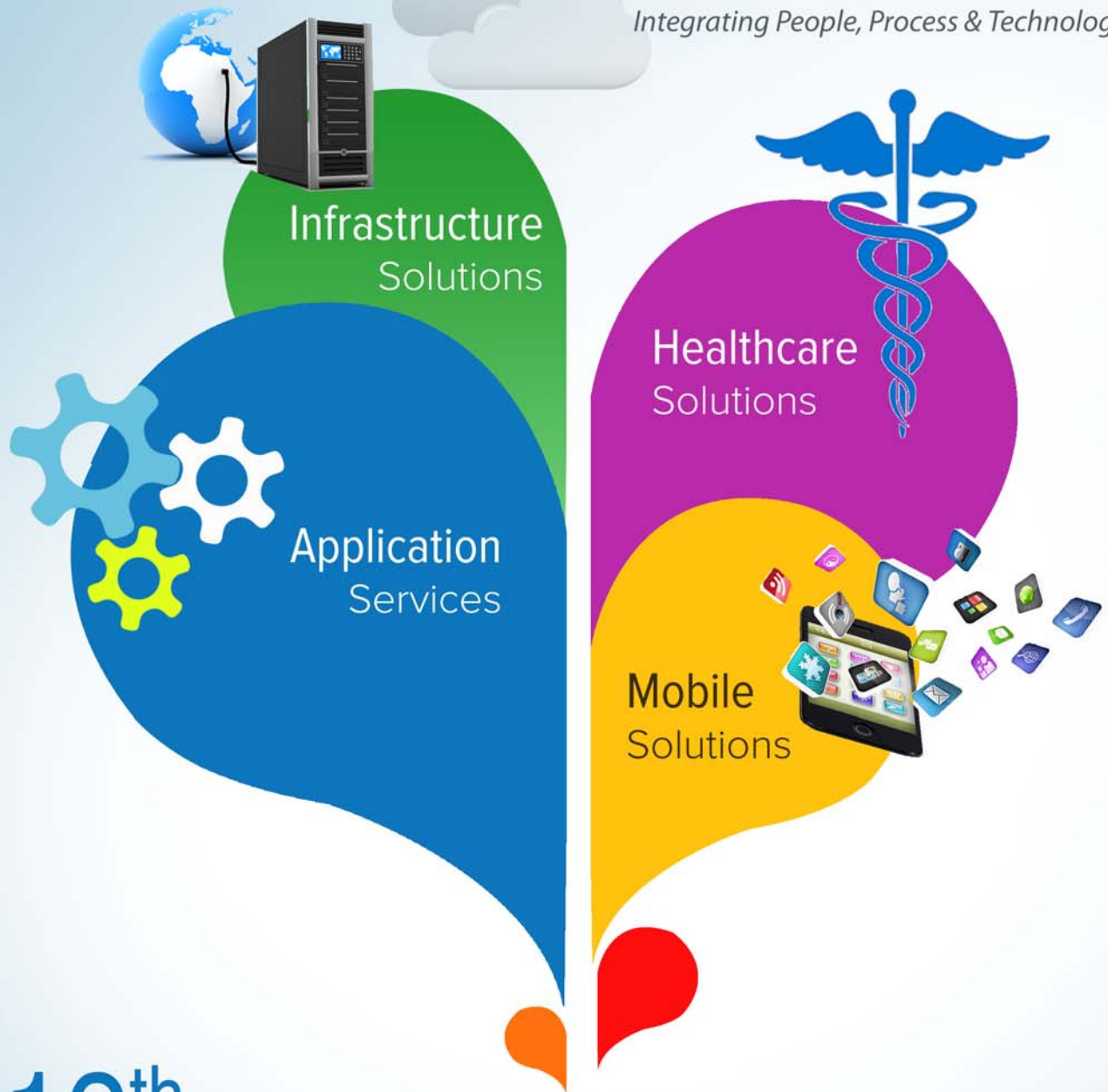




*Integrating People, Process & Technology*



12<sup>th</sup>

# Annual Report 2015

## 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 six years

<b>Contents</b>	<b>Page Nos.</b>
Corporate Information	4
Notice of the Annual General Meeting	5
Board's Report	14
Management Discussion and Analysis Report	41
Report on Corporate Governance	52
Auditors' Report on Consolidated Financial Statements	74
Consolidated Financial Statements	75
Auditors' Report on Standalone Financial Statements	94
Standalone Financial Statements	98
Proxy Form	117
Attendance Slip	119

# 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. Lalit Kumar Tiwari

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

### Stakeholder's Relationship Committee

Mr. Madhukar Sheth

Mrs. Nagajayanthi Das Juttur Ragavendra

Mr. Bhargav Marepally

### Auditors

M/s. Sarath & Associates

Chartered Accountants, 4<sup>th</sup> 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,

SakiNaka, Andheri(E), Mumbai–400072, India

Tel:+912240430200 Fax:+912228475207

## Notice of Annual General Meeting (AGM)

Notice is hereby given that the 12<sup>th</sup> Annual General Meeting (AGM) of the members of GSS Infotech Limited will be held on Wednesday, the 30<sup>th</sup> Day of September, 2015 at 10.30 A.M at Ellaa Suites, Jasmine Banquet Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad - 500 032 to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt
  - a) the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March 2015 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, 2015 and the report of the Auditors thereon.
2. To appoint a Director in the place of Mr. Patri VenkataRamakrishna Prasad (DIN: 00009817), who retires by rotation, and being eligible, offers himself for Re-appointment.
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 this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company 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 consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (the "Act") and the applicable provisions of the Listing Agreement, Mr. Keerthy Jaya Tilak (DIN: 00278137), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years from the date of coming into effect of this resolution."
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mrs. Nagajayanthi Das Juttur Ragavendra (DIN: 05107482) who was appointed as an Additional Director with effect from 10<sup>th</sup> February, 2015, by the Board of Directors of the Company and who in terms of Section 161 of the Companies Act, 2013, holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years from the date of coming into effect of this resolution.
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.  
**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), and applicable

provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) 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 ₹ 500 Crores (Rupees Five Hundred Crores only).

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to execute such deeds or debentures and debenture trust deed or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings as they may think and containing such conditions and covenants as the Board of Directors may think fit and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution."

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

**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), and applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall also include a Committee thereof) to mortgage and / or charge all or any of Company's assets and properties whether movable or immovable including intangibles, 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 by way of mortgage/charge for securing the repayment of any loan obtained or to be obtained from any Banks, Financial Institutions or person or persons together with interest, costs, charges, expenses and any other money payable by the company for an amount not exceeding ₹ 500 Crores (Rupees Five Hundred Crores only).

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to execute such deeds or debentures and debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings as they may think and containing such conditions and covenants as the Board of Directors may think and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution."

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

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Articles of Association, copy of which is placed before the meeting, be and is hereby approved and adopted in substitution, and to the entire exclusion, of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deed and things as may be necessary, proper or expedient to give effect to this resolution."



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

**“RESOLVED THAT** pursuant to Clause 49 of the equity listing agreement with the stock exchanges on which the equity shares of the Company are listed and further pursuant to the applicable provisions of the Companies Act, 2013 (including any statutory modifications, amendments or re-enactments thereto) and the Rules made thereunder (collectively the “Act”) and subject to requisite approvals from all concerned statutory and regulatory authorities and departments, person or persons, if and to the extent necessary, and such other approvals, permissions and sanctions as may be required, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board”, which term shall include a Committee thereof authorized for the purpose) for disposal of the entire investment of the Company held through its wholly owned subsidiary GSS Infotech Inc (Delaware), in GSS Infotech NY Inc., a step-down wholly owned subsidiary of the Company and also a material subsidiary of the Company.

**“RESOLVED FURTHER THAT** any director of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things including but not limiting to deciding the time when the disposal be done by the Company’s wholly owned subsidiary GSS Infotech Inc(Delaware) which holds shares of GSS Infotech NY Inc, the manner of disposal, other incidental and ancillary activities thereto, determining such other terms and conditions relevant to the disposal, negotiating and finalizing the terms of sale, negotiating, finalizing and executing share purchase agreement(s), by whatever name called, such other agreements, deeds, documents, indemnities, contracts, declarations, undertakings, forms, letters and such other papers as maybe necessary, desirable and expedient to be agreed, signed and executed, to determine the final consideration / pricing, to make all such filings and applications for the statutory / regulatory and other approvals as may be required in the matter of disposal and to complete the aforesaid transaction, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to the aforesaid resolution, and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Shareholders or otherwise to the end and intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

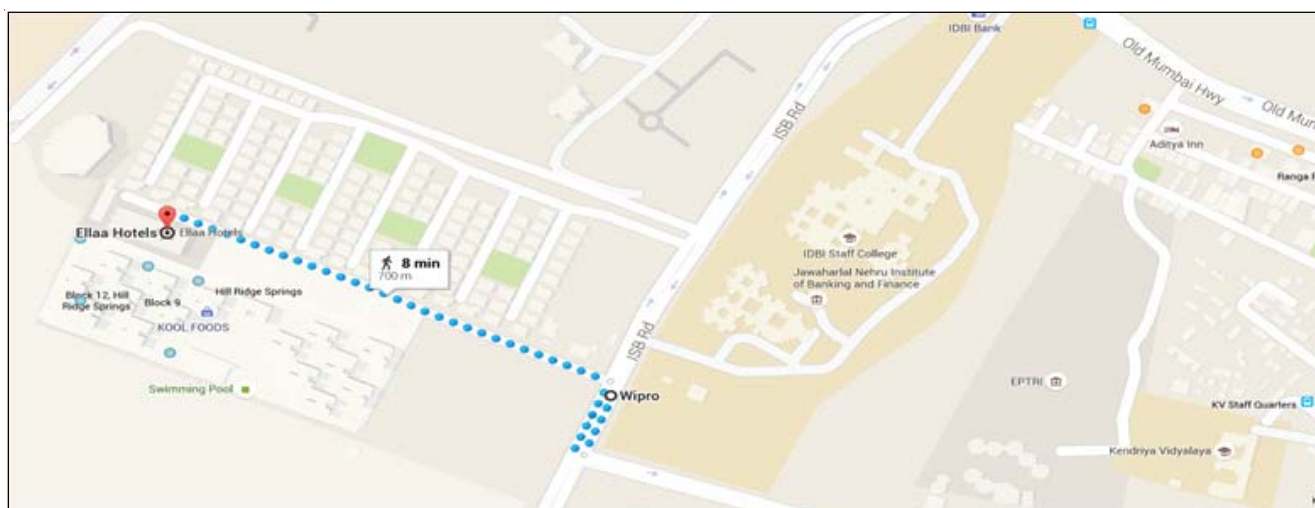
**“RESOLVED FURTHER THAT** all acts, deeds, matters and things, either verbal or written or otherwise, already done by the Company and / or any of its directors and / or officers and / or representatives for and in the name of the Company in this regard be and are hereby noted, ratified and approved.”

**By Order of the Board of Directors**

Place: Hyderabad  
Date: 10<sup>th</sup> August, 2015

**Keerthy Jaya Tilak**  
Chairman

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





## 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 Monday, 28<sup>th</sup> September, 2015. 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. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the AGM is annexed hereto.
3. 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> September, 2015 to 30<sup>th</sup> September, 2015 (both days inclusive).
5. Members holding shares in electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
6. 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.
7. 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 Monday, 28<sup>th</sup> September, 2015.
8. In terms of Section 123 of the Companies Act, 2013 and Sections 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, in the financial year 2015-16, the Company would be transferring the unclaimed or unpaid final dividend for the financial year ended 31<sup>st</sup> March, 2008 to IEPF on 07<sup>th</sup> September, 2015. Members are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to IEPF.
9. 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.
10. 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. The Annual report is being emailed/dispached to all the members of the Company as on 28<sup>th</sup> August, 2015.
11. 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.
12. 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.
13. 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.
14. 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, 2015, to the Company Secretary at the Registered Office of the Company, email : lalit.tiwari@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, 2015.
15. **E-Voting :**  
Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies [Management and Administration] Rules, 2014, as amended and Clause 35B of the Listing Agreement, E-voting facility is being provided to Members to exercise their right to vote on the resolutions proposed to be passed at the 12<sup>th</sup> AGM by electronic means. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on the Record Date i.e. Wednesday, 23<sup>rd</sup> September, 2015 shall be eligible to exercise E-voting. The e-voting period will commence on 27.09.2015 at 9:00 a.m. and will end on 29.09.2015 at 5:00 p.m. In addition, the facility for voting through ballot paper shall also be made available at the venue of AGM and the Members attending the 12<sup>th</sup> AGM who have not cast their vote by e-voting shall be eligible to cast their vote at the 12<sup>th</sup> Annual General Meeting venue.

E-voting period starts from 27<sup>th</sup> September, 2015 at 9.00 A.M. and ends on 29<sup>th</sup>, September, 2015 at 5.00 P.M. The e-voting module will be disabled after 5.00 P.M. on 29<sup>th</sup>, September 2015 for voting by shareholders.

EVEN (E-VOTING EVENT NUMBER)	COMMENCEMENT OF E-VOTING	END OF E-VOTING
150831053	27 <sup>th</sup> , September 2015 at 9.00 A.M.	29 <sup>th</sup> , September 2015 at 5.00 P.M.

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

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) i. 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. ii. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
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.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <GSS Infotech Limited><EVSN 150831053> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - 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).
  - 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.
  - 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.
  - 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.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xx) You are advised to cast your 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. (xx) above to cast vote.
- (B) The voting period begins on 27<sup>th</sup> September, 2015 at 09:00 A.M. and ends on 29<sup>th</sup> September, 2015 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, 2015 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 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).

Mr. Artham Someswara Rao, Practising Company Secretary (ACS 18979, COP 11366) has been appointed as the Scrutinizer to scrutinize the e-voting and also the polling process in a fair and transparent manner.

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 his report to the Chairman of the Company.

**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 Resolutions set out at item nos. 4 and 5 of the Notice and Special Resolutions set out at Item No. 6, 7, 8 and 9 of the Notice.

**Item No. 4 and 5**

Mr. Keerthy Jaya Tilak is a Director of the Company subject to retirement by rotation. He is an Independent Director within the meaning of Clause 49 of the Listing Agreement. Mrs. Nagajayanthi Das Juttur Ragavendra is an Additional Director (Independent) of the Company appointed in the Board Meeting held on 10<sup>th</sup> February, 2015 and she holds office up to the ensuing Annual General Meeting.

Pursuant to the provisions of Section 149 of the Act, every listed company is required to have at least one-third of the total

number of directors as Independent Directors, who are not liable to retire by rotation and shall hold office for a term up to five consecutive years on the Board of the Company.

Accordingly, it is proposed to seek approval of the Members to appoint Mr. Keerthy Jaya Tilak and Mrs. Nagajayanthi Das Juttur Ragavendra as Independent Directors of the Company under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, for a term up to five consecutive years as set out in the accompanying Notice.

As required under Section 160 of the Act, the Company has received notices in writing from members along with the requisite amount of deposit proposing the candidature of Mr. Keerthy Jaya Tilak and Mrs. Nagajayanthi Das Juttur Ragavendra as Independent Directors of the Company.

Mr. Keerthy Jaya Tilak and Mrs. Nagajayanthi Das Juttur Ragavendra are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have consented to act as Directors of the Company. The Company has also received declarations from them that they meet with the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges. In the opinion of the Board, both of them fulfill the conditions specified in the Act and the Rules made thereunder and also under the Listing Agreement for appointment as Independent Director and they are independent of the management.

Keeping in view the contributions made by them during their association with the Company, the Board considers that it shall be in the best interests of the Company to continue to have their benefit and knowledge. The Nomination and Remuneration Committee of the Board of Directors of the Company has recommended the appointment of Mr. Keerthy Jaya Tilak and Mrs. Nagajayanthi Das Juttur Ragavendra as Independent Directors for a term up to five consecutive years. None of the Independent Directors hold any shares in the Company.

A brief resume of Mr. Keerthy Jaya Tilak and Mrs. Nagajayanthi Das Juttur Ragavendra, nature of their expertise in specific functional areas and name of the Companies in which they hold directorship and memberships / chairmanships of Board Committees, shareholding in the Companies as stipulated under Clause 49 of the Listing agreement with the Stock Exchanges, are provided in the Corporate Governance report forming part of the Annual Report.

Copies of the draft letters for the appointment of Mr. Keerthy Jaya Tilak and Mrs. Nagajayanthi Das Juttur Ragavendra as Independent Directors setting out the terms and conditions of the Appointment and the notices received under Section 160(1) of the Companies Act, 2013 from the Members are kept open for inspection by Members at the Registered Office of the Company. A brief profile of each Director is annexed hereto forming part of the Notice.

Save and except Mr. Keerthy Jaya Tilak and Mrs. Nagajayanthi Das Juttur Ragavendra and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolutions set out at item nos. 4 and 5 of the Notice.

The Board recommends the Ordinary Resolutions set out in Item No. 4 and 5 of the Notice for approval by the shareholders.

#### **BRIEF PROFILE OF THE DIRECTORS**

As per the requirement of Clause 49 of the listing agreement on Corporate Governance and the Companies Act, 2013, for appointment of the Directors / re-appointment of the retiring Directors, a statement containing details / brief profile of the concerned Directors are given below:

##### **(i) Mr. Patri VenkataRamakrishna Prasad**

Name of the Director	Mr. Patri VenkataRamakrishna Prasad
Date of Birth	22.08.1941
Qualification	Law graduate from Nagpur University
Experience	Mr. Patri VenkataRamakrishna Prasad has exposure to Public Administration of over 42 Years in Central Government of India and Andhra Pradesh State Government. He has also worked as secretary to Chief Minister, Andhra Pradesh and Information Advisor to Prime Minister.
Shareholding in GSS Infotech Limited as on March 31, 2015	Nil
Interest in Companies and nature of Interest: Facor Alloys Limited – Independent Director and Aarsha Dhaatu Green Nanotechnologies India Private Limited – Independent Director.	

**(ii) Mr. Keerthy Jaya Tilak**

Name of the Director	Mr. Keerthy Jaya Tilak
Date of Birth	28.02.1945
Qualification	IIM Graduate
Experience	He has 46 years of experience in marketing, developing marketing strategies, establishing systems and procedures and business promotion. He has worked with Escorts Ltd, LML Ltd, Essar Group and Nagarjuna group. Presently Mr. Tilak is a Director on the Board of Jaytee Management Consultants Pvt. Ltd. He has been a part of many projects for SMEs for Project Funding, Rehabilitation, New Product Launches and Mergers.
Shareholding in GSS Infotech Limited as on March 31, 2015	Nil
Interest in Companies and nature of Interest: Jaytee Management Consultants Private Limited – Director	

**(iii) Mrs. Nagajayanthi Das Juttur Ragavendra**

Name of the Director	Mrs. Nagajayanthi Das Juttur Ragavendra
Date of Birth	14.09.1975
Qualification	Qualified Company Secretary
Experience	Mrs. Nagajayanthi Das Juttur Ragavendra, Director of GSS Infotech Limited holds a Master's degree in Financial Management and is a Qualified Company Secretary in employment with over 15 years of experience in Secretarial, Legal and Finance domains. She specializes in advising businesses on mergers and acquisitions, project financing, debt syndication, corporate restructuring, corporate governance, strategic planning, legal and secretarial compliances.
Shareholding in GSS Infotech Limited as on March 31, 2015	Nil
Interest in Companies and nature of Interest: Nil	

**Item No. 6 and 7**

The Members are hereby informed that pursuant to Section 180 (1) (c) of Companies Act, 2013, it is required that the Company should obtain the approval of the members in the general meeting through special resolution for borrowing beyond aggregate of the paid – up capital and free reserves (i.e. reserves not set apart for any specific purpose) of the Company.

Also pursuant to Section 180 (1) (a) of the Companies Act, 2013, it is required that the Company should obtain the approval of the members in the general meeting through special resolution for creating charge and/or mortgage on all or any company's assets and properties whether movable or immovable including intangibles, 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.

The Company may require to borrow and/or creating charge and/or mortgage on the assets of the Company to meet the business requirements from time to time in future which requires approval of members pursuant to Section 180 (1) (c) and Section 180 (1) (a) of the Companies Act, 2013.

In view of the aforesaid requirements, the corresponding resolutions under Sections 180 (1) (c) for borrowing for an amount not exceeding Rs. 500 Crores and Section 180 (1) (a) of the Companies Act, 2013 for creating charge and/or mortgage for an amount not exceeding Rs. 500 Crores are proposed for your consideration.

None of the directors and key managerial personnel and their relatives are concerned or interested in this resolution except to the extent of their shareholding in the Company.

**Item No. 8**

The Articles of Association of the Company, as presently in force, are in accordance with the provisions of Companies Act, 1956. With the enactment of the Companies Act, 2013, most of the regulations contained in the Articles of Association of your Company have either become redundant or are not in tune with the provisions of the said Act. Under the Companies Act, 2013, draft Articles (in case of a Company limited by shares) are provided in Schedule F thereto.

In view of the aforesaid, it is proposed to replace the existing set of Articles of Association with a new set of Articles of Association containing regulations in accordance with the provisions of the new Act and the rules made thereunder. The draft articles are available for your inspection at the Registered Office of the Company, at any time during the working hours on any working day till the date of AGM. The same are also placed on the website of the Company.

Pursuant to the provisions of Section 14 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, any alteration to the Articles of Association of the Company requires prior approval of shareholders by way of special resolution.

Hence, the Board recommends the resolution for your approval.

**Item No. 9**

The Board of Directors of the Company at the meeting held on 10<sup>th</sup> August, 2015, have explored various options to improve the financial position of its wholly owned step down subsidiary GSS Infotech NY Inc. One of the options resolved by the Board, subject to approval of the members in the general meeting is to dispose off the entire investment of the Company held through its wholly owned subsidiary GSS Infotech Inc (Delaware) in its nonprofit making step down wholly owned subsidiary i.e. GSS Infotech NY Inc which is also a material subsidiary of the Company. The Company intends to dispose off its entire holding in GSS Infotech NY Inc. as a part of its restructuring exercise to improve the financial position of the overseas subsidiaries of the Company and to improve the overall profitability and business growth of the Company.

The funds raised by such complete disposal are proposed to be used by the Company towards repayment of a portion of its debts and for the business growth of the Company. Having paid-off debts, there would be substantial saving in interest cost, improvement in the liquidity position and the Company would be in a better position to focus on business.

Upon the various options to be explored by the Board not getting materialized, the Board shall upon approval of this resolution by the members would, dispose off its entire investment held in GSS Infotech NY Inc through its wholly owned subsidiary GSS Infotech Inc (Delaware), subject to such approvals as may be required in this regard.

Clause 49(V)(F) of the Equity Listing Agreement entered into by the Company with the Stock Exchanges on which the equity shares of the Company are listed, provides that no company shall dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting, except in cases where such disposal is made under a scheme of arrangement duly approved by a Court / Tribunal. A material subsidiary, in terms of the Company's Policy on Material Subsidiary, means (a) a subsidiary in which the investment made by the GSS Infotech Ltd. in the share capital of such subsidiary company exceeds 20% of its consolidated net worth as per the audited consolidated financial statements; or (b) the income of the subsidiary exceeds 20% of the consolidated income as per the audited consolidated financial statements during the previous financial year.

In the Fiscal Year 2015 GSS Infotech NY Inc contributed more than 20% of the consolidated income of the Company. Thus since GSS Infotech NY Inc meets the said criteria of being a Material Subsidiary of the Company, thus GSS Infotech Limited would be required to seek approval of the Shareholders of the Company for disposing of its entire holding in GSS Infotech NY Inc., held through the wholly owned subsidiary GSS Infotech Inc (Delaware).

In view of the aforesaid provisions, you are requested to grant your consent to the special resolution as set out at Agenda Item No.9 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives have any concern or interest, financial or otherwise, in the proposed resolution.

**By Order of the Board of Directors**

Place: Hyderabad

Date: 10<sup>th</sup> August, 2015

**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, 2015.

### I. FINANCIAL RESULTS

The Company's financial results (standalone & consolidated) for the year ended 31<sup>st</sup> March 2015 is provided in the Annual Report.

(₹ in Lakhs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Sales including other Income	3761.09	5219.48	24540.92	27598.91
Earnings before Interest, Tax & Depreciation and Amortization	1118.91	492.57	1335.89	922.75
Less: Finance Costs	(170.44)	(262.94)	(366.21)	(431.98)
Less: Depreciation and Amortization	(124.86)	(119.91)	(161.32)	(170.36)
Profit before exceptional item and Tax	823.61	109.72	808.36	320.41
Exceptional Item	(13492.99)*	NIL	(19331.25)	NIL
Profit Before Tax	(12669.39)	109.72	(18522.89)	320.41
Tax Expense	808.49	(321.97)	845.30	(311.10)
Profit/ (Loss) After Tax (PAT)	(13477.88)	431.69	(19368.19)	631.51
Add: Balance brought forward from previous year	5554.88	5123.18	5592.64	4961.13
Less: Appropriations				
- Net effect of Depreciation including deferred tax asset on account of applying rates as per Schedule II of Companies Act 2013	(9.94)	NIL	(9.94)	NIL
Transfer to General Reserve	NIL	NIL	NIL	NIL
Balance Transferred to Balance Sheet	(7932.84)	5554.88	(13785.48)	5592.64

\*The Company had provided for ₹ 13492.99 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 2014-15 and the date of this report.

### 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 2014-15, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and Listing Agreement 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 is enclosed as "Annexure [F]" to this report.

## V. CORPORATE GOVERNANCE REPORT

In compliance with the provisions of Clause 49 of the Listing Agreement, 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 2015.

## VII. PUBLIC DEPOSITS

During the financial year 2014-15, 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. Patri VenkataRamakrishna Prasad, Non-Executive 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 Articles of Association of your Company and being eligible has offered himself for re-appointment. Appropriate resolutions for his re-appointment are being placed for your approval at the ensuing AGM. The brief resume of the Directors and other related information has been detailed in the Notice convening the 12th AGM of your Company. Your Directors recommend his re-appointment as Non-Executive Director of your Company.

During the financial year 2014-15, Mr. Javed Faizullah Tapia, resigned as a Director of the Company with effect from 29th May, 2014 due to his personal preoccupations and Mrs. Nagajayanthi Das Juttur Ragavendra was appointed as Additional Non-Executive Independent Director of your Company at the meeting of the Board of Directors held on 10th February, 2015 and she shall hold office up to the ensuing Annual General Meeting.

Mr. Keerthy Jaya Tilak was appointed as an Independent Director of the Company subject to retirement by rotation under the Companies Act, 1956.

As required under Section 160 of the Act, the Company has received notices in writing from members along with the requisite amount of deposit proposing the candidature of Mr. Keerthy Jaya Tilak and Mrs. Nagajayanthi Das Juttur Ragavendra as Independent Directors of the Company.

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

In terms of the provisions of the Companies Act, 2013 read with Rules issued thereunder and Clause 49 of the Listing Agreement, the Board of Directors on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board/Director(s) for the financial year 2014-15.

### **Key Managerial Personnel:**

- Mr. Lalit Kumar Tiwari, Company Secretary (Key Managerial Personnel) of the Company was appointed at the Board meeting held on 10<sup>th</sup> February, 2015.
- Mr. Sanjay Heda, Chief Financial Officer (Key Managerial Personnel) of the Company was appointed at the Board meeting held on 30<sup>th</sup> May, 2015.
- Mr. Sai Krishna Narla, due to his personal reasons, resigned as a Company Secretary of the Company with effect from 28<sup>th</sup> January, 2015.
- Mr. Mahesh Joshi, due to his personal reasons, resigned as Chief Financial Officer of the Company with effect from 26<sup>th</sup> May, 2014.

The Key Managerial personnel have been appointed 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.

## **IX. 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.

## **X. 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 Clause 49 of the Listing Agreement.

## **XI. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2015, the applicable Accounting standards and Schedule III of the Companies Act, 2013, 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 judgments 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, 2015 and of the profit and loss of the Company for the financial year ended 31<sup>st</sup> March, 2015;
- (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 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.

## XII. AUDITORS AND AUDITOR'S REPORT

At the 11<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 12<sup>th</sup> AGM of your Company.

The Audit Committee and Board of Directors at the meetings held on 10<sup>th</sup> August, 2015 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 till the conclusion of the 13<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. 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 Clause 49 of the Listing Agreement, 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 the financial year 2015- 16 till the conclusion of the next AGM. The Auditors' Report for the financial year 2014-15, contains Emphasis of matter and Audit qualification for which the reply of Directors is as follows :

### **Reply to emphasis of matter:**

The Company had provided an amount of Rs. 134, 92,99,076/- towards provision for diminution in the value of investments in respect of its investment in the wholly owned subsidiary M/s. GSS Infotech Inc. (Delaware) which arose due to losses incurred by the WOS upon writing off of goodwill in the step down subsidiaries. Based on a combination of factors that occurred during the year 31st March, 2015, including the operating results of each step-down subsidiary, it was concluded that an interim goodwill impairment triggering event had occurred, and accordingly performed a testing of the carrying value of the goodwill in the step down subsidiaries. The Company compared the average estimated undiscounted cash flows of each step down subsidiary unit multiplied by an Average multiple similar companies are sold to the carrying value of each step down subsidiary. After this testing, management concluded that the carrying value of each of the step down subsidiary exceeded the fair value of the each of the step down subsidiary. The implied fair value of the goodwill of each of the step down subsidiary was calculated by allocating fair values of substantially all of its individual assets, liabilities and identified intangible assets as if each step down subsidiary unit had been acquired in a business combination.

### **Reply to point no. (iii) (b) of Annexure to Independent Auditors Report (standalone) :**

The loans were given to the fully owned subsidiaries for carrying out principal business activities and for the commercial expediency of the GSS Group. The loans advanced were in the overall interest of the GSS Group. 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 business growth of the GSS Group.

## XIII. 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 Mr. Someswara Rao and Associates, Practicing Company Secretaries 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 are as follows:

- a) Observation: In the matter of delay in appointment of CFO by 5.5 months in violation of Section 203 of the Companies Act 2013. The CFO was appointed on 30th may 2015.

**Reply:** The Company was putting its best efforts to identify a suitable candidate who has experience on Indian and International Accounting Standards. In this process, the appointment was delayed by 5.5 months. Finally the Company appointed Mr. Sanjay Heda, as the Chief Financial Officer of the Company as on 30th May, 2015.

- b) Observation: Based on the examination of the records it is noticed that there was non-compliance of Clause 41 of the Listing agreement and Clause 31 of the listing agreement for which fines were levied and the same have been paid by the Company.

**Reply:** Due to technical difficulties there was delay in finalization of the accounts of the overseas subsidiary companies because of which the accounts for the financial year 31st March 2015 could not be approved within the deadlines as stipulated in the listing agreement entered with the stock exchanges. As a result the Company had paid a fine of Rs. 270000/- to National Stock Exchange of India Limited and a fine of Rs. 75000/- to BSE Limited for violation of clause 41 of the listing agreement. Further a fine of Rs. 3000/- to National Stock Exchange of India Limited for inadvertent delay in submission of Annual Report 2014 under clause 31 of the Listing Agreement.

- c) The Composition of the Board was not in conformity with Clause 49 of the Listing Agreement and the Companies Act, 2013 for a part of the year from 10th February 2015 to 31st March 2015.

**Reply:** Due to change in the Independent Status of Mr. Patri Venkata Ramakrishna 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 Clause 49 of the Listing Agreement and the Companies Act, 2013.

#### XIV. 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.

#### XV. RELATED PARTY TRANSACTIONS

During the financial year 2014-15, 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 Clause 49 of the Listing Agreement. During the financial year 2014-15, 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 19 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.

## XVI. 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 2015 (in Indian Rupees):

<b>GSS Infotech Inc (Delaware)</b> 1,500 (31-March-2014: 1,500) equity shares of \$ 1 each fully paid up in GSS Infotech Inc (Delaware) Less: Provision for Diminution in the value of Investment	2,222,779,820 (1,349,299,076)	873,480,744
<b>GSS Healthcare IT Solutions Private Limited</b> 9,990 (31- March-2014: 9,990) Equity Shares of Rs. 10/- Each fully paid up in GSS Healthcare IT Solutions Private Limited.		99,900
<b>GSS IT Solutions Private Limited</b> 9,990 (31- March-2014: 9,990) Equity Shares of Rs. 10/- Each fully paid up in GSS IT Solutions Private Limited.		99,900
		<u>873,680,544</u>

#### (ii) Investments in Debt Instruments by the Company as at 31<sup>st</sup> March 2015: 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 2015 (in Indian Rupees)

Name of Subsidiary	Balance as at 31.03.2015	Balance as at 31.03.2014
GSS Infotech Inc	14,09,62,864	13,53,54,979
GSS IT Solutions Pvt Ltd	18,50,000	18,50,000
GSS Healthcare IT Solutions Pvt Ltd	9,84,18,115	3,04,88,945

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.

## XVII. 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, 2015.

## XVIII. 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 Clause 49 of the Listing Agreement. 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.

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

### **i. Details of Conversation 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 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:**

<b>Particulars</b>	<b>2014-15 (₹)</b>	<b>2013-14 (₹)</b>
Foreign Exchange expenditure (on Accrual basis)	11,64,85,201	17,42,54,194
Foreign Exchange earned (on Accrual basis)	25,22,82,815	31,84,09,925

## **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 judgments 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.

Number of complaints of sexual harassment received in the year	Nil
Number of complaints disposed off during the year	Nil

## **XXV. 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: 10<sup>th</sup> August, 2015

Keerthy Jaya Tilak  
Chairman

Bhargav Marepally  
CEO and 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 INR (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)	21,800.23	23,201.63	(18,941.30)	210.39	(18,967.50)	185.59
2	GSS IT Solutions Private Limited	-	146.19	(0.49)	(8.62)	(0.49)	(5.38)
3	GSS Healthcare IT Solutions Private Limited	1,135.78	421.91	23.70	(34.58)	13.10	(23.90)

\* Subsidiaries includes stepdown 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 2014-15 is as follows:

(Amount in Rs.)

Name of Director	Total Remuneration	Ratio of remuneration of director to the Median remuneration
Mr. Bhargav Marepally	Nil	Nil
Mr. Ramesh Yerramsetti	1,20,000	0.67
Mr. Madhukar Sheth	1,20,000	0.67
Mr. Mark Silgado	Nil	Nil
Mr. Patri VenkataRamakrishna Prasad	1,60,000	0.90
Mr. Keerthy Jaya Tilak	2,00,000	1.12
Mrs. Nagajayanthi Das Juttur Ragavendra (appointed on 10 <sup>th</sup> February, 2015)	40,000	0.22
Mr. Javed Faizullah Tapia (Resigned on 29 <sup>th</sup> May, 2014)	Nil	Nil

### Notes:

- The information provided above is on **standalone** basis.
- The aforesaid details are calculated on the basis of remuneration for the financial year 2014-15.
- The remuneration to Directors is only the sitting fees paid to them for the financial year 2014-15. The sitting fees for attending each of the Board and other Committee meetings is Rs. 20,000/- respectively.
- Median remuneration of the Company for all its employees is Rs. 1,77,537 for the financial year 2014-15.

**B. Details of percentage increase in the remuneration of each Director, CFO & Company Secretary in the financial year 2014-15 are as follows\*:**

(Amount in Rs.)

Name of the Director/ CFO/Company Secretary	Designation	Remuneration		Increase /(Decrease) (%)
		2014-15	2013-14	
Mr. Bhargav Marepally	CEO and Managing Director	Nil	Nil	Nil
Mr. Ramesh Yerramsetti	Director	1,20,000	80,000	50.00
Mr. Madhukar Sheth	Director	1,20,000	80,000	50.00
Mr. Mark Silgado	Director	Nil	Nil	Nil
Mr. Patri VenkataRamakrishna Prasad	Director	1,60,000	1,20,000	33.33
Mr. Keerthy Jaya Tilak	Director	2,00,000	1,60,000	25.00
Mrs. Nagajayanthi Das Juttur Ragavendra (appointed on 10.02.2015)	Director	40,000	Nil	*
Mr. Javed Faizullah Tapia (resigned on 29.05.2014)	Director	Nil	80,000	*
Mr. Mahesh Joshi (resigned on 26.05.2014)	CFO	16,28,113	45,06,597	-63.87
Mr. Sai Krishna Narla (resigned on 28.01.2015)	CS	2,48,151	1,51,066	64.26
Mr. Lalit Kumar Tiwari (appointed on 10.02.2015)	CS	61,715	Nil	*

1. The information provided above is on standalone basis.
2. \*Percentage increase in remuneration not reported as they were holding the office of Directorship/CS for the financial year 2013-14 or 2014-15.
3. The remuneration to Directors is only the sitting fees paid to them for the financial year 2014-15.

**C. Percentage increase/(Decrease) in the median remuneration of all employees in the financial year 2014-15:**

(Amount in rupees)

	2014-15	2013-14	Increase/(Decrease) (%)
Median remuneration of all employees per annum	1,77,537	2,19,370	(-19.06%)

**D. Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2015:**

Executive/Manager cadre	58
Staff	216
Operators/Workmen	5
Total	279

**E. Explanation on the relationship between average increase in remuneration and Company Performance:**

The decrease in average remuneration of all employees in the financial year 2014-15 as compared to the financial year 2013-14 was -10.74%

The key indices of Company's performance are:

(Rs. in lakhs)

Particulars	2014-15	2013-14
Net Revenue from operations	1118.91	492.57
Profit Before Tax and Exceptional Items	823.61	109.72
Exceptional Items	(13492.99)	Nil
Profit After Tax	(13477.88)	431.69

Your Company is committed in ensuring fair pay and a healthy work environment for all its employees. Your Company offers competitive compensation to its employees. Your Company maintains a simple compensation structure which allows the employees to have flexibility in the way in which they realize their salaries. Internal equity is ensured by appropriate fitment at the time of the employee joining a particular cadre and grade. The variable pay is paid out to the employee on the basis of the performance of your Company and the corresponding business unit or function. Regular communication on methods adopted by your Company is made and published throughout the year to ensure transparency and a better understanding of the applicable compensation policy and practices.

**F. Comparison of the remuneration of the Key Managerial Personnel against the performance of your Company:**

The remuneration of Key Managerial Personnel decreased by -58.39% in 2014-15, compared to 2013-14, whereas the Profit before Tax and exceptional items increased by 650.65% in 2014-15, compared to 2013-14.

**G. Details of Share price and market capitalization:**

The details of variation in the market capitalization and price earnings ratio as at the closing date of the current and previous financial years are as follows:

	As on 31 <sup>st</sup> March 2015	As on 31 <sup>st</sup> March 2014	Increase/Decrease
Price Earnings Ratio	-0.22	9.22	Decrease
Market Capitalization (Rs in Cr)	13.45	8.38	Increase

**Comparison of share price at the time of first public offer and market price of the share as on 31<sup>st</sup> March, 2015:**

Market Price as at 31 <sup>st</sup> March 2015	Rs. 18.10
Price at the time of initial public offer on the listing date i.e. 07-03-2008.	Rs. 500.65
% Decrease of Market price over the price at the time of initial public offer	-96.38

**Note:**

Closing share prices on BSE Limited (BSE) has been used for the above table.

**H. 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 Rs.)

	2014-15	2013-14	Increase/Decrease (%)
Average Salary of all employees other than Key Managerial Personnel	3,39,752	3,80,633	-10.74
Salary of CEO & MD (Key Managerial Personnel)	Nil	Nil	Nil
- Salary of CFO & CS* (Key Managerial Personnel)	19,37,979	46,57,663	-58.39

The above information is being provided on Standalone Basis.

\*The CFO and CS were employed for part of the year of 2013-14 and/or 2014-15. There has been decrease of 58.39% in the remuneration drawn by the CFO and CS.

**I. Key parameters for the variable component of remuneration paid to the Directors:**

The key parameters for the variable component of remuneration to the Directors are decided by the Nomination and Remuneration Committee in accordance with the principles laid down in the Nomination and Remuneration Policy.

Following are major principles for determining remuneration to the Directors:

- (i) **Commission to the Non-Executive Directors:** The Nomination and Remuneration Committee recommends the Commission (variable component) payable to the Non-Executive Directors after considering their contribution to the decision making process 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. The Committee also reviews the commission and remuneration paid to Non-Executive Directors including Independent Directors of similar sized companies. It is within the overall limits fixed by the shareholders of the Company.
- (ii) **Commission to the CEO & Managing Director:** The Nomination and Remuneration Committee evaluates the performance of the CEO & Managing Director by setting his Key Performance Objectives or Key Performance Parameters at the beginning of each financial year. The Committee approves the compensation package of the CEO & Managing Director. The Committee ensures that the compensation packages is in accordance with applicable laws, in line with the Company's objectives, shareholders' interests, industry standards and have an adequate balance between fixed and variable component.

**J. The ratio of remuneration drawn by the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the FY 2014-15 is 0.0012.**

**K. Affirmation:**

Pursuant to Rule 5(1) (xii) of the 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.

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

1. List of employees of the Company employed throughout the financial year 2014-15 and were paid remuneration not less than Rs. 60 lakhs per annum: Nil
2. Employees employed for the part of the year and were paid remuneration during the financial Year 2014-15 at a rate which in aggregate was not less than Rs. 5 lakhs per month: Nil

## Annexure [C] to Board's Report

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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, 2015 ('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 the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;  
*There was a delay in appointment of CFO by 5.5 months in violation of Section 203 of the Companies Act 2013. The CFO was appointed in the Board Meeting held on 30<sup>th</sup> may 2015.*
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of 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'):  
  - (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;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - (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);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company 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 to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period).

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (Not notified during the Audit Period and hence not applicable).
- (ii) The Listing Agreement (except clause 49 (II) (A)) entered into by the Company with Stock Exchanges.

*Based on the examination of the records it is noticed that there was non-compliance of Clause 41 of the Listing agreement and Clause 31 of the listing agreement for which fines were levied and the same have been paid by the Company.*

*The Composition of the Board was not in conformity with Clause 49 of the Listing Agreement and the Companies Act, 2013 for a part of the year from 10<sup>th</sup> February 2015 to 31<sup>st</sup> March 2015, due to change in the Status of Mr. Patri VenkataRamakrishna Prasad, from Independent Director to Non- Independent Director of the Company. 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 Clause 49 of the Listing Agreement and the Companies Act, 2013.*

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that-

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

All decisions at 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: 10<sup>th</sup> August, 2015**

**A. Someswara Rao**

**Practising Company Secretary**

**ACS No: 18979**

**C.P.No: 11366**



## Annexure [D] to Board's Report

Extract of Annual Return as at 31<sup>st</sup> March, 2015 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
	Date	Month	Year
iii) Name of the Company	GSS Infotech Limited		
iv) Category of the Company			

1	Public Company	√
2	Private Company	
Sub Category of the Company		
1	Government Company	
2	Small Company	
3	One Person Company	
4	Subsidiary of Foreign Company	
5	NBFC	
6	Guarantee Company	
7	Limited by shares	√
8	Unlimited Company	
9	Company having share capital	
10	Company not having share capital	
11	Company Registered under Section 8	

### 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.
Town / City / State	Hyderabad (Telangana State)
Pin Code	500032
Country Name	India
Country Code	IND
Telephone with STD Area Code Number	+91 40 4455 66 00
Fax Number	+91 40 4002 8703
Email Address	Lalit.tiwari@gssinfotech.com
Website, if any	www.gssinfotech.com
Name of the Police Station having jurisdiction where the Registered Office is situated	Gachibowli Police Station

**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. Maharashtra State. India
Town / City	Mumbai
State	Maharashtra
Pin Code	400 072
Telephone with STD Area Code Number	+91 22 40430200
Fax Number	+91 22 28475207
Email Address:	tpaju@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) 2842 Main Street Ste#164, Glastonbury, CT 06033	Federal Id: 36-4293147	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)

<b>Sr. No.</b>	<b>Name and address of the Company</b>	<b>Company Identification Number / Global Location Number</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of Shares Held</b>	<b>Applicable Section of Companies Act, 2013</b>
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 01.04.2014)				No. of shares held at the end of the year (As on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A Promoters</b>									
<b>1) Indian</b>									
a. Individuals/ HUF	210923	480	211403	1.49	104043	480	104523	0.62	(0.87)
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	-	-	-	-	-	-	-	-	-
e. Banks/ FI	-	-	-	-	-	-	-	-	-
f. Any other (specify)	-	-	-	-	-	-	-	-	-
i. Trusts	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>	<b>210923</b>	<b>480</b>	<b>211403</b>	<b>1.49</b>	<b>104043</b>	<b>480</b>	<b>104523</b>	<b>0.62</b>	<b>(0.87)</b>
<b>2) Foreign</b>									
a. NRI Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Banks/ FI	-	-	-	-	-	-	-	-	-
e. Any other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter(s)</b>									
<b>(A)=(A) (1) + (A) (2)</b>	<b>210923</b>	<b>480</b>	<b>211403</b>	<b>1.49</b>	<b>104043</b>	<b>480</b>	<b>104523</b>	<b>0.62</b>	<b>(0.87)</b>
<b>B Public Shareholding</b>									
<b>1) Institutions</b>									
a. Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
b. Banks/ FI	801595	-	801595	5.67	801595	-	801595	4.73	(0.94)
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	1952505	-	1952505	13.81	-	-	-	-	(13.81)
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	3279050	-	3279050	23.20	3078002	-	3078002	18.17	(5.03)
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1)</b>	<b>6033150</b>	<b>-</b>	<b>6033150</b>	<b>42.68</b>	<b>3879597</b>	<b>-</b>	<b>3879597</b>	<b>22.90</b>	<b>(19.78)</b>
<b>2) Non-Institutions</b>									
a. Body Corporates									
i. Indian	2456036	-	2456036	17.37	2563477	-	2563477	15.14	(2.23)
ii. Overseas									

Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2014)				No. of shares held at the end of the year (As on 31.03.2015)				% 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	1064492	1	1064973	7.53	1385250	1	1385251	8.17	0.64
ii. Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	2826027	-	2826027	19.99	7886101	-	7886101	46.56	26.57
<b>c. Others (specify)</b>									
i. Non-Resident Indian	191436	-	191436	1.35	183797	-	183797	1.08	(0.27)
ii. Overseas Corporate Bodies	1000000	-	1000000	7.07	572023	-	572023	3.38	(3.69)
iii. Foreign Nationals	-	-	-	-	-	-	-	-	-
iv. Clearing Members	4298	-	4298	0.03	12074	-	12074	0.07	0.04
v. Trust	-	350000	350000	2.48	-	350000	350000	2.07	(0.41)
vi. Foreign Bodies	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (2)</b>	<b>7542289</b>	<b>350001</b>	<b>7892770</b>	<b>55.83</b>	<b>12602722</b>	<b>350001</b>	<b>12952723</b>	<b>76.48</b>	<b>20.65</b>
<b>Total Public Shareholding (B)= (B) (1) + (B)(2)</b>	<b>13575439</b>	<b>350001</b>	<b>13925440</b>	<b>98.51</b>	<b>16482319</b>	<b>350001</b>	<b>16832320</b>	<b>99.38</b>	<b>0.87</b>
<b>C Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>13786362</b>	<b>350481</b>	<b>14136843</b>	<b>100.00</b>	<b>16586362</b>	<b>350481</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 01.04.2014)			No. of shares held at the end of the year (As on 31.03.2015)			% change in shareholding 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	106400	0.75	93.98	Nil	Nil	Nil	(0.75)
2.	Mr. Bhargav Marepally	104025	0.74	95.17	104025	0.62	95.17	(0.12)
3.	Mrs. Usha Yerramsetti	240	0.00	0.00	Nil	Nil	Nil	0.00
4.	Mrs. Jhansi Laxmi Yerramsetti	240	0.00	0.00	Nil	Nil	Nil	0.00
5.	Mr. Raghunadha Rao Marepally	9	0.00	0.00	9	0.00	0.00	0.00
6.	Mrs. Madhavi Latha Marepally	9	0.00	0.00	9	0.00	0.00	0.00
7.	Mrs. Nanditha Marepally	240	0.00	0.00	240	0.00	0.00	0.00
8.	Mrs. Vidyavathi Marepally	240	0.00	0.00	240	0.00	0.00	0.00
	<b>TOTAL</b>	<b>211403</b>	<b>1.49</b>	<b>94.13</b>	<b>104523</b>	<b>0.62</b>	<b>95.71</b>	<b>(0.87)</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 (01.04.14 to 31.03.2015)	
		No. of Shares at the beginning (01.04.2014)/end of the year (31.03.2015)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	Mr. Venkata Rameshbabu Yerramsetti	106400	0.75	01.04.2014	-	-	-	-
				18.07.2014	(1000)	Transfer	105400	0.74
				21.07.2014	(444)	Transfer	104956	0.74
				22.07.2014	(2000)	Transfer	102956	0.72
				23.07.2014	(2956)	Transfer	100000	0.70
				30.12.2014	(100000)	Invocation	0	0.00
		0	0.00	31.03.2015	-	-	-	-
2.	Mr. Bhargav Marepally	104025	0.74	01.04.2014	-	-	-	-
		104025	0.74	31.03.2015	-	-	-	-

3.	Mrs. Usha Yerramsetti	240	0.00	01.04.2014	-	-	-	-
				11.07.2014	(32)	Transfer	0	0.00
				18.07.2014	(232)	Transfer	0	0.00
		0	0.00	31.03.2015	-	-	-	-
4.	Mrs. Jhansi Laxmi Yerramsetti	240	0.00	01.04.2014	-	-	-	-
				18.07.2014	(240)	Transfer	0	0.00
		0	0.00	31.03.2015	-	-	-	-
5.	Mr. Raghunadha Rao Marepally	9	0.00	01.04.2014	-	-	-	-
		9	0.00	31.03.2015	-	-	-	-
6.	Mrs. Madhavi Latha Marepally	9	0.00	01.04.2014	-	-	-	-
		9	0.00	31.03.2015	-	-	-	-
7.	Mrs. Nanditha Marepally	240	0.00	01.04.2014	-	-	-	-
		240	0.00	31.03.2015	-	-	-	-
8.	Mrs. Vidyavathi Marepally	240	0.00	01.04.2015	-	-	-	-
		240	0.00	31.03.2015	-	-	-	-

\* 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 (01.04.14 to 31.03.15)	
		No. of Shares at the beginning (01.04.2014)/end of the year (31.03.2015)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	IL and FS Trust Company Limited	1952505	13.81	01.04.2014	-	-	-	-
		1952505	11.52	31.03.2015	-	-	-	-
2.	Mr. Madhukar Sheth	1646265	11.64	01.04.2014	-	-	-	-
		1644003	9.71	13.06.2014 31.03.2015	(2262) -	Transfer -	1644003 -	11.62 -
3.	Surabhi Investments and Trading Co Pvt Limited	1638476	11.59	01.04.2014	-	-	-	-
				18.07.2014	1350000	Transfer	288476	2.04
				25.07.2014	288476	Transfer	0	0.00
		Nil	Nil	31.03.2015	-	-	-	-
4.	Beaumaris Investments Limited	1409460	9.97	01.04.2014	-	-	-	-
				30.09.2014	(201048)	Transfer	1208412	7.13
				31.10.2014	(1208412)	Transfer	0	0.00
		Nil	0.00	31.03.2015	-	-	-	-



Sr. No.	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.14 to 31.03.15)	
	For each of the top Ten Shareholders	No. of Shares at the beginning (01.04.2014)/end of the year (31.03.2015)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
5.	Clearwater Capital Partner Singapore Fund III Pvt Ltd	1384590	9.79	01.04.2014	-	-	-	-
		1384590	8.17	31.03.2015	-	-	-	-
6.	Kubera Cross Border Fund (Mauritius) Limited	1000000	7.07	01.04.2014	-	-	-	-
				25.07.2014	(45721)	Transfer	954279	6.75
				01.08.2014	(180000)	Transfer	774279	5.47
				05.09.2014	(4820)	Transfer	769459	4.54
				19.09.2014	(28119)	Transfer	741340	4.37
				24.09.2014	(19559)	Transfer	721781	4.26
				14.11.2014	(4959)	Transfer	716822	4.23
				21.11.2014	(4000)	Transfer	712822	4.20
				20.02.2015	(5978)	Transfer	706844	4.17
				27.02.2015	(39768)	Transfer	667076	3.93
				06.03.2015	(18076)	Transfer	649000	3.83
				13.03.2015	(3198)	Transfer	645802	3.81
				20.03.2015	(5978)	Transfer	583000	3.44
				27.03.2015	(10977)	Transfer	572023	3.37
		572023	3.37	31.03.2015	-	-	-	-
7.	Clearwater Capital Partner Singapore Fund IV Pvt Ltd	485000	3.43	01.04.2014	-	-	-	-
		1693412	10.00	31.10.2014	1208412	Purchase	1693412	10.00
				31.03.2015	-	-	-	-
8.	Mr. Javed Faizullah Tapia	450916	3.18	01.04.2014	-	-	-	-
				01.08.2014	(202088)	Transfer	248828	1.76
				09.08.2014	1400000	Allotment	1648828	9.74
		1648828	9.74	31.03.2015	-	-	-	-
9.	Mr.Azim Faizullah Tapia	440573	3.43	01.04.2014	-	-	-	-
				25.07.2014	(416719)	Transfer	23854	0.16
				28.07.2014	(23854)	Transfer	0	0.00
				09.08.2014	1400000	Allotment	1400000	8.27
		1400000	8.27	31.03.2015	-	-	-	-
10.	United India Insurance Company Limited	407603	2.88	01.04.2014	-	-	-	-
		407603	2.40	31.03.2015	-	-	-	-

\*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.	Name of Directors and Key Managerial Personnel	Shareholding		Date <sup>@</sup>	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.14 to 31.03.15)	
		No. of shares at the beginning of the year (01.04.14)/end of the year (31.03.15)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Mr. Venkata Rameshbabu Yerramsetti	106400	0.75	01.04.2014	-	-	-	-
				18.07.2014	(1000)	Transfer	105400	0.74
				21.07.2014	(444)	Transfer	104956	0.74
				22.07.2014	(2000)	Transfer	102956	0.72
				23.07.2014	(2956)	Transfer	1000000	0.70
				30.12.2014	(100000)	Invocation	-	-
		Nil	Nil	31.03.2015	-	-	-	-
2.	Mr. Bhargav Marepally	104025	0.74	01.04.2014	-	-	-	-
		104025	0.74	31.03.2015	-	-	-	-
3.	Mr. Madhukar Sheth	1646265	11.64	01.04.2014	-	-	-	-
				13.06.2014	(2262)	Transfer	1644003	11.62
		1644003	9.71	31.03.2015	-	-	-	-
4.	Mr. Mark Silgado	Nil	Nil	01.04.2014	-	-	-	-
		Nil	Nil	31.03.2015	-	-	-	-
5.	Mr. Patri VenkataRamakrishna Prasad	Nil	Nil	01.04.2014	-	-	-	-
		Nil	Nil	31.03.2015	-	-	-	-
6.	Mr. Keerthy Jaya Tilak	Nil	Nil	01.04.2014	-	-	-	-
		Nil	Nil	31.03.2015	-	-	-	-
7.	Mrs. Nagajayanthi Das Juttur Ragavendra (appointed w.e.f 10.02.2015)	Nil	Nil	01.04.2014	-	-	-	-
		Nil	Nil	31.03.2015	-	-	-	-
8.	Mr. Javed Faizullah Tapia (resigned w.e.f 29.05.2014)	450916	3.18	01.04.2014	-	-	-	-
				01.08.2014	(202088)	Transfer	248828	1.76
				09.08.2014	1400000	Allotment	1648828	9.74
		1648828	9.74	31.03.2015	-	-	-	-

## **Key Managerial Personnel**

1.	Mr. Mahesh Joshi	Nil	Nil	01.04.2014	-	-	-	-
		Nil	Nil	31.03.2015	-	-	-	-
2.	Mr. Saikrishna Narla	Nil	Nil	01.04.2014	-	-	-	-
		Nil	Nil	31.03.2015	-	-	-	-
3.	Mr. Lalit Kumar Tiwari	Nil	Nil	01.04.2014	-	-	-	-
		Nil	Nil	31.03.2015	-	-	-	-

Notes:<sup>@</sup> 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 Rs.)

	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the financial year (As at 01.04.2014)</b>				
i) Principal Amount	120,000,000	-	-	120,000,000
ii) Interest due but not paid	1,995,255	-	-	1,995,255
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>121,995,255</b>	<b>-</b>	<b>-</b>	<b>121,995,255</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction (Repayment)	28,495,255	-	-	28,495,255
Net Change	-	-	-	-
<b>Indebtedness at the end of the financial year (As at 31.03.2015)</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>

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

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

(Amount in Rs.)

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 Rs)

<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	2,00,000	-	-	2,00,000
Mrs. Nagajayanthi Das Juttur Ragavendra (appointed on 10.02.2015)	40,000	-	-	40,000
<b>Total (1)</b>				<b>2,40,000</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	1,20,000	-	-	1,20,000
Mr. Mark Silgado	-	-	-	-
Mr. Patri VenkataRamakrishna Prasad	1,60,000	-	-	1,60,000
Mr. Madhukar Sheth	1,20,000	-	-	1,20,000
Mr. Javed Faizullah Tapia (resigned on 29.05.2014)	-	-	-	-
<b>Total (2)</b>				<b>4,00,000</b>
<b>Total (1+2)</b>				<b>6,40,000</b>

**C. Remuneration to Key Managerial Personnel other than Md/Manager/Wtd:**

(Amount in Rs.)

<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Key Managerial Personnel</b>
		<b>CFO &amp; Company Secretary</b>
1.	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	19,30,901
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,078
	(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>19,37,979</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:

<ul style="list-style-type: none"> <li>(a) Name(s) of the related party and nature of relationship</li> <li>(b) Nature of contracts/arrangements/transactions</li> <li>(c) Duration of the contracts / arrangements/transactions</li> <li>(d) Salient terms of the contracts or arrangements or transactions including the value, if any</li> <li>(e) Justification for entering into such contracts or arrangements or transactions</li> <li>(f) date(s) of approval by the Board</li> <li>(g) Amount paid as advances, if any</li> <li>(h) Date on which the special resolution was passed</li> <li>(i) Amount paid as advances, if any</li> <li>(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</li> </ul>	Nil
--	-----

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

<ul style="list-style-type: none"> <li>(a) Name(s) of the related party and nature of relationship</li> <li>(b) Nature of contracts/arrangements/transactions</li> <li>(c) Duration of the contracts/arrangements/transactions</li> <li>(d) Salient terms of the contracts or arrangements or transactions including the value, if any</li> <li>(e) Date(s) of approval by the Board, if any</li> <li>(f) Amount paid as advances, if any</li> </ul>	Nil
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## Annexure [F] to Board's Report

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Outlook for IT Industry in 2015 and Review of 2014

**FY2014: Exports grew by 13% - net addition of USD 10 billion; Domestic market below guidance at 10%**

**FY2015: Exports to grow by 13-15%; Domestic market – 9-12%; Industry to add revenues of USD 13-14 billion**

Driven by an improvement in the global economic climate and rise in the technology spend, in FY2015, NASSCOM expects the industry to add overall revenues of USD 13-14 Billion to existing industry revenues of USD 118 billion. Export revenues for FY2015 is projected to grow by 13-15% to reach USD 97-99 bn. Domestic revenues for the same period will grow at a rate of 9-12% percent and is expected to reach INR 1250 - 1280 billion during this year.

India is now becoming home to a new breed of startup companies focused on high growth areas such as mobility, e-commerce and other vertical specific solutions – creating new markets and driving innovation.

A gradual revival in consumer confidence leading to return of discretionary spending, and increased demand from US and Europe will help drive exports this year. While US continues to be the largest geographic market for India, accounting for 62%, the highlight for the year will be revival in demand from Europe, which is estimated to grow at 14% in FY15. Indian IT-BPM continues to remain the highest impact sector for India among all industries with the highest relative share in India's GDP and exports among all services industries.

The Indian IT sector will leverage collaboration, innovation, technology shifts and build a transformational agenda for India. It will create a market not only in India but globally that will serve as technology differentiator for customers shifting from cost to innovation. The sector will continue to impact India through job creation, foreign exchange, exports and position India as global IT-BPM partner. The Indian IT-BPM sector continues to be one of the largest employers in the country directly employing nearly 3 million professionals, adding over 160,000 employees

#### **FY2014 – Review**

Despite challenges in the global market, Indian IT-BPM industry sustained its growth trajectory and is expected to clock export revenues of USD 86 billion with a Y-o-Y growth rate of 13 per cent. Domestic market also witnessed YoY growth rate of 10% taking the domestic revenues to INR 1150 billion. FY2014 can be characterized by rapid evolution, expansion of verticals and geographic markets, attracting new customer segments, and offering a considerably wider spectrum of solutions.

- Industry export's estimated at USD 86 bn - growth of 13 per cent
- Domestic revenues were INR 1250 - 1280 billion - growth of 9.7 per cent
- Industry added 160,000 employees - direct employment – 3.1 million; indirect employment- 10 million

#### **Way Forward – FY2015**

- Strong Buyer Confidence: 78% of decisions makers feel confident of planning for investment and growth in 2015
- Global IT spending projected to grow faster in 2015- IT by 3.9 per cent, BPM by 5.9 per cent;
- Increased contract volume for global sourcing
- Industry revenues expected to reach USD 130 billion
- Disruptive technologies, digitization and entrepreneurship to fuel growth
- Future of industry- Collaborate, Connect, Co-Create specifically tailored business models

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

- CompTIA's consensus forecast projects worldwide IT industry growth of 5.0% in 2015 with a upside of 7.3%, a notable increase over the previous year's forecast of 3.4%. Executives expect the U.S. growth rate to nearly mirror the global rate
- The forecast is most bullish for the growth prospects of the IT services category and the software category. The hardware

category is projected to grow at a relatively slower rate. Factors such as commodity pricing, the shift from on-premises infrastructure to cloud infrastructure, software-defined-everything and the plateauing of the red-hot mobile devices category contribute to this sentiment.

- IT services are projected to grow at the fastest rate. IT services often have the potential to command higher margins, customer stickiness, and add-on sales opportunities, making them attractive to tech firms small and large. The “everything-as-a-service” phenomenon has captured wallet-share and mind-share across all four categories within the classification framework.

### **Technology and Channel Trends – 2015**

- From a technology standpoint, many of the trends from previous years will enter a new phase of maturity in 2015.
- Businesses will begin using cloud and mobile to build advanced systems.
- The ability to manage data will become a critical and highly demanded skill.
- The potential of many connected devices and sensors will lead to new areas of opportunity.
- And over it all, security will have to change as technology evolves to drive new business prospects.
- Business transformation will remain the buzz word of the moment
- Channel firms will continue to assess the direction of their companies in the direction of cloud computing, mobility, managed services, big data, social media.

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

Online retailing, cloud computing and e-commerce continue to lead to rapid growth in the IT industry.

The number of mobile internet users in India is expected to reach 213 million by June 2015, according to Internet & Mobile Association of India (IAMAI) and IMRB International, today. According to the report, there were 173 million mobile internet users in India in December, 2014. The online shoppers community is expected to reach to 65 million in 2015 as compared to 40 Million in 2014.

### **Indian IT & ITeS Report 2015**

Indian IT spending is forecast to reach \$73.3 Billion in 2015 up by 9.4% from \$67.1 Billion in 2014 making it the 3rd largest IT market in Asia Pacific by 2016 and 2nd largest by 2018.

IT services is forecast to grow at 15.7% and software services by 14% in 2015

Indian IT and ITeS sector is expected to maintain a growth of 12 – 14% in 2015 and achieve revenue of USD 225 Billion by 2020

[http://www.business-standard.com/article/news-cm/india-s-it-spending-to-rise-9-4-to-us-73-3-billion-in-2015-gartner-114101600889\\_1.html](http://www.business-standard.com/article/news-cm/india-s-it-spending-to-rise-9-4-to-us-73-3-billion-in-2015-gartner-114101600889_1.html)

### **Export predictions of the industry**

India's IT and BPO sector exports are expected to grow by 12-14 per cent in F'Y16 to touch US\$ 110 billion - US\$ 112 billion, according to Nasscom.

### **How mobiles/ tablets are driving growth of IT sector**

“Mobility most likely will be the trend to look forward to the next year. Mobile commerce would be huge as more and more people access Internet through tablets and smartphones. Most companies are looking at enhancing their mobile presence,” according to Mr Sundeep Malhotra, Founder and CEO, HomeShop18.Com As smartphones and tablets continue to proliferate, companies will need to embrace multi-channel commerce strategy in 2014.

### **How cloud computing is booming in the current IT industry in India**

The cloud has really extended the possibilities of IT in India. The factors that drive most organizations to adopt cloud computing is cost and faster innovation. Business agility is also one of the results of cloud computing. Cloud computing this



year would entail the unique collection of services, web destinations and connectivity that could become the home of computing and communication activities. Mobile devices are already connected by applications via the cloud. In the future, India will see this amplify dramatically as applications interconnect to control multiple devices and networks of devices to operate autonomously.

### Indian Government initiative

The government has recently approved the National IT Policy as well as the National Electronics Policy, which aims to increase revenues of IT and ITeS industry and make the country a manufacturing hub for electronic goods. The policy will promote innovation and development of applications and solutions in areas like localization, location-based services, mobile-value added services, cloud computing, social media and utility models.

### Key Industry Segment: U.S. IT Industry

The IT industry can be segmented into a number of sub categories. One common break divides the industry into a grouping of hardware, software and services and a grouping of telecommunications, which includes broadband services.

### IT Spending

According to Gartner, Worldwide IT spending is on pace to total \$3.8 trillion in 2015, a 2.4 percent increase from 2014;

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

	2014	2014	2015	2015
	Spending	Growth (%)	Spending	Growth (%)
Devices	696	3.8	732	5.1
Data Center Systems	141	0.8	143	1.8
Enterprise Software	317	5.8	335	5.5
IT Services	956	2.7	981	2.5
Telecom Services	1,626	-0.1	1,638	0.7
<b>Overall IT</b>	<b>3,736</b>	<b>1.9</b>	<b>3,829</b>	<b>2.4</b>

### Relevant Business Segments for GSS:

#### Managed Services

The horizon is bright for Managed Services business in 2015. Recent research from Kaseya shows that 90 percent of MSPs say that they expect to increase or maintain managed service pricing for next year. So demand isn't slowing down by any means and businesses are clearly seeing some growth. The emphasis will be on Network Support and Monitoring. The research from Kaseya showed that the three categories that have shown the most dramatic increases in growth are "Network and Connectivity Support, Monitoring Client IT Service Levels, and Cloud Monitoring." There will also be an increasing convergence of Business Services and IT; whether a client is a financial institution, a university or a healthcare provider.

#### IT Infrastructure & Operations (I & O)

The pressure on IT to optimize costs and develop next generation skills in parallel has become very critical. The cost pressures require relentless focus on standardization, consolidation and service delivery. There will be reliance on using budgets effectively to exploit new technologies like Cloud Computing. Thus, I&O are building strategies to drive new shared services models and requirements with the need to develop and manage flexible infrastructure emerging as the top priority.

#### Remote Infrastructure Management (RIM) services

Remote Infrastructure Management (RIM) is a large and growing market for IT service providers, MSPs, Managed Hosting & Co-location companies. Gartner predicts that by 2014, ninety percent of all North American companies will be using Remote Infrastructure Management services. With revenue experiencing more than 40% growth on average. India-based providers are still in the early stage of maturity in RIM capabilities as they continue to invest in automation and intellectual property.

#### RIMS – Workload Automation

With 2014 being another year of growth and change for the workload automation industry, as the industry continues to evolve and mature, we are seeing workload automation becoming a key staple for most enterprises in 2015. According to leading

technology analysts, 2015 promises to continue the trend of digitalizing business and as a result, to keep up with business demands and handle the diversity of technologies and applications, IT automation is responding with new solutions and capabilities. Some of the top predictions for Workload Automation in 2015 include –

1. Consolidation of Point Tools – Moving away from a disjointed element approach and adopt a comprehensive automation solution to handle end to end workflows to address higher costs and agility issues.
2. Cloud Resource Management Capabilities – Expanding beyond the traditional scheduling of workflows and executing processes by focusing on identifying the amount of resources that are needed to successfully complete the workflow.
3. DevOps and Improved Collaboration - streamlining and automating DevOps processes to facilitate collaboration between Developers and Operations using pre-templated job steps and reference plans minimizes time spent scripting and performing repetitive processes

### **Ecommerce and Portals Development**

As online transactions hit 20-year milestone, According to Bigcommerce, Worldwide B2C ecommerce revenues will reach \$2 trillion in 2015. E commerce as a segment of the total retail market is growing at 30 percent per year. Based on research conducted across its more than 55,000 clients, and combined with third-party research from Sagence, Inc., Bigcommerce report also predicts that the U.S. small and medium business ecommerce market will exceed \$100 billion in total sales in 2015.

### **SharePoint / Office 365**

Cloud-based Productivity Suites are set for strong penetration in Enterprises on a worldwide basis. Worldwide revenues from Cloud-based Productivity Suites will grow to \$5.9 billion by year-end 2016. This represents an average annual growth rate of 38%. In terms of installed base (i.e. user seats) Microsoft Office 365 currently represents 39% of the market for Cloud-based Productivity Suites, this is expected to grow to a 47% market share by year-end 2016

With SharePoint's release of New On Premise 'SharePoint 15' and 'Office 365' Taking over as the 'Portal on cloud, there are tremendous opportunities as a Microsoft solutions provider for collaboration products. It is also a reality that with support to older versions of SharePoint coming to a near halt, a multitude of opportunities for SharePoint deployment, migration and upgrade (both on Premise and Cloud) are foreseen as hunting ground for System Integrators.

### **Mobility**

According to Computerworld's recent survey, Mobility Solutions including Mobile apps and upgrading or replacing applications will consume a large chunk of 2015 IT budgets. This area also represents the most potential for innovation, as business scramble to connect consumers with products and services in as many ways as can be imagined. Mobile spending for 2015 will include new investments in RFID technology, remote access tools, Wi-Fi, mobile/wireless devices and mobile device management systems. Expect the majority of spending will be on the infrastructure and custom application development for various platforms. Companies also plan to spend on technology to support bring-your-own-device programs — most notably the systems necessary to provide secure mobile access to internal systems.

Gartner says, by 2017, over 70% of mobile development spending will be outsourced.

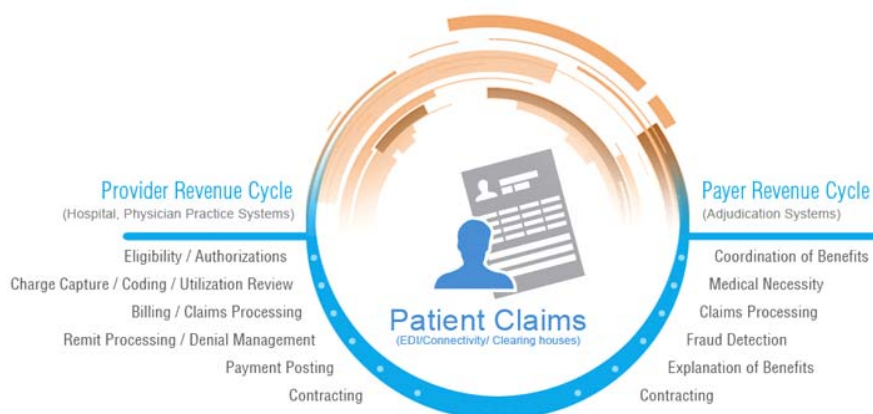
### **Healthcare – Revenue Cycle Management (RCM)**

A Healthcare Delivery Organization's (HDO) revenue cycle is bound to the larger healthcare reimbursement system that links providers to payers. As a healthcare provider seeks payment for delivered services, it submits claims to public and private payers, or, in some cases, bills patients directly. Those entities process the claims for payments, further review or denial. There are often intermediaries such as clearinghouses between providers and payers to facilitate and streamline electronic transactions. Even after significant attention to transaction quality, challenges remain in ensuring the claim information sent to the payer matches what the payer needs to justify and provide payment. If information is missing or incorrect, there can be significant delays in resolving issues and receiving payment.

Complicating the process is a detailed set of eligibility and reimbursement rules across multiple payers. Providers seek payment from a long list of payers with different rules and guidelines. A claim that meets one payer's guidelines will not necessarily meet a second payer's guidelines. The complexity compounds with the introduction of many different incentive, reimbursement and payment models, and those are changing at an accelerating pace in the industry. The relationship between the provider and payer revenue cycles is actively evolving with healthcare market changes, reform and new regulatory requirements. The implication is that there is a high risk of losing control of revenue management processes and, therefore, a significant disruption of the revenue flow to HDOs.

Healthcare systems in many countries are struggling with escalating costs, inconsistent quality and lack of access to timely care. Business and technology leaders of healthcare delivery organizations (HDOs) worldwide are struggling to confront fundamental changes in the industry across both financial and clinical arenas. As HDOs grow in size, complexity and reach, they are focusing on the strategies and technologies that enable the organization to scale and leverage financial and clinical information to drive patient engagement, performance / quality and to deliver new operating models.

Fifteen cents of every US healthcare dollar goes toward revenue cycle inefficiencies. Of the \$2.7 trillion the country spends annually on healthcare, \$400 billion goes to claims processing, payments, billing, revenue cycle management (RCM), and bad debt in part, because half of all payer-provider transactions involve outdated manual methods, such as phone calls and mailings. With passage of the Patient Protection and Affordable Care Act (ACA), the US government signaled intent to move healthcare toward a more consumer- driven model, which will entail a corresponding evolution in hospital revenue cycles.



## GSS overview

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

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

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

## GSS Infotech – A Snapshot

- One of the fastest growing Managed IT Services company
- A Global organization with operations in US and 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 Centre (GOCC) and remote delivery centre in Hyderabad, India
- Empowering SMEs globally, through 5 Business /Development Centres
- Best-in-class top tier technology alliances and domain intensive Centres of Excellence
- 7 Acquisitions in the last six years

## Global Footprints

- Around 800 people across 5 near shore and offshore development centres
- Leveraging strategic acquisitions to enhance delivery capabilities
- North America and Asia

## GSS Key Differentiators

<b>Low Cost Of Ownership</b>	Custom solutions delivered with higher scalability through a flexible framework. Leads to 15-30 % reduction in TCO
<b>Global Delivery Center</b>	Ability to serve any geographical location Leveraging various time zones to deploy remotely and achieve higher run rates during migrations.
<b>Robust Framework and Processes</b>	Proven processes and frameworks to optimize the migration lifecycle
<b>Strategic Partnership</b>	Strategic Partnerships with Tier 1 vendors provides agnostic solutions piloted onshore then executed offshore, ensuring minimal end user risk
<b>Credentials</b>	Significant experience in Designing &Architecting, Developing, Deploying and Supporting technology platforms and environments. Practice teams in Microsoft, Oracle, Java/J2EE, Open Source technology streams. Strong experience in database platforms like MS SQL, MySQL, Oracle & Sybase Rich expertise in creating extended quality and testing environments for the clients. Considerable experience in making the CoE for the client environments. Significant experience in application development and operational support of large clients across the globe in addition to experience in various technology areas
<b>Resources</b>	Large pool of resources skilled and certified in niche technologies at all levels
<b>Process</b>	Proven methodologies which are refined on a continuous basis, working on some challenging engagements for clients across the world SEI CMMI level 5 certified organization with mature frameworks to ensure security, quality, and continuous service delivery improvement
<b>Tools and Techniques</b>	Developed and adopted technology frameworks that exceed industry standards and tools that support the rapid application development and support environments Proven methodologies matured through prior engagements Best practices and learning from prior engagements
<b>Pricing</b>	Flexible Pricing Models Higher Offshore Leverage

## Locations

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

<b>North America</b>		<b>Hyderabad, India</b> Brigade Towers, 3rd & 4th Floor, Plot No: 30, Part No: 31 Financial District Nanakramguda, Gachibowli, Hyderabad, Telangana – 500032 Tel: +91 40 44556600 Fax: +91 40 40028703 <b>Hyderabad - Global HQ</b>
<b>North Brunswick, NJ, USA - Corporate HQ</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>Albany, NY, USA</b> 1762 Central Ave, Albany, NY 12205 Tel: +1 518-452-3700 Fax: +1 518-452-3939 E-mail: <a href="mailto:albany@gssinfotech.com">albany@gssinfotech.com</a>	
<b>Glastonbury, CT, USA</b> 41B New London Turnpike, Glastonbury, CT, 06033, USA Tel: +1 860-633-7174 Fax: +1 860-633-7162	<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	

**Infrastructure Management**

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

**Strengt hand Depth**

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

**Innovation**

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

**Blended Delivery**

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

**Monitoring and Management**

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

**Network and Security Services**

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

**Networking Services**

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

**Security Services**

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

## **Service Desk**

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

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

## **Infrastructure Solutions**

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

### **Virtualization Service**

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

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

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

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

## **Application Development and Maintenance Services**

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

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

## Testing

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

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

### Performance Testing

- Performance test consulting
- Load testing
- Stress testing
- Soak testing
- Volume testing
- Recovery testing
- Scalability testing

### Functional Testing

- End-to End Testing Solutions
- System & Integration Testing
- User Acceptance Testing
- SOA / Web Services
- Usability Testing
- Compatibility Testing

### Test Automation

- Core Test Automation
- Automation Consultancy

### Infrastructure Testing

- Testing Assessment
- Managed Services
- Independent Validation Services

### Retail Testing

- Ecommerce Testing
- Point of Sale Testing

### Security Testing

- Application Penetration Testing
- Compliance Related Testing
- Risk Based Application Testing
- Analysis and Certification

### Testing

- Software Testing
- System Integration Testing
- End to End Testing
- Automated Testing
- Test Case Management
- Healthcare Validation and Testing

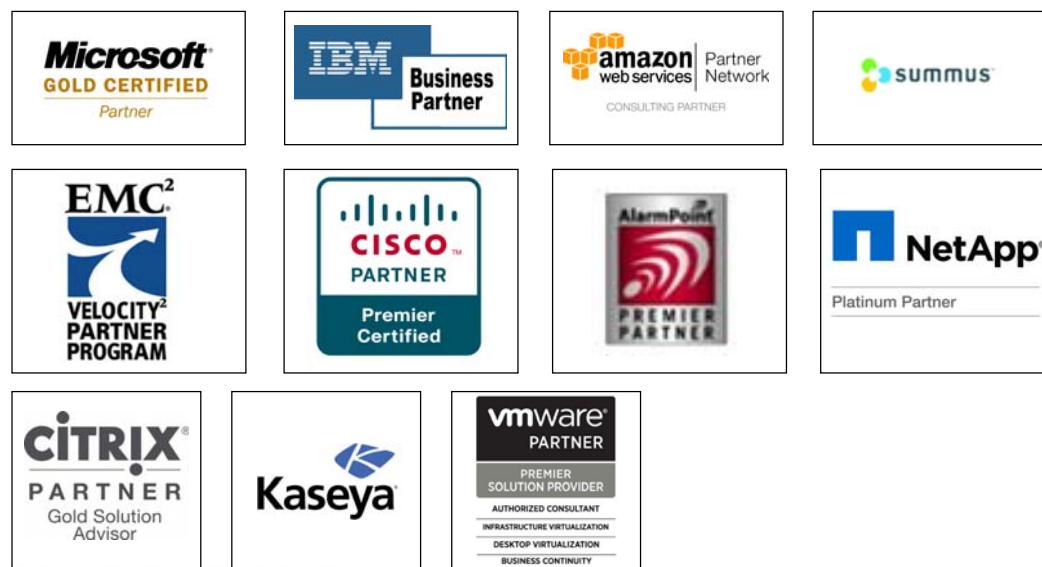
### Quality Assurance Services

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



#### GSS Alliances:

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



ISO 9001:2008  
Quality Management



ISO 27001  
Information Security  
Management System



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

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



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

#### **Opportunities:**

- a) Emerging technologies like Cloud Computing, Mobile Solutions and big-data provide good growth opportunities
- b) Increase in US IT spending
- c) Partnering with various firms for business development

#### **Threats:**

- a) Project lifecycles are growing shorter in many technologies
- b) Niche players in mature market segments are strong competition
- c) Technology space is changing fast and existing workforce needs to be re-trained.

#### **Risks and Concerns**

##### **2014-15 risks**

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

## 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 Clause 49 of the Listing Agreement, your Company has adopted various practices and set responsible standards of business. Your Company endeavours 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.

#### 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 Managing Director & CEO.

## BOARD OF DIRECTORS

### Composition:

The Composition of the Board was not in conformity with Clause 49 of the Listing Agreement and the Companies Act, 2013 for a part of the year from 10<sup>th</sup> February 2015 to 31<sup>st</sup> March 2015, due to change in the Status of Mr. Patri VenkataRamakrishna Prasad, from Independent Director to Non- Independent Director of the Company. 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 Clause 49 of the Listing Agreement and the Companies Act, 2013.

The composition of the Board of Directors of the Company as on 31<sup>st</sup> March, 2015 is as follows:

Category	No. of Directors
Non-Executive/Independent Directors	5
Non-Executive/Promoter Directors	1
Executive Director (Managing Director & CEO)	1
Total	07

During the financial year 2014-15, the following changes took place in the Composition of the Board:

- Mr. Javed Faizullah Tapia resigned as a director of the Company with effect from 29<sup>th</sup> May, 2014. The Board sincerely places on record the value contribution received from Mr. Javed Faizullah Tapia during his tenure.
- Mrs. Nagajayanthi Das Juttur Ragavendra was appointed as an additional director on the Board with effect from 10<sup>th</sup> February, 2015.

### Independent Directors:

In Compliance with sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder and Clause 49 of the Listing Agreement, it is proposed to appoint the existing Independent Directors, Mr. Keerthy Jaya Tilak and Mrs. Nagajayanthi Das Juttur Ragavendra as Independent Directors of the Company for a period of 5 (five) years. The Company has received notices proposing the candidature of Mr. Keerthy Jaya Tilak and Mrs. Nagajayanthi Das Juttur Ragavendra as Independent Directors of the Company. The proposed Independent Directors have submitted declarations that they meet the criteria of Independence as per the provisions of the Companies Act, 2013 and the Listing Agreement; a statement in this regard forms part of the Board's Report. Further, the Independent Directors have confirmed that they do not hold directorship in more than seven listed companies. Your Company shall on appointment issue formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 and Clause 49 of the Listing Agreement on getting appointed.

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	Nature of Directorship	Relationship with each other	As on 31st March, 2015		
			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	***	-	-	-
Mr. Patri VenkataRamakrishna Prasad	Non-Executive and Non-Independent Director	***	2	-	-
Mr. Mark Silgado	Non-Executive and Non-Independent Director	***	2	-	-
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, 2015, six (6) 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
12 <sup>th</sup> June 2014	General
9 <sup>th</sup> August 2014	Results
14 <sup>th</sup> August 2014	Results
22 <sup>nd</sup> September 2014	General
13 <sup>th</sup> November 2014	Results
10 <sup>th</sup> February 2015	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 10 committees or act as the Chairman of more than five committees 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, 2015 are as follows:

Name of the Director	Board Meeting details		Attendance at last AGM
	Held	Attended	
Mr. Bhargav Marepally	6	6	Yes
Mr. Ramesh Yerramsetti	6	6	No
Mr. Patri VenkataRamakrishna Prasad	6	5	Yes
Mr. Mark Silgado	6	4	No
Mr. Madhukar Sheth	6	6	No
Mr. Keerthy Jaya Tilak	6	6	Yes
Mrs. Nagajayanthi Das Juttur Ragavendra (appointed on 10.02.2015)	1	1	NA

Shareholding of the Non-Executive Directors of the Company in GSS Infotech Limited as on 31<sup>st</sup> March, 2015 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	1644003	9.71
Mr. Keerthy Jaya Tilak	Non-Executive and Independent Director	Nil	Nil
Mrs. Nagajayanthi Das Juttur Ragavendra (appointed with effect from 10.02.2015)	Non-Executive and Independent Director	Nil	Nil
Mr. Javed Faizullah Tapia (resigned with effect from 29.05.2014)	Non-Executive and Non-Independent Director	1648828	9.73

Mr. Bhargav Marepally, CEO and Managing Director holds 104025 equity shares of the Company as on 31st March 2015.

#### 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 CEO & 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 Annexure X to Clause 49 of the Listing Agreement 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 CEO & Managing Director, CFO & Company Secretary, 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 Clause 49 of the Listing Agreement 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/about/compliance-under-clause-49.html>

#### **Independent Directors' Meeting:**

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a meeting of the Independent Directors of the Company was held on 10th February 2015 without the attendance of Non-Independent Directors and members of the management.

#### **Evaluation of Board Effectiveness:**

In terms of provisions of the Companies Act, 2013 read with Rules issued thereunder and Clause 49 of the Listing Agreement, 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 31st March, 2015. 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.

#### **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 Clause 49 of the Listing Agreement. 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 Clause 49 of the Listing Agreement. 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 and the changes in 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, 2015 are detailed below:

Name of the Member	Nature of Membership	Audit Committee Meeting Details	
		Held	Attended
Mr. Keerthy Jaya Tilak (appointed as the Chairman of the Audit Committee in the Board Meeting held on 10.02.2015)	Chairman	4	4
Mr. Bhargav Marepally	Member	4	4
Mrs. Nagajayanthi Das Juttur Ragavendra (Inducted as a member of Audit Committee in the Board Meeting held on 10.02.2015)	Member	1	1
Mr. Patri VenkataRamakrishna Prasad (ceased to be chairman and member of the Audit Committee with effect from 10.02.2015 due to change in Independent Status)	Member	4	3

Date(s) on which Audit Committee meeting(s) were held.	Purpose
9 <sup>th</sup> August 2014	Results
14 <sup>th</sup> August 2014	Results
13 <sup>th</sup> November 2014	Results
10 <sup>th</sup> February 2015	Results

The Chairman of the Audit Committee was present at the last AGM held on 30<sup>th</sup> September, 2014.

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 Clause 49 of the Listing Agreement.

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

1. 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;
2. 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;
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as per Section 134(3)(c) of the Companies Act, 2013;
  - b. 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;
  - c. Compliance with listing and other legal requirements relating to financial statements;
  - d. Disclosure of any Related Party Transactions (RPTs); and
  - e. Qualifications in the draft audit report, if any.
5. Reviewing the financial statements of unlisted subsidiary companies (including joint ventures) and investments made by the unlisted subsidiary companies (including joint ventures);
6. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:
  - a. qualifications and experience of the individual/firm proposed to be considered for appointment as auditor;
  - b. whether such qualifications and experience are commensurate with the size and requirements of the company; and
  - c. 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.
7. 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.

The Audit Committee during the year has approved the overall framework for RPTs, the Policy on dealing with the RPTs, the Policy on materiality of RPTs and the criteria for granting omnibus approval in line with the policy of dealing with RPTs in accordance with provisions of the Companies Act, 2013 and/or Clause 49 of the Listing Agreement. The Committee also reviews the internal financial controls.



## 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 Nomination Committee and Remuneration Committee did not meet during the financial year 2014-15. The composition of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company as on 31<sup>st</sup> March, 2015 is detailed below:

Name of the Member	Nature of Membership	Meeting details	
		Held	Attended
Mr. Patri VenkataRamakrishna Prasad	Chairman	-	-
Mr. Keerthy Jaya Tilak	Member	-	-
Mr. Ramesh Yerramsetti	Member	-	-

The Company Secretary acts as the Secretary to the Committee.

The Chairman of Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held 30th September, 2014.

The Composition of the Nomination and Remuneration Committee was reconstituted in the Board Meeting held on 30<sup>th</sup> May 2015 as follows:

Name of the Member	Membership
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 CEO & Managing Director during the year 2014-15:**

During the financial year ended 31<sup>st</sup> March, 2015, Mr. Bhargav Marepally, CEO and Managing Director, did not draw any remuneration from the Company.

### **Details of remuneration paid to Directors during the year 2014-15:**

During the financial year ended 31<sup>st</sup> March, 2015, the Company paid Rs. 20000/- (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) of the Company.

Details of remuneration paid to the Directors of the Company for the financial year ended 31<sup>st</sup> March, 2015 are as follows\*:

(Amount in Rs.)

Name of the Director	Salary	Perquisites	Sitting fees	Commission	Total
Mr. Bhargav Marepally	-	-	-	-	Nil
Mr. Ramesh Yerramsetti	-	-	120000	-	120000
Mr. Patri VenkataRamakrishna Prasad	-	-	160000	-	160000
Mr. Mark Silgado	-	-	-	-	-
Mr. Madhukar Sheth	-	-	120000	-	120000
Mr. Keerthy Jaya Tilak	-	-	200000	-	200000
Mrs. Nagajayanthi Das Juttur Ragavendra (appointed on 10.02.2015)	-	-	40000	-	40000
Mr. Javed Faizullah Tapia (resigned on 29.05.2014)	-	-	-	-	-

\*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 Clause 49 of the Listing Agreement.

The Committee did not meet during the financial year ended 31<sup>st</sup> March 2015. 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 following are the members of the Stakeholder Relationship Committee as on 31<sup>st</sup> March, 2015:

Name of the Member	Nature of Membership
Mr. Keerthy Jaya Tilak	Chairman
Mr. Ramesh Yerramsetti	Member
Mr. Bhargav Marepally	Member

The Composition of the Stakeholder's Relationship Committee was reconstituted in the Board Meeting held on 30th May 2015 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, 2015 are as follows:

Details of Investor Complaints during FY 2014-15	
No. of complaints received during the year 2014-15	Nil
No. of complaints resolved during the year 2014-15	Nil
No. of complaints pending at the end of the year 2014-15	Nil

## **SUBSIDIARY COMPANIES**

Your Company does not have any material non-listed Indian subsidiary company in terms of Clause 49 (V) of the Listing Agreement. 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/about/compliance-under-clause-49.html>

## **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 Clause 49 of the Listing Agreement. 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/about/compliance-under-clause-49.html>

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 31st March, 2015, 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, Clause 49 of the Listing Agreement and the Policy of the Company on dealing with RPTs. During the financial year ended 31st March, 2015, there are no transactions with related parties which qualify as a material transaction in terms of the applicable provisions of Clause 49 of the Listing Agreement. 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 31st March, 2015:

### **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 Clause 49 (IX) of the Listing Agreement, the CEO and CFO certificate for the financial year ended 31st March, 2015, 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
2013-14	Ellaa Suits, Jasmine Banquet Hall, Hill ridge Springs, No.25, Kancha, Gachibowli, ISB Road, Hyderabad – 500032.	30th 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.	19th July, 2013	10.00 a.m.	3
2011-12	Ellaa Suits, Jasmine Banquet Hall, Hill ridge Springs, No.25, Kancha, Gachibowli, ISB Road, Hyderabad – 500032.	28th September, 2012	10.30 a.m.	4

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

- There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
- Your Company has complied with all the requirements of the Stock Exchange(s) [Except Clause 49 (II) (A) of the Listing Agreement for the period 10.02.2015 to 31.03.2015] and the Securities Exchange Board of India (SEBI) on matters related to Capital Markets.
- 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 behaviour.
  - Your Company prohibits any kind of discrimination, harassment, victimization or any other unfair practice being adopted against an employee. In accordance with Clause 49 of the Listing Agreement, 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 was 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 Clause 49 of the Listing Agreement. 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 31st March, 2015. The declaration to this effect signed by Shri Bhargav Marepally, Managing Director & CEO of the Company forms part of the report.

#### 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 30th 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/about/compliance-under-clause-49.html>

#### **Details of compliance with mandatory and non-mandatory requirements of Clause 49 of the Listing Agreement**

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement except the compliance of clause 49 (II) (A) of the Listing Agreement i.e. the composition of Board of Directors during the part of the year from 10th February 2015 to 31st March 2015, due to change in the Independent Status of Mr. Patri VenkataRamakrishna Prasad, Director of the Company. The Company is making utmost efforts to bring the composition of the Board in order to ensure compliance.

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

##### 1. **The Board:**

The Non – Executive Chairman of the Company does not have a 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 and however, the Company uploads its Half-yearly results on its website [www.gssinfotech.com](http://www.gssinfotech.com) under Investors Section.

##### 3. **Audit qualifications:**

During the year under review, there were 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. Sriramamurthy 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 2015
Time	- 10.30 A.M.
Venue	- Ellaa Suites, Jasmine Banquet Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad - 500 032

### (ii) Financial Calendar

Financial year	- 1 <sup>st</sup> April 2015 to 31 <sup>st</sup> March 2016
Tentative Schedule for declaration of results during the financial year 2015-16	
First Quarter	- Second week of Aug 2015
Second Quarter and Half Yearly	- Second week of Nov 2015
Third Quarter and Nine Months	- Second week of Feb 2015
Fourth Quarter and Annual	- Last week of May 2015

### (iii) Date of Book closure

- 23<sup>rd</sup> September 2015 to 30<sup>th</sup> September 2015 (both day inclusive)

### (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 2015-16.

**(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, 2015 are as under:

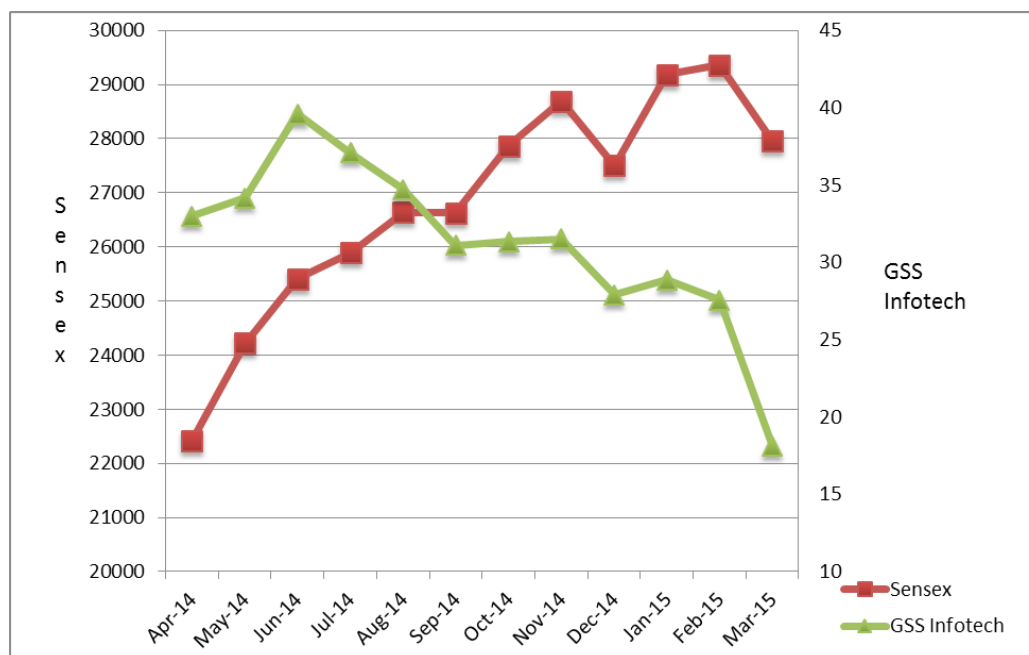
Month	BSE			NSE		
	High in ₹	Low in ₹	Volume (No. of Shares)	High in ₹	Low in ₹	Volume (No. of Shares)
<b>2014</b>						
April	36.50	27.90	16621	35.70	28.25	31574
May	38.40	29.30	54230	38.50	26.10	159433
June	45.65	34.10	172978	45.80	33.10	337037
July	44.40	34.30	2705587	44.40	34.05	308494
August	40.00	31.75	45812	38.90	31.30	94989
September	39.65	29.30	101348	39.90	29.75	442200
October	33.45	27.30	24420	34.00	27.50	103457
November	34.40	29.00	61290	34.90	28.50	157067
December	33.00	26.60	43007	31.45	26.15	123961
<b>2015</b>						
January	31.00	26.10	53666	31.00	25.50	107424
February	33.35	27.35	32062	33.30	26.70	141305
March	29.40	14.75	148793	29.40	14.60	362656

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, 2015 (based on month end closing):





- (vii) **Registrar and Transfer Agent** - Bigshare Services Private Limited  
E-2 and 3, Ansa Industrial Estate,  
Saki-Vihar Road, Sakinaka,  
Andheri (E), Mumbai – 400072. India  
Tel: 022 - 40430200, Fax : 022 - 28475207  
Email : tpraju@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., as mentioned in Clause 49 (VIII)(E)(5) of the Listing Agreement to the Company Secretary of the Company. The transactions in respect of issue of duplicate share certificates, split, rematerialisation, consolidation and renewal of share certificates are approved by the Shareholder's Committee of the Board of Directors of the Company.

The Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under Clause 47 (c) of the Listing Agreement 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, 2015 is as follows:

No. of Equity Shares		Shareholders		Shareholding	
		Number	% to total	Number	% to total
1	500	9131	93.79	612170	3.62
501	1000	296	3.04	235170	1.39
1001	2000	136	1.40	206889	1.22
2001	3000	46	0.48	115886	0.68
3001	4000	24	0.25	85203	0.50
4001	5000	21	0.21	95505	0.56
5001	10000	33	0.33	233442	1.38
10001	99999999	48	0.50	15352578	90.65
<b>TOTAL</b>		<b>9735</b>	<b>100</b>	<b>16936843</b>	<b>100</b>

**Shareholding Pattern as on 31<sup>st</sup> March, 2015:**

Category of Shareholder		Total Number of Shares	% of total no. of shares
(A)	Shareholding of Promoter and Promoter Group		
	(a) Individuals/Hindu Undivided Family	1,04,523	0.62
	(b) Bodies Corporate	Nil	Nil
	(c) Trust	Nil	Nil
	<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>104523</b>	<b>0.62</b>
(B)	Public shareholding		
	(1) Institutions	Nil	Nil
	(a) Mutual Funds/ UTI	Nil	Nil
	(b) Financial Institutions/ Banks	801595	4.73
	(c) Insurance Companies	Nil	Nil
	(d) Foreign Institutional Investors	3078002	18.17
	<b>Sub-Total (B)(1)</b>	<b>3879597</b>	<b>22.90</b>

Category of Shareholder		Total Number of Shares	% of total no. of shares
(2)	Non-Institutions		
	(a) Bodies Corporate	2563477	15.14
	(b) Individuals		
	(i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1385251	8.18
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	7886101	46.56
	(c) Individual (Non-Resident individuals)	183797	1.08
	(d) Trust	350000	2.07
	(e) Clearing Member	12074	0.07
	(f) Overseas Corporate Bodies	572023	3.38
	Sub-Total(B)(2)	<b>12952723</b>	<b>76.48</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>16832320</b>	<b>99.38</b>
<b>Total (A)+(B)</b>		<b>16936843</b>	<b>100.00</b>

Details of the Company's dematerialized shares as on 31st March, 2015:

Number of shares	% of total shares	Number of shareholders	% of total shareholders
1,65,86,362	97.93	9,731	99.95

Break up of shares in physical and Demat form as on 31<sup>st</sup> March, 2015:

	No. of Shares	% of Shares
Physical segment	3,50,481	2.07
Demat segment		
NSDL	1,27,51,166	75.28
CDSL	38,35,196	22.65
<b>TOTAL</b>	<b>1,69,36,843</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 2015.

**(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, Sakinaka,  
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, 2008 to the Investor Education and Protection Fund (IEPF) on 07<sup>th</sup> September, 2015. 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, 2015 is as follows :

Financial Year	Amount in Rs.
2007-08	217231
2008-09	135698
2009-10	79946

**(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 : [lalit.tiwari@gssinfotech.com](mailto:lalit.tiwari@gssinfotech.com)

## **Annexure to Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2015**

### **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, 2015.

**Place: Hyderabad**

**Date: 10<sup>th</sup> August, 2015**

**Bhargav Marepally**

**CEO and Managing Director**

## CEO and CFO Certificate under Clause 49 (IX) of the Listing Agreement

The Board of Directors  
GSS Infotech Limited

We hereby certify that for the financial year ended 31<sup>st</sup> March, 2015, 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 2014-15, 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 –

- b) There have been no significant changes in internal control over financial reporting during the year 2014-15; and
- c) There have been no significant changes in accounting policies during the year 2014-15; and
- d) 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 and Managing Director

**Sanjay Heda**  
Chief Financial Officer

Place: Hyderabad

Date: 10<sup>th</sup> August, 2015

**CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF GSS INFOTECH LIMITED under Clause 49(XI) (A) of the Listing Agreement**

We have examined the compliance of conditions of Corporate Governance by GSS Infotech Limited ('the Company'), for the year ended 31<sup>st</sup> March, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company entered into with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's 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 and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement *except the composition of the Board of Directors as on 31<sup>st</sup> March, 2015 which is not in order as required under clause 49 (II) (A) of the Listing Agreement. It is observed that the non-compliance of clause 49 (II) (A) of the Listing Agreement i.e. the composition of Board of Directors was for a part of the year from 10<sup>th</sup> February 2015 to 31<sup>st</sup> March 2015, due to change in the Independent Status of Mr. Patri VenkataRamakrishna Prasad, Director of the Company. The Company has submitted to us that the matter is in the knowledge of the Board and utmost efforts are being made to bring the composition in order to ensure compliance.*

We 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: 10<sup>th</sup> August, 2015**

**A. Someswara Rao and Associates**

**Practising Company Secretary**

**ACS No. 18979**

**CP No. 11366**

# **CONSOLIDATED FINANCIAL STATEMENTS & NOTES**

## **INDEPENDENT AUDITORS' REPORT**

**To the Board of Directors of  
M/s GSS Infotech Limited**

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

We have audited the accompanying Consolidated Financial Statements of M/s GSS Infotech Limited ('the Company'), and its Group (the Company and its subsidiaries constitute "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these financial statements in terms of the requirements of the Companies Act 2013 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 Group 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' 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 there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the 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, but not for the purpose of expressing an opinion on whether the holding Company has an adequate internal financial controls system over financial reporting in place 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 Holding 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 financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated State of Affairs of the Group as at 31 March 2015 and their consolidated Loss and its consolidated Cash Flows for the year ended on that date.

### **Other Matter**

We did not audit the financial statements of one US subsidiary, whose financial statements reflect total assets of Rs.179,45,27,823 as at 31<sup>st</sup> March, 2015 and total revenues of Rs.218,00,23,428 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management 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.

For Sarath & Associates  
Chartered Accountants  
Firm's Regn.No.051205

P Sarath Kumar  
Partner  
M. No. 021755

Place: Hyderabad  
Date : 30.05.2015



## GSS INFOTECH LIMITED

### CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note	As at 31st March, 2015	As at 31st March, 2014
		₹	₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	169,368,630	141,368,430
(b) Reserves and Surplus	2	1,515,203,132	3,254,005,084
(c) Money received against share warrants	3	-	57,400,000
<b>(2) Share Application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	63,500,000	93,869,317
(b) Deferred Tax Liability (Net)	4	-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	9	-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	106,855,463	90,085,873
(b) Trade Payables	7	149,865,917	229,794,094
(c) Other Current Liabilities	8	132,351,736	132,907,693
(d) Short-Term Provisions	9	106,476,167	45,379,930
<b>Total Equity &amp; Liabilities</b>		<b>2,243,621,046</b>	<b>4,044,810,421</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Gross Block		1,460,603,745	3,261,729,901
(ii) Depreciation		107,620,137	90,048,596
(iii) Net Block		1,352,983,607	3,171,681,306
(b) Non-current investments	11	-	-
(c) Deferred tax asset (net)	4	1,402,059	82,866,739
(d) Loans and advances	12	187,970,834	188,488,532
(e) Other non-current assets	13	-	-
<b>(2) Current Assets</b>			
(a) Current investments			
(b) Inventories			
(c) Trade receivables	14	448,669,754	422,577,596
(d) Cash and Bank balances	15	85,267,757	62,060,012
(e) Loans and advances	12	50,827,820	44,829,025
(f) Other current assets	13	116,499,215	72,307,212
<b>Total Assets</b>		<b>2,243,621,046</b>	<b>4,044,810,421</b>
<b>Notes attached there to form an integral part of Balance Sheet</b>			

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

Ramesh Yerramsetti  
Director

Hyderabad  
30.05.2015

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, 2015

	Particulars	Note	Year ended 31st March, 2015	Year ended 31st March, 2014
			₹	₹
	<b>Income:</b>			
I.	Revenue from operations	16	2,428,933,940	2,695,801,347
II.	Other Income	17	25,158,111	64,089,877
III.	<b>Total Revenue</b>		<b><u>2,454,092,051</u></b>	<b><u>2,759,891,224</u></b>
IV.	<b>Expenses:</b>			
	Direct cost	18	948,525,689	928,905,722
	Purchase of Stock-in-Trade			
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade			
	Employee benefits expense	19	1,133,277,780	1,422,017,797
	Other expenses	21	238,698,514	316,692,361
	<b>Total Expenses</b>		<b><u>2,320,501,982</u></b>	<b><u>2,667,615,879</u></b>
V.	Earnings before Interest, Tax, Depreciation, Exceptional and extra ordinary items (EBITDA)	(III - IV)	133,590,069	92,275,345
	Finance cost	20	36,621,474	43,198,018
	Depreciation and amortization expense	10	16,132,198	17,036,084
VI.	<b>Profit before exceptional and extraordinary items and tax</b>		<b><u>80,836,398</u></b>	<b><u>32,041,243</u></b>
VII.	Exceptional Items		1,933,125,010	-
VIII.	<b>Profit before extraordinary items and tax</b>	(VI - VII)	<b><u>(1,852,288,612)</u></b>	<b><u>32,041,243</u></b>
IX.	Extraordinary Items		-	-
X.	<b>Profit before tax</b>	(VIII-IX)	<b><u>(1,852,288,612)</u></b>	<b><u>32,041,243</u></b>
XI.	Tax expense:	22		
	(1) Current tax		2,620,920	2,480,440
	(2) Current Tax relating to previous years		-	(21,926,237)
	(3) Deferred tax		81,909,437	(11,663,909)
	<b>Total Tax Expense</b>		<b><u>84,530,357</u></b>	<b><u>(31,109,706)</u></b>
XII.	<b>Profit(Loss) for the perid from continuing operations</b>	(X-XI)	<b><u>(1,936,818,968)</u></b>	<b><u>63,150,949</u></b>
XIII.	Profit/(Loss) from discontinuing operations		-	-
XIV.	Tax expense of discontinuing operations		-	-
XV.	<b>Profit/(Loss) from Discontinuing operations</b>	(XIII + XIV)	<b><u>-</u></b>	<b><u>-</u></b>
XVI.	<b>Profit/(Loss) for the period</b>	(XII + XV)	<b><u>(1,936,818,968)</u></b>	<b><u>63,150,949</u></b>
XVII.	Earning per equity share:			
	(1) Basic		(114.36)	4.47
	(2) Diluted		(121.51)	3.73

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

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

Ramesh Yerramsetti  
Director

**P. SARATH KUMAR**

Partner

Membership No: 21755

Sanjay Heda  
Chief Financial Officer

Lalit Kumar Tiwari  
Company Secretary

Hyderabad

30.05.2015

**GSS INFOTECH LTD**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

(Amounts in ₹)

Particulars	31st March, 2015	31st March, 2014
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	(1,852,288,612)	32,041,243
<b>Profit before tax</b>	<b>(1,852,288,612)</b>	<b>32,041,243</b>
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation/amortization on continuing operation	16,132,198	17,036,084
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	1,933,125,010	-
Provision for Bad Debts made / (written back)	-	602,883
Bad debts written off	5,028,752	81,480,552
Unrealized foreign exchange loss	(20,542,308)	-
Interest expense	36,621,474	43,198,018
Interest income	(2,572,764)	(2,204,715)
<b>Operating profit before working capital changes</b>	<b>115,503,748</b>	<b>172,154,064</b>
<b>Movements in working capital :</b>		
Increase/(decrease) in trade payables	(79,928,177)	94,332,937
Increase / (decrease) in long-term provisions	-	-
Increase / (decrease) in short-term provisions	61,096,238	(53,023,918)
Increase/(decrease) in other current liabilities	(555,957)	(9,390,959)
Increase/ (decrease) in other long-term liabilities	-	-
Decrease/(increase) in trade receivables	(31,120,910)	(135,241,638)
Decrease / (increase) in long-term loans and advances	21,060,006	40,498,209
Decrease / (increase) in short-term loans and advances	(5,998,795)	9,312,613
Decrease/(increase) in other current assets	(31,261,285)	(26,693,759)
Decrease / (increase) in other non-current assets	-	-
Cash generated from operations	<b>48,794,868</b>	<b>91,947,547</b>
Direct taxes paid/ adjusted (net of refunds)	(15,551,638)	(12,646,769)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>33,243,230</b>	<b>79,300,778</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(2,199,414)	(4,513,075)
Proceeds from sale of fixed assets	21,500	3,566,908
Proceeds of non-current investments	-	-
Increase in Goodwill on Consolidation due to difference in exchange rate	(129,820,935)	(297,701,296)
Investments in Subsidiaries of non-current investments	-	-
Investments in bank deposits (having original maturity of more than		
Redemption/maturity of bank deposits		
(having original maturity of more than three months)	938,662	(9,584,417)
Unpaid Dividend Account having with Banks	-	(432,875)
Purchase consideration Paid for Acquisition - Net	-	-
Interest received	2,572,764	2,204,715
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(128,487,423)</b>	<b>(306,460,039)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share capital		
Proceeds from share application money	57,400,200	-
Proceeds from issuance of preference share capital	-	-
Payment of share issue expenses	-	-
Increase in Exchange translation RESERVE	112,211,601	254,248,905
Proceeds from long-term borrowings	(30,369,317)	122,369,317
Repayment of long-term borrowings		
Proceeds from short-term borrowings		
Repayment of short-term borrowings	16,769,590	(156,395,267)
Interest paid	(36,621,474)	(43,198,018)
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>119,390,600</b>	<b>177,024,938</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>24,146,408</b>	<b>(50,134,323)</b>
Effect of exchange differences on cash & cash equivalents held in foreign currency		
Cash and cash equivalents at the beginning of the year	<b>52,042,720</b>	<b>102,177,044</b>
Cash and cash equivalents at the end of the year	<b>76,189,128</b>	<b>52,042,720</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	74,080	56,050
Cheques/ drafts on hand		
With banks- on current account	76,115,048	51,986,670
<b>Total cash and cash equivalents (note 15)</b>	<b>76,189,128</b>	<b>52,042,720</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:0051205

**P. SARATH KUMAR**

Partner

Membership No: 21755

Hyderabad  
30.05.2015

**For and on behalf of the Board**

Bhargav Marepally  
CEO & Managing Director

Ramesh Yerramsetti  
Director

Sanjay Heda  
Chief Financial Officer

Lalit Kumar Tiwari  
Company Secretary

## GSS INFOTECH LIMITED

### NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	31st March, 2015 ₹	31st March, 2014 ₹
<b>Note - 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>		
1,69,36,863 (Previous Year 1,41,36,843) Equity Shares of Rs.10/- each fully paid up	169,368,630	141,368,430
(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)	169,368,630	141,368,430
<b>Note - 2: Reserves and Surplus</b>		
<b>Securities Premium Account</b>		
Balance as per the last financial statements	1,965,580,129	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	1,965,580,129
<b>General Reserve</b>		
<b>Balance as per the last financial statements</b>	24,001,603	24,001,603
Add: Transferred by appropriation from profits	-	-
<b>Closing balance</b>	24,001,603	24,001,603
<b>Foreign exchange Translation Reserve</b>	817,370,629	705,159,028
<b>Surplus/ ( Deficit) in the Statement of Profit and Loss Account</b>		
Balance as per last financial statements	559,264,323	496,113,374
Less: Appropriations		
- Deferred Tax Effect on Depreciation of Shchedule II	444,757	-
- Adjusted on account of Depreciation of Schedule II	(1,439,341)	-
Profit for the year	(1,936,818,968)	63,150,949
Less: Appropriations		
- Proposed Dividend	-	-
- Tax on Proposed Dividend	-	-
<b>Closing Balance</b>	(1,378,549,229)	559,264,323
<b>Total</b>	1,515,203,132	3,254,005,084
<b>Note - 3: Money received against share warrants</b>		
Money received against share warrants	-	57,400,000
	-	57,400,000
<b>Note - 4: Deferred Tax Liability/ (Asset) Net</b>		
Balance as per the last financial statements	(82,866,739)	(71,202,830)
Add: Adjustments for the year	81,909,437	(11,663,909)
Add: Deferred Tax Effect on Depreciation of Shchedule II	444,757	-
	(1,402,059)	(82,866,739)

## GSS INFOTECH LIMITED

### NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	31st March, 2015	31st March, 2014
	₹	₹
<b>Note - 5: Long term borrowings</b>		
<b>Secured Loans</b>		
Term Loan	63,500,000	93,869,317
	<u>63,500,000</u>	<u>93,869,317</u>
<b>Note - 6: Short term borrowings</b>		
<b>Secured Loans</b>		
Cash Credit from banks/ Institutions (Secured)	106,855,463	90,085,873
	<u>106,855,463</u>	<u>90,085,873</u>
<b>Note - 7: Trade Payables</b>		
- Dues of Micro and Small Enterprises	-	-
- Others	149,865,917	229,794,094
	<u>149,865,917</u>	<u>229,794,094</u>
<b>Note - 8: Other Current Liabilities</b>		
Current Maturity of Long Term Debt	30,000,000	28,500,000
Other Current Liabilities	26,699,549	32,109,684
Salary Payable	350,033	968,120
Due to Directors	1,371,845	2,871,146
Unclaimed Dividend	432,875	432,875
Acquisition Payments due	73,497,434	68,025,868
Short Term Borrowings	-	-
	<u>132,351,736</u>	<u>132,907,693</u>
<b>Note - 9: Provisions:</b>		
	<b>Long-term</b>	<b>Short-term</b>
	31st March, 31st March,	31st March, 31st March,
	2015 2014	2015 2014
<b>Provision for Employee Benefits</b>		
Provision for Retirement Benefits	-	2,532,495
<b>Other Provisions</b>	-	5,395,797
Provision for Income Tax	-	-
Proposed Dividend	-	-
Provision for Dividend Distribution Tax	-	-
Provision for Expenses	-	103,943,672
	<u>-</u>	<u>39,984,133</u>
	<u>-</u>	<u>106,476,167</u>
	<u>-</u>	<u>45,379,930</u>
<b>Note - 10: Fixed Assets:</b>	<b>31st March, 2015</b>	<b>31st March, 2014</b>
<b>Tangible</b>		
(i) Gross Block	130,483,751	128,305,837
(ii) Depreciation	107,620,137	90,048,596
(iii) Net Block	<u>22,863,614</u>	<u>38,257,242</u>
<b>In Tangible</b>		
(i) Gross Block	1,330,119,994	3,133,424,064
(ii) Depreciation	-	-
(iii) Net Block	<u>1,330,119,994</u>	<u>3,133,424,064</u>
<b>Total</b>	<u>1,352,983,607</u>	<u>3,171,681,306</u>

## GSS INFOTECH LIMITED

### NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	31st March, 2015		31st March, 2014	
	₹		₹	
<b>Note - 11: Non- Current Investments:</b>	-	-	-	-
<b>Note - 12: Loans and advances:</b> (Unsecured, Considered good unless otherwise stated)	<b>Non-current</b>		<b>Current</b>	
	<b>31st March, 2015</b>	<b>31st March, 2014</b>	<b>31st March, 2015</b>	<b>31st March, 2014</b>
Rental and Other deposits	15,606,510	16,099,615	-	-
Prepaid Expenses & Other Current Assets	-	-	23,140,404	22,998,148
Advances Recoverable in Cash or in Kind or for value to be received	88,908,332	88,932,925	26,966	292,839
Balances with Statutory/government authorities	83,455,992	83,455,992	27,660,450	21,538,038
<b>Total</b>	<b>187,970,834</b>	<b>188,488,532</b>	<b>50,827,820</b>	<b>44,829,025</b>
<b>Note - 13: Other Current assets :</b>	<b>Non-current</b>		<b>Current</b>	
	<b>31st March, 2015</b>	<b>31st March, 2014</b>	<b>31st March, 2015</b>	<b>31st March, 2014</b>
Advance Tax & TDS Recoverable	-	-	48,212,609	35,281,891
Inventory	-	-	3,470,053	1,398,107
Accrued Income	-	-	64,816,553	35,627,214
	-	-	<b>116,499,215</b>	<b>72,307,212</b>
<b>Note - 14: Trade Receivables:</b> (Unsecured, Considered Good)	<b>31st March, 2015</b>		<b>31st March, 2014</b>	
Outstanding for a period exceeding Six Months	-		-	
Others	448,669,754		422,577,596	
	<b>448,669,754</b>		<b>422,577,596</b>	
<b>Note - 15: Cash and Bank balances</b>	<b>Non-current</b>		<b>Current</b>	
	<b>31st March, 2015</b>	<b>31st March, 2014</b>	<b>31st March, 2015</b>	<b>31st March, 2014</b>
<b>Cash and cash Equivalents:</b>				
On current accounts	-	-	76,115,048	51,986,670
Deposits with original maturity of less than 3 months	-	-	-	-
Cash on hand	-	-	74,080	56,050
<b>Balance with banks:</b>				
On unpaid dividend accounts	-	-	432,875	432,875
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	8,645,755	9,584,417	-	-
	<b>8,645,755</b>	<b>9,584,417</b>	<b>76,622,003</b>	<b>52,475,595</b>

## GSS INFOTECH LIMITED

### Note - 10: FIXED ASSETS

(Amount in ₹)

S. No.	Particulars	Gross Block Value			Accumulated Depreciation			Net Block Value	
		As at 01-04-2014	Additions	Deductions	As at 31-03-2015	As at 01-04-2014	Additions	As at 31-03-2015	As at 31-03-2014
A	<b>TANGIBLE ASSETS:</b>								
1	Computer Equipment	45,351,861	428,564	-	45,780,425	37,181,521	3,952,847	41,480,779	4,295,646
2	Furniture And Fixtures	11,090,024	672,481	-	11,762,505	7,458,815	1,012,410	8,471,225	3,291,280
3	Vehicles	12,187,568	-	-	12,187,568	9,649,951	849,091	10,499,042	1,688,525
4	Plant and Machinery	8,342,294	1,098,369	21,500	9,419,163	4,132,684	1,689,917	6,675,225	2,743,939
	<b>Total (A)</b>	<b>76,971,747</b>	<b>2,199,414</b>	<b>21,500</b>	<b>79,149,661</b>	<b>58,422,970</b>	<b>7,504,265</b>	<b>67,126,271</b>	<b>12,023,390</b>
B	<b>INTANGIBLE ASSETS:</b>								
5	Goodwill	3,133,424,064	129,820,939	1,933,125,010	1,330,119,994	-	-	-	1,330,119,994
6	Software	9,478,754	-	-	9,478,754	8,582,256	257,535	9,079,425	399,329
7	Copyrights	41,855,336	-	-	41,855,336	23,043,369	8,371,067	31,414,436	10,440,900
	<b>Total (B)</b>	<b>3,184,758,154</b>	<b>129,820,939</b>	<b>1,933,125,010</b>	<b>1,381,454,084</b>	<b>31,625,625</b>	<b>8,628,602</b>	<b>40,493,861</b>	<b>1,340,960,222</b>
	<b>GRAND TOTAL</b>	<b>3,261,729,901</b>	<b>132,020,354</b>	<b>1,933,146,510</b>	<b>1,460,603,745</b>	<b>90,048,595</b>	<b>16,132,868</b>	<b>107,620,132</b>	<b>1,352,983,612</b>
	Previous Year Total	2,980,171,383	302,214,370	20,655,853	3,261,729,901	90,101,456	17,036,084	90,048,595	3,171,681,306
									2,890,069,927

**GSS INFOTECH LIMITED**

**NOTES FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

<b>PARTICULARS</b>	<b>Year ended 31st March, 2015</b>	<b>Year ended 31st March, 2014</b>
	₹	₹
<b>Note - 16: Revenue from Operations</b>		
Sale of services		
a) Revenue from Operations	2,428,933,940	2,695,801,347
	<b>2,428,933,940</b>	<b>2,695,801,347</b>
<b>Note - 17: Other Income</b>		
Interest Income (Gross)		
a) Interest on Fixed Deposits	2,572,764	2,204,715
b) Other interest	-	-
Miscellaneous Income	2,043,039	17,076,106
Gain on Exchange Rate Fluctuations	20,542,308	44,809,056
	<b>25,158,111</b>	<b>64,089,877</b>
<b>Note - 18: Direct Cost</b>		
Software Expenses	17,375	16,870
Subcontractor Expenses	354,778,744	297,439,673
Hardware Expenses	573,492,768	588,051,651
Rent - Equipments	20,236,802	43,397,528
	<b>948,525,689</b>	<b>928,905,722</b>
<b>Note - 19: Employee benefit expense</b>		
Salaries and allowances	1,113,461,119	1,396,464,254
Contribution to PF and Others	7,783,689	7,609,906
Managerial Remuneration	-	-
Recruitment & Training	9,390,779	15,459,116
Employee Welfare Expenses	2,642,192	2,484,521
	<b>1,133,277,780</b>	<b>1,422,017,797</b>
<b>Note - 20: Finance Cost</b>		
Interest Expense	29,456,803	37,514,636
Other borrowing costs	7,164,671	5,683,382
	<b>36,621,474</b>	<b>43,198,018</b>



**GSS INFOTECH LIMITED**

**NOTES FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

PARTICULARS	Year ended 31st March, 2015	Year ended 31st March, 2014
	₹	₹
<b>Note - 21: Other Expenses</b>		
Directors' Sitting Fees	640,000	520,000
Printing & Stationery	535,110	361,057
Telephone Expenses	8,091,023	9,726,754
Internet and Web Expenses	4,435,378	4,429,671
Rent	38,364,037	39,319,173
Insurance	37,322,460	38,148,796
Rates and Taxes	2,582,464	1,202,630
License, Immigration and Permits	19,224,887	14,973,108
Local Conveyance and Vehicle Maintenance	12,965,396	7,118,215
Repairs and Maintenance:		
- Buildings	644,619	132,019
- Machinery	1,986,562	402,531
- Others	2,107,672	1,939,918
Travel Expenses	35,803,588	39,883,084
Utilities	9,737,801	8,612,900
Professional Fees	34,400,401	47,645,400
Auditors' Remuneration	1,444,857	1,461,044
Advertisement And Business Promotion	14,081,453	9,222,225
Bad Debts Written Off	5,028,752	81,480,552
Provision of Bad Debts	-	602,883
Meeting Expense	391,402	353,558
General Office Expenses	8,910,651	9,156,846
Exchange Rate Fluctuation - Loss	-	-
Loss on sale of fixed assets	-	-
	<b>238,698,514</b>	<b>316,692,361</b>
<b>Note - 22: Tax Expenses:</b>		
Current Tax (MAT)	2,963,228	4,675,726
Current Tax Relating to Previous Years A/c	-	(21,926,237)
Less: MAT Credit Entitlements	(342,308)	(2,195,286)
<i>Net Current Tax</i>	<i>2,620,920</i>	<i>19,445,797</i>
Deferred Tax	81,909,437	(11,663,909)
	<b>84,530,357</b>	<b>(31,109,706)</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 USA. A Pioneer in managed IT Services, GSS offers Cloud Enablement Services Remote Infrastructure and Application management services to customers across the globe. Over the years, GSS has established itself as a choice of providers with over 40 Fortune global customers covering Financial Services, Insurance, HealthCare, Education and Government industry segments.

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

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

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

#### (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	
			31.03.2015	31.03.2014
<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 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.

*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 Statement of Profit and Loss are translated at the average exchange rate during the period. The differences arising out of the translation is recognized in the Statement of Profit and Loss.

*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 Statement of Profit and Loss 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 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 from matching contribution from the employer to Provident Fund Scheme, State Insurance and Other Schemes which are defined benefit plans. Both the employee and company make monthly contributions to these plans equal to specified percentage of the employee's salary.
  - Retirement Benefits:**
  - 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 31st March, 2015 amounts Rs.2,29,97,751/- (Previous Year: Rs. 2,59,55,752/-)
- ii) Appeal pending before Income Tax Administrative Tribunal for the AY 2009-10, involving Tax Amount of Rs.28,28,435/-
- iii) Appeal pending before Income Tax Tribunal for the AY 2010-11, involving Net Tax payable amount of Rs.3,85,52,400/-, including interest of Rs.1,30,03,002/- (against which Company has MAT Credit of Rs. 2,30,19,382/-).
- iv) Appeal pending before Income Tax Tribunal for the AY 2011-12, involving Net Tax payable amount of Rs.5,84,75,130/-, including interest of Rs.1,99,44,576/-.
- v) There was a Service Tax demand amounting to Rs. 10,218,344/- (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.
- vi) The Company had filed application for compounding before the Reserve Bank of India for obtaining permissions under the FEMA provisions in relation to transfer of funds to the Fully Owned Subsidiary Company by the Branch which was returned back on procedural aspects and the Company is in the process of re-submitting the same.

**2. Details of Fees to Auditors:**

Particulars	2014-15	2013-14
	₹	₹
As Auditors	12,25,000	12,29,500
For Certifications	--	1,00,000
Out of Pocket Expenses	10,109	11,299
<b>Total</b>	<b>12,35,109</b>	<b>13,40,799</b>

**3. Tax Expense:**

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

**4. Managerial Remuneration:**

The Managerial Remuneration to Whole Time Directors for the year is Rs 1,50,32,708/- (Previous year Rs. 60,50,000/-)

5. As part of Annual Impairment analysis, there was an impairment in the value of Goodwill and same was taken in to account. 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 Statement of Profit and Loss is Rs. 3,83,64,037/- (Previous Year Rs. 3,93,19,173/- )

The future minimum lease payments are as given below:

	2014-15	2013-14
	₹	₹
Not later than one year	18,128,491	1,69,91,451
Later than one year and not later than five years	22,080,248	2,01,83,747
Later than five years	NIL	NIL

Company has operating lease for UID Equipment, for which the future minimum lease payments are as given below:

	2014-15	2013-14
	₹	₹
Not later than one year	--	2,36,51,344
Later than one year and not later than five years	--	1,19,32,149
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. 77,83,689/- (Previous Year:Rs.76,09,906/-)

### 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	2014-15	2013-14
	₹	₹
Expenses recognized during the year	12,77,734	12,39,773
Present value of obligation at the year end	25,32,495	28,98,594

### 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	2014-15	2013-14
	₹	₹
Expenses recognized during the year	1,66,958	26,45,514
Present value of obligation at the year end	--	24,97,202
Value Present value of Planned Assets at the year end	42,81,402	21,10,594
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	2014-15	2013-14
	₹	₹
Business from United States of America	230,56,74,333	252,00,44,870
Business from Middle East	0	1,59,001
Business from Singapore	0	0
Business from Bangladesh	2,20,62,420	3,26,13,245
Domestic	10,11,97,187	14,29,84,231
<b>Total</b>	<b>242,89,33,940</b>	<b>269,58,01,347</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	2014-15		2013-14	
	Amount	Outstanding As at 31.03.2015	Amount	Outstanding As at 31.03.2014
	₹	₹	₹	₹
Managerial remuneration to Key Management Personnel	1,50,32,709	–	60,50,000	–
Loan Received		13,71,845	–	28,71,146
Repayment of Loan Received	14,99,301		2,26,996	

- 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	2014 -15	2013 -14
Loan Received	Ramesh Yerramsetti	-	-
Repayment of Loan Received	Ramesh Yerramsetti	2,41,848	1,86,209
Loan Received	Bhargav Marepally	-	-
Repayment of Loan Received	Bhargav Marepally	12,57,453	40,787



# 10. Earnings Per Share (EPS):

The Numerator and Denominator used to calculate Earnings Per Share:

Particulars		2014-15	2013-14
		₹	₹
<b>A. EARNINGS:</b>			
	Profit attributable to Equity Shareholders	(1,936,818,968)	6,31,50,949
<b>B. NO.OF SHARES:</b>			
	Weighted average number of Equity Shares outstanding during the year (No s) - Basic	1,69,36,863	1,41,36,843
	Weighted Average number of Equity shares arising out of outstanding stock options that have diluting effect on Earnings Per Share	Nil	28,00,000
	Weighted average number of Equity Shares outstanding during the year - Diluted	1,69,36,863	1,69,36,843
<b>C. EARNINGS PER SHARE:</b>			
	Earnings per Share of Par Value Rs.10/- each - Basic	(114.36)	4.47
	Earnings per Share of Par Value Rs.10/- each - Diluted	(121.51)	3.73

- 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.
- The previous year's figures have been regrouped where necessary to correspond with current year's figures. The figures are rounded off to the nearest Rupee.
- The Notes referred in the financial statements form an integral part of Accounts.

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

Ramesh Yerramsetti  
Director

Place: Hyderabad  
Date: 30.05.2015

Sanjay Heda  
Chief Financial Officer

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

INR In Lakhs  
USD in Million

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)	28.63	28.63	-	35.65	(30.98)	(0.04)	(31.02)	-	100%
2	GSS IT Solutions Private Limited	INR	1.00	(5.77)	13.99	13.99	-	-	(0.49)	-	(0.49)	-	100%
3	GSS Healthcare IT Solutions Private Limited	INR	1.00	(10.80)	998.92	998.92	-	1,135.78	23.70	(10.60)	13.10	-	100%

\* Subsidiaries includes stepdown subsidiaries

# **STANDALONE FINANCIAL STATEMENTS & NOTES**

## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
M/s GSS Infotech Limited

### Report on the Financial Statements

We have audited the accompanying Financial Statements of **M/s GSS Infotech Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the statement of Profit and Loss and the 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 and presentation 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.

### Auditors' 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 31 March 2015 and its Loss and its Cash Flows for the year ended on that date.

**Emphasis of Matter**

As discussed in Note No. 11 to the Financial Statements read with Note No.5 to the Para 2.2 Notes to Account, the Company had provided an amount of Rs.134,92,99,076/- towards provision for diminution in the value of investments in respect of its investment in the Wholly Owned Subsidiary M/s GSS Infotech Inc. (Delaware Company) which arose upon writing off of Goodwill in the step-down subsidiaries of Wholly Owned Subsidiaries, as per the Audited Financials duly audited by the US local Auditor. Without qualifying our opinion, we draw attention to the fact that evaluation of the Investments was done based on the Audited Financials of the Wholly Owned Subsidiary in USA, the audit of which was not performed by us and we had relied on the independent assessment made by the US local auditor for testing the value of the investments.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") 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 statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 purposes 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 the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with

Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For Sarath & Associates  
Chartered Accountants  
Firm's Regn.No.05120S

Place: Hyderabad  
Date : 30.05.2015

P Sarath Kumar  
Partner  
M. No. 021755

## Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per the information and explanations given to us, the Company has a regular programme of physical verification of fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- (ii) 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.
- (iii) (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.24,12,30,979/-
- (b) As per the information and explanations given to us, in our opinion, the above loans are given to fully owned subsidiary companies for carrying out principal business activities of the Company and does not carry interest or do not specify any specific repayment schedule and hence is geneally repayable on demand. Considering the principal business activities carried out by these fully owned subsidiaries, we are of 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.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and providing of Services. We have not observed any continuing failure to correct major weakness in the internal control system during the course of our audit.
- (v) The Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 of the act and rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act 2013.
- (vii) (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 31.03.2015 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.3,85,52,400/- respectively; and Appeal pending before Dispute Resolution Panel for the AY 2011-12, involving Tax amount of Rs.5,84,75,130/-

- ii. Service Tax demand amounting to Rs.10,218,344/- for the years 2010-12, 2012-13 & 2013-14 on certain Import of Business Support Services for Bangladesh Project availed in that country, against which Company filed appeal before CESTAT, Bangalore.
- (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.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) As per the information and explanations given to us, the Company did not have any outstanding dues to any financial institution or bank or debenture holders as at the balance sheet date, and hence the provisions of Clause 3( ix) of the Order are not applicable to the Company for the current year.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company did not avail any fresh term loans during the year.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Sarath & Associates  
Chartered Accountants  
Firm's Regn.No.05120S

Place: Hyderabad  
Date : 30.05.2015

P Sarath Kumar  
Partner  
M. No. 021755

**GSS INFOTECH LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2015**

Particulars	Note	As at 31st March, 2015	As at 31st March, 2014
<b>I. EQUITY AND LIABILITIES</b>		₹	₹
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	169,368,430	141,368,430
(b) Reserves and Surplus	2	1,480,729,736	2,742,929,213
(c) Money received against share warrants	3	-	57,400,000
<b>(2) Share Application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	63,500,000	93,495,255
(b) Deferred Tax Liability (net)	4	-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	9	-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	-	-
(b) Trade Payables	7	10,978,582	20,419,394
(c) Other Current Liabilities	8	46,683,353	43,323,007
(d) Short-Term Provisions	9	37,450,336	45,199,731
<b>Total Equity &amp; Liabilities</b>		<b>1,808,710,437</b>	<b>3,144,135,030</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>	10		
(i) Gross Block		99,003,041	97,703,790
(ii) Depreciation		84,012,244	70,086,572
<b>(iii) Net Block</b>		<b>14,990,797</b>	<b>27,617,218</b>
(b) Non-current investments	11	873,680,544	2,222,979,620
(c) Deferred tax asset (net)	4	1,393,613	81,798,198
(d) Loans and advances	12	426,819,704	352,635,494
(e) Other non-current assets	13	-	-
<b>(2) Current Assets</b>			
(a) Current investments			
(b) Inventories			
(c) Trade receivables	14	346,077,441	358,623,146
(d) Cash and Bank balances	15	62,549,942	27,161,023
(e) Loans and advances	12	29,262,578	24,524,359
(f) Other current assets	13	53,935,819	48,795,973
<b>Total Assets</b>		<b>1,808,710,437</b>	<b>3,144,135,030</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:0051205

**P. SARATH KUMAR**

Partner

Membership No: 21755

Hyderabad

30.05.2015

Bhargav Marepally  
CEO & Managing Director

Ramesh Yerramsetti  
Director

Sanjay Heda  
Chief Financial Officer

Lalit Kumar Tiwari  
Company Secretary



## GSS INFOTECH LIMITED

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Particulars	Note	Year ended 31st March, 2015	Year ended 31st March, 2014
			₹	₹
I.	Income			
	Revenue from operations	16	353,480,002	461,394,156
II.	Other Income	17	22,628,619	60,553,694
III.	<b>Total Revenue</b>		<b>376,108,621</b>	<b>521,947,850</b>
IV.	<b>Expenses:</b>			
	Direct cost	18	40,866,760	123,803,726
	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
	Employee benefits expense	19	169,917,293	210,707,696
	Other expenses	21	53,434,290	138,179,121
	<b>Total Expenses</b>		<b>264,218,343</b>	<b>472,690,543</b>
V.	Earnings before Interest, Tax, Depreciation, Exceptional and extra ordinary items <b>(EBITDA)</b>	<b>(III - IV)</b>	<b>111,890,278</b>	<b>49,257,307</b>
	Finance costs	20	17,043,629	26,293,938
	Depreciation and amortization expense	10	12,486,332	11,991,191
VI.	<b>Profit before exceptional and extraordinary items and tax</b>		<b>82,360,317</b>	<b>10,972,178</b>
VII.	Exceptional Items (Refer Note No.2.2.5)		1,349,299,076	-
VIII.	<b>Profit before extraordinary items and tax</b>	<b>(VI - VII)</b>	<b>(1,266,938,759)</b>	<b>10,972,178</b>
IX.	Extraordinary Items		-	-
X.	<b>Profit before tax</b>	<b>(VIII-IX)</b>	<b>(1,266,938,759)</b>	<b>10,972,178</b>
XI.	Tax expense:	22		
	(1) Current tax		-	-
	(2) Current Tax relating to previous years		-	(21,926,237)
	(3) Deferred tax		80,849,342	(10,270,834)
	<b>Total Tax Expense</b>		80,849,342	(32,197,071)
XII.	<b>Profit/(Loss) for the period from continuing operations</b>	<b>(X-XI)</b>	<b>(1,347,788,101)</b>	<b>43,169,249</b>
XIII.	Profit/(Loss) from discontinuing operations		-	-
XIV.	Tax expense of discontinuing operations		-	-
XV.	<b>Profit/(Loss) from Discontinuing operations</b>	<b>(XIII + XIV)</b>	-	-
XVI.	<b>Profit/(Loss) for the period</b>	<b>(XII + XV)</b>	<b>(1,347,788,101)</b>	<b>43,169,249</b>
XVII.	Earning per equity share:			
	(1) Basic		(79.58)	3.05
	(2) Diluted		(84.56)	2.55

**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

Ramesh Yerramsetti  
Director

**P. SARATH KUMAR**

Partner

Membership No:21755

Sanjay Heda  
Chief Financial Officer

Lalit Kumar Tiwari  
Company Secretary

Hyderabad  
30.05.2015

**GSS INFOTECH LTD**  
**CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2015**

(Amount in ₹)

Particulars	31st March, 2015	31st March, 2014
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	(1,266,938,759)	10,972,178
<b>Profit before tax</b>	<b>(1,266,938,759)</b>	<b>10,972,178</b>
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation/amortization on continuing operation	12,486,332	11,991,191
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	1,349,299,076	-
Unrealized foreign exchange loss	(18,204,802)	-
Bad Debts written off	2,215,607	78,871,538
Interest expense	17,043,629	26,293,938
Interest income	(2,572,764)	(2,204,715)
<b>Operating profit before working capital changes</b>	<b>93,328,318</b>	<b>125,924,130</b>
<b>Movements in working capital:</b>		
Increase/(decrease) in trade payables	(9,440,813)	5,162,474
Increase / (decrease) in long-term provisions	-	-
Increase / (decrease) in short-term provisions	(7,749,395)	8,553,017
Increase/(decrease) in other current liabilities	3,360,346	(19,806,844)
Increase/ (decrease) in other long-term liabilities	-	-
Decrease/(increase) in trade receivables	30,750,507	(33,886,865)
Decrease / (increase) in long-term loans and advances	(76,399,817)	(69,224,407)
Decrease / (increase) in short-term loans and advances	(4,738,219)	(314,344)
Decrease / (increase) in other current assets	8,133,178	(3,182,519)
Decrease / (increase) in other non-current cash & cash equivalents	-	(2,195,286)
Decrease / (increase) in other non-current assets	-	-
<b>Cash generated from operations</b>	<b>37,244,106</b>	<b>11,029,355</b>
Direct taxes paid (net of refunds)	(13,273,025)	(13,320,140)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>23,971,081</b>	<b>(2,290,785)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,299,251)	(1,171,214)
Proceeds from sale of fixed assets	-	-
Proceeds of non-current investments	-	-
Investments in Subsidiaries of non-current investments	-	(99,900)
Unpaid Dividend Account having with Banks	-	(432,875)
Redemption/maturity of bank deposits (having original maturity of more than three months)	938,662	(9,584,417)
Purchase consideration for amalgamation	-	-
Interest received	2,572,764	2,204,715
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>2,212,176</b>	<b>(9,083,691)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share capital	114,800,000	-
Proceeds/(Issue) from share application money	(57,400,000)	-
Proceeds from issuance of preference share capital	-	-
Payment of share issue expenses (refund of Buyback expenses)	-	-
Increase/(decrease) in Exchange translation Reserve	(216,791)	(619,895)
Proceeds/(Repayment) from long-term borrowings	(29,995,255)	121,995,255
Repayment of long-term borrowings	-	(143,085,709)
Proceeds/(Repayment) from short-term borrowings	-	-
Repayment of short-term borrowings	-	-
Interest paid	(17,043,629)	(26,293,938)
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>10,144,325</b>	<b>(48,004,288)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>36,327,581</b>	<b>(59,378,764)</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>17,143,731</b>	<b>76,522,496</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>53,471,313</b>	<b>17,143,731</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	35,385	46,246
Cheques/ drafts on hand	-	-
With banks- on current account	53,435,928	17,097,485
— on deposit account	-	-
<b>Total cash and cash equivalents</b>	<b>53,471,313</b>	<b>17,143,731</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

Ramesh Yerramsetti  
Director

**P. SARATH KUMAR**

Partner

Membership No: 21755

Sanjay Heda  
Chief Financial Officer

Lalit Kumar Tiwari  
Company Secretary

Hyderabad  
30.05.2015

**GSS INFOTECH LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015**

PARTICULARS	AS AT 31st MARCH, 2015		AS AT 31st MARCH, 2014	
	₹		₹	
<b>Note - 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>				
1,41,36,843 (Previous Year 1,41,36,843) Equity Shares of Rs.10/- each fully paid up	169,368,430		141,368,430	
(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)	169,368,430		141,368,430	
<b>a. Reconciliation of shares outstanding at the beginning and at the end of reporting period</b>				
<b>Equity shares</b>	<b>31st March, 2015</b>		<b>31st March, 2014</b>	
	<b>No. of shares</b>	<b>Amount In Rs.</b>	<b>No. of shares</b>	<b>Amount In Rs.</b>
At the beginning of the period	14,136,843	141,368,430	14,136,843	141,368,430
Issued during the period	2,800,000	28,000,000	-	-
Outstanding at the end of the period	16,936,843	169,368,430	14,136,843	141,368,430
<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, 2015</b>		<b>31st March, 2014</b>	
	<b>No. of shares</b>	<b>% of holding</b>	<b>No. of shares</b>	<b>% of holding</b>
Clearwater capital Partners Singapore Fund IV Pvt ltd	1,693,412	10.00%	-	0.00%
Madanlal Saraswathi	2,729,382	16.12%	-	0.00%
IL & FS Trust Company Ltd	1,952,505	11.53%	1,952,505	13.81%
Madhukar Sheth	1,644,003	9.71%	1,644,666	11.63%
Javed Faizullah Tapia	3,318,161	19.59%	-	0.00%
Surabhi Investement & Trading Company Pvt Ltd	-	0.00%	1,638,476	11.59%
Beaumaris Investments Ltd	-	0.00%	1,409,460	9.97%
Cleanwater Capital Partners Singapore Fund III Private Limited	1,384,590	8.18%	1,384,950	9.80%
Kubera Cross Border Fund (Mauritius) Ltd	-	0.00%	1,000,000	7.07%
	<b>12,722,053</b>	<b>75.13%</b>	<b>9,030,057</b>	<b>63.88%</b>
	<b>31st March, 2015</b>		<b>31st March, 2014</b>	
<b>Note - 2: Reserves and Surplus</b>				
<b>Securities Premium Account</b>				
Balance as per the last financial statements	1,965,580,129		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>1,965,580,129</b>	

**GSS INFOTECH LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015**

PARTICULARS	AS AT 31st MARCH, 2015	AS AT 31st MARCH, 2014
	₹	₹
<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>	<u>24,001,603</u>	<u>24,001,603</u>
<b>Foreign exchange Translation Reserve</b>	<b>197,642,526</b>	<b>197,859,316</b>
<b>Surplus/ (Deficit) in the Statement of Profit and Loss Account</b>		
Balance as per last financial statements	555,488,164	512,318,914
Profit for the year	(1,347,788,101)	43,169,249
<i>Less: Appropriations</i>		
- Deferred Tax Effect on Depreciation of Shchedule II	444,757	
- Adjusted on account of Depreciation of Schedule II	<u>(1,439,342)</u>	-
- Proposed Dividend		
- Tax on Proposed Dividend	-	-
Transfer to General Reserve	-	-
<b>Closing Balance</b>	<u>(793,294,523)</u>	<u>555,488,164</u>
<b>Total</b>	<u><b>1,480,729,736</b></u>	<u><b>2,742,929,213</b></u>
 <b>Note - 3: Money received against share warrants</b>		
Money received against share warrants	-	57,400,000
	-	<b>57,400,000</b>
<p>During the year under reievw, the Company had issued and allotted on preferential basis, in compliance with the provisions of Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and all other applicable Laws, Rules and Regulations, 28,00,000 equity shares on 09.08.2014, on exercising the option for conversion of warrants allotted at a premium of Rs.31 per equity share of Rs.10 each, out of the proceeds received against Share Warrants. The entire proceeds have been ultimately utilized for Working Capital operations of the Company.</p>		
 <b>Note - 4: Deferred Tax Liability/ (Asset) Net</b>		
Balance as per the last financial statements	(81,798,198)	(71,527,364)
Add: Adjustments for the year	80,849,342	(10,270,834)
Add: Deferred Tax Effect on Depreciation of Shchedule II	444,757	
	<u>(1,393,613)</u>	<u>(81,798,198)</u>
 <b>Note - 5 : Long term borrowings</b>		
<b>Secured Loans</b>		
Term Loan	63,500,000	93,495,255
	<u><b>63,500,000</b></u>	<u><b>93,495,255</b></u>
<p>Term Loan from banks is secured against the margin money deposits, Tangible assets and secured charge of trade receivables and carries interest @ 16.95%  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.</p>		
 <b>Note - 6: Short term borrowings</b>		
<b>Secured Loans</b>		
Cash Credit from banks (Secured)	-	-
Unsecured Loans	-	-
	<u>-</u>	<u>-</u>
	<b>March 31, 2015</b>	<b>March 31, 2014</b>
 <b>Note - 7: Trade Payables</b>		
- Dues of Micro and Small Enterprises	-	-
- Others	10,978,582	20,419,394
	<u><b>10,978,582</b></u>	<u><b>20,419,394</b></u>

**GSS INFOTECH LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015**

PARTICULARS	AS AT 31st MARCH, 2015	AS AT 31st MARCH, 2014
<b>Note - 8: Other Current Liabilities</b>	₹	₹
Current Maturity of Long Term Debt	30,000,000	28,500,000
Other Current Liabilities	14,878,633	10,865,356
Salary Payable	-	653,630
Due to Directors	1,371,845	2,871,146
Unclaimed Dividend	432,875	432,875
	<u>46,683,353</u>	<u>43,323,007</u>

**Note-9. Provisions:**

	Long-term		Short-term	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
<b>Provision for Employee Benefits</b>				
Provision for Leave benefits	-	-	2,343,472	5,269,851
<b>Other Provisions</b>				
Provision for Income Tax (Net of Tax Paid)	-	-		
Proposed Dividend	-	-		
Provision for Dividend Distribution Tax	-	-		
Provision for Expenses	-	-	35,106,864	39,929,880
	<u>-</u>	<u>-</u>	<u>37,450,336</u>	<u>45,199,731</u>

**Note -10. Fixed Assets:**

	31st March, 2015	31st March, 2014
<b>Tangible</b>		
(i) Gross Block	47,926,498	46,627,247
(ii) Depreciation	43,686,060	38,470,261
(iii) Net Block	<u>4,240,438</u>	<u>8,156,986</u>
<b>In Tangible</b>		
(i) Gross Block	51,076,543	51,076,543
(ii) Depreciation	40,326,184	31,616,311
(iii) Net Block	<u>10,750,359</u>	<u>19,460,232</u>
<b>Total</b>	<u>14,990,797</u>	<u>27,617,218</u>

**Note -11. Non- Current Investments:**

**Non—Trade-Unquoted -At Cost**

**Investments in Equity Instruments in wholly owned Subsidiaries:**

	31st March, 2015	31st March, 2014
<b>GSS Infotech Inc (Delaware)</b>		
1,500 (31-March-2014: 1,500) Equity Shares of \$1 each fully paid up in GSS Infotech Inc (Delaware)	2,222,779,820	
Less: Provision for Diminution in the Value of Investments (Refer Note No.2.2.5 to the Notes to Account)	<u>1,349,299,076</u>	2,222,779,820
<b>GSS Healthcare IT Solutions Private Ltd</b>		
9,990 (31-March-2014: Nil) Equity Shars of Rs/. 10/- each fully paid up in GSS Healthcare IT Solutions Pvt Ltd	99,900	99,900
<b>GSS IT Solutions Private Ltd</b>		
9,990 (31-March-2014: 9,990) Equity Shars of Rs/. 10/- each fully paid up in GSS IT Solutions Pvt Ltd	99,900	99,900
	<u>873,680,544</u>	<u>2,222,979,620</u>

**GSS INFOTECH LIMITED**  
**NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015**

PARTICULARS	AS AT 31st MARCH, 2015		AS AT 31st MARCH, 2014	
	₹		₹	
<b>Note -12: Loans and Advances:</b> (Unsecured, Considered good unless otherwise stated)				
	<b>Non-current</b>		<b>Current</b>	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Security deposits (Secured, considered good)	14,567,015	13,895,267	-	-
Loans and advances to Related Parties	241,230,979	167,693,924		
Advances Recoverable in Cash or in Kind or for value to be received	88,908,332	88,932,925	32,350	169,501
Prepaid Expenses	-	-	1,575,162	2,712,820
Loan to Employees	-	-	(5,384)	104,000
Balances with Statutory/government authorities	82,113,378	82,113,378	27,660,450	21,538,038
<b>Total</b>	<b>426,819,704</b>	<b>352,635,494</b>	<b>29,262,578</b>	<b>24,524,359</b>
<b>Note - 13: Other Current assets :</b>				
	<b>Non-current</b>		<b>Current</b>	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
Advance Tax & TDS Recoverable			48,554,917	35,281,891
Accrued Income			5,380,902	13,514,080
	<u>-</u>	<u>-</u>	<b>53,935,819</b>	<b>48,795,971</b>
<b>Note -14: Trade Receivables:</b> (Unsecured, Considered Good)				
	31st March, 2015		31st March, 2014	
Outstanding for a period exceeding Six Months from the date they became due for payment	-		-	
Others	346,077,441		358,623,146	
	<b>346,077,441</b>		<b>358,623,146</b>	
<b>Note - 15: Cash and Bank balances</b>				
	<b>Non Current</b>		<b>Current</b>	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
<b>Cash and cash Equivalents:</b>				
On current accounts	-	-	53,435,928	17,097,485
Deposits with original maturity of less than 3 months	-	-	-	-
Cash on hand	-	-	35,385	46,246
<b>Balance with banks:</b>				
On Unpaid Dividend accounts	-	-	432,875	432,875
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 (under lien for long term BG taken)	8,645,755	9,584,417	-	-
	<b>8,645,755</b>	<b>9,584,417</b>	<b>53,904,188</b>	<b>17,576,606</b>
<b>Note -16: Revenue from Operations</b>				
Sale of services				
a) Export Sales		252,282,815		318,409,925
b) Domestic sales		101,197,187		142,984,231
		<b>353,480,002</b>		<b>461,394,156</b>
<b>Note -17: Other Income</b>				
Interest on Fixed Deposits		2,572,764		2,204,715
Miscellaneous Income		1,851,053		15,873,102
Gain on Exchange Rate Fluctuations		18,204,802		42,475,877
		<b>22,628,619</b>		<b>60,553,694</b>

## GSS INFOTECH LIMITED

**Note No- 10: FIXED ASSETS**

(Amount in ₹)

S. No.	Particulars	Gross Block Value				Accumulated Depreciation			Net Block Value	
		As at 01-04-2014	Additions	Deductions	As at 31-03-2015	As at 01-04-2014	Additions	Deductions	As at 31-03-2015	As at 31-03-2014
A.	<b>TANGIBLE ASSETS:</b>									
1	Computer Equipment	29,066,989	225,400	-	29,292,389	25,458,275	1,960,336	-	27,765,023	1,527,366
2	Furniture And Fixtures	6,248,512	13,282	-	6,261,794	4,902,930	499,392	-	5,402,322	859,472
3	Vehicles	6,396,342	-	-	6,396,342	5,459,764	434,582	-	5,894,346	501,995
4	Plant and Machinery	4,915,405	1,082,069	21,500	5,975,974	2,649,292	1,122,452	672	4,624,369	1,351,605
	<b>Total (A)</b>	<b>46,627,247</b>	<b>1,320,751</b>	<b>21,500</b>	<b>47,926,498</b>	<b>38,470,261</b>	<b>4,016,763</b>	<b>672</b>	<b>43,686,060</b>	<b>8,156,986</b>
B	<b>INTANGIBLE ASSETS:</b>									
5	Goodwill	-	-	-	-	-	-	-	-	-
6	Software	9,221,207	-	-	9,221,207	8,572,942	99,172	-	8,911,748	309,459
7	Copyrights	41,855,336	-	-	41,855,336	23,043,369	8,371,067	-	31,414,436	10,440,900
	<b>Total (B)</b>	<b>51,076,543</b>	<b>-</b>	<b>-</b>	<b>51,076,543</b>	<b>31,616,311</b>	<b>8,470,239</b>	<b>-</b>	<b>40,326,184</b>	<b>10,750,359</b>
	<b>GRAND TOTAL</b>	<b>97,703,790</b>	<b>1,320,751</b>	<b>21,500</b>	<b>99,003,041</b>	<b>70,086,572</b>	<b>12,487,002</b>	<b>672</b>	<b>84,012,244</b>	<b>14,990,797</b>
	Previous Year Total	96,723,355	1,171,214	190,779	97,703,790	58,286,160	11,991,191	190,779	70,086,572	27,617,218
										38,437,194

\* Closing Balance as on 31st March 2015 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, 2015

PARTICULARS	Year ended 31st March 2015	Year ended 31st March 2014
	₹	₹
<b>Note -18: Direct Cost</b>		
Software Expenses	17,375	16,870
Subcontractor Expenses	20,612,583	80,389,328
Rent - Equipments	20,236,802	43,397,528
	<b>40,866,760</b>	<b>123,803,726</b>
<b>Note -19: Employee benefit expense</b>		
Salaries And Allowances	160,551,445	199,671,600
Contribution to PF and Others	5,951,739	6,733,666
Managerial Remuneration	-	-
Recruitment & Training Expenses	907,344	1,577,792
Employee Welfare Expenses	2,500,741	2,455,445
Relocation Expenses	6,024	269,193
	<b>169,917,293</b>	<b>210,707,696</b>
<b>Note -20: Financial Costs</b>		
Interest Expenses	12,889,635	23,061,428
Other borrowing costs	4,153,994	3,232,510
	<b>17,043,629</b>	<b>26,293,938</b>
<b>Note -21: Other Expenses</b>		
Directors' Sitting Fees	640,000	520,000
Bank Service Charges	-	-
Printing And Stationery	462,388	311,732
Telephone Expenses	360,330	925,797
Internet and Web Expenses	2,132,682	2,745,136
Rent	11,965,965	13,459,034
Insurance	1,732,840	2,805,013
Rates And Taxes	2,563,702	1,018,711
License, Immigration And Permits	1,380,522	2,157,029
Local Conveyance and Vehicle Maintenance	1,239,766	2,553,052
<b>Repairs And Maintenance:</b>		
- Buildings	644,619	132,019
- Machinery	1,008,487	235,650
- Others	1,735,193	467,799
Travel Expenses	5,514,935	13,930,334
Utilities	3,415,335	4,185,682
Professional Fees	9,895,574	7,418,151
Auditor's Remuneration	1,419,857	1,431,544
Advertisement And Business Promotion	2,777,998	2,385,966
Bad Debts Written Off	2,215,607	78,871,538
Meeting Expenses	391,402	353,558
General Office Expenses	1,937,089	2,271,376
Loss on Exchange Rate Fluctuation	-	-
	<b>53,434,290</b>	<b>138,179,121</b>
<b>Note -22: Tax Expenses:</b>		
Current Tax (MAT)	-	2,195,286
Current Tax Relating to Previous Years A/c	-	-
Less: MAT Credit Entitlements	-	(2,195,286)
<b>Net Current Tax</b>	-	-
Deferred Tax	80,849,342	(10,270,834)
<b>Total Tax Expense</b>	<b>80,849,342</b>	<b>(10,270,834)</b>

As Per Our Report of Even Date

**For Sarath & Associates**

**Chartered Accountants**

**Firm Regn No: 005120S**

P. SARATH KUMAR

Partner

Membership No:21755

Place: Hyderabad

Date:30.05.2015

**For and on behalf of the Board**

Bhargav Marepally

CEO & Managing Director

Sanjay Heda

Chief Financial Officer

Ramesh Yerramsetti

Director

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 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 700 consultants consisting of MCSE's, BS-25999 certified professionals, VMware VCP's, Remedy CA, CCNA, CCNP, CCSE, CCVP, CCIE, CISSP, BMC Control-M professionals with Consulting, Deployment and Management expertise.

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

### **2. Basis of Preparation:**

The financial statements are prepared in accordance with Indian Generally Accepted 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, except for the change in accounting policy relating to Depreciation which arose on account of applicability as per the provisions of Companies Act, 2013.

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

**Gratuity:**

In accordance with Payment of Gratuity Act 1972, the company provides for Gratuity, a defined benefit plan covering eligible employees. The Gratuity plan provides a lump sum payment to eligible employees on retirement, death, incapacitation or termination of employment, of an amount based on the respective employee salary and the tenure of the employment with company. In this regard the Company is contributing its liability to the Gratuity Fund maintained under a master policy with Life Insurance Corporation of India, as advised from time to time. The provision is made for difference if any, between the liabilities determined under actuarial valuation carried out under Projected Unit Credit Method and the value of funds at the balance sheet date, 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. In the current year, the gains on account of exchange fluctuations on advances have been credited to the exchange fluctuation reserve account, as the management feels that the gains are of temporary nature and have occurred in a magnitude disproportionate to the normal course of business. This was as a result of adopting a conservative approach to enable consistency in the reported earnings for the period.
2. **Contingent Liabilities:**
  - i) Against Bank Guarantees issued by Banks towards financial and performance guarantees outstanding as at 31st March, 2015 amounts Rs. 2,29,97,751/- (Previous Year: Rs. 2,59,55,752/-)
  - ii) Appeal pending before Income Tax Administrative Tribunal for the AY 2009-10, involving Tax Amount of Rs. 28,28,435/-
  - iii) Appeal pending before Income Tax Tribunal for the AY 2010-11, involving net tax payable amount of Rs. 3,85,52,400/-, including interest of Rs. 1,30,03,002/- (against which Company has MAT Credit of Rs. 2,30,19,382/-).
  - iv) Appeal pending before Income Tax Tribunal for the AY 2011-12, involving Net Tax payable amount of Rs. 5,84,75,130/-, including interest of Rs. 1,99,44,576/-.
  - v) There was a Service Tax demand amounting to Rs. 102.17 Lakhs (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.

- vi) The Company had filed application for compounding before the Reserve Bank of India for obtaining permissions under the FEMA provisions in relation to transfer of funds to the Fully Owned Subsidiary Company by the Branch which was returned back on procedural aspects and the Company is in the process of re-submitting the same.

**3. 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:

Particulars	Balance as on		Maximum Balance Outstanding during the year	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	₹	₹	₹	₹
GSS Infotech Inc.	14,09,62,864	13,53,54,979	14,26,29,464	14,13,90,777
GSS IT Solutions Private Limited	18,50,000	18,50,000	18,50,000	2,75,34,165
GSS Healthcare IT Solutions Private Limited	9,84,18,115	3,04,88,945	9,84,18,115	3,04,88,945

**4. 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, there was no grant of options by the Board to the eligible employees.

**5. 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 100% Subsidiary Company, amounting to Rs.87,34,80,744/- (Previous Year : Rs. 222,27,79,820/-). 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 year under review, 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 are 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/- for the year under review.

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

Particulars	2014-15	2013-14
	₹	₹
For Statutory Audit	12,00,000	12,00,000
For taxation matters	-	-
For Certifications	-	1,00,000
For reimbursement of expenses	10,109	11,299
<b>Total</b>	<b>12,10,109</b>	<b>13,11,299</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. 59,51,739/- (Previous Year: Rs. 67,33,666/-)

### 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	2014-15	2013-14
	₹	₹
Expenses recognized during the year	11,29,314	11,05,759
Present value of obligation at the year end	23,43,472	27,72,649

#### 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	2014-15	2013-14
	₹	₹
Expenses recognized during the year	1,66,958	26,45,514
Present value of obligation at the year end	--	24,97,202
Value Present value of Planned Assets at the year end	<b>42,81,402</b>	<b>21,10,594</b>
Liability at the year end	--	---

## 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.
- Deferred Tax:

Movement of provision for Deferred Tax for the year ended 31.03.2015 is as given below:

Particulars	Deferred Tax (Liability)/Asset in ₹
Timing Difference on Account of WDV of assets	7,27,259
Timing Difference on Account of Provision of Leave Encashment	23,43,472
Timing Difference On Account Schedule II Depreciation as per Co's Act 2013	14,39,342
<b>Timing difference (a)</b>	<b>45,10,073</b>
Deferred Tax Asset as on 31.03.2015 @ 30.9% on (a)	13,93,613
Deferred Tax Asset on account of Schedule II Depreciation as per Companies Act 2013	4,44,757
Less: Deferred Tax Asset as on 31.03.2014	8,17,98,198
<b>Asset written off During the year</b>	<b>8,08,49,342</b>

9. The Company had provided the amounts payable's of Rs. 9,86,617/- in the previous years, now written off to Statement of Profit and Loss as it is not payable to the parties. Further the company also as written back the advances refundable of Rs.2,82,000/- as Income.  
Considering all the facts, the Board had passed resolution confirming the write offs and written back's during the current year in the Books of Account.
10. The company has written off Accounts Receivables pertaining to UIDAI project of Setu Maharashtra to the extent of Rs. 22,12,607/-, on account of contractual clauses.
11. There are no dues to Micro and Small Enterprises specified under the Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2015, to the extent such parties have been identified on the basis of information available with the Company and relied on by the auditors
12. The Balances of Trade receivables, Loans and Advances and Trade payables are subject to confirmation and consequential adjustment if any required.
13. **Current Assets and Loans and Advances:**  
In the opinion of the Board of Directors the Current assets, Loans and advances have a value realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities has been made.
14. The Ministry of Corporate Affairs, Government of India, vide General circular No.2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with Section 211 of the Companies Act, 2013. Subject to fulfillment of conditions stipulated in the circular, the Company has satisfied the conditions stipulated in the circular and hence entitled to exemption. Necessary information relating to subsidiaries has been included in Consolidation of Financial statements.
15. **Leases:**  
The Company has operating lease for office premises, which is renewable on a periodical basis and cancellable at its option. Rental expenses for operating lease recognized in Statement of Profit and Loss is Rs.1,19,65,965/- (Previous Year: Rs.1,34,59,034/-)

The future minimum lease payments are as given below:

Particulars	2014-15	2013-14
	₹	₹
Not later than one year	1,25,33,250	1,18,08,547
Later than one year and not later than five years	2,01,69,500	1,76,92,241
Later than five years	--NIL--	--NIL--

Company has operating lease for UID Equipment, for which the future minimum lease payments are as given below:

Company has operating lease for UID Equipment, for which the future minimum lease payments are as given below:

Particulars	2014-15	2013-14
	₹	₹
Not later than one year	--	2,36,51,344
Later than one year and not later than five years	--	1,19,32,149
Later than five years	--NIL--	--NIL--



16. Depreciation charge for the current year came to Rs.1,24,86,332/- as compared to Rs. 1,19,91,191/- during the last year. During the year Rs. 9,94,585/- was adjusted against the Reserves and Surplus on account changes in the useful life as specified in Schedule II to the Companies Act, 2013 which came into effect from 1st April, 2014. Depreciation for the year is higher as the company was required to adopt the charging of depreciation on fixed assets according to the useful life as specified in Schedule II to the Companies Act, 2013 which came into effect from 1st April, 2014.

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

Name of the Bank's	As at 31.03.2015	As at 31.03.2014	Maximum Balance outstanding during the year	
			2014-15	2013-14
	₹	₹	₹	₹
Harris Bank	55,269	2,33,974	1,51,99,293	84,60,426
First Niagara	1,62,363	-	96,18,757	-
HSBC, Dubai	-	-	-	5,26,215
Indian Bank, Singapore	1,80,220	1,87,944	1,91,033	1,87,944
SBI Bank, Bangladesh	33,55,500	91,81,229	75,19,393	1,27,34,705

**18. Segment Reporting:**

**Business Segments:**

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

**Geographical Segments:**

Particulars	2014-2015	2013-2014
	₹	₹
Business from United States of America	23,02,20,395	28,56,37,679
Business from Middle East	-	1,59,001
Business from Singapore	-	-
Business from Bangladesh	2,20,62,420	3,26,13,245
Domestic	10,11,97,187	14,29,84,231
<b>Total</b>	<b>35,34,80,002</b>	<b>46,13,94,156</b>

**19. 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)
  - Infovista Technologies Inc
  - Technovant Inc
  - Global Computronics Inc (GCI)
- iii) Key Management Personnel:
 

Mr. Bhargav Marepally	Chief Executive Officer And Managing Director
Mr. Ramesh Yerramsetti	Director
- iv)



## B) Transactions with Related Parties:

Particulars	2014-15		2013-14	
	Amount During the year	Outstanding as at 31.03.2015	Amount During the year	Outstanding as at 31.03.2014
Managerial remuneration to Key Management Personnel	-	-	-	-
Investment in capital of Subsidiaries	-	87,34,80,744	99,900	2,22,29,79,620
Advances to Subsidiaries	7,35,37,055	24,12,30,979	4,96,75,393	16,76,93,923
Sales to Subsidiaries	10,52,44,963	24,38,27,383	8,68,86,802	24,85,38,265
Loan Received	-	13,71,845	-	28,71,146
Repayment of Loan Received	14,99,301	-	2,26,996	-

**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	2014 -15	2013 -14
Advances to subsidiaries	GSS IT Solutions Pvt Ltd.	-	52,54,507
	GSS Healthcare IT Solutions Pvt Ltd	8,82,23,006	4,44,20,886
Sales to subsidiaries	GSS Infotech Inc (Delaware)	6,46,57,933	7,78,68,255
	GSS Infotech CT Inc	2,74,12,133	-
	GSS Infotech NY Inc	1,24,99,423	-
Investment In Subsidiaries	GSS Healthcare IT Solutions Pvt Ltd	-	99,900
	GSS Infotech Inc (Delaware)	-	-
Repayment of Loan Received	Ramesh Yerramsetti	2,41,848	186,209
Repayment of Loan Received	Bhargav Marepally	12,57,453	40,787

## 20. EARNINGS PER SHARE (EPS):

The Numerator and denominator used to calculate Earnings Per Share:

Particulars	2014-15	2013-14
	₹	₹
<b>A. EARNINGS:</b>		
Profit attributable to Equity Shareholders	(134,77,88,101)	4,31,69,249
<b>B. NO.OF SHARES:</b>		
Weighted average number of Equity Shares outstanding during the year (Nos) - Basic	1,69,36,843	1,41,36,843
Weighted Average number of Equity shares arising out of outstanding stock options that have diluting effect on Earnings Per Share	-	28,00,000
Weighted average number of Equity Shares outstanding during the year - Diluted	1,69,36,843	1,69,36,843
<b>C. EARNINGS PER SHARE:</b>		
Earnings per Share of Par Value Rs.10/- each - Basic	(79.58)	3.05
Earnings per Share of Par Value Rs.10/- each - Diluted	(84.56)	2.55

**21. Income and expenditure in Foreign Currency :**

	2014-15	2013-14
<b>1. Expenditure in Foreign Currency Towards: (On Accrual basis)</b>		
Travelling Expenses	17,93,320	85,73,455
Foreign Branch Expenses incurred abroad	11,46,91,881	16,56,80,739
<b>2. Earnings in Foreign Exchange: (On Accrual Basis)</b>		
FOB Value of Exports	25,22,82,815	31,84,09,925
<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>		

**22. 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.

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

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

Ramesh Yerramsetti  
 Director

Place: Hyderabad  
 Date:30.05.2015

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 Wednesday, the 30<sup>th</sup> Day of September 2015 at 10:30 A.M. at Ellaa Suites, Jasmine Banquet 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, 2015
2. Appointment of Mr. Patri VenkataRamakrishna Prasad, 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.

#### Special Business:

4. Appointment of Mr. Keerthy Jaya Tilak as an Independent Director of the Company
5. Appointment of Mrs. Nagajayanthi Das Juttur Ragavendra as an Independent Director of the Company
6. To Increase the borrowing powers of the Company
7. To authorize creation of charge/mortgage on all or any of the Company's assets/properties/undertakings
8. Adoption of new set of articles of the Company
9. Disposal off entire investment held in Wholly owned subsidiary GSS Infotech NY Inc.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

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 Monday, the 28<sup>th</sup> day of September, 2015)

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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

**Attendance Slip for the  
Annual General Meeting on 30<sup>th</sup> September, 2015 at 10.30 A.M.**

Regd. Folio No.		Depository 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 2015 at 10.30 A.M. at Ellaa Suites, Jasmine Banquet Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad 500 032

Signature of the member or proxy attending the meeting :

**If member, please sign here :**

**If proxy, please sign here :**

**Note :** This form should be signed and handed over at the meeting venue. No duplicate attendance slip will be issued at the meeting hall.

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# 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)