private Limited.	99,900	99,900

#### (ii) Investments in Debt Instruments by the Company as at 31<sup>st</sup> March, 2016: Nil

### B. Details of Amounts advanced to Subsidiary Companies by the Company pursuant to clause 32 of the Listing Agreement as at 31<sup>st</sup> March 2016:

(In Indian ₹)

Name of Subsidiary	Balance as at 31.03.2016	Balance as at 31.03.2015
GSS Infotech Inc (Delware)	14,93,85,955	14,09,62,864
GSS IT Solutions Pvt Ltd	18,50,000	18,50,000
GSS Healthcare IT Solutions Pvt Ltd	1,48,11,532	9,84,18,115

These amounts are advanced to fully owned subsidiaries towards carrying out the principal business activities of the subsidiaries. These funds are utilized in the regular course of business by the subsidiaries and shall be received back. Interest is not charged since these amounts are advanced to subsidiaries for the purpose of overall growth of the business of the GSS Group.

### C. There are no guarantees issued by your Company in accordance with Section 186 of the Companies Act, 2013 read with the Rules issued thereunder.

## XVIII. EMPLOYEE STOCK OPTION SCHEME:

The Stock exchanges accorded in-principal approval for listing of 20,00,000 shares under the GSS Infotech Limited Restricted Employee Stock Option Plan 2013. However no shares were granted to the eligible employees during the financial year ended 31<sup>st</sup> March, 2016.

## XIX. VIGIL MECHANISM

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulation. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance report which forms part of this report.

## **XX. INTERNAL FINANCIAL CONTROLS**

Your Company has put in place adequate internal financial controls with reference to the financial statements, some of which are outlined below:

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956, to the extent applicable. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Auditors.

The policies to ensure uniform accounting treatment are prescribed to the subsidiaries of your Company. The accounts of the subsidiary companies are audited and certified by their respective Auditors for consolidation.

Your Company, in preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/validate them as and when appropriate. The basis of such judgements and estimates are also approved by the Auditors and Audit Committee.

The Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever necessary.

Your Company has a code of conduct applicable to all its employees along with a Whistle Blower Policy which requires employees to update accounting information accurately and in a timely manner. Any non-compliance noticed is to be reported and actioned upon in line with the Whistle Blower Policy. Your Company gets its standalone accounts audited every quarter by its Auditors.

## **XXI. RISK MANAGEMENT**

The Board regularly discusses the significant business risks identified by the Management and the mitigation process to be adopted by the Company. At present there exists no element of risk which threaten the existence of the Company.

## **XXII. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

## **XXIII. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The CSR provisions under Section 135 of the Companies Act, 2013 are not applicable to your Company.

## **XXIV. REPORTING UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

## **XXV. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

### **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 costs is insignificant.

## ii. Technology, absorption, adaptation and innovation

Your Company is a technology driven organization and understands the importance of technical expertise from time to time. It has successfully built such expertise over a period of years and shall continue to 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 created on:

- Network Operations Center
- Disaster Recovery Center
- IT Infrastructure Management
- Offshore Development Center using BOT delivery model
- Software Testing Service using SaaS Model
- Wholly owned subsidiary rendering BPO healthcare services in India.

## 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	2015-16 (₹)	2014-15 (₹)
Foreign Exchange expenditure (on Accrual basis)	10,00,03,383	11,64,85,201
Foreign Exchange earned (on Accrual basis)	19,61,40,299	25,22,82,815

## XXVI. APPRECIATION

Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

Your Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

Place: Hyderabad  
Date: 13<sup>th</sup> August, 2016

Keerthy Jaya Tilak  
Chairman

Bhargav Marepally  
CEO & Managing Director

## Annexure [A] to Board's Report

### FINANCIAL PERFORMANCE OF SUBSIDIARIES

The financial performances of each of the subsidiaries included in the consolidated financial statements are detailed below:

Amount in ₹ (Lakhs)

Sr. No	Name of the Subsidiary/ Joint Venture Company	Turnover		Profit/(Loss) Before Tax		Profit/(Loss) After Tax	
		Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
A	Subsidiaries:						
1	GSS Infotech Inc*, (A Delaware Company)	18,081.85	21,800.23	46.72	(18,941.30)	29.07	(18,967.50)
2	GSS IT Solutions Private Limited	-	-	(0.23)	(0.49)	(0.23)	(0.49)
3	GSS Healthcare IT Solutions Private Limited	43.84	1,121.32	(87.47)	23.70	(87.28)	13.10

\*Subsidiaries includes step-down subsidiaries

## Annexure [B] to Board's Report

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**A. Ratio of remuneration of each Director to the median remuneration of all the employees of your Company for the financial Year 2015-16 is as follows:**

(Amount in ₹)

Name of Director	Total Remuneration	Ratio of remuneration of director to the Median remuneration
Mr. Bhargav Marepally	Nil	Nil
Mr. Ramesh Yerramsetti	60,000	0.46
Mr. Madhukar Sheth	1,00,000	0.76
Mr. Mark Silgado	Nil	Nil
Mr. Patri VenkataRamakrishna Prasad	80,000	0.61
Mr. Keerthy Jaya Tilak	1,90,000	1.46
Mrs. Nagajayanthi Das Juttur Ragavendra	1,90,000	1.46

**Notes:**

- The information provided above is on **standalone** basis.
- The aforesaid details are calculated on the basis of remuneration for the financial year 2015-16.
- The remuneration to Directors is only the sitting fees paid to them for the financial year 2015-16. The sitting fees for attending each of the Board and other Committee meetings is Rs. 20,000/- respectively. The sitting fees for attending Independent Directors meeting is Rs. 10,000/-.
- Median remuneration of the Company for all its employees is Rs. 1,30,042 for the financial year 2015-16.

**B. Details of percentage increase in the remuneration of each Director, CFO & Company Secretary in the financial year 2015-16 are as follows\*:**

(Amount in ₹)

Name of the Director/ Chief Financial Officer/ Company Secretary	Designation	Remuneration		Increase/ (Decrease) (%)
		2015-16	2014-15	
Mr. Bhargav Marepally	Managing Director	Nil	Nil	Nil
Mr. Ramesh Yerramsetti	Director	60,000	1,20,000	(50.00)
Mr. Madhukar Sheth	Director	1,00,000	1,20,000	(16.67)
Mr. Mark Silgado	Director	Nil	Nil	Nil
Mr. Patri VenkataRamakrishna Prasad	Director	80,000	1,60,000	(50.00)
Mr. Keerthy Jaya Tilak	Director	1,90,000	2,00,000	(5.00)
Mrs. Nagajayanthi Das Juttur Ragavendra (appointed on 10.02.2015)	Director	1,90,000	40,000	*
Mr. Lalit Kumar Tiwari (appointed on 10.02.2015)	CS	4,88,311	61,715	*
Mr. Sanjay Heda (appointed on 30.05.2015)	CFO	23,25,964	Nil	*

- The information provided above is on standalone basis.
- \*Percentage increase in remuneration not reported as they were holding the office of Directorship/CS/CFO for part of the financial year 2014-15 or 2015-16.
- The remuneration to Directors is only the sitting fees paid to them for the financial year 2015-16.

**C. Percentage increase/ (Decrease) in the median remuneration of all employees in the financial year 2015-16:**

(Amount in ₹)

	2015-16	2014-15	Increase/ (Decrease)(%)
Median remuneration of all employees per annum	1,30,042	1,77,537	(26.75)

**D. Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2016:**

Executive/Manager cadre	23
Staff	325
Operators/Workmen	3
<b>Total</b>	<b>351</b>

**E. Comparison of average percentage increase/decrease in salary of employees other than the key managerial personnel and the percentage increase in the key managerial remuneration:**

(Amount in ₹)

	2015-16	2014-15	Increase/Decrease (%)
Average Salary of all employees other than Key Managerial Personnel	2,54,449	3,39,752	(25.10)
Salary of CEO & MD (Key Managerial Personnel)	Nil	Nil	Nil
Salary of CFO & CS* (Key Managerial Personnel)	28,14,275	19,37,979	*

The above information is being provided on Standalone Basis.

\*The CS/CFO was employed for part of the financial year of 2015-16 or 2014-15. Hence the Increase/ decrease have not been reported.

**F. Affirmation:**

Pursuant to Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

**G. Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

- Names of the top ten employees in terms of the remuneration drawn during the financial year 2015-16 are as follows:

S.No	Emp Name	Date of Joining	Designation	Function	Age	Overall Exp (In Yrs) Excl. GSS	GSS Exp (In Yrs)	Qualification	Previous Employer	Remuneration Drawn (in ₹)
1	Jeffrey. S. Peter	16/Jul/12	Sr. Vice President	Corporate	48	21.0	4.0	B.com	True Influence, CSS Corp, NIIT	4,872,375
2	Sudhanshu Ravella	23/Jan/14	Sr. Vice President - Operations & Strategy	Corporate	50	25.5	2.5	M.S	Virtify - Hyderabad	4,477,944
3	Gowri Shanker	5/Dec/05	VP - Inside Sales	Sales	38	18.1	10.6	B.com	Sirvirtha Systems Pvt Ltd	3,985,214
4	Sanjay Heda	6/May/15	Chief Financial Officer	Corporate	35	13.2	1.2	CA	Indus Renewable Energy India Private Limited	2,325,964



S.No	Emp Name	Date of Joining	Designation	Function	Age	Overall Exp (In Yrs) Excl. GSS	GSS Exp (In Yrs)	Qualification	Previous Employer	Remuneration Drawn (in ₹)
5	Ayan Banerjee	1/Sep/14	Head - Strategic Sourcing	Strategic Sourcing	41	15.9	1.9	BHMCT	Aster Telesolutions Inc, Milpitas Ca	2,201,723
6	Mitra Pokkuluri	17/Dec/07	General Manager	Finance and Accounts - India	52	22.0	8.6	B.com	M/S Uganda Transport Agencies	2,088,421
7	Arun Kumar Guggilam	12/Aug/14	Program Manager - IMS	IMS	42	18	2	B.Sc.	PALS Global Solutions Private Limited	2,030,354
8	Surya Narayana Raju Naraveni	22/Sep/14	Data Modeler - Informatica	ADMS	45	16	1.8	B.E	TekSystems, Hyderabad	1,770,864
9	Sreejith Sreekumar Nair	20/Oct/14	Sr. Project Manager	Microsoft	35	12	1.8	MCA	Zensar Technologies	1,940,543
10	Rajendra Prasad Cheedalla	10/Sep/14	Sr. Technical Consultant - MS Technologies	ADMS	37	9	1.9	MCA	NTT Data Global Delivery Services Ltd	1,650,168

- Employees employed throughout the financial year 2015-16, who were in receipt of remuneration which in aggregate was not less than Rs. 1.02 Crores : **NIL**
- Employees employed for part of the financial year 2015-16, who were in receipt of remuneration which in aggregate was not less than Rs. 8.50 lakhs per month : **NIL**

## Annexure [C] to Board's Report

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST March, 2016

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

To,  
The Members  
**GSS Infotech Limited**  
Level – 3 and 4, Plot no. 30 and 31  
Brigade Towers, Nanakramguda  
Financial District  
Hyderabad – 500032

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

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by GSS Infotech Limited for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment (Foreign Direct Investment and External Commercial Borrowings are not Applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Upto 14<sup>th</sup> May 2015 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Effective 15<sup>th</sup> May 2015)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - not applicable during the audit period.
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28<sup>th</sup> October, 2014. (Not applicable to the Company during the Audit Period); - not applicable during the audit period
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - not applicable during the audit period.

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - not applicable during the audit period and
- (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; - not applicable during the audit period

The following are the specific laws which are applicable to the Company:

- a) Contract Labour (Regulation and Abolition) Act, 1970.
- b) Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- c) Employees State Insurance Act, 1948.
- d) Payments of Wages Act, 1936.
- e) Payment of Bonus Act, 1965.
- f) Shops and Commercial Establishment Act.
- g) Labour Welfare Fund Act.
- h) The Professional Tax Act. – to be dealt by Finance Team
- i) Minimum Wages Act, 1948.
- j) The Workmen's Compensation Act, 1923.
- k) Payment of Gratuity Act, 1972.
- l) The Equal Remuneration Act, 1976.
- m) The Maternity Benefit Act, 1961.
- n) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreement entered into by the Company with Stock Exchanges and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. Mentioned above except to the extent as mentioned below:

*The Composition of the Board was not in order for the period 01<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016, in violation of Section 149 of the Companies Act, 2013 and Regulation 18 of SEBI LODR Regulations, 2015. The Company is making utmost efforts to bring the composition in order to have an appropriate mix of Independent and Non-Independent Directors and to ensure Compliance with the Listing Agreement and the Companies Act, 2013.*

I further report that

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

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

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Hyderabad  
Date: 13<sup>th</sup> August, 2016

V. Sravani  
Practicing Company Secretary  
ACS No: 22956  
CP. No: 8235

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

***'Annexure A'***

To,  
The Members  
**GSS Infotech Limited**  
Level – 3 and 4, Plot no. 30 and 31  
Brigade Towers, Nanakramguda  
Financial District

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

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

**V. Sravani**  
**Practicing Company Secretary**  
**ACS No: 22956**  
**CP. No: 8235**

**Place: Hyderabad**  
**Date: 13<sup>th</sup> August, 2016**

## Annexure [D] to Board's Report

Extract of Annual Return as at 31<sup>st</sup> March, 2016, Form No. MGT-9

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

i) CIN	L72200TG2003PLC041860
ii) Registration Date	13.10.2003
iii) Name of the Company	GSS Infotech Limited
iv) Category/Sub-Catagory of the Company	Public Company Limited by shares

#### v) Address of the Registered Office and Contact Details:

Company Name	GSS Infotech Limited
Address	Level No. 3 and 4, Brigade Towers Financial District, Nanakramguda, Gachibowli, Hyderabad, 500032, Telangana State
Telephone with STD Area Code Number	+91 40 4455 66 00
Fax Number	+91 40 4002 8703
Email Address	esha.sinha@gssinfotech.com
Website, if any	www.gssinfotech.com

#### vi) Whether shares listed on recognized Stock Exchange(s): Yes

Details of the Stock Exchanges where shares are listed:		
Sr. No.	Stock Exchange	Name Code
1.	BSE Limited (BSE)	532951
2.	The National Stock Exchange of India Limited (NSE)	GSS

#### vii) Name and Address of Registrar & Transfer Agents (RTA):

Name of Registrar & Transfer Agents	Bigshare Services Private Limited
Address	E-2 & 3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai, 400 072, Maharashtra, India
Pin Code	400 072
Telephone with STD Area Code Number	+91 22 40430200
Fax Number	+91 22 28475207
Email Address:	prabhakar@bigshareonline.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
Computer programming, consultancy and related activities	620	100.00

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

[No. of Companies for which information is being filled—9]

Sr. No.	Name and address of the Company	Company Identification Number / Global Location Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
1	GSS IT Solutions Private Limited Level -03, Brigade Towers, Plot no. 30 and 31, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500032. Telangana State. India	CIN:U72400TG2009PTC064514	Subsidiary	100	2(87)
2	GSS Healthcare IT Solutions Private Limited Level -03, Brigade Towers, Plot no. 30 and 31, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500032. Telangana State. India	CIN:U72200TG2013PTC089229	Subsidiary	100	2(87)
3	GSS Infotech Inc (Delaware) 2050 Route 27, North Brunswick, NJ 08902	Federal Id: 27-2907139	Subsidiary	100	2 (87)
4	GSS Infotech CT Inc (Formerly System Dynamix Corporation) 2842 Main Street Ste#164, Glastonbury, CT 06033	Federal Id: 06-1432821	Subsidiary	100	2 (87)
5	Technovant Inc Parkway Plaza, 4677, Old Ironside Suit 260, Santa clara, CA	Federal Id: 20-0398637	Subsidiary	100	2 (87)
6	Infovision Technologies Inc 2050 Brunswick Plaza, Rte 27, US Hwy 1, North Brunswick, NJ 08902	Federal Id: 20-3731391	Subsidiary	100	2 (87)
7	Infovista Technologies Inc 2050 Brunswick Plaza, Rte 27, US Hwy 1, North Brunswick, NJ 08902	Federal Id: 20-8455186	Subsidiary	100	2 (87)
8	GSS Infotech NY Inc (Advanced Technology Solutions Group Inc) 1762 Central Avenue, Albany, NY 12205	Federal Id: 72-1563114	Subsidiary	100	2 (87)
9	Global Computronics Inc (GSI) 655 County Road E West St Paul MN 55126	Federal Id: 41-1682260	Subsidiary	100	2 (87)

#### IV. SHAREHOLDING PATTERN (Equity share capital break-up as percentage to total equity)

##### A. Category-wise Shareholding:

Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2015)				No. of shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1) Indian									
a. Individuals/ HUF	104043	480	104523	0.62	2865706	-	2865706	16.92	16.31
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	-	-	-	-	-	-	-	-	-
e. Banks/FI	-	-	-	-	-	-	-	-	-
f. Any other (specify)	-	-	-	-	-	-	-	-	-
i. Trusts	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	104043	480	104523	0.62	2865706	-	2865706	16.92	16.30
2) Foreign									
a. NRI Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Banks/ FI	-	-	-	-	-	-	-	-	-
e. Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter(s) (A)=(A) (1) + (A) (2)	104043	480	104523	0.62	2865706	-	2865706	16.92	16.30
B. Public Shareholding									
1) Institutions									
a. Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b. Banks/ FI	801595	-	801595	4.73	801595	-	801595	4.73	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	3078002	-	3078002	18.17	-	-	-	-	(18.17)
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	3879597	-	3879597	22.90	801595	-	801595	4.73	(18.17)
2) Non-Institutions									
a. Body Corporates									
i. Indian									
ii. Overseas	2563477	-	2563477	15.14	2619849	-	2619849	15.47	0.33



Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2015)				No. of shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>b. Individuals</b>									
i. Individual Shareholders holding nominal share capital upto Rs. 1 lakh	1385250	1	1385251	8.17	1588338	1	1588339	9.38	1.21
ii. Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	7886101	-	7886101	46.56	8505702	-	8505702	50.22	3.65
<b>c. Others (specify)</b>									
i. Non-Resident Indian	183797	-	183797	1.08	195788	-	195788	1.16	0.08
ii. Overseas Corporate Bodies	572023	-	572023	3.38	-	-	-	-	(3.38)
iii. Foreign Nationals	-	-	-	-	-	-	-	-	-
iv. Clearing Members	12074	-	12074	0.07	9864	-	9864	0.05	(0.02)
v. Trust	-	350000	350000	2.07	-	350000	350000	2.07	-
vi. Foreign Bodies	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (2)</b>	<b>12602722</b>	<b>350001</b>	<b>12952723</b>	<b>76.48</b>	<b>12919541</b>	<b>350001</b>	<b>13269542</b>	<b>78.35</b>	<b>1.87</b>
<b>Total Public Shareholding (B)= (B) (1) + (B)(2)</b>	<b>16482319</b>	<b>350001</b>	<b>16832320</b>	<b>99.38</b>	<b>13721136</b>	<b>3500011</b>	<b>14071137</b>	<b>83.08</b>	<b>(16.30)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>16586362</b>	<b>350481</b>	<b>16936843</b>	<b>100.00</b>	<b>16586842</b>	<b>350001</b>	<b>16936843</b>	<b>100.00</b>	<b>0.00</b>

## B. Shareholding of Promoters:

Sr. No.	Shareholder's Name	No. of shares held at the beginning of the year (As on 01.04.2015)			No. of shares held at the end of the year (As on 31.03.2016)			% change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares*	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares*	
1.	Mr. Venkata Rameshbabu Yerramsetti	-	-	-	-	-	-	-
2.	Mr. Bhargav Marepally	104025	0.62	95.17	4992	0.03	0.00	(0.58)
3.	Mrs. Usha Yerramsetti	-	-	-	-	-	-	-
4.	Mrs. Jhansi Laxmi Yerramsetti	-	-	-	-	-	-	-
5.	Mr. Raghunadha Rao Marepally	9	0.00	0.00	2287793	13.50	0.00	13.50
6.	Mrs. Madhavi Latha Marepally	9	0.00	0.00	9	0.00	0.00	-
7.	Mrs. Nanditha Marepally	240	0.00	0.00	-	-	-	(0.00)
8.	Mrs. Vidyavathi Marepally	240	0.00	0.00	-	-	-	(0.00)
9.	Mrs. G. Vijayakumari	-	-	-	306906	1.81	0.00	1.81
10.	Mr. Sivaranga Rao Yarramsetty	-	-	-	266006	1.57	0.00	1.57
	<b>TOTAL</b>	<b>104523</b>	<b>0.61</b>	<b>95.17</b>	<b>2865706</b>	<b>16.91</b>	<b>0.00</b>	<b>16.30</b>

\*The % of shares pledged/encumbered represents % of shares pledged/encumbered as a % of the total shares of the Promoter and Promoter Group Holding

The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

## C. Change in Promoters' shareholding:

Sr. No.	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	Mr. Venkata Rameshbabu Yerramsetti	-	-	01.04.2015	-	-	-	-
		-	-	31.03.2016	-	-	-	-
2.	Mr. Bhargav Marepally	104025	0.61	01.04.2015	-	-	-	-
					(99000)	Invocation	5025	0.03
					(33)	Sale	4992	0.03
		4992	0.03	31.03.2016	-	-	-	-

Sr. No.	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
3.	Mrs. Usha Yerramsetti	-	-	01.04.2015	-	-	-	-
		-	-	31.03.2016	-	-	-	-
4.	Mrs. Jhansi Laxmi Yerramsetti	-	-	01.04.2015	-	-	-	-
		-	-	31.03.2016	-	-	-	-
5.	Mr. Raghunadha Rao Marepally	9	0.00	01.04.2015	-	-	-	-
				30.05.2015	(480)	Transfer	489	0.00
				24.06.2015	1287304	Purchase	1287793	7.60
				25.06.2015	1000000	Purchase	2287793	13.50
				31.03.2016	50000	Purchase	2337793	13.80
		2337793		31.03.2016	-	-	-	-
6.	Mrs. Madhavi Latha Marepally	9	0.00	01.04.2015	-	-	-	-
		9	0.00	31.03.2016	-	-	-	-
7.	Mrs. Nanditha Marepally	240	0.00	01.04.2015	-	-	-	-
		-		30.05.2015	(240)	Transfer	0.00	0.00
		NIL		31.03.2016				
8.	Mrs. Vidyavati Marepally	240	0.00	01.04.2015	-	-	-	-
				30.05.2015	(240)	Transfer	0.00	0.00
		-		31.03.2016	-	-	-	-
9.	Mrs. G. Vijayakumari	-	0.00	01.04.2015	-	-	-	-
				24.06.2015	103906	Purchase	103906	0.61
				25.06.2015	203000	Purchase	306906	1.81
		306906	1.81	31.03.2016	-	-	-	-
10.	Sivaranga Rao Yarramsetty	-	0.00	01.04.2015	-	-	-	-
				10.06.2015	79556	Purchase	79556	0.46
				26.06.2015	42000	Purchase	121556	0.71
				29.06.2015	23019	Purchase	144575	0.85
				30.06.2015	31304	Purchase	175879	1.03
				03.07.2015	19546	Purchase	195425	1.15
				06.07.2015	20000	Purchase	215425	1.27
				07.07.2015	6140	Purchase	221565	1.30
				08.07.2015	14580	Purchase	236145	1.39
				09.07.2015	11967	Purchase	248112	1.46
				13.07.2015	15878	Purchase	263990	1.55
				13.07.2015	(5)	Sale	263985	1.55
				14.07.2015	2021	Purchase	266006	1.57
		266006	1.57	31.03.2016	-	-	-	-

\* Date of transfer has been considered from the holding statements provided by depositories to the Company

**D. Shareholding pattern of Top Ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	IL and FS Trust Company Limited	1952505 1952505	11.52 11.52	01.04.2015 31.03.2016	- -	- -	- -	- -
2.	Mr. Madhukar Sheth	1644003	9.71	01.04.2015	-	-	-	-
				17.04.2015	3211	Purchase	1647214	9.72
				21.08.2015	11376	Purchase	1658590	9.79
				28.08.2015	1000	Purchase	1659590	9.79
				09.10.2015	2514	Purchase	1662104	9.81
				16.10.2015	400	Purchase	1662504	9.81
				20.11.2015	216416	Purchase	1878920	11.09
				20.11.2015	(216416)	Sale	1662504	9.81
				11.12.2015	1599	Purchase	1664103	9.82
				11.12.2015	(1599)	Sale	1662504	9.81
				15.01.2016	192787	Purchase	1855291	10.95
				15.01.2016	(192787)	Sale	1662504	9.81
		1662504	9.81	31.03.2016	-	-	-	-
3.	Clearwater Capital Partner Singapore Fund III Pvt Ltd	1384590	8.17	01.04.2015	-	-	-	-
				24.06.2015	(1000000)	Sale	384590	2.27
				25.06.2015	(384590)	Sale	-	0.00
		-	-	31.03.2016	-	-	-	-
4.	Clearwater Capital Partner Singapore Fund IV Pvt Ltd	1693412	10.00	01.04.2015	-	-	-	-
				24.06.2015	(1000000)	Sale	693412	4.09
				25.06.2015	(693412)	Sale	-	-
		-	-	31.03.2016	-	-	-	-
5.	Kubera Cross Border Fund (Mauritius) Limited	572023	3.37	01.04.2015	-	-	-	-
				10.04.2015	(41500)	Sale	530523	3.62
				17.04.2015	(73563)	Sale	456960	2.69
				24.04.2015	(151723)	Sale	305237	1.80
				01.05.2015	(5158)	Sale	300079	1.83
				08.05.2015	(22491)	Sale	277588	1.63
				22.05.2015	(28573)	Sale	249015	1.47
				29.05.2015	(43495)	Sale	205520	1.21
				05.06.2015	(63662)	Sale	141858	0.83
				12.06.2015	(141858)	Sale	-	-
				31.03.2016	-	-	-	-
6.	Mr. Javed Faizullah Tapia	1648828	9.74	01.04.2015	-	-	-	-
		1648828	9.74	31.03.2016	-	-	-	-

Sr. No.	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
7.	Mr. Azim Faizullah Tapia	1400000 1400000	8.27 8.27	01.04.2015 31.03.2016	- -	- -	- -	- -
8.	United India Insurance Company Limited	407603 407603	2.40 2.40	01.04.2015 31.03.2016	- -	- -	- -	- -
9.	General Insurance Corporation of India	393992 393992	2.32 2.32	01.04.2015 31.03.2016	- -	- -	- -	- -
10.	Madanlal Saraswathi	2729382   2741837	16.11   16.18	01.04.2015 19.06.2015 24.07.2015 28.08.2015 31.03.2016	- 1000 7255 4200 -	- Purchase Purchase Purchase -	- 2730382 2737637 2741837 -	- 16.12 16.16 16.18 -
11.	Clover Technologies Private Limited	269333  270333	1.59  1.59	01.04.2015 20.11.2015 31.03.2016	- - -	- Purchase -	- 270333 -	- 1.59 -
12.	GSS America ESOP Trust	350000 350000	2.06 2.06	01.04.2015 31.03.2016	- -	- -	- -	- -
13.	Sunil Gobindram Mukhi	111788 111788	0.66 0.66	01.04.2015 31.03.2016	- -	- -	- -	- -

\*Date of transfer has been considered as the date on which the beneficiary position was provided by the Depositories to the Company.

#### E. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors and Key Managerial Personnel	Shareholding		Date@	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
		No. of shares at the beginning of the year (01.04.15)/end of the year (31.03.16)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Mr. Venkata Rameshbabu Yerramsetti	- -	- -	- -	- -	- -	- -	- -
2.	Mr. Bhargav Marepally	104025 4992	0.61 0.03	01.04.2015 31.03.2016	- -	- -	- -	- -
3.	Mr. Madhukar Sheth	1644003	9.70	01.04.2015 17.04.2015 21.08.2015	- 3211 11376	- Purchase Purchase	- 1647214 1658590	- 9.72 9.79

Sr. No.	Name of Directors and Key Managerial Personnel	Shareholding		Date@	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
		No. of shares at the beginning of the year (01.04.15)/end of the year (31.03.16)	% of total shares of the Company				No. of shares	% of total shares of the Company
				28.08.2015	1000	Purchase	1659590	9.79
				09.10.2015	2514	Purchase	1662104	9.81
				16.10.2015	400	Purchase	1662504	9.81
				20.11.2015	216416	Purchase	1878920	11.09
				20.11.2015	(216416)	Sale	1662504	9.81
				11.12.2015	1599	Purchase	1664103	9.82
				11.12.2015	(1599)	Sale	1662504	9.81
				15.01.2016	192787	Purchase	1855291	10.95
				15.01.2016	(192787)	Sale	1662504	9.81
		1662504	9.81	31.03.2016	-	-	-	-
4.	Mr. Mark Silgado	Nil	Nil	01.04.2015	-	-	-	-
		Nil	Nil	31.03.2016	-	-	-	-
5.	Mr. Patri VenkataRamakrishna Prasad	Nil	Nil	01.04.2015	-	-	-	-
		Nil	Nil	31.03.2016	-	-	-	-
6.	Mr. Keerthy Jaya Tilak	Nil	Nil	01.04.2015	-	-	-	-
		Nil	Nil	31.03.2016	-	-	-	-
7.	Mrs. Nagajayanthi Das Juttur Ragavendra	Nil	Nil	01.04.2015	-	-	-	-
		Nil	Nil	31.03.2016	-	-	-	-

#### Key Managerial Personnel

1.	Mr. Lalit Kumar Tiwari (CS)	Nil	Nil	01.04.2015	-	-	-	-
		Nil	Nil	31.03.2016	-	-	-	-
2.	Mr. Sanjay Heda (CFO)	Nil	Nil	01.04.2015	-	-	-	-
		Nil	Nil	31.03.2016	-	-	-	-

Notes: @ Date of transfer has been considered as the date on which the beneficiary position was provided by the Depositories to the Company.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the financial year (As at 01.04.2015)</b>				
i) Principal Amount	93,500,000	-	-	93,500,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>93,500,000</b>	<b>-</b>	<b>-</b>	<b>93,500,000</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction (Repayment)	3,000,0000	-	-	3,000,0000
Net Change				
<b>Indebtedness at the end of the financial year (As at 31.03.2016)</b>				
i) Principal Amount	63,500,000	-	-	63,500,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>63,500,000</b>	<b>-</b>	<b>-</b>	<b>63,500,000</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the Managing Director
		Mr. Bhargav Marepally*
1.	Gross salary (excluding Commission)	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit	-
5.	Others - Employer contribution to provident and other funds	-
	<b>Total</b>	<b>Nil</b>

\* The Information provided is on standalone basis



**B. Remuneration to other Directors:**

(Amount in ₹)

<b>1. Independent Directors:</b>				
<b>Name of Director</b>	<b>Fee for attending Board/committee meetings</b>	<b>Commission</b>	<b>Others</b>	<b>Total</b>
Mr. Keerthy Jaya Tilak	1,90,000	-	-	1,90,000
Mrs. Nagajayanthi Das Juttur Ragavendra	1,90,000	-	-	1,90,000
<b>Total (1)</b>				<b>3,80,000</b>
<b>2. Non-Executive/Promoter Directors:</b>				
<b>Name of Director</b>	<b>Fee for attending board/committee meetings</b>	<b>Commission</b>	<b>Others</b>	<b>Total</b>
Mr. Bhargav Marepally	-	-	-	-
Mr. Ramesh Yerramsetti	60,000	-	-	60,000
Mr. Mark Silgado	-	-	-	-
Mr. Patri VenkataRamakrishna Prasad	80,000	-	-	80,000
Mr. Madhukar Sheth	1,00,000	-	-	1,00,000
<b>Total (2)</b>				<b>2,40,000</b>
<b>Total (1+2)</b>				<b>6,20,000</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

(Amount in ₹)

<b>Sr.No.</b>	<b>Particulars of Remuneration</b>	<b>Key Managerial Personnel CFO &amp; Company Secretary</b>
1.	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	28,01,325
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12,950
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit	-
5.	Others - Contribution to Provident and other funds	-
	<b>Total</b>	<b>28,14,275</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (under the Companies Act, 2013):**

No penalties/punishment/compounding of offences were levied under the Companies Act, 2013.

## Annexure [E] to Board's Report

### FORM AOC – 2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto:

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

a)	Name(s) of the related party and nature of relationship	<b>Nil</b>
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed	
i)	Amount paid as advances, if any	
j)	Date on which (a) the special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013	

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

(a)	Name(s) of the related party and nature of relationship	<b>Nil</b>
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any	

## Annexure [F] to Board's Report

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Outlook for IT Industry in 2016 and Review of 2015

**FY 2015: Clocked Industry revenues of USD 146 billion; Exports segment to reach USD 98.5 Billion; Domestic market grew by 14%- fuelled by ecommerce**

**FY 2016: Exports to grow by 12-14%; Domestic market – 15-17%**

The current fiscal year FY2015 brought in overall optimism for the Indian IT-BPM industry and is expected to meet guidance for the year in constant currency. The industry continued to evolve over the year and prioritized on enhancing efficiency, enabling transformation and agility and partnering for digital initiatives. Aggregate industry revenues for FY2015 are estimated at USD 146 billion.

FY2015 is expected to see the export market at ~USD 100 billion, recording a 13.1% growth in constant currency over last year. Growth in reported currency is estimated at 12.3%. ER&D and product development segment is the fastest growing at 13.2%, driven by higher value-added solutions from existing players and expansion of the GIC landscape. Digital solutions around SMAC – upgrading legacy systems to be SMAC enabled, greater demand for ERP, CRM, mobility and user experience technologies is driving growth in IT services. Infrastructure outsourcing and software testing segment also outpaced the industry growth rate. The BPM sector is being driven by greater automation, expanding omni-channel presence, application of analytics across entire value chain, etc.

The year also witnessed hyper-growth in the technology start-up and product landscape and India is already ranked as the 4th largest startup hub in the world with over 3100 startups in the country. Exports to USA, the largest market grew above industry average, aided by an economic revival and higher technology adoption. Demand from Europe remained strong during the first half of the year, but softened during the second half due to currency movements and economic challenges. Manufacturing, utilities and retail growth remained strong as clients increase discretionary spend on customer experience, digital, analytics, ERP updates and improving overall efficiency.

The Indian IT-BPM sector continues to be one of the largest employers in the country directly employing nearly 3.5 million professionals, adding over 2,30,000 employees. Digital solutions in the year accounted for 12-14% of the industry revenues

#### **FY2015 – Review**

The domestic IT-BPM market is rapidly approaching the USD 50 billion mark. In FY2015, the market is expected to be a little over USD 48 billion, an annual growth of 14%. This is faster than the average industry growth, and is largely being driven by the booming eCommerce segment. Stable government with a technology focused growth agenda is further boosting technology adoption in the domestic market.

#### **Way Forward – FY2016**

FY2016, NASSCOM expects the industry to add revenues of USD 20 billion to the existing industry revenues of USD 146 billion. Export revenues for FY2016 is projected to grow by 12 to 14% and reach USD 110-112 bn. Domestic revenues (including ecommerce) for the same period will grow at a rate of 15-17% percent and is expected to reach USD 55-57 billion during the year

#### **IT Industry trends-2015**

- **Internet of Things Architecture and Platforms**

Gartner indicates that the providers of Internet of Things platforms are fragmented today, and would benefit greatly from cobbling together a better ecosystem where data is shared more broadly. This issue will persist through 2018, and IT

departments will likely procure more one-off solutions as opposed to integrated webs of solutions that would serve them better. As IT leaders clamor for a better way, the change will come, says Gartner.

- **Security Architecture**

A majority of CIOs list security as their top priority, especially with an increased number of companies that have experienced breaches. Historical norms have been to play defense, but Gartner predicts that more tools will be available to go on the offensive, leveraging predictive modeling, for example, allowing apps to protect themselves. Gartner emphasizes that companies must build security into all business processes, end-to-end. Having it as an afterthought is tantamount to inviting issues.

- **Autonomous Agents and Things**

The potential for robots to continue to master and surpass humans in their ability to undertake human tasks will increase rapidly. Perhaps the most prominent example is the autonomous driving car, which leverage learnings from autonomous vehicles that have been used within controlled environments for years. Moving beyond controlled environments into non-controlled environments, including the airspace that drones occupy will require further advances – advances that Gartner foresees coming soon.

- **Big Data**

According to IDC, big data is only getting started. Today, only 1 percent of all apps use cognitive services; by 2018 (in other words, in three years), 50 percent will. Essentially, analytics will be embedded in every application, used to facilitate functionality or convenience. Big data is transforming drug discovery, healthcare, education, language translation, employment recruiting etc.

By 2017, over 50 percent of organizations' IT spending will be for 3rd platform technologies, solutions, and services, rising to over 60 percent by 2020.

The difference between "enterprise IT" and "technology vendor" will blur as both seek to implement technology solutions that form the basis of how their company operates.

## CORPORATE OVERVIEW



### Highlights

- Founded in 1999, Listed on the BSE
- 5 Locations globally, 5 Service Units, 1 Integrated organization
- A Global organization with operations in US and India
- Over 800+ employees globally – 600+ IT Engineers and over 200 Healthcare process associates
- Dedicated Network Operations Centre (NOC)
- GSS offers its services to diversified verticals – BFSI, Healthcare, Technology, Retail & Manufacturing, Education and Government
- Best-in-class top tier technology alliances and domain intensive Centers of Excellence

### Achievements & Recognitions

- “Forbes’ list of Asia’s 200 Best Under \$1 Billion Companies in 2008, 2009, and 2010
- CMMI Level 5 company with best in class
- SSAE16 Certified
- ISO 27001 – Information Security Management quality and process frameworks
- ITIL certified Professionals
- ISO 9001:2000 – Quality Management Systems
- ISO 20000 – International Standard for IT Service Management
- HIPPA compliant Delivery Centers.



## APPLICATION DEVELOPMENT

### Overview

In today's global business environment, increased stakeholder expectations and increased competition requires reliable, high performance applications to ensure efficiency. GSS Infotech's Application Services enable our customers to leverage new technologies, proven platforms, internet power, ubiquitous mobile devices and new business and delivery models that increase competitive advantage.

### Application Development

GSS Infotech Application Development Services are cost-effective, innovative and aligned to customer business needs. We can help you with requirements definition, specifications management, design, development, testing and integration of software across multiple platforms and technologies enabling your new systems to perform seamlessly in your existing environment.

GSS Infotech provides domain expertise and in-depth technical skills required for custom application development. With our experienced developer base, robust infrastructure, and state-of-the-art development workbench GSS Infotech deploys a business oriented approach to develop high performing, modular and maintainable applications.

GSS Infotech's Global Delivery Model helps to deliver high quality business applications that increase operational efficiency, lower cost of ownership and enhance your competitive advantage.

### Application Maintenance

GSS Infotech Application Maintenance Services help you get the best out of your existing IT applications. Our services span service desk, incident and problem management to corrective and preventive maintenance, and performance improvement.

GSS Infotech's consultative approach takes a holistic view of your business, technology roadmap, information architecture and processes to deliver improved application support. With minimum downtime, we help your applications stay optimized to provide rapid response to key changes and business requests.

### Application Transformation

Enterprises today need to support thousands of applications concurrently with multiple interdependencies. An upgrade or modernization of one application may cause system downtime or interruption of work.

Application Transformation Services from GSS Infotech help you with a smoother and simpler transformation of application portfolios without compromising quality or losing time. Our automated processes, proven tools and methodologies help in rationalizing, modernizing and extending the application portfolio of our customers. Moreover, we help organizations prepare for the onslaught of new devices, mobile platforms and applications.

### Business Solutions

- Cloud Enablement
- Custom Applications
- Portals
- Product Development
- eLearning
- Content Management
- System Integration
- EAI and SOA
- Customer Management

## SOFTWARE TESTING

### Overview

The business cost of a software defect and the resulting application down-time is exponentially high. Focus on defect prevention and deliver software faster.

GSS Infotech Quality Assurance and Testing Services are Tried, Trusted and Tested. We call it GSS T3 Edge. Our exceptional customer focus, use of robust test methodologies, test automation expertise and adoption of a global delivery model ensures that we deliver business ready software; optimizing customer investment and delivery timeframes.

GSS Software Testing Services include:

### Quality Assurance and Testing Services

Our independent verification and validation offerings enable predictable, efficient and cost-effective software delivery. Our Software Test Life Cycle (STLC) methodology encompasses test strategies dependent upon identified risks, business criticality, user usage environment and schedules. It incorporates the selection of test tools, competency mapping and resource utilization.

Our mature testing services ensure software applications work reliably and correctly under different user usage situations. Our unique expertise in designing test cases using

multi-dimensional combinatorial testing methodologies improves quality, coverage, and schedules, reducing testing costs. In addition, test-and-release effectiveness dashboards allow for informed decision-making on the tested software, improving overall quality.

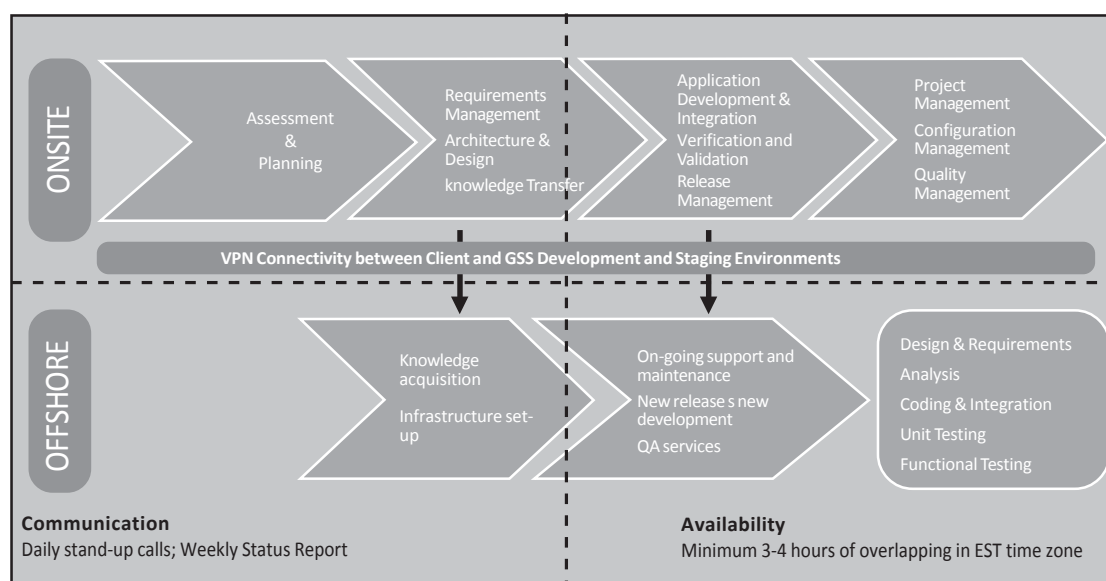
### Functional Testing

The key to the successful launch of any business-ready application is to ensure all the inherent defects are identified and removed prior to install. At GSS Infotech we focus on proactive assurance,

We engage our QA experts at early stages in the life-cycle. Our shared services delivery model means our customers benefit from complete utilization of SME bandwidth tailored to their specific business needs.

### Security Testing

Our security test solutions assure complete data protection and privacy from possible attacks. Our security testing framework is integrated early into the software development lifecycle to provide early identification allowing for the necessary remedial action. We employ comprehensive processes for threat modeling, reviewing use cases, functionality and data flows, and the application deployment view.





## SOFTWARE TESTING

### Performance Testing

Our performance optimization framework enables identification of application performance levels for the designed infrastructure capacity, while considering the number of concurrent users, transaction volumes and acceptable service levels.

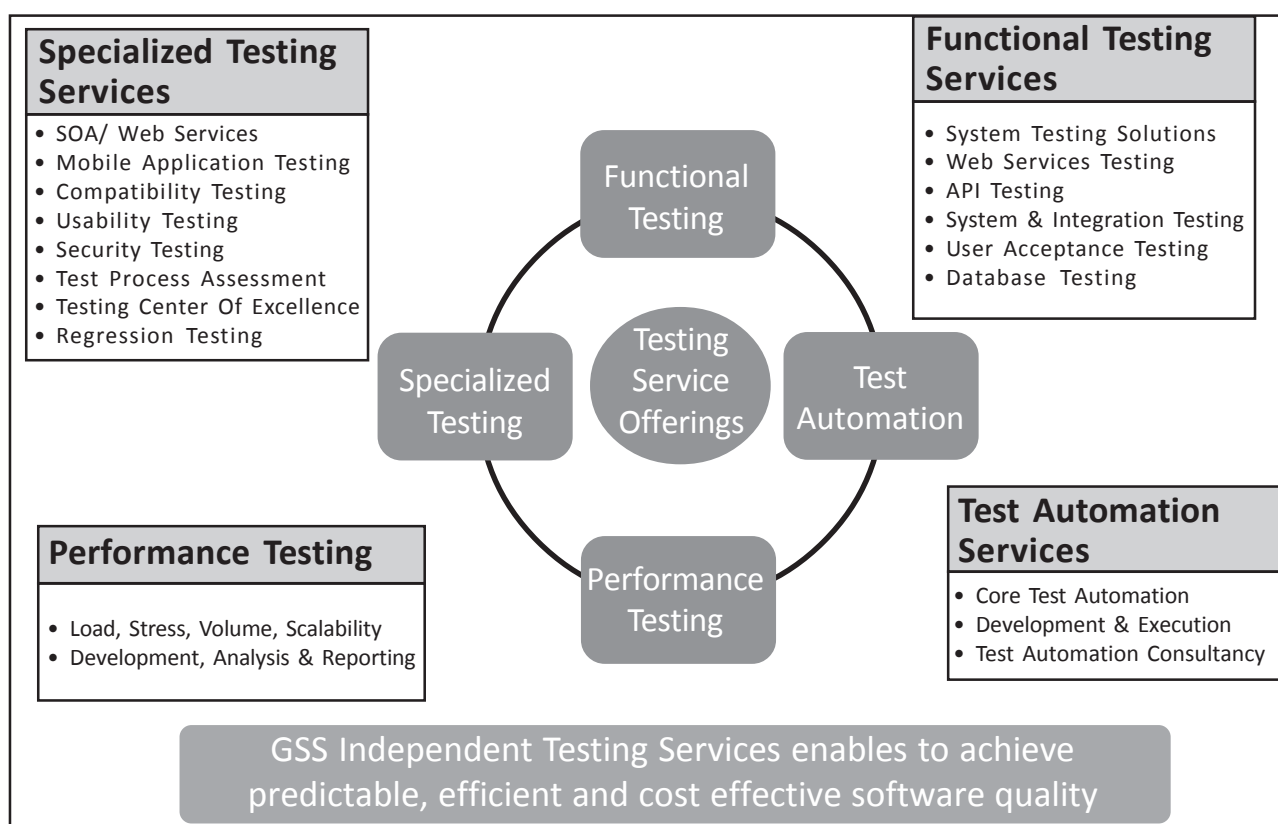
The objective is to ensure the application performance against the benchmarking requirements both from the client and server-side perspectives with metrics analysis and reporting. Root Cause analysis identifies performance issues and informs resolution strategy.

Our approach, encompasses integration of application and production quality and ensures an objective and unbiased focus and minimizes risks of failure in production.

### Test Automation

Test automation solutions provide consistency and higher ROI. Our unique hybrid testing frameworks multiply reusability with significant reduction in the life-cycle costs associated with the testing effort.

GSS Infotech helps customers to identify applications ready for automation and quantifies the ROI. Our mature processes, proven tools and efficient methodologies help customers to improve their service levels and delight end users. The focus is on continuous innovation in our delivery practices with total customer business orientation.



## SOFTWARE TESTING

### QMS -Process & Methodology

#### Process & Methodology

- Planning and Estimation
- Life Cycle Management
- Performance Dashboards & Reporting

#### Technology

- Automation Tools (Commercial & Open Source)
- Frameworks
- Environment (Physical, Virtual & Cloud)

#### People Competencies

- Competency Enhancement Framework
- Web Technologies
- Technical and Domain Knowledge
- Six Sigma MBB, BB & GBs
- ISTQB certified

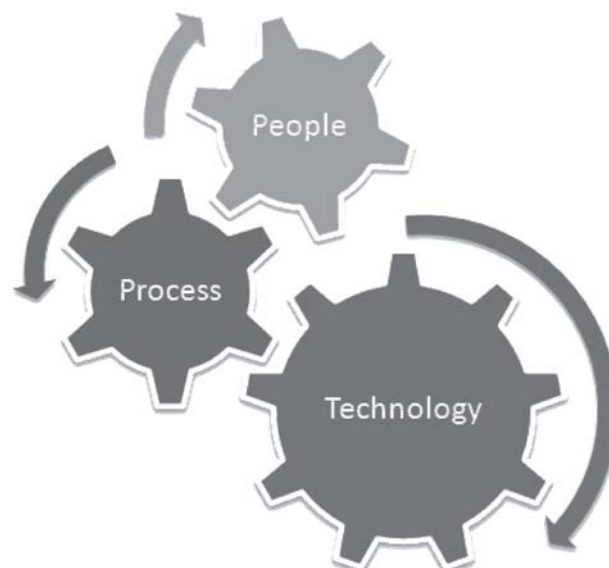
#### Key Differentiators

- Innovative testing methodologies
- 24X7 Operational model
- Higher productivity
- Reduces cost of testing through
- Use of Automation & Open Source Tools
- High Offshore leverage
- Shared services
- Flexible engagement and pricing models
- Worldwide presence
- Early involvement by testers in the project life cycle

### Center of Excellence

- Performance Testing
- Test Automation
- Functional Testing
- Infrastructure Testing
- Retail Testing
- Security Testing
- Regression Testing Services
- SOA And Middleware Testing
- Usability And Accessibility Testing
- Hosted Test Environment Management

*Assuring Quality through effective Testing*



## IT INFRASTRUCTURE MANAGEMENT

### Overview

GSS Infotech Infrastructure Management services has been enabling our customers to Rationalize, Optimize, Implement and Adopt their IT infrastructure to drive their business needs.

GSS Infotech partners with our customers to align IT initiatives and goals with their enterprise strategy to deliver solutions that drive business process as well as improve the availability, reliability and performance of their IT investments. We utilize our capabilities in onshore Professional services and consulting and “right shore” models combined with expert consulting, integration, support and managed services with world-class customer service to help IT organizations reduce costs, increase efficiencies and manage risk in the data center.

Our Infrastructure Management Transformation Services are delivered through our Hybrid Delivery Models, Expert Practice Centers, Global Delivery

Infrastructure utilizing our proven Global Delivery Model and Framework through proven Customer relationships.

Our approach to IT Transformation Services is driven by our four key stages of Rationalization | Optimization | Implementation | Adoption.

Each of these by stages use proven methodologies and tools that are designed to identify your security strengths and weaknesses.

Our Key Capabilities include

- Data Centre Services
- Cloud Adoption Services
- Cloud Hosting Services
- Infrastructure Management Services
- Security and Compliance Services



## DATA CENTER SERVICES

### Overview

Leveraging over 15 years of experience managing, supporting and optimizing multivendor data center environments, GSS InfoTech has the expertise to effectively and efficiently manage data center modernization needs—from relocations and consolidations to virtualization and the cloud. Enable organizations to analyze their entire infrastructure and Ensure organizations select the right approach to fit their unique business needs.

### Relocation

Manage any relocation needs of our clients by leveraging our infrastructure of warehouses and testing and repair facilities, as well as extensive logistics and project management capabilities. Ensuring the availability of secured space and the right technical resources necessary to bring the data center back online as quickly and cost-efficiently as possible.

### Consolidation

Planning and optimizing efficient data center environments. Ensure the infrastructure maintains its high-level performance while containing costs and ensuring business operations are optimized.

### Migration

Help clients migrate away from older platforms with minimum risk by defining and implementing a robust transition management process. GSS Infotech will expertly plan and execute the data center migration to ensure a smooth transition.

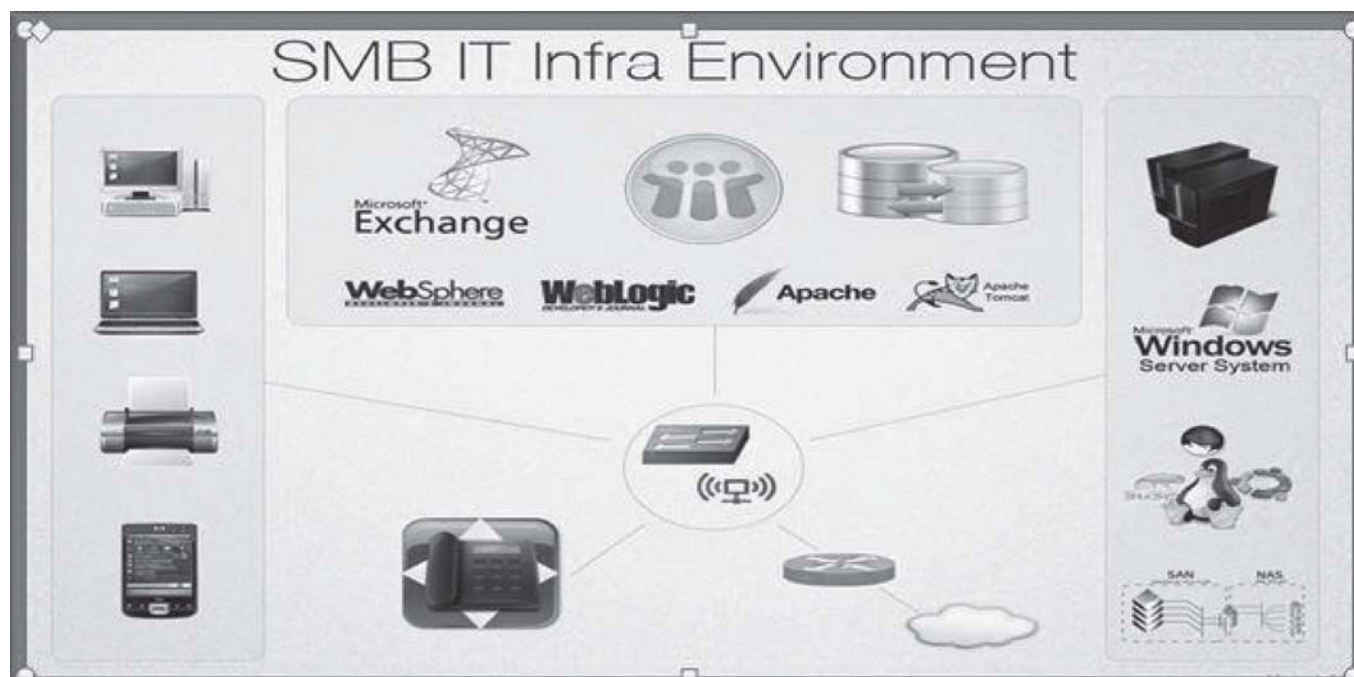
### Cloud Consulting Services

Assess current business applications and IT architecture to determine which applications provides the best business value in moving to a cloud platform. Analyze the challenges and opportunities associated with moving to the cloud and provide expertise to aid organizations in navigating compliance complexities that can arise within cloud environments.

### Disaster Recovery and Backup Plan

Disaster Recovery is critical in all environments where important corporate information is managed and stored.

Implement a robust disaster recovery and backup solution using the best of breed products from the market. Training, best practices, knowledge transfer and integration to existing backup solutions.



## DATA CENTER SERVICES

### Overview

Implementing virtualization services reduces the number of servers you have to run, which is a direct saving on hardware costs and also on the total amount of energy needed to run hardware and provide cooling.

GSS InfoTech's Virtualization services include:

### Server Consolidation

Understand the individual requirements in migrating and consolidating physical machines into a consolidated virtual machine environment.

GSS work's with the customer to analyze their existing environment and make recommendations as to what the target environment should look like. Analysis of the TCO associated with the project and server sizing requirements is also covered.

### Methodology

- Analyze your IT environment;
- Identify your goals and objectives so that the success and failure of the project can be measured
- Sell the case to upper management
- Sell it to end users
- Plan the consolidated environment
- Migrate the data



### P2V and V2V Conversion and Migration

Import the workloads of your physical servers into virtual machines using customized tools. Migrations are ideal for customers involved in server consolidation or legacy migration projects. P2V migrations accelerate customers ROI in Virtualization environment.

### Methodology

- Review General P2V and V2V Concepts Document
- Review and select migration tools
- Locate and review specific P2V and V2V steps for your migration tool and target hypervisor platform
- Clean up drivers and tools that are no longer needed



Platinum Partner



Gold  
Solution Advisor



## CLoud ADOPTION SERVICES

### Overview

GSS's Cloud Services provide end-to-end enterprise-grade solutions for clients who are seeking to utilize the Microsoft Azure or Amazon Web Services platform.

Cloud Adoption Services include:

### Cloud Assessment Services

These services are designed to consider the complexities in understanding cloud benefits against organizational requirements, thus helping customers transition to the cloud in a quick and methodical way. Also, we check application readiness towards moving it to the cloud platform with the help of questionnaire, workshop and pilot.

### Cloud Application Management Services

GSS InfoTech assists its customers in the development and maintenance of applications or solutions using multiple technologies on cloud platforms with a careful consideration for the cloud specific details in design and development phases.

### Cloud Migration Services

Our Migration services are specifically for moving application from existing infrastructure to the Cloud using IaaS / PaaS / SaaS based service model and thereafter enhancing application considering other cloud services.

### Cloud Integration Services

The Integration services on cloud platform using open standard APIs, ESB based framework or custom tools such as IBM Cast Iron, Informatica Cloud etc. to connecting from on premise applications to cloud or cloud applications to another cloud infrastructure.

### Cloud Infrastructure Services

Our Infrastructure services provides complete stack of servers, network / bandwidth capacities, storage and database services to the potential customers considering public / private and hybrid cloud scenarios along with backup & restore / DR strategy.



**GSS Cloud Solutions**  
Everything You Need Virtually

Get Scalable, Optimized, Fast, Secure, Interoperable Solutions





## CLOUD HOSTING SERVICES

### Overview

10 years in Cloud and Virtualization | We can develop cloud custom solutions using OnApp, Xen, KVM or VMware technology, integrating with our storage, your network, or your co-located or dedicated hardware to create a private cloud environment.

### Private Cloud

Get your own virtual private data center with secure cloud computing in a dedicated environment. Build your own cloud, but keep the control.

### Dedicated Servers

Servers dedicated exclusively to your organization. Unlike shared, virtual or cloud environments where the server's resources may be split among other users, a dedicated server will distribute 100% of its resources to power just your websites and applications.

### Back up to Server

GSS Backup to Server safeguards your business by helping to protect the important files your website or application needs. Quickly get back to normal operations by rapidly restoring files after a system failure or file loss.

### Colocation

GSS's colocation services offers a choice of SSAE16 compliant sites with 24/7 on-site systems administrators, extensive security, power redundancy, network redundancy, and HVAC redundancy with services backed by a comprehensive service level agreement (SLA).

### Features of GSS Cloud Hosting

**Infrastructure:** We operate out of 3 tier / 2 tier Data centers located across the US, in Chicago and New Jersey. An SSAE16/ SOC3 audited system with robust security.

**Storage:** An Enterprise Multiple storage solutions including NetApp and Adera, brings together hundreds of hard drives and low latency solid-state cache ensuring lightning-fast disk IO.

**Hosting:** Cloud hosting using hypervisors. Hardware resources are carefully managed and, in the event of failure, your virtual machines are automatically allocated to a new hypervisor for uninterrupted service.

**Software:** We provide a choice of software solutions for your virtual machines, from operating systems to web servers and control panels. Foundation level operating systems include CentOS, Debian, Ubuntu, Linux and Windows. Also offer a choice of additional software from web servers to hosting control panels as well as the ability for you to make your own, custom templates.

**GSS Support:** GSS service desk is staffed with highly-trained engineers with years of experience supporting on server, desktop and network level infrastructure issues for an Enhanced user experience and pre-emptive resolution of issues.

## IT INFRASTRUCTURE MANAGEMENT

GSS InfoTech's Infrastructure Management services enable leading companies worldwide to optimize, secure, manage and support their mission-critical infrastructure.

### Application Management Services

- Our services include:
- Application Packaging
- Enterprise Mobility
- Database Management
- ERP/CRM/EAP Management
- Managed Workload Automation
- Middleware Management
- Application Management
- Platform Migration Services



### End User Computing

GSS InfoTech offers customized workspace services that significantly improve data management, productivity, processes and security across your company.



### Our services include:

- Imaging
- Service Management
- Knowledge Management
- Asset Management
- Messaging and Directory

### Service Desk

GSS service desk is staffed with highly-trained engineers with years of experience supporting on server, desktop and network level infrastructure issues for an Enhanced user experience and pre-emptive resolution of issues.



### Our services include:

- Incident and Problem Management
- Change Management
- Configuration Management
- Release Management
- Perfective & preventative Maintenance



## SECURITY SERVICES

### Overview

Over the last year the number of security breaches has increased two fold and the business is getting vulnerable to external hackers. While we continue to tighten our internal security, it becomes important to realize that keeping a continued vigil on customer's data is leading to more sleepless nights for C-level Executives.

The security breaches have also increased with the penetration of social media and mobility solutions driving both ecommerce and buying decisions on scale that has overshadowed technology advances in security. Research has shown last year that an average of over USD 500k was spent by small and medium businesses to recover from cyber attacks.

Knowledge and solutions are needed to create a secure environment for your business, both of which add to ITCAPEX and slow adoption of IT to business scalability.

GSS Security Services includes:

### Vulnerability Assessment

Customized exploitation and assessment work to your environment and goals. Areas explored include Infrastructure Security & Application Security

### Penetration Testing

A proactive & authorized attempt to evaluate security of an IT infrastructure by safely attempting to exploit system vulnerabilities, including OS, service and application flaws, improper configurations, and even risky end-user behavior. Areas explored include External and Internal Penetration Testing, Application Penetrating Testing.

### Wireless Security Reviews

GSS's wireless penetration testing and assessment services evaluate the security of your organization's wireless implementations and provide recommendations for improvement.

### VPN Security Reviews

The VPN review compares your current configuration against recommended best practices and identifies any areas of concern. The assessment includes remote and onsite configuration review as well as an architecture review.

### Firewall Security Reviews

Firewall security reviews are important because they identify vulnerabilities that cannot normally be detected through network penetration tests and black box network assessments.

### Cloud Security

Covers physical security of the infrastructure and the access control mechanism of cloud assets. Areas explored include Cloud Application Assessments, Cloud Infrastructure Assessments, Host/OS Configuration Reviews, Cloud Architecture Reviews, VPN Security Reviews and Host-based Firewall Reviews.

### Governance Risk and Compliance

Identifies risks, internal controls, and gaps in controls. The IT Risk Assessment breaks down the probability and impact of individual risks. Assist organizations to comply with a variety of regulations, whether it is SSAE16, PCI-DSS, HIPAA or ISO27001.

## STRATEGIC SOURCING

### Overview

GSS Infotech's approach over the last 20 years in the area of Strategic Sourcing for Staffing has been founded on the principle for partnering with our clients and understanding their needs.

### Features

#### Our Technology Expertise

Our pool of talent both in US and India cover a large variety of tools and technologies including healthcare.

#### Stability and Performance

GSS robust and proven processes ensure that you get highly skilled placements that integrate into your organization with the minimum of disruption. Our highly disciplined program management and change management controls eliminate the hurdles of managing complex deployments. We can quickly pull together onshore, near shore and offshore resources into a highly efficient team that quickly delivers short time-to-benefit windows.

### Financial Advantage

Using GSS Cost effective delivery model, companies are often able to reduce their employee count and related costs, such as recruitment, supervision, salary and benefits. By outsourcing a capital intensive function, organizations also benefit from reduced equipment obsolescence and depreciation costs.

### Flexible Management Options

Many organizations choose to absorb entire teams for specific short term project delivery. Often companies do not have the bandwidth to manage the team. GSS can help by managing part or all of your outsourced project team, with seamless integration into your existing management hierarchy and reporting lines.

### Diverse Expertise

GSS stays abreast of changing technologies and is proficient in all platforms and operating systems. We're driven by quality processes and proven best practices. Our broad range of experience enables us to be an immediately productive part of your team.



## GSS ADVANTAGE

### 4. Quality Assurance

SSAE 16 | SEI CMM Level 5 | ISO  
27001 | ISO 20001 HIPAA | ITIL  
Certified Resources

### 3. Technology Practice Expertise

Microsoft Collaboration | ERP |  
Mobility | Testing /IV&V |  
Virtualization | Cloud | Security | RCM

### 2. Service Delivery Expertise

Innovative Delivery Framework based on  
leveraging ADMS | IMS | BPO | Strategic Sourcing  
Services

### 1. IT Industry Experts

20+ Years in Enterprise IT |  
700+ Dedicated IT Consultants |  
250+ consultants in the US

### 5. IT Adoption Commitment

Our approach to IT Transformation Services is  
driven by our four key stages of Rationalization |  
Optimization | Implementation | Adoption.

### 6. Technology & Delivery Leadership

Delivery and Practice Leadership with over  
22+ Years of Experience working with Fortune 500  
Customers with 24/7 Client Management

### 7. Healthcare Expertise

10+ Years | 300+ Dedicated IT & RCM  
Consultants |  
30 + Customers | 350+ Providers



## Locations

APAC -India	North America	
<b>Hyderabad -Global HQ</b> Brigade Towers, 3rd & 4th Floor, Plot No: 30, Financial District ,Gachibowli, Hyderabad, Telangana –500032 Tel: +91 40 44556600 Fax:+91 40 40028703	<b>North Brunswick, NJ, USA</b> 2050, Brunswick Plaza -1, State Highway 27, Suite #201 North Brunswick NJ-08902. Tel: +1 732-798-3101 Fax: +1 866-726-0520	<b>Glastonbury, CT, USA</b> 41B New London Turnpike, Glastonbury, CT, 06033, USA Tel: +1 860-633-7174 Fax: +1 860-633-7162
	<b>Albany, NY, USA</b> 1762 Central Ave, Albany, NY 12205, USA. Tel: +1 518-452-3700 Fax: +1 518-452-3939	<b>Santa Clara, CA, USA</b> 4677 Old Iron sides Drive, Suite#260, Santa Clara, CA -95054 Tel: +1 860-709-0933 Fax: +1 209-879-0162

## Annexure [G] to Board's Report Report on Corporate Governance

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The philosophy of governance has been deeply rooted in the culture of GSS Infotech Limited over a long period of time. Your Company continues to deliver value to its various stakeholders. The practice of responsible governance has enabled your Company to achieve sustainable growth, while meeting the expectations of all stakeholders and the society at large. Besides complying with Listing Regulations, your Company has adopted various practices and set responsible standards of business. Your Company endeavors to improve upon aspects like transparency, professionalism, accountability and fair disclosures, on an ongoing basis and takes necessary steps towards growth and enhancing value for its shareholders.

The Securities and Exchange Board of India ("SEBI") on 2<sup>nd</sup> September, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Obligations") with an aim to consolidate and streamline the provisions of the Listing Regulations for different segments of capital markets to ensure better enforceability. The Listing Regulations were effective from 01<sup>st</sup> December 2015. Accordingly all the listed companies were required to enter into the Listing Agreement with the Stock Exchanges within six months from the effective date. Your company has entered into listing agreement with BSE Limited and National Stock Exchange of India Limited on 20<sup>th</sup> November, 2015.

### GOVERNANCE FRAMEWORK

Your Company's Governance structure consists of Board of Directors, its Committees and the Senior Management.

#### Board Structure:

**Board Leadership:** Your Company has a well-balanced Board of Directors with members from diverse backgrounds who have years of experience and expertise in various fields. Out of 7 members on the Board, 2 are Independent Directors who are well known for their wealth of experience, high standards of governance and independence. 2 out of 7 members are Promoter Directors. The Managing Director & CEO is responsible for the overall management of the affairs of the Company under the supervision of the Board of Directors. The Board over the period of years has created a culture of leadership to provide long-term vision and policy approach to improve performance and quality of governance in your Company. It has played a primary role in providing strategic direction to the management coupled with giving responsibility and accountability to deliver value with highest level of transparency and integrity.

**Board Committees:** Committees have been constituted by the Board with specific terms of reference and have an optimum representation of Board members. These Committee members meet at such frequency as is necessary to address the responsibilities and tasks assigned to them. Presently there are three (3) Committees of the Board viz., **Audit Committee**, **Nomination and Remuneration Committee**, and **Stakeholders Relationship Committee**.

#### Management Structure:

**Managing Director & CEO:** The Managing Director & CEO is responsible for the overall management of the affairs of the Company under the supervision of the Board. He drives the initiatives as approved by the Board of Directors of the Company and provides direction to achieve the same.

**Senior Management:** The Senior Management is led by the Managing Director & CEO and consists of Business heads who are in charge of the different functions in the organization such as the ADMS, IMS, Sales & Marketing, Finance, Information Technology, International Operations, Legal/Secretarial and Human Resources. They are in charge of driving strategic initiatives of the Company, reviewing the overall performance including risk management, compliance and taking decisions on major investments of the Company. The Senior Management meets on a regular basis to deliberate and discuss on various matters including effectiveness of the businesses/functions reporting to them. The members of the Senior Management report to the Mr. Bhargav Marepally, Managing Director & CEO of the Company.

## BOARD OF DIRECTORS

### Composition:

- The Composition of the Board of GSS Infotech Limited comprises of 7 Directors as stated below:

1.	<b>Mr. Keerthy Jaya Tilak</b>	Chairman, Non-executive, Independent Director
2.	<b>Mr. Bhargav Marepally</b>	Managing Director and Promoter
3.	<b>Mr. Ramesh Yerramsetti</b>	Non-executive Director and Promoter
4.	<b>Mr. Patri VenkataRamakrishna Prasad</b>	Non-executive, Non –Independent Director
5.	<b>Mr. Nagajayanthi Das Juttur Ragavendra</b>	Non-executive, Woman Independent Director
6.	<b>Mr. Mark Silgardo</b>	Non-executive, Non –Independent and Nominee Director
7.	<b>Mr. Madhukar Sheth</b>	Non-executive, Non –Independent Director (Investor Director)

- The Chairman of the Company is Mr. Keerthy Jaya Tilak who is a Non-executive and Independent Director of the Company. Hence the Company should have one-third of the composition of the Board as Independent Directors.
- Mr. Patri VenkataRamakrishna Prasad was an Independent Director of the Company, but with effect from 10<sup>th</sup> February, 2015, his status has been changed to Non-independent Director. Before the said date, the Composition of the Board was in order and in compliance with Regulation 17 of LODR Regulation and Section 149 of the Companies Act, 2013.
- After the change in status of Mr. Prasad, the Company has been eagerly looking for a candidate as a Director who can contribute to the operations and sales segment of the Company. GSS Infotech limited is an Information Technology Company and in view of tremendous volatility in the IT markets which are very dynamic in nature, it was decided and deliberated by the Board that the Candidate should be familiar with the business of the Company who can bring outside Independent perspective/Knowledge to the Company and thus contribute to the growth of the Company and increase the shareholder wealth.
- The Board is putting its best efforts to get on board an independent Director, who can fill the gap that exists in the operations segment of the Company, who can bring Independent perspective about the latest technologies prevalent in the market, the skill set that our employees should possess to cater to a wide range of projects across of the world and the best practices prevalent in the world of Technology.
- During the financial year 2015-16, the Composition of the Board was not in order as required under Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013.

### Independent Directors:

The Independent Directors of your company have been appointed for a tenure of 5 (five) years up to 29<sup>th</sup> March, 2020. Their appointment was approved by the shareholders of your Company at their AGM held on 30<sup>th</sup> September, 2015. The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship in more than the prescribed limit in the Listing Regulations. Your Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013. A sample letter of appointment is available on the website of your Company and can be assessed through the link:

<http://www.gssinfotech.com/about/compliance-under-clause-49.html>

### Independent Director's Meeting:

During the year under review, the Independent Directors met on 14<sup>th</sup> February, 2016, without the attendance of Non-Independent Directors and members of the management, inter alia, to discuss on the following:

- To review the performance of the Non-Independent Directors and the Board as a whole;
- Review the performance of the chairperson of your Company, taking into account views of Executive/Non-Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between your Company's management and the Board that was necessary for the Board to effectively and reasonably perform the duties.

### Directorship and Membership on Committees:

The details of nature of Directorships, relationship inter-se, number of directorships and committee chairmanships/memberships held by them in other public companies are detailed below:

Name of the Director(s)	Nature of Directorship	Relationship with each other	As on 31 <sup>st</sup> March, 2016		
			Directorship in other Companies (*)	Membership and Chairmanship of the Board of other Companies (**)	
				Chairman	Member
Mr. Bhargav Marepally	Managing Director and CEO	***	-	-	-
Mr. Ramesh Yerramsetti	Non-Executive and Promoter Director	***	1	-	-
Mr. Patri VenkataRamakrishna Prasad	Non-Executive and Non- Independent Director	***	1	-	1
Mr. Mark Silgado	Non-Executive and Non-Independent Director	***	1	-	-
Mr. Madhukar Sheth	Non-Executive and Non-Independent Director	***	-	-	-
Mr. Keerthy Jaya Tilak	Non-Executive and Independent Director	***	-	-	-
Mrs. Nagajayanthi Das Juttur Ragavendra	Non-Executive and Independent Director	***	-	-	-

\* Excludes directorship in GSS Infotech Limited. Also excludes directorship in private limited companies, foreign companies, companies incorporated under Section 8 of the Companies Act, 2013 and Alternate Directorships

\*\* For the purpose of considering the limit of committee memberships and chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of public limited companies have been considered

\*\*\* No inter – se relationship with any of the Directors of the Company.

### Number of Board Meetings:

During the financial year ended 31<sup>st</sup> March, 2016, Four (4) meetings of the Board of Directors were held and the maximum time gap between two (2) meetings did not exceed one hundred and twenty days. The dates of the Board meetings are as under:

Date(s) on which Board meeting(s) were held	Purpose
30 <sup>th</sup> May, 2015	Results
10 <sup>th</sup> August, 2015	Results
14 <sup>th</sup> November, 2015	Results
14 <sup>th</sup> February, 2016	Results



All the Directors have informed the Company periodically about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosures received, none of the Directors of the Company hold membership in more than the prescribed limits across all companies in which he/she is a director.

Details of their attendance at Board Meetings and at the AGM held during the year ended 31<sup>st</sup> March, 2016 are as follows:

Name of the Director	Board Meeting details		Attendance at last AGM
	Held	Attended	
Mr. Bhargav Marepally	4	4	Yes
Mr. Ramesh Yerramsetti	4	3	Yes
Mr. Patri VenkataRamakrishna Prasad	4	3	Yes
Mr. Mark Silgado	4	3	No
Mr. Madhukar Sheth	4	4	No
Mr. Keerthy Jaya Tilak	4	4	Yes
Mrs. Nagajayanthi Das Juttur Ragavendra	4	4	No

Shareholding of the Non-Executive Directors of the Company in GSS Infotech Limited as on 31<sup>st</sup> March, 2016 is as follows:

Name of the Director	Nature of Directorship	No. of shares held	% to the paid up share capital
Mr. Ramesh Yerramsetti	Non-Executive and Promoter Director	Nil	Nil
Mr. Patri VenkataRamakrishna Prasad	Non-Executive and Non- Independent Director	Nil	Nil
Mr. Mark Silgado	Non-Executive and Non- Independent Director	Nil	Nil
Mr. Madhukar Sheth	Non-Executive and Non- Independent Director	1662504	9.81
Mr. Keerthy Jaya Tilak	Non-Executive and Independent Director	Nil	Nil
Mrs. Nagajayanthi DasJuttur Ragavendra	Non-Executive and Independent Director	Nil	Nil

Mr. Bhargav Marepally, CEO and Managing Director holds 4992 equity shares of the Company as on 31<sup>st</sup> March 2016.

#### Board Procedures:

The Board meets at least once in a quarter to review financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of your Company. The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board members are, on a quarterly basis, appraised by the Managing Director on the overall performance of the Company through presentations and detailed notes.

Presentations are also made by the members of the Senior Management on the Company's plans, performance, operations and other matters on a periodic basis. The Board has complete access to any information within your Company which includes the information as specified in Regulation 17 of the Listing Regulation and they are updated about their roles and responsibilities in the Company.

The Companies Act, 2013 read with the relevant rules issued thereunder, now facilitate conducting meetings of Board and its Committees through permitted audio-visual means or video-conferencing. Accordingly, during the year, the Board members were, in accordance with the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014, provided with an option to participate at Board Meetings through video conferencing mode except in respect of those meetings wherein transactions are not permitted to be carried out by way of video-conferencing.



**Familiarization Programme:**

Your Company has put in place a structured induction and familiarization programme for all its Directors including the Independent Directors. The Company through such programme familiarizes not only the Independent Directors but any new appointee on the Board, with a brief background of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, operations of the Company, etc. They are also informed of the important policies of the Company including the Code of Conduct for Board Members and Senior Management Personnel and the Code of Conduct to Regulate, Monitor and Report Trading by Insiders, etc.

The Managing Director, CFO, business heads and other senior officials of the Company make presentations to the Board members on a periodical basis, briefing them on the operations of the Company, strategy, risks, new initiatives, etc.

The familiarization programme for Independent Directors in terms of provisions of Listing Regulations for the financial year ending is uploaded on the website of the Company and can be accessed through the following link:

<http://www.gssinfotech.com/images/downloads/compliance-under-clause/familiarization-programme-and-meeting-of-independent-directors.pdf>

**Evaluation of Board Effectiveness:**

In terms of provisions of the Companies Act, 2013 read with Rules issued thereunder and Listing Regulations, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31<sup>st</sup> March, 2016. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution vis-à-vis their responsibilities.

The Board of Directors at its meeting held on 13<sup>th</sup> August, 2016, has noted the overall feedback on the performance of the Directors and the Board as a whole and its Committees.

The overall outcome of this exercise to evaluate effectiveness of the Board and its Committees was positive and members expressed satisfaction.

**COMMITTEES OF THE BOARD:**

The Committees constituted by the Board play a very important role in the governance structure of the Company. The terms of reference of these Committees are approved by the Board and are in line with the requirements of Companies Act, 2013 and Listing Regulations. The minutes of Committee meetings are tabled at the Board meetings and the Chairperson of each Committee briefs the members of the Board on the important deliberations and decisions of the respective Committees. The minutes of the proceedings of the Committee Meetings are captured in the same manner as the Board Meetings and in accordance with the provisions of the Companies Act, 2013. Currently, there are three (3) Committees of the Board, viz., Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee.

**Audit Committee:**

The Audit Committee has played an important role in ensuring the financial integrity of the Company. The Audit Committee's role includes oversight of the financial reporting process, the audit process, the adequacy of internal controls, transactions with related parties and compliance with applicable laws and regulations.

The composition of the Audit Committee is in line with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have requisite experience in financial management. The Committee invites Chief Financial Officer and Statutory Auditor to attend its meetings. The Company Secretary acts as the Secretary to the Committee.

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended 31<sup>st</sup> March, 2016, are detailed below:

Name of the Member	Nature of Membership	Audit Committee Meeting Details	
		Held	Attended
Mr. Keerthy Jaya Tilak	Chairman	4	4
Mr. Bhargav Marepally	Member	4	4
Mrs. Nagajayanthi Das Juttur Ragavendra	Member	4	4

Date(s) on which Audit Committee meeting(s) were held.	Purpose
30 <sup>th</sup> May, 2015	Results
10 <sup>th</sup> August, 2015	Results
14 <sup>th</sup> November, 2015	Results
14 <sup>th</sup> February, 2016	Results

The Chairman of the Audit Committee was present at the last AGM held on 30<sup>th</sup> September, 2015:

The scope of activities and terms of reference of the Audit Committee is governed by a Charter which is in line with the provisions of Section 177 of the Companies Act, 2013 and Listing Regulations.

**The role of the Audit Committee, inter alia, includes the following:**

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Reviewing with the management the quarterly, half-yearly, nine-monthly and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
- Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as per Section 134(3)(c) of the Companies Act, 2013;
  - Changes in the accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any Related Party Transactions (RPTs); and
  - Qualifications in the draft audit report, if any.
- Reviewing the financial statements of unlisted subsidiary companies (including joint ventures) and investments made by the unlisted subsidiary companies (including joint ventures);
- Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:
  - qualifications and experience of the individual/firm proposed to be considered for appointment as auditor;
  - whether such qualifications and experience are commensurate with the size and requirements of the company; and
  - giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.
- Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;

8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
9. Reviewing and approving quarterly and yearly management representation letters to the statutory auditor;
10. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
11. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor of the Company;
14. Formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
15. Evaluating the internal financial controls and risk management policies/system of the Company;
16. Discussion with the internal auditors on internal audit reports relating to internal control weaknesses and any other significant findings and follow-up thereon;
17. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
18. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the company by its officers/employees;
19. Approval or subsequent modification of transactions of the Company with related parties including appointment and revision in remuneration of related parties to an office or place of profit in the Company, its subsidiary company or associate company;
20. Reviewing the statements of significant related party transactions submitted by the management;
21. Reviewing and Scrutinizing the inter-corporate loans and investments;
22. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy. Overseeing the functioning of the same;
23. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
24. Approving the auditors (appointed under the Companies Act, 2013) to render any service other than consulting and specialized services;
25. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
26. Review the cost audit report submitted by the cost auditor on audit of cost records before submission to the Board for approval;
27. Appointing registered valuers and defining the terms and conditions for conducting the valuation of assets/net-worth/Liabilities of the Company. Reviewing the valuation report and follow-up thereon;
28. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
29. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
30. Review and approve policy formulated for determination of material subsidiaries;
31. Review and approve policy on materiality of related party transactions and also dealing with related party Transactions and
32. Any other matter referred to by the Board of Directors.

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee broadly plays a dual role of determining the composition of the Board based on need and requirements of the Company from time to time and determines the overall compensation framework and policy for Directors, senior management and employees. The Committee further reviews that the human resource practices of the Company are effective in maintaining and retaining a competent workforce. The Company Secretary acts as the Secretary to the Committee.

The Nomination Committee and Remuneration Committee meet once during the financial year 2015-16. The composition of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations.

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company as on 31<sup>st</sup> March, 2016 is detailed below:

<b>Name of the Member</b>	<b>Membership</b>
Mrs. Nagajayanthi Das Juttur Ragavendra	Chairman
Mr. Keerthy Jaya Tilak	Member
Mr. Patri VenkataRamakrishna Prasad	Member
Mr. Madhukar Sheth	Member

**The Nomination and Remuneration Committee is empowered, pursuant to its terms of reference, inter alia, to:**

1. Identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
2. Carry on the evaluation of every Director's performance;
3. Formulate criteria for determining qualifications, positive attributes and independence of a Director;
4. Recommend to the Board a policy, relating to the remuneration of the directors, Key Managerial Personnel and other employees;
5. Formulate criteria for evaluation of Independent Directors and the Board;
6. Devise a policy on Board Diversity; and
7. Undertake any other matters as the Board may decide from time to time

### **Nomination and Remuneration Policy of the Company:**

In accordance with the Nomination and Remuneration Policy, the Nomination and Remuneration Committee has, inter alia, the following responsibilities:

1. Formulate the criteria for appointment as a Director: The Committee shall formulate criteria, and review them on an ongoing basis, for determining qualifications, skills, expertise, qualities, positive attributes required to be a Director of the Company.
2. Identify persons who are qualified to be Directors: The Committee shall identify persons who are qualified to become Directors and who satisfy the criteria laid down. The process of identification shall include ascertaining, meeting, screening and reviewing candidates for appointment as Directors, whether Independent, Non-Executive or Executive.
3. Nominate candidates for Directorships subject to the approval of Board: The Committee recommends to the Board the appointment of potential candidates as Non-Executive Director or Independent Director or Executive Director, as the case may be.
4. Approve the candidates required for senior management positions: The Committee shall lay down criteria including qualifications, skills, expertise and qualities required for senior management positions like Managing Director & CEO, CFO and Company Secretary and members of the Executive Council of the Company.

5. Evaluate the performance of the Board: The Committee shall determine a process for evaluating the performance of every Director, Committees of the Board and the Board. The Committee may seek the support and guidance of external experts and agencies for this purpose.
6. Evaluate the performance of the Managing Director or Whole-time Director and determine the Executive Compensation. The Committee shall evaluate the performance of the Managing Director by setting his Key Performance Objectives at the beginning of the each financial year. The Committee shall also approve his/her/their compensation package(s) in accordance with applicable laws, in line with the Company's objectives, shareholders' interests, comparable with industry standards and which shall have an adequate balance between fixed and variable component.
7. Review performance and compensation of senior management: The Committee shall review the performance of the senior management of the Company. The Committee shall ensure that the remuneration to the Key Managerial Persons and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
8. Recommend to the Board, commission to the Non-Executive Directors: The Committee shall recommend the commission payable to the Non-Executive Directors, including Independent Directors, to the Board of Directors of the Company after considering their contribution to the decision making at meetings of the Board/Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of corporate governance and Board effectiveness. It shall be within the overall limits fixed by the shareholders of the Company.

#### **Remuneration to the Managing Director during the year 2015-16:**

During the financial year ended 31<sup>st</sup> March, 2016, Mr. Bhargav Marepally, Managing Director, did not draw any remuneration from the Company.

#### **Details of remuneration paid to Directors during the year 2015-16:**

During the financial year ended 31<sup>st</sup> March, 2016, the Company paid Rs. 20,000/- (Rupees Twenty thousand only) as sitting fees for attending each of the Board and other Committee meetings to the Non-Executive Directors (except Mr. Mark Silgado – Nominee Director) of the Company.

Details of remuneration paid to the Directors of the Company for the financial year ended 31<sup>st</sup> March, 2016 are as follows\*:

(Amount in ₹)

<b>Name of the Director</b>	<b>Salary</b>	<b>Perquisites</b>	<b>Sitting fees</b>	<b>Commission</b>	<b>Total</b>
Mr. Bhargav Marepally	-	-	-	-	Nil
Mr. Ramesh Yerramsetti	-	-	60,000	-	60,000
Mr. Patri VenkataRamakrishna Prasad	-	-	80,000	-	80,000
Mr. Mark Silgado	-	-	-	-	-
Mr. Madhukar Sheth	-	-	1,00,000	-	1,00,000
Mr. Keerthy Jaya Tilak	-	-	1,90,000	-	1,90,000
Mrs. Nagajayanthi Das Juttur Ragavendra (appointed on 10.02.2015)	-	-	1,90,000	-	1,90,000

\*The information is provided on standalone basis

#### **Stakeholders Relationship Committee**

The Composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations.

The Committee did not meet during the financial year ended 31<sup>st</sup> March 2016. The terms of reference of the Committee includes enquiring into and redressing the complaints of shareholders and investors and to resolve the grievance of the security holders of the Company.

The Composition of the Stakeholder's Relationship Committee as on 31<sup>st</sup> March, 2016 is as follows:

Name of the Member	Nature of Membership
Mr. Madhukar Sheth	Chairman
Mrs. Nagajayanthi Das Juttur Ragavendra	Member
Mr. Bhargav Marepally	Member

Details pertaining to the number of complaints received and responded and status thereof during the financial year ended 31<sup>st</sup> March, 2016, is given below:

Details of Investor Complaints during FY 2015-16	Number
No. of complaints received during the year 2015-16	1
No. of complaints resolved during the year 2015-16	1
No. of complaints pending at the end of the year 2015-16	Nil

#### SUBSIDIARY COMPANIES

Your Company does not have any material non-listed Indian subsidiary company in terms Regulation 16 of the Listing Regulations. The minutes of the Board meetings of the subsidiary companies are placed at the meeting of the Board of Directors of the Company on periodical basis. The Audit Committee reviews the financial statements including investments made by the unlisted subsidiary companies of the Company.

The Board of Directors of the Company have approved a policy for determining "material" subsidiaries. The said Policy has been placed on the website of the Company and can be accessed through the following link:

<http://www.gssinfotech.com/images/downloads/compliance-under-clause/policy-for-determining-material-subsiary.pdf>

#### RELATED PARTY TRANSACTIONS

Your Company enters into various transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 in its ordinary course of business. All the RPTs are undertaken in compliance with the provisions set out in Companies Act, 2013 and Listing Regulations. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the following link:

<http://www.gssinfotech.com/images/downloads/compliance-under-clause/policy-for-determining-material-subsiary.pdf>

The Company has a robust process for RPTs and the transactions with Related Parties are referred to the Audit Committee for its approval at the scheduled quarterly meetings or as may be called upon from time to time along with all relevant and stipulated information of such transaction(s).

During the financial year ended 31<sup>st</sup> March, 2016, the Company has entered into RPTs in the ordinary course of business and on arms' length basis; and in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Regulation 23 of the Listing Regulations and the Policy of the Company on dealing with RPTs. During the financial year ended 31<sup>st</sup> March, 2016, there are no transactions with related parties which qualify as a material transaction in terms of the applicable provisions of Listing Regulations. The details of the RPTs are set out in the Notes to Financial Statements forming part of this Annual Report.

The details of the remuneration paid to the Key Managerial Personnel appointed by the Company in accordance with the provisions of Section 203 of the Companies Act, 2013 is set out in the Board's Report forming part of this Annual Report.

#### **Details of employees, who are relatives of the Directors, holding an office or place of profit in your Company pursuant to Section 188 of the Companies Act, 2013:**

There are no employees in the Company, who are relatives of Directors, holding office of place of profit in the Company as on 31<sup>st</sup> March, 2016:

#### **Directors with materially significant, pecuniary or business relationship with the Company:**

There is no pecuniary or business relationship between the Non-Executive Directors/Independent Directors and the Company, except for the Sitting fees payable to them in accordance with the applicable laws.

#### **CEO AND CFO CERTIFICATION**

As required under Regulation 17 of the Listing Regulations, the CEO and CFO certificate for the financial year ended 31<sup>st</sup> March, 2016, signed by Bhargav Marepally, CEO & Managing Director and Sanjay Heda, CFO is annexed and forms part of this Report.

#### **GENERAL BODY MEETINGS**

**Details of last three Annual General Meetings of the Company are as under:**

Financial Year	Location	Meeting Date	Time	No. of special resolutions set out at the AGM
2014-15	Ellaa Suits, Jasmine Banquet Hall, Hill ridge Springs, No.25, Kancha, Gachibowli, ISB Road, Hyderabad – 500032.	30 <sup>th</sup> September, 2015	10:30 a.m.	3
2013-14	Ellaa Suits, Jasmine Banquet Hall, Hill ridge Springs, No.25, Kancha, Gachibowli, ISB Road, Hyderabad – 500032.	30 <sup>th</sup> September 2014	10.00 a.m.	Nil
2012-13	Ellaa Suits, Jasmine Banquet Hall, Hill ridge Springs, No.25, Kancha, Gachibowli, ISB Road, Hyderabad – 500032.	19 <sup>th</sup> July, 2013	10.00 a.m.	2

All special resolutions set out in the notices for the Annual General Meetings were passed by the shareholders at the respective meetings with requisite majority.

#### **Postal Ballot**

During the year, no resolutions were passed through postal ballot.

#### **DISCLOSURES**

1. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
2. Your Company has complied with all the requirements of the Stock Exchange(s) [Except Regulation 17 of the Listing Agreement for the financial year ended 31<sup>st</sup> March, 2016] and the Securities Exchange Board of India (SEBI) on matters related to Capital Markets.
3. **Vigil Mechanism and Whistle Blower Policy:**
  - Your Company believes in conducting its business and working with all its stakeholders, including employees, customers, suppliers and shareholders in an ethical and lawful manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.



- Your Company prohibits any kind of discrimination, harassment, victimization or any other unfair practice being adopted against an employee. In accordance with Regulation 22 of the Listing Regulation, your Company has adopted a Whistle Blower Policy with an objective to provide its employees and a mechanism whereby concerns can be raised in line with the Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication.
- No personnel were denied access to the Audit Committee of the Company

#### 4. Code of Conduct

Your Company has adopted a Code of Conduct for all the employees including Board Members and Senior Management Personnel of the Company in accordance with the requirement under Regulation 17 of the Listing Regulations. The Code of Conduct has been posted on the website of the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31<sup>st</sup> March, 2016. The declaration to this effect signed by Mr. Bhargav Marepally, Managing Director & CEO of the Company forms part of the report. The Code of Conduct can be accessed through the following link:

<http://www.gssinfotech.com/images/downloads/compliance-under-clause/code-of-conduct.pdf>

#### 5. Code of Conduct for Prevention of Insider Trading

GSS's Code of Conduct for Prevention of Insider Trading covers all the Directors, senior management personnel, persons forming part of promoter(s)/promoter group(s) and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company. The Directors, their relatives, senior management personnel, persons forming part of promoter(s)/promoter group(s), designated employees etc. are restricted in purchasing, selling and dealing in the shares of the Company while in possession of unpublished price sensitive information about the Company as well as during the periods when the trading window is closed. All the Directors, senior management personnel, persons forming part of promoter(s)/ promoter group(s) and other designated employees of the Company are restricted from entering into opposite transaction, i.e., buy or sell any number of shares during the next six months following the prior transaction. The Board of Directors at its meeting held on 30<sup>th</sup> May 2015 approved and adopted the 'GSS Infotech Limited - Code of Conduct to Regulate, Monitor and Report Trading by Insiders' in line with SEBI (Prohibition of Insider Trading) Regulation, 2015. The Board at its aforesaid meeting also approved the 'GSS Infotech Limited - Code for Fair Disclosure' and the same can be accessed through the following link:

<http://www.gssinfotech.com/images/downloads/compliance-under-clause/sebi-insider-trading-and-code-for-upsi-30052015.pdf>

#### Following is the status of the compliance with the non-mandatory requirements:

- 1. The Board:**  
The Non – Executive Chairman of the Company has a separate Chairman's Office at the Registered Office of the Company.
- 2. Shareholder Rights:**  
Half-yearly results of the Company are not sent to all shareholders of the Company, however, the Company uploads its Half-yearly results on its website [www.gssinfotech.com](http://www.gssinfotech.com)
- 3. Audit qualifications:**  
During the year under review, there were no audit qualification and Emphasis of matter on the Company's financial statements. The Company shall strive to move towards the regime of unqualified financial statements
- 4. Separate posts of Chairman and CEO:**  
The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
- 5. Reporting of Internal Auditor:**  
M/s. Sriramurthy and Co, Chartered Accountants, Hyderabad are the Internal Auditors of the Company. They do not participate in the meetings of the Audit Committee. They submit the internal audit report and observations on quarterly basis to the Audit Committee of the Board of Directors of the Company



## MEANS OF COMMUNICATION

- 1. Publication of quarterly financial results:**  
Quarterly, half-yearly, nine-monthly and annual financial results of the Company were published in leading National and regional newspapers having wide circulation in the state of Telangana and nationally
- 2. Website and News Releases:**  
A separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Share holding pattern, Annual Report, Quarterly/Half-yearly/Nine-monthly and Annual financial results along with the applicable policies of the Company.
- 3. Stock Exchange:**  
Your Company makes timely disclosures of necessary information to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the Listing Agreement(s) and other rules and regulations issued by SEBI.
- 4. NEAPS (NSE Electronic Application Processing System):**  
NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are also filed electronically through NEAPS.
- 5. BSE Corporate Compliance & Listing Centre:**  
BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, Shareholding pattern, Corporate Governance Report, Corporate announcements, amongst others are also filed electronically on the Listing Centre.
- 6. Reminders to Investors:**  
Reminders to shareholders for claiming returned undelivered share certificates, unclaimed dividend are regularly dispatched to the shareholders.

## GENERAL SHAREHOLDER INFORMATION

- (i) Annual General Meeting**

Date	- 30 <sup>th</sup> September, 2016
Time	- 10.30 A.M
Venue	- Ellaa Suites, Lotus Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad - 500 032
- (ii) Financial Calendar**

Financial year	- 1 <sup>st</sup> April 2016 to 31 <sup>st</sup> March 2017
Tentative Schedule for declaration of results during the financial year 2016-17	
First Quarter	- Second week of Aug 2016
Second Quarter and Half Yearly	- Second week of Nov 2016
Third Quarter and Nine Months	- Second week of Feb 2017
Fourth Quarter and Annual	- Last week of May 2017
- (iii) Date of Book closure**

	- 23 <sup>rd</sup> September 2016 to 30 <sup>th</sup> September 2016 (both day inclusive)
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- (iv) Listing on Stock Exchanges**

Name of Stock Exchange	Stock Code
BSE Limited (BSE)	532951
National Stock Exchange of India Limited (NSE)	GSS

The Company has paid the listing fees to the above Stock Exchange(s) for the financial year 2016-17.

**(v) Market Price Data**

The monthly high and low prices and volumes of the Company's shares at BSE and NSE for the financial year ended 31<sup>st</sup> March, 2016 are as under:

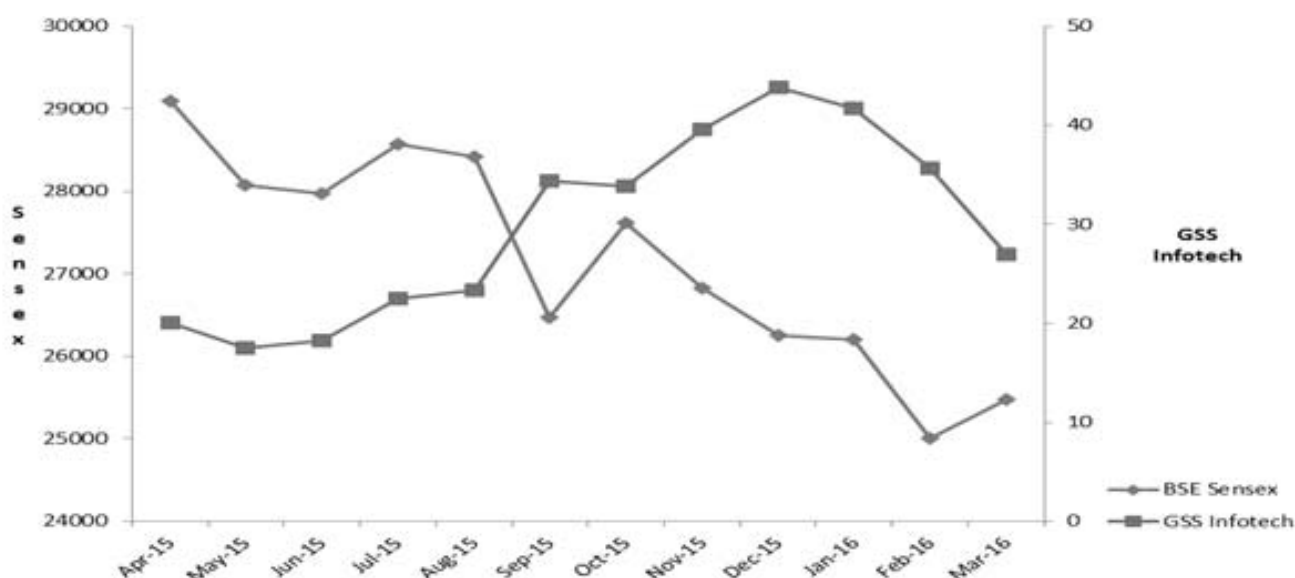
Month	BSE			NSE		
	High (in ₹)	Low (in ₹)	Volume (No. of Shares)	High (in ₹)	Low (in ₹)	Volume (No. of Shares)
Apr-15	20.05	15.50	56,161	20.40	15.35	400,642
May-15	17.50	12.85	27,071	16.70	12.80	141,157
Jun-15	18.25	12.02	3,776,911	18.90	11.90	1,306,620
Jul-15	22.50	18.05	265,513	22.40	17.50	534,096
Aug-15	23.35	17.50	94,757	22.70	17.45	196,846
Sep-15	34.40	19.35	138,603	34.30	18.65	202,697
Oct-15	33.85	27.15	117,020	33.75	26.65	162,798
Nov-15	39.60	26.75	72,353	39.35	26.15	105,464
Dec-15	43.85	34.55	299,319	44.30	34.75	356,881
Jan-16	41.75	29.00	164,493	41.75	28.50	225,837
Feb-16	35.70	21.40	92,663	35.20	21.40	99,612
Mar-16	27.00	23.05	65,994	27.60	23.00	171,779

Source: BSE and NSE website

Note: High and low are in per traded share. Volume is the total monthly volume of trade (in numbers) in GSS Infotech Limited shares on BSE and NSE

**(vi) Performance in comparison to broad-based Indices**

The Chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the financial year ended 31<sup>st</sup> March, 2016 (based on month end closing):



**(vii) Registrar and Transfer Agent -** Bigshare Services Private Limited  
E-2 and 3, Ansa Industrial Estate, Saki-Vihar Road, Saki Naka,  
Andheri (E), Mumbai – 400072. India  
Tel: 022 - 40430200, Fax: 022 - 28475207  
Email: [prabhakar@bigshareonline.com](mailto:prabhakar@bigshareonline.com)

**(viii) Share Transfer System**

The share transfer activities in respect of the shares in physical mode are carried out by the Company's Registrar and Transfer Agent (RTA). The shares lodged for transfer are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects.

The Board of Directors of the Company have delegated the authority to approve the transfer of shares, transmission of shares or requests for deletion of name of the shareholder, etc., to the Company Secretary of the Company. A summary of all the transactions in respect of issue of duplicate share certificates, split, rematerialisation, consolidation and renewal of share certificates are placed from time to time for the information and noting by the Board of Directors of the Company.

The Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under the Listing Regulations and files a copy of the said certificate with Stock Exchanges.

**(ix) Distribution of Shareholding**

Distribution of shareholding of shares of the Company as on 31<sup>st</sup> March, 2016 is as follows:

No. of Equity Shares		Shareholders		Shareholding	
		Number	% to total	Number	% to total
1	500	8937	92.80	612170	3.62
501	1000	319	3.31	235170	1.39
1001	2000	145	1.51	206889	1.22
2001	3000	69	0.72	115886	0.68
3001	4000	29	0.30	85203	0.50
4001	5000	24	0.25	95505	0.56
5001	10000	48	0.50	233442	1.389
10001	99999999	59	0.61	15352578	0.65
<b>TOTAL</b>		<b>9630</b>	<b>100</b>	<b>16936843</b>	<b>100</b>

**Shareholding Pattern as on 31<sup>st</sup> March, 2016:**

Category of Shareholder		Total Number of Shares	% of total no. of shares
(A)	Shareholding of Promoter and Promoter Group		
	(a) Individuals/Hindu Undivided Family	2865706	16.92
	(b) Bodies Corporate	Nil	Nil
	(c) Trust	Nil	Nil
	<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>2865706</b>	<b>16.92</b>
(B)	Public shareholding		
	(1) Institutions		
	(a) Mutual Funds/ UTI	Nil	Nil
	(b) Financial Institutions/ Banks	801595	4.73
	(c) Insurance Companies	Nil	Nil
	(d) Foreign Institutional Investors	Nil	Nil
	<b>Sub-Total (B)(1)</b>	<b>801595</b>	<b>4.73</b>

Category of Shareholder	Total Number of Shares	% of total no. of shares
(2) Non-Institutions		
(a) Bodies Corporate	2619849	15.47
(b) Individuals		
(i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1588339	9.38
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	8505702	50.22
(c) Individual (Non-Resident individuals)	195788	1.16
(d) Trust	350000	2.07
(e) Clearing Member	9864	0.05
(f) Overseas Corporate Bodies	-	-
<b>Sub-Total(B)(2)</b>	<b>13269542</b>	<b>78.35</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>14071137</b>	<b>83.08</b>
<b>Total (A)+(B)</b>	<b>16936843</b>	<b>100.00</b>

Details of the Company's dematerialized shares as on 31<sup>st</sup> March, 2016:

Number of shares	% of total shares	Number of shareholders	% of total shareholders
16586362	97.93	9630	99.98

Break up of shares in physical and Demat form as on 31<sup>st</sup> March, 2016:

Physical/Demat	No. of Shares	% of Shares
Physical segment	350001	2.06
Demat segment		
a) NSDL	9502213	56.12
b) CDSL	7084629	41.82
<b>TOTAL</b>	<b>16936843</b>	<b>100.00</b>

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at earliest and avail various benefits of dealings in securities in electronic/dematerialized form. For any clarification, assistance or information, please contact the Registrar and Share Transfer Agent of the Company.

(x) **Outstanding GDRs/ADRs/Warrants/Convertible Instruments and their impact on equity**

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31<sup>st</sup> March 2016.

(xi) The Company does not have plant locations.

(xii) **Address for Correspondence**

**Bigshare services Private Limited**

E-2 & 3, Ansa Industrial Estate,

Saki-Vihar Road, Saki Naka,

Andheri (E), Mumbai – 400072. India

Tel: 022 - 40430200, Fax : 022 – 28475207

For the benefit of shareholders, documents will continue to be accepted at the Registered Office of the Company: For any queries relating to the shares of the Company, correspondence may please be addressed to:

**GSS Infotech Limited**

CIN: L72200TG2003PLC041860

Level – 3 and 4, Brigade Towers, Plot No. 30 and 31,

Financial District, Nanakramguda, Gachibowli,

Hyderabad – 5000032, Telangana State

Ph No. : 040 - 445556600

Website: [www.gssinfotech.com](http://www.gssinfotech.com)

Shareholders are requested to quote their folio no. / DP ID & Client ID, e-mail address, telephone number and full address while corresponding with the Company and its Registrar & Share Transfer Agent.

**(xiii) Transfer of unclaimed dividend to Investor Education and Protection Fund:**

In terms of Sections 205C of the Companies Act, 1956, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). The Company would be transferring the unpaid dividend for the financial year ended 31<sup>st</sup> March, 2009 to the Investor Education and Protection Fund (IEPF) before the due date. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer to the IEPF. The unpaid dividend as on 31<sup>st</sup> March, 2016 is as follows:

Financial Year	Amount in ₹
2008-09	1,35,698
2009-10	79,946

**(xiv) There are no Equity Shares in the Unclaimed Suspense Account of the Company.**

**(xv) For any correspondence relating to Annual Report Kindly write to:**

**The Company Secretary**

**Level – 3 and 4, Plot no. 30 and 31,**

**Brigade Towers, Nanakramguda,**

**Financial District, Gachibowli,**

**Hyderabad – 500032, Telangana State, India**

**Email: [esha.sinha@gssinfotech.com](mailto:esha.sinha@gssinfotech.com)**

## **Annexure to Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2016**

### **Declaration of Compliance with the Code of Conduct**

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31<sup>st</sup> March, 2016.

**Place: Hyderabad**  
**Date: 13<sup>th</sup> August, 2016**

**Bhargav Marepally**  
**CEO & Managing Director**

## **CEO and CFO Certificate under Regulation 17 (8) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Board of Directors  
GSS Infotech Limited

We hereby certify that for the financial year ended 31<sup>st</sup> March, 2016, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:

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.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2015-16, which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies, if any.

We further certify that –

- a) There have been no significant changes in internal control over financial reporting during the year 2015-16; and
- b) There have been no significant changes in accounting policies during the year 2015-16; and
- c) There have been no materially significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

**Bhargav Marepally**  
CEO & Managing Director

**Sanjay Heda**  
Chief Financial Officer

**Place: Hyderabad**  
**Date: 13<sup>th</sup> August, 2016**

## **CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF GSS INFOTECH LIMITED**

I have examined the compliance of conditions of Corporate Governance by GSS InfoTech Limited ('the Company'), for the year ended 31<sup>st</sup> March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period 1<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable *except the composition of the Board which is not in order as required under Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and Clause 49 of the listing agreement for the financial year ended 31<sup>st</sup> March, 2016.*

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

**Place: Hyderabad**  
**Date: 13<sup>th</sup> August, 2016**

**V. Sravani**  
Practicing Company Secretary  
ACS No: 22956  
C.P. No: 8235



# **CONSOLIDATED FINANCIAL STATEMENTS & NOTES**

## **Independent Auditor's Report**

To,  
The Board of Directors of  
**GSS INFOTECH LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying Consolidated financial statements of **GSS INFOTECH LIMITED ('The Company')** and its Group (the company and its subsidiaries constitute "The Group") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility**

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

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

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

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

### **Other Matter**

We did not audit the financial statements of one US subsidiary, whose consolidated financial statements reflects the Total Assets of Rs. 179,66,91,112 and Total Revenue of Rs. 180,81,84,626. These consolidated financial statements and other financial information have been audited by other auditors whose report has been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors.

Our opinion is not modified in respect of this matter

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2016, and its consolidated Profit and its Consolidated Cash Flow for the year ended on that date

### Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b. in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
  - c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d. in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a Director of that company in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Audit Report - “Annexure A”.
  - g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - h. The Group Companies do not have any pending litigations which would impact its consolidated financial position.

For and on behalf of  
**Sarath & Associates**  
Chartered Accountants  
Firm’s registration number: 0051205

**P Sarath Kumar**  
Partner  
M.No.:021755

Place: Hyderabad  
Date: 30.05.2016

## **"Annexure A" to the Independent Auditor's Report of even date on the Consolidated Financial Statements of M/s GSS INFOTECH LIMITED**

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

We have audited the internal financial controls over financial reporting of **M/S GSS INFOTECH LIMITED ('The Company')** and its Group (the company and its subsidiaries constitute "The Group") as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

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

### **Opinion**

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

For and on behalf of  
**Sarath & Associates**  
Chartered Accountants  
Firm's registration number: 0051205

**P Sarath Kumar**  
Partner  
M.No.:021755

Place: Hyderabad  
Date: 30.05.2016

## GSS INFOTECH LIMITED

### CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note	As at 31st March, 2016	As at 31st March, 2015
		₹	₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	169,368,630	169,368,630
(b) Reserves and Surplus	2	1,489,070,034	1,515,203,132
(c) Money received against share warrants		-	-
<b>(2) Share Application money pending allotment</b>	3	-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	33,500,000	63,500,000
(b) Deferred Tax Liabilities (Net)	4		
(c) Other Long Term Liabilities	7	-	-
(d) Long Term Provisions	8	-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	145,194,742	106,855,463
(b) Trade Payables	7	98,340,543	149,865,917
(c) Other Current Liabilities	8	172,739,464	132,351,736
(d) Short-Term Provisions	9	111,756,018	106,476,167
<b>Total Equity &amp; Liabilities</b>		<b>2,219,969,641</b>	<b>2,243,621,046</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>	10		
(i) Gross Block		1,542,038,109	1,460,603,745
(ii) Depreciation		120,766,223	107,620,137
(iii) Net Block		1,421,271,887	1,352,983,608
(b) Non-current investments	11	-	-
(c) Deferred tax assets (net)	4	3,371,082	1,402,059
(d) Long term loans and advances	12	190,298,184	187,970,834
(e) Other non-current assets	13	-	-
<b>(2) Current Assets</b>			
(a) Current investments			
(b) Inventories			
(c) Trade receivables	14	398,826,329	448,669,754
(d) Cash and Bank balances	15	69,117,790	85,267,757
(e) Short-term loans and advances	12	55,268,250	50,827,820
(f) Other current assets	13	81,816,119	116,499,215
<b>Total Assets</b>		<b>2,219,969,641</b>	<b>2,243,621,046</b>

**Notes attached there to form an integral part of Balance Sheet**

As Per Our Report of Even Date  
**For SARATH & ASSOCIATES**  
Chartered Accountants  
Firm Regn No:0051205

**For and on behalf of the Board**

**P. Sarath Kumar**  
Partner  
Membership No: 21755

Bhargav Marepally  
CEO & Managing Director

Mr. Keerthi Jay Tilak  
Chairman

Hyderabad  
30.05.2016

Sanjay Heda  
Chief Financial Officer

Lalit Kumar Tiwari  
Company Secretary

## GSS INFOTECH LIMITED

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Particulars	Note	Year ended 31st March, 2016	Year ended 31st March, 2015
			₹	₹
I.	Revenue from operations	16	2,137,270,879	2,428,933,940
II.	Other Income	17	22,629,424	25,158,111
III.	<b>Total Revenue - (I+II)</b>		<b>2,159,900,304</b>	<b>2,454,092,051</b>
IV.	<b>Expenses:</b>			
	Direct cost	18	745,956,278	948,525,688
	Purchase of Stock-in-Trade			
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade			
	Employee benefit expense	19	1,184,580,690	1,133,277,780
	Financial costs	20	21,751,937	36,621,474
	Depreciation and amortization expense	10	13,146,088	16,132,198
	Other expenses	21	153,130,965	238,698,514
	<b>Total Expenses</b>		<b>2,118,565,958</b>	<b>2,373,255,653</b>
V	<b>Profit before exceptional and extraordinary items and tax</b>	<b>(III-IV)</b>	<b>41,334,346</b>	<b>80,836,398</b>
VI	Exceptional Items		-	1,933,125,010
VII	<b>Profit before extraordinary items and tax</b>	<b>(V - VI)</b>	<b>41,334,346</b>	<b>(1,852,288,612)</b>
VIII	Extraordinary Items		-	-
IX	<b>Profit before tax</b>	<b>(VII-VIII)</b>	<b>41,334,346</b>	<b>(1,852,288,612)</b>
X	Tax expense:	22		
	(1) Current tax		6,298,903	2,620,920
	(2) Deferred tax		(1,969,023)	81,909,437
	<b>Total Tax Expense</b>		<b>4,329,880</b>	<b>84,530,357</b>
XI	<b>Profit(Loss) from the period from continuing operations</b>	<b>(IX-X)</b>	<b>37,004,466</b>	<b>(1,936,818,968)</b>
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations	(XII - XIII)	-	-
XV	<b>Profit/(Loss) for the period</b>	<b>(XI + XIV)</b>	<b>37,004,466</b>	<b>(1,936,818,968)</b>
XVI	Earning per equity share:			
	(1) Basic		2.18	(114.36)
	(2) Diluted		2.18	(121.51)

*Schedules referred to above and notes attached there to form an integral part of Statement of Profit & Loss*

**For and on behalf of the Board**

As Per Our Report of Even Date

**For SARATH & ASSOCIATES**

Chartered Accountants

Firm Regn No:005120S

Bhargav Marepally  
CEO & Managing Director

Keerthi Jay Tilak  
Chairman

**P. Sarath Kumar**

Partner

Membership No: 21755

Sanjay Heda  
Chief Financial Officer

Lalit Kumar Tiwari  
Company Secretary

Hyderabad

30.05.2016



**GSS INFOTECH LTD**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

(Amounts in ₹)

Particulars	31st March, 2016	31st March, 2015
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	41,334,346	(1,852,288,612)
<b>Profit before tax</b>	<b>41,334,346</b>	<b>(1,852,288,612)</b>
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation/amortization on continuing operation	13,146,088	16,132,198
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	-	1,933,125,010
Provision for Bad Debts made / (written back)	17,807,934	-
Bad debts written off	100,698,950	5,028,752
Unrealized foreign exchange loss	(145,016,968)	(20,542,308)
Interest expense	21,751,937	36,621,474
Interest income	(2,450,580)	(2,572,764)
<b>Operating profit before working capital changes</b>	<b>47,271,706</b>	<b>115,503,748</b>
<b>Movements in working capital :</b>		
Increase/(decrease) in trade payables	(51,525,374)	(79,928,177)
Increase / (decrease) in long-term provisions	-	-
Increase / (decrease) in short-term provisions	5,279,849	61,096,238
Increase/(decrease) in other current liabilities	40,387,727	(555,957)
Decrease/(increase) in trade receivables	(68,663,460)	(31,120,910)
Decrease / (increase) in long-term loans and advances	(2,327,350)	21,060,006
Decrease / (increase) in short-term loans and advances	(4,440,430)	(5,998,795)
Decrease/(increase) in other current assets	34,683,095	(31,261,285)
Cash generated from operations	<b>665,764</b>	<b>48,794,868</b>
Direct taxes paid/ adjusted (net of refunds)	(6,298,903)	(15,551,638)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(5,633,139)</b>	<b>33,243,230</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,954,517)	(2,199,414)
Proceeds from sale of fixed assets	-	21,500
Increase in Goodwill on Consolidation due to difference in exchange rate	(79,479,891)	(129,820,935)
Unpaid Dividend Account having with Banks	217,178	938,662
Redemption/maturity of bank deposits (having original maturity of more than three months)	(11,178,872)	-
Interest received	2,450,580	2,572,764
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(89,945,522)</b>	<b>(128,487,423)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share application money	-	57,400,200
Increase in Exchange translation RESERVE	81,879,405	112,211,601
Proceeds from long-term borrowings	(30,000,000)	(30,369,317)
Repayment of short-term borrowings	38,339,278	16,769,590
Interest paid	(21,751,937)	(36,621,474)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>68,466,746</b>	<b>119,390,600</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(27,111,661)</b>	<b>24,146,407</b>
Effect of exchange differences on cash & cash equivalents held in foreign currency		
Cash and cash equivalents at the beginning of the year	<b>76,189,127</b>	<b>52,042,720</b>
Cash and cash equivalents at the end of the year	<b>49,077,466</b>	<b>76,189,127</b>
Components of cash and cash equivalents		
Cash on hand	85,795	74,080
With banks- on current account	48,991,671	76,115,048
<b>Total cash and cash equivalents (note 15)</b>	<b>49,077,466</b>	<b>76,189,128</b>

**Note:**

- Figures in bracket indicate cash out flow
- The above cash flow statement has been prepared under indirect method as set out in Accounting Standard-3 notified under the Companies Act, 2013 as per Revised Schedule-II format.
- Previous year figures have been regrouped/ re-classified wherever necessary to confirm to current year classification

As Per Our Report of Even Date

For and on behalf of the Board

**For SARATH & ASSOCIATES**

Chartered Accountants  
Firm Regn No:0051205

Bhargav Marepally  
CEO & Managing Director

Keerthi Jay Tilak  
Chairman

**P. SARATH KUMAR**

Partner

Membership No: 21755

Sanjay Heda  
Chief Financial Officer

Lalit Kumar Tiwari  
Company Secretary

Hyderabad  
30.05.2016

## GSS INFOTECH LIMITED

### NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	31st March, 2016 ₹	31st March, 2015 ₹
<b>Note No - 1: Share Capital</b>		
<b>Authorised Share Capital:</b>		
50,000,000 Equity shares of Rs.10/- each.	500,000,000	500,000,000
<b>Issued, Subscribed and Paid up Share Capital:</b>		
1,69,36,843 (Previous Year 1,69,36,843) Equity Shares of Rs.10/- each fully paid up	169,368,630	169,368,630
<i>(Out of the above 79,90,000 fully paid up equity shares of Rs 10/- each were issued as bonus shares by capitalisation of Retained Earnings and General Reserves)</i>	169,368,630	169,368,630
<b>Note No-2: Reserves and Surplus</b>		
<b>Securities Premium Account</b>		
Balance as per the last financial statements	2,052,380,129	1,965,580,129
Add: Additions during the year	-	86,800,000
Less: Amount utilised during the year	-	-
<b>Closing balance</b>	2,052,380,129	2,052,380,129
<b>General Reserve</b>		
Balance as per the last financial statements	24,001,603	23,918,390
Add: Transferred by appropriation from profits	-	83,213
<b>Closing balance</b>	24,001,603	24,001,603
<b>Foreign exchange Translation Reserve</b>	754,233,066	817,370,629
<b>Surplus/ ( Deficit) in the Statement of Profit and Loss Account</b>		
Balance as per last financial statements	(1,378,549,229)	559,264,323
<i>Less: Appropriations</i>		
- Deferred Tax Effect on Depreciation of Shcedule II		444,757
- Adjusted on account of Depreciation of Schedule II		(1,439,341)
Profit for the year	37,004,466	(1,936,818,968)
Less: Appropriations		
- Proposed Dividend		-
- Tax on Proposed Dividend	-	-
Transfer to General Reserve		-
Goodwill adjustment as a result of internal restructuring (Refer Note No- 2.9)		-
<b>Closing Balance</b>	(1,341,544,764)	(1,378,549,229)
<b>Total</b>	1,489,070,034	1,515,203,132
<b>Note No- 3: Money received against share warrants</b>		
Money received against share warrants	-	-
	-	-
<b>Note No- 4: Deferred Tax Liability/ (Asset) Net</b>		
Balance as per the last financial statements	(1,402,059)	(82,866,739)
Add: Adjustments for the year	(1,969,023)	81,909,437
Add: Deferred Tax Effect on Depreciation of Shcedule II	-	444,757
	(3,371,082)	(1,402,059)

## GSS INFOTECH LIMITED

### NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	31st March, 2016 ₹	31st March, 2015 ₹
<b>Note No- 5:Long term borrowings</b>		
<b>Secured Loans</b>		
Term Loan	33,500,000	63,500,000
	<u><b>33,500,000</b></u>	<u><b>63,500,000</b></u>
<b>Note No- 6:Short term borrowings</b>		
<b>Secured Loans</b>		
Cash Credit from banks/ Institutions (Secured)	145,194,742	106,855,463
	<u><b>145,194,742</b></u>	<u><b>106,855,463</b></u>
<b>Note No - 7: Trade Payables</b>		
- Dues of Micro and Small Enterprises	-	-
- Others	98,340,543	149,865,917
	<u><b>98,340,543</b></u>	<u><b>149,865,917</b></u>
<b>Note No - 8: Other Current Liabilities</b>		
Current Maturity of Long Term Loans	30,000,000	30,000,000
Other Current Liabilities	63,538,664	26,699,549
Salary Payable	367,858	350,033
Due to Directors	728,048	1,371,845
Unclaimed Dividend	215,697	432,875
Acquisition Paymets due	77,889,196	73,497,434
	<u><b>172,739,464</b></u>	<u><b>132,351,736</b></u>
<b>Note No-9.Provisions:</b>		
	<b>Long-term</b>	<b>Short-term</b>
	31st March, 2016	31st March, 2015
<b>Provision for Employee Benefits</b>		
<i>Provision for Retirement Benefits</i>	-	2,195,500
<b>Other Provisions</b>		
Provision for Income Tax	-	-
Proposed Dividend	-	-
Provision for Dividend Distribution Tax	-	-
Provision for Expenses	-	109,560,516
	<u><b>-</b></u>	<u><b>103,943,672</b></u>
	<u><b>-</b></u>	<u><b>111,756,016</b></u>
<b>Note No-10.Fixed Assets:</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
<b>Tangible</b>		
(i) Gross Block	132,438,269	79,149,661
(ii) Depreciation	120,766,223	67,126,277
(iii) Net Block	<u><b>11,672,046</b></u>	<u><b>12,023,384</b></u>
<b>In Tangible</b>		
(i) Gross Block	1,409,599,841	1,381,454,084
(ii) Depreciation	-	40,493,860
(iii) Net Block	<u><b>1,409,599,841</b></u>	<u><b>1,340,960,223</b></u>
<b>Total</b>	<u><b>1,421,271,887</b></u>	<u><b>1,352,983,608</b></u>

## GSS INFOTECH LIMITED

### NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	31st March, 2016	31st March, 2015
	₹	₹
<b>Note No-11. Non- Current Investments:</b>	-	-
	-	-

**Note No - 12: Loans and advances:**  
(Unsecured, Considered good unless otherwise stated)

	<u>Non-current</u>		<u>Current</u>	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Rental and Other deposits	15,875,336	15,606,510	-	-
Prepaid Expenses & Other Current Assets			39,463,984	23,140,404
Advances Recoverable in Cash or in Kind or for value to be received	88,664,790	88,908,332	16,713	26,966
Balances with Statutory/government authorities	85,758,058	83,455,992	15,787,553	27,660,450
<b>Total</b>	<b>190,298,184</b>	<b>187,970,834</b>	<b>55,268,250</b>	<b>50,827,820</b>

**Note No - 13: Other Current assets :**

	<u>Non-current</u>		<u>Current</u>	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Advance Tax & TDS Recoverable			62,144,044	48,212,609
Inventory	-	-	3,005,595	3,470,052
Accrued Income	-	-	16,666,481	64,816,553
	-	-	<b>81,816,119</b>	<b>116,499,215</b>

**Note No-14.Trade Receivables:**

(Unsecured, Considered Good)

	31st March, 2016	31st March, 2015
Outstanding for a period exceeding Six Months	75,579,214	76,583,505
Others	323,247,115	372,086,249
	<b>398,826,329</b>	<b>448,669,754</b>

**Note No - 15: Cash and Bank balances**

	<u>Non-current</u>		<u>Current</u>	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
<b>Cash and cash Equivalents:</b>				
On current accounts	-	-	48,991,671	76,115,048
Deposits with original maturity of less than 3 months	-	-	17,900,540	-
On unpaid dividend accounts	-	-	215,697	432,875
Cash on hand	-	-	85,795	74,080
<b>Balance with banks:</b>				
Deposits with original maturity for more than 12 months	-	-	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	-
Margin money deposits	1,924,086	8,645,755	-	-
	<b>1,924,086</b>	<b>8,645,755</b>	<b>67,193,703</b>	<b>76,622,003</b>

## GSS INFOTECH LIMITED

**Note - 10: FIXED ASSETS**

(Amount in ₹)

S.No.	Particulars	Gross Block Value			Accumulated Depreciation			Net Block Value	
		As at 01.04.2015	Additions	Deletions	As at 31.03.2016	Additions	Deletions	As at 31.03.2016	As at 31.03.2015
A.	<b>TANGIBLE ASSETS:</b>								
1	Computer Equipment	45,364,048	1,706,329	-	47,070,377	2,430,211	-	3,284,414	4,008,296
2	Furniture And Fixtures	11,762,505	33,857	-	11,796,362	714,092	-	2,611,044	3,291,279
3	Vehicles	12,187,568	-	-	12,187,568	463,866	-	1,224,659	1,688,525
4	Plant and Machinery	9,835,540	214,331	-	10,049,871	1,109,518	-	2,140,096	3,035,284
	<b>Total (A)</b>	<b>79,149,661</b>	<b>1,954,517</b>	<b>-</b>	<b>81,104,178</b>	<b>4,717,688</b>	<b>-</b>	<b>9,260,214</b>	<b>12,023,384</b>
B	<b>INTANGIBLE ASSETS:</b>								
5	Goodwill	1,330,119,994	79,479,891	-	1,409,599,885	-	-	1,409,599,885	1,330,119,994
6	Software	9,478,754	-	-	9,478,754	57,333	-	341,997	399,330
7	Copyrights	41,855,336	-	-	41,855,336	8,371,067	-	2,069,832	10,440,900
	<b>Total (B)</b>	<b>1,381,454,084</b>	<b>79,479,891</b>	<b>-</b>	<b>1,460,933,975</b>	<b>8,428,400</b>	<b>-</b>	<b>1,412,011,714</b>	<b>1,340,960,223</b>
	<b>GRAND TOTAL</b>	<b>1,460,603,745</b>	<b>81,434,408</b>	<b>-</b>	<b>1,542,038,153</b>	<b>13,146,088</b>	<b>-</b>	<b>1,421,271,928</b>	<b>1,352,983,608</b>
	Previous Year Total	3,261,729,901	132,020,354	1,933,146,510	1,460,603,745	16,132,868	672	1,352,983,612	3,171,681,306

## GSS INFOTECH LIMITED

### NOTES FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Year ended 31st March, 2016 ₹	Year ended 31st March, 2015 ₹
<b>Note - 16: Revenue from Operations</b>		
Sale of services		
a) Revenue from Operations	2,137,270,879	2,428,933,940
	<b>2,137,270,879</b>	<b>2,428,933,940</b>
<b>Note - 17: Other Income</b>		
Interest Income (Gross)		
a) Interest on Fixed Deposits	2,450,580	2,572,764
b) Other interest	-	-
Miscellaneous Income	20,178,844	2,043,039
Gain on Exchange Rate Fluctuations	-	20,542,308
	<b>22,629,424</b>	<b>25,158,111</b>
<b>Note - 18: Direct Cost</b>		
Software Expenses	29,325	17,375
Subcontractor Expenses	230,364,320	354,778,743
Hardware Expenses	515,562,633	573,492,768
Rent - Equipments	-	20,236,802
	<b>745,956,278</b>	<b>948,525,688</b>
<b>Note - 19: Employee benefit expense</b>		
Salaries And Allowances	1,169,216,660	1,113,461,119
Contribution to PF and Others	6,559,723	7,783,689
Recruitment & Training	6,095,187	9,390,779
Employee Welfare Expenses	2,709,120	2,642,192
	<b>1,184,580,690</b>	<b>1,133,277,780</b>
<b>Note - 20: Financial Costs</b>		
Interest Expense	18,509,545	29,456,803
Other borrowing cost	3,242,393	7,164,671
	<b>21,751,937</b>	<b>36,621,474</b>

## GSS INFOTECH LIMITED

### NOTES FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR YEAR ENDED 31ST MARCH, 2016

PARTICULARS	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
<b>Note - 21: Other Expenses</b>		
Directors' Sitting Fees	620,700	640,000
Printing & Stationery	184,939	535,110
Telephone Expenses	7,442,227	8,091,023
Internet and Web Expenses	3,930,495	4,435,378
Rent	32,938,594	38,364,037
Insurance	30,540,490	37,322,460
Rates And Taxes	734,238	2,582,464
License, Immigration And Permits	17,996,081	19,224,887
Local Conveyance and Vehicle Maintenance	9,110,683	12,965,396
Repairs And Maintenance:		
- Buildings	86,480	644,619
- Machinery	517,439	1,986,562
- Others	963,159	2,107,672
Travel Expenses	22,975,488	35,803,588
Utilities	10,422,338	9,737,801
Professional Fees	16,600,692	34,400,401
Auditor's Remuneration	1,496,962	1,444,857
Advertisement And Business Promotion	14,675,314	14,081,453
Bad Debts Written Off	100,698,950	5,028,752
Prior Period Items	17,807,934	-
Meeting Expenses	552,970	391,402
General Office Expenses	7,851,762	8,910,651
Exchange Rate Fluctuation - Loss	(145,016,968)	-
	<b>153,130,965</b>	<b>238,698,514</b>
<b>Note - 22: Tax Expenses:</b>		
Current Tax (MAT)	8,600,969	2,963,228
Current Tax Relating to Previous Years A/c	-	-
Less: MAT Credit Entitlements	(2,302,066)	(342,308)
<i>Net Current Tax</i>	<i>6,298,903</i>	<i>2,620,920</i>
Deferred Tax	(1,969,023)	81,909,437
	<b>4,329,880</b>	<b>84,530,357</b>



## GSS INFOTECH LIMITED

### NOTES FORMING PART OF THE CONSOLIDATED FINANCIALS STATEMENTS

#### 1. (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 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 550 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.

#### (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	
			31.03.2016	31.03.2015
<b>A.</b>	<b>Subsidiaries:</b>			
1	GSS Infotech Inc,(A Delaware Company)	USA	100%	100%
2	GSS IT Solutions Private Ltd	India	100%	100%
3	GSS Healthcare IT Solutions Private Ltd	India	100%	100%
<b>B.</b>	<b>Step Down Subsidiaries:</b>			
1	GSS Infotech CT Inc (formerly known as System Dynamix Corporation)	USA	100%	100%
2	Infovision Technologies Inc	USA	100%	100%
3	GSS Infotech NY Inc (formerly known as ATEC Group)	USA	100%	100%
4	Infovista Technologies	USA	100%	100%
5	Technovant Inc	USA	100%	100%
6	Global Computronics Inc. (GCI)	USA	100%	100%

## 2. 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. The Company has prepared the financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, 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.

### 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 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.

## 2.1 Summary of significant accounting policies :

### a. 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.

### b. 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.

### c. 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.

**d. 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.

**e. Depreciation and amortization :**

Depreciation on fixed assets is provided to the extent of depreciable amount on the written down value (WDV) method and depreciation on assets acquired during the year is provided on pro-rata basis. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

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.

**f. Impairment of tangible and intangible assets:**

The Company assesses 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. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss statement in the year in which an asset is identified as impaired.

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.

**g. Investments**

Investments are classified into current investments and non-current 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. Non-Current 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.

*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".

**i. Taxes on Income**

Tax expense comprises current year income tax, deferred income tax charges or credit and MAT / Credit Entitlement for the year.

- i. Current year income tax charge will be calculated based on assessable profits of the company determined in accordance with the provisions of Income Tax Act, 1961. It will also include, income tax charge provided if any, for such disallowances made on completion of assessment proceedings pending appeals, as considered appropriate depending on the merits of each case.
  - ii. Deferred income tax charge or credit pertaining to future tax consequences attributable to timing difference between the financial statement determination of income and their recognition for tax purposes will be recognized. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in come using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
  - iii. Minimum alternate Tax (MAT) credit is recognized, as an Asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified year. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendation contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. Such Assets are reviewed as at each Balance Sheet and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force.
- 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 in the form of 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:**  
**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, in accordance with Accounting Standard-15 "Employee Benefits", issued by ICAI.  
**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 are recognised as an expense as and when incurred.
- k. **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.
- 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 recognised 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 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.

**o. Provisions, Contingent Liabilities and Contingent Assets:**

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made.

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 not disclosed in the financial statements.

**p. Cash and Cash Equivalents**

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible into cash with original maturities of three months or less. Cash and cash equivalents consist principally of cash on deposits with banks.

## 2.2. NOTES TO ACCOUNTS:

### 1. Contingent Liabilities:

- i) Against Bank Guarantees issued by Banks towards financial and performance guarantees outstanding as at 31<sup>st</sup> March, 2016 amounts Rs.70,99,015 (Previous Year: Rs. 2,29,97,751)
- ii) The following disputed Tax Liabilities are not provided for in the books of accounts:-
  - a. Appeal pending before Income Tax Administrative Tribunal for the AY 2009-10, involving Tax Amount of Rs.28,28,435
  - b. Based on the representation made for AY 2010-11 Hon'ble Income Tax Appellate Tribunal granted relief to the extent of Rs.3,10,06,829 out of the total demand of Rs.3,85,52,400 and directed Assessing Officer to have a relook at other consequential areas. Accordingly, the revised Contingent Liability for AY 2010-11 would be Rs.75,45,571, against which Company had sufficient MAT Credit.
  - c. Appeal pending before Hon'ble ITAT for AY 2011-12, the original amount of tax liability being Rs.5,84,75,130 and the Company, based on the relief received for AY 2010-11 on the same issues, expects the revised liability to be Rs.1,04,15,056, against which the Company has MAT Credit available.
  - d. Appeal pending before the Hon'ble Dispute Resolution Panel, Bangalore for the AY 2012-13, tax amount being Rs.1,51,36,700
  - e. Appeal pending before Hon'ble Dispute Resolution Panel, Bangalore, tax amount being Rs.2,37,82,029 which arose primarily on account of disallowances of carried forward losses of earlier assessment year

The above contingent liabilities are not provided in the Books of Account based on expert opinion of the Tax Advisors. Further, the Company has unutilized MAT Credit to the extent of Rs.8,44,15,444, which shall absorb any crystallized tax liability, if any on above final outcome of appeals.
- iii) There was a Service Tax demand amounting to Rs.1,02,18,344 (for the years 2010-2012, 2012-13 & 2013-14) on the Company on account of the E-Procurement contract executed in Bangladesh for the Bangladesh government, treating as 'Import of Business Support Services', against which Company filed appeal before CESTAT, Bangalore.
- iv) The Company had filed application for compounding before the Reserve Bank of India for obtaining permissions under the FEMA provisions relating to transfer of funds to the Wholly Owned Subsidiary Company by the Branch which was returned back on procedural aspects. The Company had compiled the necessary information and is in the process of re-submitting the same through a subject expert.

## 2. Details of Fees to Auditors:

Particulars	2015-16	2014-15
	₹	₹
As Auditors	12,00,000	12,25,000
For Certifications	--	-
For reimbursement of expenses	4,807	10,109
<b>Total</b>	<b>12,04,807</b>	<b>12,35,109</b>

## 3. Tax Expense:

- Current Income tax represents tax on income payable as per relevant statutes of the respective countries recognised and provided.
- 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.

## 4. Managerial Remuneration:

The Managerial Remuneration to Whole Time Directors for the year is Rs. 2,29,11,000/- (Previous year Rs. 1,50,32,708/-)

- As part of Annual Impairment analysis, 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.

## 6. 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 Rs. 32,938,594/- (Previous Year Rs. 3,83,64,037/-)

The future minimum lease payments are as given below:

	2015-16	2014-15
	₹	₹
Not later than one year	1,73,38,731	1,81,28,491
Later than one year and not later than five years	70,21,875	2,20,80,248
Later than five years	—NIL—	—NIL—

## 7. Employee Benefits:

### Defined Contribution Schemes:

The Contributions to Employees Provident Funds and Miscellaneous Provisions Act, 1952 made and charged off during the year is Rs. 65,59,723/- (Previous Year: Rs. 77,83,689/-)

### 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	2015-16	2014-15
	₹	₹
Expenses recognized during the year	6,70,829	12,77,734
Value of obligation at the year end	15,22,393	25,32,495

#### 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	2015-16	2014-15
	₹	₹
Expenses recognized during the year	12,20,718	1,66,958
Present value of obligation at the year end	6,73,107	--
Present value of Planned Assets at the year end	31,24,315	42,81,402
Liability at the year end	--	--

#### 8. Segment Reporting

##### Business Segments:

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

##### Geographical Segments:

Particulars	2015-16	2014-15
	₹	₹
Business from United States of America	2,01,29,51,786	230,56,74,333
Business from Middle East	-	-
Business from Singapore	-	-
Business from Bangladesh	2,21,77,013	2,20,62,420
Domestic	10,21,42,080	10,11,97,187
<b>Total</b>	<b>2,13,72,70,879</b>	<b>242,89,33,940</b>

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

#### 9. 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) Key Management Personnel:

a) Mr. Bhargav Marepally

C.E.O. & Managing Director

B) Mr. Ramesh Yerramsetti

Director

##### C) Transactions with Related Parties:

Particulars	2015-16		2014-15	
	Amount	Outstanding As at 31.03.2016	Amount	Outstanding As at 31.03.2015
	₹	₹	₹	₹
Managerial remuneration to Key Management Personnel	22,911,000	-	1,50,32,709	-
Loan Received		7,28,048	--	13,71,845
Repayment of Loan Received	6,43,797		14,99,301	



- D) Disclosures in respect of transactions which are more than 10% of the total transactions of the same type with related party during the year.

Nature of Transaction	Name of the Party	2015 -16	2014 -15
Loan Received	Ramesh Yerramsetti	-	-
Repayment of Loan Received	Ramesh Yerramsetti	73,389	2,41,848
Loan Received	Bhargav Marepally	-	-
Repayment of Loan Received	Bhargav Marepally	5,70,408	12,57,453

#### 10. Earnings Per Share (EPS):

The Numerator and Denominator used to calculate Earnings Per Share:

Particulars	2015-16	2014-15
<b>A. EARNINGS:</b>	₹	₹
Profit attributable to Equity Shareholders	37,004,466	(1,936,818,968)
<b>B. NO.OF SHARES:</b>		
Weighted average number of Equity Shares outstanding during the year (No s) – Basic	1,69,36,863	1,69,36,863
Weighted Average number of Equity shares arising out of outstanding stock options that have diluting effect on Earnings Per Share	Nil	Nil
Weighted average number of Equity Shares outstanding during the year – Diluted	1,69,36,863	1,69,36,863
<b>C. EARNINGS PER SHARE:</b>		
Earnings per Share of Par Value Rs.10/- each – Basic	2.18	(114.36)
Earnings per Share of Par Value Rs.10/- each – Diluted	2.18	(121.51)

11. The Audited financial Statements of Foreign Subsidiaries have been prepared in accordance with the generally accepted accounting principle of its country of incorporation. The difference in accounting policies of the company and its subsidiaries are not material.
12. 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.
13. The Notes referred in the financial statements form an integral part of Accounts.

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

P. SARATH KUMAR  
Partner  
Membership No:21755

Place: Hyderabad  
Date: 30.05.2016

**for GSS Infotech Limited**

Bhargav Marepally  
CEO & Managing Director

Sanjay Heda  
Chief Financial Officer

Keerthy Jaya Tilak  
Director

Lalit Kumar Tiwari  
Company Secretary

**Form AOC-1**  
(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures**

Sr No	Name of the Subsidiary/ Joint Venture Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit/(Loss) Before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	Proposed Dividend	% of Shareholding
1	GSS Infotech Inc*(Delaware)	USD	45.53	(31.05)	27.06	27.06	-	27.62	0.07	0.03	0.04	-	100%
2	GSS IT Solutions Private Limited	INR	1.00	(6.00)	13.76	13.76	-	-	(0.23)	-	(0.23)	-	100%
3	GSS Healthcare IT Solutions Private Limited	INR	1.00	(98.08)	53.66	53.66	-	72.69	(87.47)	(0.19)	(87.28)	-	100%

USD in Million  
INR In Lakhs

\* Subsidiaries includes stepdown subsidiaries

# **STANDALONE FINANCIAL STATEMENTS & NOTES**

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
GSS INFOTECH LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **GSS INFOTECH LIMITED** which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its Profit and its Cash Flow for the year ended on that date.

### Emphasis on Matter

Attention is drawn to point no.8 in “2.2 Notes to Accounts” wherein the Company had given advances in the form of incurring operational expenses on behalf of the wholly owned Indian subsidiary company M/s GSS Healthcare IT Solutions Private Limited, amounting to Rs.10,04,51,239 towards its project work at USA, which is done through Company’s another subsidiary company, M/s GSS Infotech Inc for its US Client. As the US Client did not pay the said sum despite follow up, the same was written off in US Subsidiary Books together with amounts in turn payable to Indian Subsidiary as per overseas audited financials and consequently the same amount is written off in the Indian Subsidiary company as well as the Holding Company, duly through Board approval in this regard.

Our Opinion is not modified in this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016, as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the “**Annexure A**” a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the Directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”; and
  - g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - h. The Company does not have any pending litigations which would impact its financial position.

For and on behalf of  
**Sarath & Associates**  
Chartered Accountants  
Firm’s registration number: 005120S

Place: Hyderabad  
Date: 30.05.2016

**P Sarath Kumar**  
Partner  
M.No.:021755

## “Annexure A” to the Independent Auditors’ Report

**Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement of our report of even date to the financial statements of the Company for the year ended March 31, 2016:**

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management during the year, which in our opinion, is reasonable having regard to the size of the company and nature of its business. There were no discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property. Accordingly the provisions of clause 3 (i)( c ) of the order are not applicable to the company during the current year.
- 2) As per the information and explanations given to us, the company is a Service Company primarily rendering Information Technology Services, and as its business does not involve maintenance of inventories Viz. Finished, Stores, Spare Parts, Goods in Process and Raw materials, the provisions of Clause 3(ii)(a) to Clause 3(ii) (c) 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 three parties covered in the Register maintained under Section 189 of the Act, year end outstanding being Rs. 16,60,47,486 /-
- (b) As per the information and explanations given to us, in our opinion, the above loans are given to fully owned subsidiary companies and does not carry interest or do not specify any specific repayment schedule and hence is generally repayable on demand. Considering the principal business activities carried out by these fully owned subsidiaries, which are in line with Company’s own business, we are on the opinion that the terms and conditions on which these interest free loans have been granted to parties listed in the register maintained under Section 189 of the Companies Act, 2013 are, prima facie, 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 3 (iii) (b) of the Order for the current year.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2016 with regard to the deposits accepted from the public are not applicable.
- 6) The maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues in respect of amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Value Added Tax and Cess with the appropriate authorities during the year and other material statutory dues applicable to the Company and in respect of this dues, there are no outstanding dues as on 31.03.2016 which are outstanding more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute, except as stated hereunder:-
  - i. Appeal pending before Income Tax Administrative Tribunal for the AY 2009-10 & 2010-11, involving Tax Amounts of Rs.28,28,435/- and Rs. 75,45,571/- respectively; and Appeal pending before Dispute Resolution Panel for the AY 2011-12, involving Tax amount of Rs.5,84,75,130/- and the Company, based on the relief received for AY 2010-11 on the same issues, expects the revised liability to be Rs.1,04,15,056

- ii. Appeal pending before the Hon'ble Dispute Resolution Panel, Bangalore for the AY 2012-13, tax amount being Rs.1,51,36,700
  - iii. Service Tax demand amounting to Rs. 1,02,18,344 for the years 2010-12, 2012-13 & 2013-14 on the Company on account of the E-Procurement contract executed in Bangladesh for the Bangladesh government, treating as 'Import of Business Support Services', against which Company filed appeal before CESTAT, Bangalore.
  - iv. Appeal pending before Hon'ble Dispute Resolution Panel, Bangalore, tax amount being Rs.2,37,82,029 which arose primarily on account of disallowances of carried forward losses of earlier assessment year
  - (c) According to the information and explanations given to us there are no amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, Government. The Company has not issued any debentures.
  - 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans.
  - 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
  - 11) Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration was paid or provided. Accordingly the provisions of clause 3 (XI) of the order are not applicable to the company during the current year.
  - 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
  - 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
  - 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
  - 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
  - 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For and on behalf of  
**Sarath & Associates**  
Chartered Accountants  
Firm's registration number: 005120S

**P. Sarath Kumar**  
Partner  
M.No.:021755

Place: Hyderabad  
Date: 30.05.2016

## **“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of GSS INFOTECH LIMITED**

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

We have audited the internal financial controls over financial reporting of GSS INFOTECH LIMITED as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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



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

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

### **Opinion**

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

For and on behalf of  
**Sarath & Associates**  
Chartered Accountants  
Firm's registration number: 005120S

**P. Sarath Kumar**  
Partner  
M.No:021755

Place: Hyderabad  
Date: 30.05.2016

**GSS INFOTECH LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2016**

Particulars	Note	As at 31st March, 2016	As at 31st March, 2016
<b>I. EQUITY AND LIABILITIES</b>		₹	₹
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	169,368,430	169,368,430
(b) Reserves and Surplus	2	1,407,716,531	1,480,729,736
(c) Money received against share warrants	3	-	-
<b>(2) Share Application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	33,500,000	63,500,000
(b) Deferred Tax Liabilities (net)	4		
(c) Other Long Term Liabilities			
(d) Long Term Provisions	8		-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	-	
(b) Trade Payables	7	2,802,038	10,978,582
(c) Other Current Liabilities	8	88,245,997	46,683,353
(d) Short-Term Provisions	9	15,854,681	37,450,336
<b>Total Equity &amp; Liabilities</b>		<b>1,717,487,677</b>	<b>1,808,710,437</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>	10		
(i) Gross Block		100,284,174	99,003,041
(ii) Depreciation		94,695,341	84,012,244
<b>(iii) Net Block</b>		<b>5,588,834</b>	<b>14,990,797</b>
(b) Non-current investments	11	873,680,544	873,680,544
(c) Deferred tax assets (net)	4	3,343,508	1,393,613
(d) Long term loans and advances	12	353,730,655	426,819,704
(e) Other non-current assets	13	-	-
<b>(2) Current Assets</b>			
(a) Current investments			
(b) Inventories			
(c) Trade receivables	14	332,186,726	346,077,441
(d) Cash and Bank balances	15	62,816,029	62,549,942
(e) Short-term loans and advances	12	18,013,570	29,262,578
(f) Other current assets	13	68,127,812	53,935,819
<b>Total Assets</b>		<b>1,717,487,677</b>	<b>1,808,710,437</b>
<b>Notes attached there to form an integral part of Balance Sheet</b>			

As Per Our Report of Even Date

For and on behalf of the Board

**For SARATH & ASSOCIATES**

Chartered Accountants

Firm Regn No:005120S

**P. Sarath Kumar**

Partner

Membership No: 21755

Hyderabad

30.05.2016

Bhargav Marepally  
CEO & Managing Director

Keerthi Jay Tilak  
Chairman

Sanjay Heda  
Chief Financial Officer

Lalit Kumar Tiwari  
Company Secretary

**GSS INFOTECH LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

	Particulars	Note	Year ended 31st March, 2016	Year ended 31st March, 2015
			₹	₹
	<b>Income</b>			
I	Revenue from operations	16	298,282,380	353,480,002
II	Other Income	17	22,236,711	4,423,817
III	<b>Total Revenue (I +II)</b>		<b>320,519,091</b>	<b>357,903,819</b>
IV	<b>Expenses:</b>			
	Direct cost	18	22,003,533	40,866,760
	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
	Employee benefit expense	19	186,409,887	169,917,293
	Financial costs	20	13,957,391	12,889,635
	Depreciation and amortization expense	10	10,683,096	12,486,332
	Other expenses	21	40,812,239	39,383,482
	<b>Total Expenses</b>		<b>273,866,146</b>	<b>275,543,502</b>
V	<b>Profit before exceptional and extraordinary items and tax</b>	<b>(III-IV)</b>	<b>46,652,945</b>	<b>82,360,317</b>
VI	Exceptional Items		-	1,349,299,076
VII	<b>Profit before extraordinary items and tax</b>	<b>(V - VI)</b>	<b>46,652,945</b>	<b>(1,266,938,759)</b>
VIII	Extraordinary Items		-	-
IX	<b>Profit before tax</b>	<b>(VII-VIII)</b>	<b>46,652,945</b>	<b>(1,266,938,759)</b>
X	Tax expense:	22		
	(1) Current tax		4,533,905	-
	(2) Deferred tax		(1,949,895)	80,849,342
	<b>Total Tax Expense</b>		<b>2,584,010</b>	<b>80,849,342</b>
XI	<b>Profit(Loss) from the perid from continuing operations</b>	<b>(IX-X)</b>	<b>44,068,935</b>	<b>(1,347,788,101)</b>
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations	(XII - XIII)	-	-
XV	<b>Profit/(Loss) for the period</b>	<b>(XI + XIV)</b>	<b>44,068,935</b>	<b>(1,347,788,101)</b>
XVI	Earning per equity share:			
	(1) Basic		2.60	(79.58)
	(2) Diluted		2.60	(84.56)
<b>Notes attached there to form an integral part of Profit &amp; Loss Statement</b>				

**For and on behalf of the Board**

As Per Our Report of Even Date

**For SARATH & ASSOCIATES**

Chartered Accountants

Firm Regn No:005120S

Bhargav Marepally

CEO & Managing Director

Keerthi Jay Tilak

Chairman

**P. Sarath Kumar**

Partner

Membership No:21755

Sanjay Heda

Chief Financial Officer

Lalit Kumar Tiwari

Company Secretary

Hyderabad

30.05.2016

**GSS INFOTECH LTD**  
**CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2016**

(Amount in ₹)

Particulars	31st March, 2016	31st March, 2015
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	46,652,945	(1,266,938,759)
<b>Profit before tax</b>	<b>46,652,945</b>	<b>(1,266,938,759)</b>
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation/amortization on continuing operation	10,683,096	12,486,332
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	-	1,349,299,076
Unrealized foreign exchange loss/gain	(140,980,280)	(18,204,802)
Advance/Bad Debt Written off	100,661,128	2,215,607
Interest expense	13,957,391	17,043,629
Interest income	(2,450,580)	(2,572,764)
<b>Operating profit before working capital changes</b>	<b>28,523,699</b>	<b>93,328,318</b>
<b>Movements in working capital :</b>		
Increase/(decrease) in trade payables	(8,176,544)	(9,440,813)
Increase / (decrease) in long-term provisions	-	-
Increase / (decrease) in short-term provisions	(21,595,655)	(7,749,395)
Increase/(decrease) in other current liabilities	41,562,644	3,360,346
Increase/ (decrease) in other long-term liabilities	-	-
Decrease/(increase) in trade receivables	13,890,715	30,750,507
Decrease / (increase) in long-term loans and advances	(27,572,079)	(76,399,817)
Decrease / (increase) in short-term loans and advances	11,249,009	(4,738,219)
Decrease/(increase) in other current assets	(14,191,994)	8,133,178
Decrease / (increase) in other non-current assets	-	-
<b>Cash generated from operations</b>	<b>23,689,795</b>	<b>37,244,106</b>
Direct taxes paid (net of refunds)	(4,533,905)	(13,273,025)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>19,155,890</b>	<b>23,971,080</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,281,133)	(1,299,251)
Proceeds from sale of fixed assets	-	-
Proceeds of non-current investments	-	-
Investments in Subsidiaries of non-current investments	-	-
Unpaid Dividend Account having with Banks	217,178	-
Redemption/maturity of bank deposits (having original maturity of more than three months)	(11,178,872)	938,662
Purchase consideration for amalgamation (note 35)	-	-
Interest received	2,450,580	2,572,764
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(9,792,247)</b>	<b>2,212,175</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share capital	-	114,800,000
Proceeds from share application money	-	(57,400,000)
Proceeds from issuance of preference share capital	-	-
Payment of share issue expenses (refund of Buyback expenses)	-	-
Increase in Exchange translation RESERVE	23,898,140	(216,791)
Proceeds from long-term borrowings	(30,000,000)	(29,995,254)
Repayment of long-term borrowings	-	-
Proceeds from short-term borrowings	-	-
Repayment of short-term borrowings	-	-
Interest paid	(13,957,391)	(17,043,629)
Dividends paid on equity shares	-	-
Dividends paid on preference shares	-	-
Tax on equity dividend paid	-	-
Tax on preference dividend paid	-	-
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(20,059,251)</b>	<b>10,144,326</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(10,695,608)</b>	<b>36,327,582</b>
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
<b>Cash and cash equivalents at the beginning of the year</b>	<b>53,471,313</b>	<b>17,143,731</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>42,775,705</b>	<b>53,471,313</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	12,953	35,385
Cheques/ drafts on hand	-	-
With banks- on current account	42,762,752	53,435,928
— on deposit account	-	-
— unpaid dividend accounts*	-	-
— unpaid matured deposits*	-	-
— unpaid matured debentures*	-	-
<b>Total cash and cash equivalents (note 15)</b>	<b>42,775,705</b>	<b>53,471,313</b>

**Note:**

- Figures in bracket indicate cash out flow
- The above cash flow statement has been prepared under indirect method as set out in Accounting Standard-3 notified under the Companies Act, 2013 as per Revised Schedule-II format.
- Previous year figures have been regrouped/ re-classified wherever necessary to confirm to current year classification

As Per Our Report of Even Date

**For SARATH & ASSOCIATES**

Chartered Accountants

Firm Regn No:005120S

**P. Sarath Kumar**

Partner

Membership No: 21755

Hyderabad

30.05.2016

**For and on behalf of the Board**

Bhargav Marepally  
CEO & Managing Director

Keerthi Jay Tilak  
Chairman

Sanjay Heda  
Chief Financial Officer

Lalit Kumar Tiwari  
Company Secretary

**GSS INFOTECH LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2016**

PARTICULARS	AS AT 31st MARCH, 2016	AS AT 31st MARCH, 2015
	₹	₹
<b>Note No - 1: Share Capital</b>		
<b>Authorised Share Capital:</b>		
50,000,000 Equity shares of Rs.10/- each.	500,000,000	500,000,000
<b>Issued, Subscribed and Paid up Share Capital:</b>		
1,69,36,843 (Previous Year 1,69,36,843) Equity Shares of Rs.10/- each fully paid up	169,368,430	169,368,430
<i>(Out of the above 79,90,000 fully paid up equity shares of Rs 10/- each were issued as bonus shares by capitalisation of Retained Earnings and General Reserves)</i>	169,368,430	169,368,430
<b>a. Reconciliation of shares outstanding at the beginning and at the end of reporting period</b>		
<b>Equity shares</b>		
	<b>31st March, 2016</b>	<b>31st March, 2015</b>
	<b>No. of shares</b>	<b>No. of shares</b>
At the beginning of the period	16,936,843	16,936,843
Issued during the period	-	-
Outstanding at the end of the period	16,936,843	16,936,843
<b>b. Terms/rights attached to equity shares</b>		
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		
<b>c.</b> In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts and the distribution in proportion to the number of equity shares held by the shareholders.		
<b>d.</b> The Company has a 2013 RSU Plan which provides for the grant of restricted stock units (RSUs) to eligible employees of the Company. The Board of Directors recommended establishment of the 2013 Plan to the shareholders on <b>May 30, 2013</b> and the shareholders approved the recommendation of the Board of Directors on <b>July 19, 2013</b> . The maximum aggregate number of shares that may be awarded under the 2013 Plan is <b>20,00,000</b> (currently held by the <b>GSS America ESOP Trust</b> and the plan shall continue in effect for a term of <b>10 years</b> from the date of initial grant under the plan. The RSUs will be issued at par value of the equity share. <b>The 2013 Plan is administered by the compensation committee (now 'the Remuneration Committee') and through GSS America ESOP Trust ('the trust'). The committee comprises independent members of the Board of Directors.</b>		
<b>e. Details of shareholders having more than 5% of share holding</b>		
	<b>31st March, 2016</b>	<b>31st March, 2015</b>
	<b>No. of shares</b>	<b>No. of shares</b>
Madanlal Saraswathi	2,741,837	2,729,382
Raghunadha Rao marepally	2,287,784	-
IL&FS Trust company ltd	1,855,038	1,952,505
clearwater capital partners singapor fund IV Pvt Ltd	-	1,693,412
Madhukar Sheth	1,662,504	1,644,003
Javed Faizullah Tapia	1,648,828	1,918,161
Azim Faizullah Tapia	1,400,000	1,400,000
clearwater capital partners singapor fund III Pvt Ltd	-	1,384,590
	<b>11,595,991</b>	<b>12,722,053</b>
	<b>68.42</b>	<b>75.11</b>
<b>Note No-2: Reserves and Surplus</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
<b>Securities Premium Account</b>		
Balance as per the last financial statements	2,052,380,129	1,965,580,129
Add: Additions during the year	-	86,800,000
Less: Amounts utilised during the year	-	-
<b>Closing balance</b>	<b>2,052,380,129</b>	<b>2,052,380,129</b>

**GSS INFOTECH LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2016**

PARTICULARS	AS AT 31st MARCH, 2016	AS AT 31st MARCH, 2015
	₹	₹
<b>General Reserve</b>		
Balance as per the last financial statements	24,001,603	24,001,603
Add: Transferred by appropriation from profits	-	-
Add: Additions for account reconciliation of Buyback	-	-
<b>Closing balance</b>	<b>24,001,603</b>	<b>24,001,603</b>
<b>Foreign exchange Translation Reserve</b>	<b>80,560,386</b>	<b>197,642,526</b>
<b>Surplus/ ( Deficit) in the Statement of Profit and Loss Account</b>		
Balance as per last financial statements	(793,294,523)	555,488,164
Profit for the year	44,068,935	(1,347,788,101)
<i>Less: Appropriations</i>		
- Deferred Tax Effect on Depreciation of Schedule II	-	<b>444,757</b>
- Adjusted on account of Depreciation of Schedule II	-	<b>(1,439,342)</b>
- Proposed Dividend	-	-
- Tax on Proposed Dividend	-	-
Transfer to General Reserve	-	-
<b>Closing Balance</b>	<b>(749,225,587)</b>	<b>(793,294,523)</b>
<b>Total</b>	<b>1,407,716,531</b>	<b>1,480,729,736</b>
<b>Note No- 3: Money received against share warrants</b>		
Money received against share warrants	-	-
<b>Note No- 4: Deferred Tax Liability/ (Asset) Net</b>		
Balance as per the last financial statements	(1,393,613)	(81,798,198)
Add: Adjustments for the year	(1,949,895)	80,849,342
Add: Deferred Tax Effect on Depreciation of Shchedule II	-	444,757
	<b>(3,343,508)</b>	<b>(1,393,613)</b>
<b>Note No- 5: Long term borrowings</b>		
<b>Secured Loans</b>		
Term Loan	33,500,000	63,500,000
	<b>33,500,000</b>	<b>63,500,000</b>
Term Loan from banks is secured against the margin money deposits, Tangible assets. During the year 2013-2014, Company's Cash Credit Limits were converted into Working Capital Term Loan, repayable in 55 stepped up monthly instalments, commencing from July, 2013.		
<b>Note No- 6: Short term borrowings</b>		
<b>Secured Loans</b>		
Cash Credit from banks (Secured)	-	-
Unsecured Loans	-	-
<b>Note No - 7: Trade Payables</b>		
- Dues of Micro and Small Enterprises	-	-
- Others	2,802,038	10,978,582
	<b>2,802,038</b>	<b>10,978,582</b>
<b>Note No - 8: Other Current Liabilities</b>		
Current Maturity of Long term Debt	30,000,000	30,000,000
Other Current Liabilities	57,193,653	14,878,633
Salary Payable	108,599	-
Due to Directors	728,048	1,371,845
Unclaimed Dividend	215,697	432,875
	<b>88,245,997</b>	<b>46,683,353</b>

**GSS INFOTECH LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2016**

PARTICULARS	AS AT 31st MARCH, 2016	AS AT 31st MARCH, 2015
	₹	₹
<b>Note No-9.Provisions:</b>		
	<b>Long-term</b>	<b>Short-term</b>
	31st March, 2016	31st March, 2015
<b>Provision for Employee Benefits</b>		
<i>Provision for Leave benefits</i>	-	2,195,500
<b>Other Provisions</b>		
<i>Provision for Income Tax (Net of Tax Paid)</i>	-	-
<i>Proposed Dividend</i>	-	-
<i>Provision for Dividend Distribution Tax</i>	-	-
<i>Provision for Expenses</i>	-	13,659,181
	<u>-</u>	<u>15,854,681</u>
	<u>-</u>	<u>37,450,336</u>
<b>Note No-10.Fixed Assets:</b>		
	31st March, 2016	31st March, 2015
<b>Tangible</b>		
(i) Gross Block	49,207,631	47,926,498
(ii) Depreciation	45,998,091	43,686,062
(iii) Net Block	<u>3,209,540</u>	<u>4,240,436</u>
<b>In Tangible</b>		
(i) Gross Block	51,076,543	51,076,543
(ii) Depreciation	48,697,251	40,326,183
(iii) Net Block	<u>2,379,292</u>	<u>10,750,360</u>
<b>Total</b>	<u>5,588,833</u>	<u>14,990,795</u>
<b>Note No-11. Non- Current Investments:</b>		
<b>Non—Trade-Unquoted - At Cost</b>		
<b>Investments in Equity Instruments in wholly owned Subsidiaries:</b>		
	31st March, 2016	31st March, 2015
<b>GSS Infotech Inc (Delaware)</b>		
<i>1,500 (31-March-2015: 1,500) Equity Shares of \$1 each fully paid up in GSS Infotech Inc (Delaware)</i>		2,222,779,820
<i>Less: Provision for Dimuniation in the Value of Investments</i>	873,480,744	<u>1,349,299,076</u>
<b>GSS Healthcare Solutions Private Ltd</b>		
<i>9,990 (31-March-2015: 9,990) Equity Shars of Rs/. 10/- each fully paid up in GSS Healthcare Solutions Ltd</i>	99,900	99,900
<b>GSS IT Solutions Private Ltd</b>		
<i>9,990 (31-March-2015: 9,990) Equity Shars of Rs/. 10/- each fully paid up in GSS IT Solutions Ltd</i>	99,900	99,900
	<u>873,680,544</u>	<u>873,680,544</u>

**GSS INFOTECH LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2016**

PARTICULARS	AS AT 31st MARCH, 2016		AS AT 31st MARCH, 2015	
	₹		₹	
<b>Note No - 12: Loans and advances:</b> (Unsecured, Considered good unless otherwise stated)				
	<b>Non-current</b>		<b>Current</b>	
	<b>31st March, 2016</b>	<b>31st March, 2015</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
Security deposits (Secured, considered good)	14,602,935	14,567,015	-	-
Loans and advances to Related Parties*	166,047,486	241,230,979	-	-
Advances Recoverable in Cash or in Kind or for value to be received	88,664,790	88,908,332	16,713	32,350
Prepaid Expenses	-	-	2,209,304	1,575,162
Loan to Employees	-	-	-	(5,384)
Balances with Statutory/government authorities	84,415,444	82,113,378	15,787,553	27,660,450
<b>Total</b>	<b>353,730,655</b>	<b>426,819,704</b>	<b>18,013,570</b>	<b>29,262,578</b>
<b>Note No - 13: Other Current assets :</b>				
	<b>Non-current</b>		<b>Current</b>	
	<b>31st March, 2016</b>	<b>31st March, 2015</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
Advance Tax & TDS Recoverable	-	-	62,144,044	48,554,917
Accrued Income	-	-	5,983,769	5,380,902
	<b>-</b>	<b>-</b>	<b>68,127,813</b>	<b>53,935,819</b>
<b>Note No-14.Trade Receivables:</b> (Unsecured, Considered Good)				
	<b>31st March, 2016</b>		<b>31st March, 2015</b>	
Outstanding for a period exceeding Six Months	276,352,555		209,411,095	
Others	55,834,171		136,666,346	
	<b>332,186,726</b>		<b>346,077,441</b>	
<b>Note No - 15: Cash and Bank balances</b>				
	<b>Non-current</b>		<b>Current</b>	
	<b>31st March, 2016</b>	<b>31st March, 2015</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
<b>Cash and cash Equivalents:</b>				
On current accounts	-	-	42,762,752	53,435,928
Deposits with original maturity of less than 3 months	-	-	17,900,540	-
On unpaid dividend accounts	-	-	215,697	432,875
Cash on hand	-	-	12,953	35,385
<b>Balance with banks:</b>				
Deposits with original maturity for more than 12 months	-	-	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	-
Margin money deposits	1,924,086	8,645,755	-	-
	<b>1,924,086</b>	<b>8,645,755</b>	<b>60,891,942</b>	<b>53,904,188</b>



## GSS INFOTECH LIMITED

**Note No- 10: FIXED ASSETS**

(Amount in ₹)

S.No.	Particulars	Gross Block Value			Accumulated Depreciation			Net Block Value	
		As at 01.04.2015	Additions	Deletions	As at 31.03.2016	As at 01.04.2015	Additions	As at 31.03.2016	As at 31.03.2015
A.	<b>TANGIBLE ASSETS:</b>								
1	Computer Equipment	29,292,389	1,125,950	-	30,418,339	27,765,023	1,224,622	1,428,694	1,527,366
2	Furniture And Fixtures	6,261,794	33,857	-	6,295,651	5,402,323	273,935	619,393	859,471
3	Vehicles	6,396,342	-	-	6,396,342	5,894,346	156,673	345,322	501,995
4	Plant and Machinery	5,975,974	121,326	-	6,097,300	4,624,369	656,799	816,132	1,351,605
	<b>Total (A)</b>	<b>47,926,498</b>	<b>1,281,133</b>	<b>-</b>	<b>49,207,631</b>	<b>43,686,062</b>	<b>2,312,029</b>	<b>3,209,540</b>	<b>4,240,436</b>
B	<b>INTANGIBLE ASSETS:</b>								
5	Goodwill	-	-	-	-	-	-	-	-
6	Software	9,221,207	-	-	9,221,207	8,911,747	-	309,460	309,460
7	Copyrights	41,855,336	-	-	41,855,336	31,414,436	8,371,067	2,069,832	10,440,900
	<b>Total (B)</b>	<b>51,076,543</b>	<b>-</b>	<b>-</b>	<b>51,076,543</b>	<b>40,326,183</b>	<b>8,371,067</b>	<b>2,379,292</b>	<b>10,750,360</b>
	<b>GRAND TOTAL</b>	<b>99,003,041</b>	<b>1,281,133</b>	<b>-</b>	<b>100,284,174</b>	<b>84,012,245</b>	<b>10,683,096</b>	<b>5,588,833</b>	<b>14,990,796</b>
	Previous Year Total	97,703,790	1,320,751	21,500	99,003,041	70,086,572	12,487,003	14,990,796	27,617,217

\* Closing Balance as on 31st March 2016 includes the amount adjusted to retained earnings as per the Schedule II of the Companies Act 2013

## GSS INFOTECH LIMITED

### NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	AS AT 31st MARCH, 2016	AS AT 31st MARCH, 2015
	₹	₹
<b><u>Note No-16: Revenue from Operations</u></b>		
Sale of services		
a) Export Sales	196,140,299	252,282,815
b) Domestic sales	102,142,080	101,197,187
Other operating revenues		
	<u>298,282,380</u>	<u>353,480,002</u>
<b><u>Note No-17: Other Income</u></b>		
Interest on Fixed Deposits	2,450,580	2,572,764
Miscellaneous Income	19,786,131	1,851,053
Gain on Exchange Rate Fluctuations		-
	<u>22,236,711</u>	<u>4,423,817</u>
<b><u>Note No-18: Direct Cost</u></b>		
Software Expenses	29,325	17,375
Subcontractor Expenses	21,974,208	20,612,583
Rent - Equipments	-	20,236,802
	<u>22,003,533</u>	<u>40,866,760</u>
<b><u>Note No-19: Employee benefit expense</u></b>		
Salaries And Allowances	176,774,807	160,551,445
Contribution to PF and Others	6,027,289	5,951,739
Managerial Remuneration	-	-
Recruitment & Training Expenses	884,729	907,344
Employee Welfare Expenses	2,663,062	2,500,741
Relocation Expenses	60,000	6,024
	<u>186,409,887</u>	<u>169,917,293</u>
<b><u>Note No-20: Financial Costs</u></b>		
Interest Expenses	13,957,391	12,889,635
Other borrowing costs		
	<u>13,957,391</u>	<u>12,889,635</u>
<b><u>Note No-21: Other Expenses</u></b>		
Directors' Sitting Fees	620,700	640,000
Bank Service Charges	789,447	4,153,994
Printing And Stationery	184,399	462,388
Telephone Expenses	740,170	360,330
Internet and Web Expenses	3,292,906	2,132,682
Rent	17,597,192	11,965,965
Insurance	1,571,702	1,732,840
Rates And Taxes	727,808	2,563,702

## GSS INFOTECH LIMITED

### NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	AS AT 31st MARCH, 2016	AS AT 31st MARCH, 2015
	₹	₹
License, Immigration And Permits	4,325,807	1,380,522
Local Conveyance and Vehicle Maintenance	5,768,565	1,239,766
<u>Repairs And Maintenance:</u>		
- Buildings	86,480	644,619
- Machinery	517,439	1,008,487
- Others	827,329	1,735,193
Travel Expenses	2,382,754	5,514,935
Utilities	8,617,278	3,415,335
Professional Fees	6,450,016	9,895,574
Auditor's Remuneration	1,471,962	1,419,857
Advertisement And Business Promotion	1,802,012	2,777,998
Advance/Bad Debts Written Off	100,661,128	2,215,607
Prior Period Items*	18,811,571	-
Meeting Expenses	552,970	391,402
General Office Expenses	3,992,884	1,937,089
Loss on Exchange Rate Fluctuation	(140,980,280)	(18,204,802)
	<u>40,812,239</u>	<u>39,383,482</u>
* Service tax Paid		
<u><b>Note No-22: Tax Expenses:</b></u>		
Current Tax (MAT)	6,835,971	-
Current Tax Relating to Previous Years A/c	-	-
Less: MAT Credit Entitlements	(2,302,066)	-
<b>Net Current Tax</b>	<u>4,533,905</u>	-
Deferred Tax	(1,949,895)	80,849,342
<b>Total Tax Expense</b>	<u>2,584,010</u>	<u>80,849,342</u>

As Per Our Report of Even Date  
**For Sarath & Associates**  
**Chartered Accountants**  
**Firm Regn No: 005120S**

**For and on behalf of the Board**

P. SARATH KUMAR  
Partner  
Membership No:21755

Bhargav Marepally  
CEO & Managing Director

Keerthy Jaya Tilak  
Chairman

Place: Hyderabad  
Date: 30.05.2016

Sanjay Heda  
Chief Financial Officer

Lalit Kumar Tiwari  
Company Secretary

## 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 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 550 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 Accounting 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 Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and also the guidelines issued by the Securities and Exchange Board of India (SEBI).

The accounting policies adopted in the preparation of Financial Statements are consistent with those of previous year, including changes made consequent to applicability of Companies Act 2013 mandated requirements.

#### 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 would comprise 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 is provided to the extent of depreciable amount on the written down value (WDV) method and depreciation on assets acquired during the year is provided on pro-rata basis. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

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 assesses 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. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss statement in the year in which an asset is identified as impaired.

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.

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 and on time proportion basis taking into account the amount outstanding and the rate applicable.

**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 non-current 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 Statement of Profit and Loss. Non-Current 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.

Non Current Assets denominated in foreign currency are translated at the exchange rate prevalent at that date of the Balance Sheet. The resulting differences are shown under the Foreign Exchange Translation Reserve.

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 Statement of Profit and Loss.

The operations of foreign branches of the company which are 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 recorded in the Statement of Profit and Loss.

**i) Taxes on Income:**

Tax expense comprises current year income tax, deferred income tax charges or credit and MAT/ credit Entitlement for the year.

- i. Current year income tax charge will be calculated based on assessable profits of the company determined in accordance with the provisions of Income Tax Act, 1961. It also includes, income tax charge provided if any, for such disallowances made on completion of assessment proceedings pending appeals, as considered appropriate depending on the merits of each case.
- ii. Deferred income tax charge or credit pertaining to future tax consequences attributable to timing difference between the financial statement determination of income and their recognition for tax purposes will be recognised. The effect of a change in tax rates on deferred tax assets and liabilities is recognised in income using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- iii. Minimum Alternate Tax (MAT) credit is recognized, as an Asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified year. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. Such Assets are reviewed as at each Balance Sheet and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force.

**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 Statement of Profit and Loss.

**Long Term Benefits:**

**Provident Fund:**

Eligible employees receive benefit in the form of 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, in accordance with Accounting Standard-15 "Employee Benefits", issued by ICAI.

**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) Provisions, Contingent Liabilities and Contingent Assets:**

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made.

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 not 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 continued 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.

**q) Cash and Cash Equivalents**

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible into cash with original maturities of three months or less. Cash and cash equivalents consist principally of cash on deposits with banks.

## 2.2 NOTES TO ACCOUNTS:

### 1. Contingent Liabilities:

- i) Against Bank Guarantees issued by Banks towards financial and performance guarantees outstanding as at 31<sup>st</sup> March, 2016 amounts Rs.70,99,015 (Previous Year: Rs. 2,29,97,751)
- ii) The following disputed Tax Liabilities are not provided for in the books of accounts:-
  - a. Appeal pending before Income Tax Administrative Tribunal for the AY 2009-10, involving Tax Amount of Rs.28,28, 435
  - b. Based on the representation made for AY 2010-11 Hon'ble Income Tax Appellate Tribunal granted relief to the extent of Rs.3,10,06,829 out of the total demand of Rs.3,85,52,400 and directed Assessing Officer to have a relook at other consequential areas. Accordingly, the revised Contingent Liability for AY 2010-11 would be Rs.75,45,571, against which Company had sufficient MAT Credit.



- c. Appeal pending before Hon'ble ITAT for AY 2011-12, the original amount of tax liability being Rs.5,84,75,130 and the Company, based on the relief received for AY 2010-11 on the same issues, expects the revised liability to be Rs.1,04,15,056, against which the Company has MAT Credit available.
- d. Appeal pending before the Hon'ble Dispute Resolution Panel, Bangalore for the AY 2012-13, tax amount being Rs.1,51,36,700
- e. Appeal pending before Hon'ble Dispute Resolution Panel, Bangalore, tax amount being Rs.2,37,82,029 which arose primarily on account of disallowances of carried forward losses of earlier assessment year

The above contingent liabilities are not provided in the Books of Account based on expert opinion of the Tax Advisors. Further, the Company has unutilized MAT Credit to the extent of Rs.8,44,15,444, which shall absorb any crystallized tax liability, if any on above final outcome of appeals.

- iii) There was a Service Tax demand amounting to Rs.1,02,18,344 (for the years 2010-2012, 2012-13 & 2013-14) on the Company on account of the E-Procurement contract executed in Bangladesh for the Bangladesh government, treating as 'Import of Business Support Services', against which Company filed appeal before CESTAT, Bangalore.
- iv) The Company had filed application for compounding before the Reserve Bank of India for obtaining permissions under the FEMA provisions relating to transfer of funds to the Wholly Owned Subsidiary Company by the Branch which was returned back on procedural aspects. The Company had compiled the necessary information and is in the process of re-submitting the same through a subject expert.

## 2. **Advances to Subsidiaries:**

- (a) The Company has given advances to its wholly owned subsidiary viz., GSS Infotech CT Inc (Delaware), GSS Healthcare IT Solutions Private Limited 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:

(Amount in ₹)

Particulars	Balance as on		Maximum Balance Outstanding during the year	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	₹	₹	₹	₹
GSS Infotech Inc.	14,93,85,953	14,09,62,864	14,93,85,953	14,26,29,464
GSS IT Solutions Private Limited	18,50,000	18,50,000	18,50,000	18,50,000
GSS Health Care IT Solutions Private Limited	1,48,11,533	9,84,18,115	11,52,64,590	9,84,18,115

## 3. **Employee Stock Options:**

An application for in – principle approval for listing of 20,00,000 shares has been made to the stock exchanges under the name & style "GSS Infotech Limited Restricted Employee Stock Option Plan 2013", which got approved by the members at AGM held on 19.7.2013 and subsequently got approved by NSE & BSE. However, during the year under review, there was no grant of options by the Board to the eligible employees.

## 4. **Investments:**

The Company has an investment in the form of 1500 Equity Shares (Previous year : 1,500 equity shares) in M/s GSS Infotech Inc (Delaware), which is a Wholly Owned Subsidiary Company, amounting to Rs.87,34,80,744 (Previous Year : Rs.87,34,80,744). The Company evaluates the carrying cost of Investment based on Audited Financials of the US Subsidiary Company, which is done by the local Auditor in US. During the previous year 2014-15, there was impairment of goodwill in US step down subsidiaries which resulted in loss to the extent of Rs.134,92,99,076. The value of these investments were taken on record, based on the Audited Financials of the US Subsidiary Company, as certified by the US local Auditor. As there was diminution in the value of investments in the Wholly Owned Subsidiary Company, the Company had made a provision to the extent of Rs. 134,92,99,076 during the immediately preceeding financial year 2014-15. There are no such instances during the current financial year under reporting.



5. Foreign Exchange fluctuation (gain)/loss includes proportionate share of the written back amount related to accumulated exchange difference from Foreign Exchange Translation Reserve on account of impairment of investment in the wholly owned subsidiary.

**6. Details of Remuneration to Auditors:**

Particulars	2015-16	2014-15
	₹	₹
For Statutory Audit	12,00,000	12,00,000
For Taxation matters	-	-
For Certifications	4,807	10,109
For reimbursement of expenses		
<b>Total</b>	<b>12,04,807</b>	<b>12,10,109</b>

**7. Employee Benefits:**

**Defined Contribution Schemes:**

The Contributions to Employees Provident Funds and Miscellaneous Provisions Act, 1952 made and charged off during the year is Rs. 60,27,289/- (Previous Year: Rs. 59,51,739/-)

**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	2015-16	2014-15
	₹	₹
Expenses recognized during the year	6,26,694	11,29,314
Value of obligation at the year end	15,22,393	23,43,472

**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	2015-16	2014-15
	₹	₹
Expenses recognized during the year	12,20,718	1,66,958
Present value of obligation at the year end	6,73,107	--
Present value of Planned Assets at the year end	31,24,315	42,81,402

**8. Tax Expense:**

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

iii) Deferred Tax:

Movement of provision for Deferred Tax for the year ended 31.03.2016 is as given below:

Particulars	Deferred Tax (Liability)/Asset in Rs.
Timing Difference on Account of WDV of assets	78,58,679
Timing Difference on Account of Provision of Leave Encashment	15,22,393
Timing Difference On Account Schedule II Depreciation as per Companies Act 2013	14,39,342
<b>Timing difference (a)</b>	<b>1,08,20,414</b>
Deferred Tax Asset as on 31.03.2016 @ 30.9% on (a)	33,43,508
Less: Deferred Tax Asset as on 31.03.2015	13,93,613
<b>Asset written off During the year</b>	<b>(19,49,895)</b>

9. The Company had given certain advances to its fully owned subsidiary Company M/s GSS Healthcare towards business activity with US Client through its US Subsidiary, M/s GSS Infotech Inc. Subsequently, the US Client failed to pay the amounts due, despite several steps taken to collect the same in US. These amounts have been written off in US books, which are duly audited thereon. Consequently, the wholly owned subsidiary had also written off in its books these amounts and the Company had also written off these advances paid to the wholly owned Indian subsidiary amounting to Rs.10,04,51,239 which is duly approved by the Board.

Considering all the facts, the Board had passed resolution confirming the write offs and certain written back's during the current year in the Books of Account.

10. Prior period items include amounts paid towards Service Tax consequent upon Audit taken up by the concerned Department which pertain to earlier periods and also certain Income Tax payments.

11. DUES OF MICRO AND SMALL ENTERPRISES:

The information as required to be disclosed under Schedule III of the Act, w.r.t. Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) is as given below and the information mentioned at Note no. 7- Trade Payables w.r.t. dues of Micro and Small Enterprises, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied on by the auditors:

Particulars	2015-16	2014-15
a. Principal amount remaining unpaid as on 31st March	NIL	NIL
b. Interest due thereon as on 31st March	NIL	NIL
c. Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year	NIL	NIL
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year but without adding the interest specified under the Act )	NIL	NIL
e. Interest accrued and remaining unpaid as at 31st March	NIL	NIL
f. Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act	NIL	NIL

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. 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 Statement of Profit and Loss is Rs.1,75,97,192/- (Previous Year: Rs. 1,19,65,965/-)

The future minimum lease payments are as given below:

Particulars	2015-16	2014-15
	₹	₹
Not later than one year	1,31,47,625	1,25,33,250
Later than one year and not later than five years	70,21,875	2,01,69,500
Later than five years	—NIL—	—NIL—

**15. Details of Balances with Non-Scheduled Banks:**

Name of the Bank's	As at 2015-16	As at 2014-15	Maximum Balance outstanding during the year	
			2015-16	2014-15
	₹	₹	₹	₹
Harris Bank	33,379	55,269	37,48,907	1,51,99,293
First Niagara	87,136	1,62,363	83,18,456	96,18,757
Indian Bank, Singapore	1,94,162	1,80,220	1,94,162	1,91,033
SBI Bank, Bangladesh	62,81,775	33,55,500	84,78,626	75,19,393

**16. Segment Reporting:**

**Business Segments:**

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

**Geographical Segments:**

Particulars	2015-16	2014-15
	₹	₹
Business from United States of America	17,39,63,287	23,02,20,395
Business from Middle East	-	-
Business from Singapore	-	-
Business from Bangladesh	2,21,77,013	2,20,62,420
Domestic	10,21,42,080	10,11,97,187
<b>Total</b>	<b>29,82,82,380</b>	<b>35,34,80,002</b>

## 17. 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
- c) GSS Healthcare IT Solutions Private Limited

#### ii) Step down Subsidiaries:

- GSS Infotech CT Inc (Formerly known as System Dynamix Corporation)
- Infovision Technologies, Inc
- GSS Infotech NY Inc (formerly ATEC Group)
- InfovistaTechnologies Inc
- Technovant Inc
- GCI Systems Inc

#### iii) Key Management Personnel:

Mr. Bhargav Marepally Chief Executive Officer And Managing Director

#### iv) Mr. Ramesh Yerramsetti Director

### B) Transactions with Related Parties:

Particulars	2015-16		2014-15	
	Amount During the year	Outstanding as at 31.03.2016	Amount During the year	Outstanding as at 31.03.2015
Managerial remuneration to Key Management Personnel	-	-	-	-
Investment in capital of Subsidiaries	-	87,36,80,544	-	87,36,80,544
Advances to Subsidiaries	(7,51,83,493)	16,60,47,486	7,35,37,055	24,12,30,979
Sales to Subsidiaries	7,29,00,085	25,61,25,786	10,52,44,963	24,38,27,383
Loan Received		7,28,048		13,71,845
Repayment of Loan Received	6,43,797		14,99,301	

**Disclosures in respect of transactions which are more than 10% of the total transactions of the same type with related party during the year.**

Nature of Transaction	Name of the Party	2015-16	2014-15
		₹	₹
Advances to subsidiaries	GSS IT Solutions Pvt Ltd.	-	-
	GSS Healthcare IT Solutions Pvt Ltd	2,57,99,074	8,82,23,006
Amounts written off	GSS Healthcare IT Solutions Pvt Ltd	10,06,61,128	-
Sales to subsidiaries	GSS Infotech Inc(Delaware)	3,47,71,293	6,46,57,933
	GSS Infotech CT Inc	2,85,74,695	2,74,12,133
	GSS Infotech NY Inc	95,54,096	1,24,99,423
Investment In Subsidiaries	GSS Healthcare IT Sol (P)Ltd	-	-
	GSS Infotech Inc(Delaware)	-	-
Repayment of Loan Received	Ramesh Yerramsetti	73,389	2,41,848
Repayment of Loan Received	Bhargav Marepally	5,70,408	12,57,453

# 18. EARNINGS PER SHARE (EPS):

The Numerator and denominator used to calculate Earnings Per Share:

Particulars	2015-16	2014-15
	₹	₹
<b>A. EARNINGS:</b>		
Profit attributable to Equity Shareholders	4,40,68,935	(134,77,88,101)
<b>B. NO.OF SHARES:</b>		
Weighted average number of Equity Shares outstanding during the year (Nos) – Basic	1,69,36,843	1,69,36,843
Weighted Average number of Equity shares arising out of outstanding stock options that have diluting effect on Earnings Per Share	-	-
Weighted average number of Equity Shares outstanding during the year – Diluted	1,69,36,843	1,69,36,843
<b>C. EARNINGS PER SHARE:</b>		
Earnings per Share of Par Value Rs.10/- each – Basic	2.60	(79.58)
Earnings per Share of Par Value Rs.10/- each – Diluted	2.60	(84.56)

# 19. Income and expenditure in Foreign Currency :

	2015-16	2014-15
	₹	₹
<b>1. Expenditure in Foreign Currency Towards:(On Accrual basis)</b>		
Travelling Expenses	21,58,443	17,93,320
Foreign Branch Expenses incurred abroad	9,78,44,940	11,46,91,881
<b>2. Earnings in Foreign Exchange: (On Accrual Basis)</b>		
FOB Value of Exports	19,61,40,299	25,22,82,815
<b>3. CIF Value of Imports:</b>		
Capital goods	Nil	Nil
<b>4. Remittance of Dividend in Foreign Currency:</b>		
No. of Shareholders	Nil	Nil
No. of Shares Held (Nos.)	Nil	Nil
Amount of Dividend paid (Net of Tax)	Nil	Nil
<b>5. The other particulars as required are not given as the same are not applicable to the Company for the Current Year.</b>		

# 20. Rounding off & Regrouping:

The figures are rounded off to the nearest rupee and previous year's figures have been regrouped where necessary to correspond with current year's figures.

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

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

**for GSS Infotech Limited**

P.SARATH KUMAR  
Partner  
Membership No:21755

Bhargav Marepally  
CEO & Managing Director

Keerthy Jaya Tilak  
Director

Place: Hyderabad  
Date:30.05.2016

Sanjay Heda  
Chief Financial Officer

Lalit Kumar Tiwari  
Company Secretary



## Form No. MGT-11

### Proxy Form

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

Name of the Company : **GSS Infotech Limited**

CIN : L72200TG2003PLC041860

Address : Level – 3 and 4, Brigade Towers, Plot no. 30 and 31, Financial District, Nanakramguda, Gachibowli, Hyderabad, Telangana State – 500032

Name of the member(s) :

Registered Address :

E-mail ID :

Folio No/Client ID DP ID :

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

1. Name :  
Address :  
E-mail ID :  
Signature : \_\_\_\_\_, or failing him
2. Name :  
Address :  
E-mail ID :  
Signature :

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf on Friday, the 30<sup>th</sup> Day of September, 2016 at 10.30 A.M. at Ellaa Suites, Lotus Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad - 500 032 and at any adjournment thereof in respect of such resolutions as indicated below:

#### Ordinary Business:

1. Adoption of Audited Standalone and Consolidated Financial Statements of the Company as on March 31, 2016.
2. Appointment of Mr. Mark Silgado, Director who retires by rotation and offers himself for reappointment.
3. Appointment of M/s. Sarath and Associates, Chartered Accountants, Hyderabad as the Statutory Auditors of the Company from Conclusion of this annual general meeting to the conclusion of the 16<sup>th</sup> annual general meeting of the company to be held in the Year 2019.

#### Special Business:

4. Appointment of Mr. Bhargav Marepally as the Managing Director of the Company for a period of 5 years with effect from 01<sup>st</sup> June, 2016.
5. Approval of offer or invitation to subscribe to Non Convertible Debentures on Private placement.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of shareholder:

Signature of Proxy holder(s) :

**Affix 1/-  
revenue  
stamp**

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. (i.e., by 10.30 a.m. on Wednesday, the 28<sup>th</sup> day of September, 2016)

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**GSS INFOTECH LIMITED**

**CIN : L72200TG2003PLC041860**

Level-3 and 4, Brigade Towers, Plot no. 30 and 31, Financial District, Nanakramguda, Gachibowli,  
Hyderabad – 500032, Telangana State, India.  
Ph: +914044556600 Fax:+914040028703  
Website: [www.gssinfotech.com](http://www.gssinfotech.com)

**Attendance Slip for the  
Annual General Meeting to be held on 30<sup>th</sup> September, 2016 at 10.30 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 30<sup>th</sup> September, 2016 at 10.30 A.M. at Ellaa Suites, Lotus 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 the attendance slip at the venue of the annual general meeting.



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