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**SARATH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**LIMITED REVIEW REPORT**

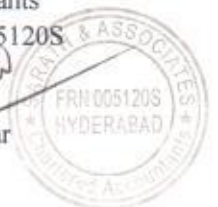
To  
The Board of Directors  
M/s GSS Infotech Limited  
Hyderabad

1. We have reviewed the accompanying statements of unaudited financial results of **M/s. Gss Infotech Limited** for the quarter and Half yearly ended **30th September, 2014**, except for the disclosures regarding 'Public Shareholding' and 'Promoter Group Shareholding' and 'Number of Investor Complaints' which have been traced from disclosures made by the management but have not been audited by us. This statement has been prepared by the Company pursuant to clause 41 of the Listing Agreement with the Stock Exchange in India, which has been initialled by us for identification purpose. The Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Financial Statements are free of Material Misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit Opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of Un-audited Financial results for the Quarter and half yearly ended 30th September, 2014 prepared in accordance with applicable Accounting standards and other recognized accounting practices and policies and has not disclosed the information required to be disclosed in terms of clause 41 of the listing agreement including the manner in which is to be disclosed
5. We did not audit the financial statements of one subsidiary included in the consolidated quarterly financial, whose consolidated interim financial statements reflect total assets of Rs 36328.30 Lakhs as at 30<sup>th</sup> September, 2014 as well as the total revenue of Rs 12005.32 Lakhs as at the quarter and half yearly ended 30<sup>th</sup> September, 2014. These interim financial statements and other financial information have been audited by other auditors whose report has been furnished to us and our opinion on the quarterly financial results, to the extent they have been derived from such interim financial statements is based solely on the report of such other auditors.

Hyderabad  
Date: 13<sup>th</sup> November, 2014

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

  
P. Sarath Kumar  
Partner  
M. No.021755



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**VIZAG** : 49-35-49, Srinivasam, Level-III, NGO'S Colony, Akkayyapalem, Visakhapatnam - 530016, Ph : 09550523111, Email : vdvs@gmail.com



# SARATH & ASSOCIATES

## CHARTERED ACCOUNTANTS

### LIMITED REVIEW REPORT

To  
The Board of Directors  
M/s GSS Infotech Limited  
Hyderabad

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Hyderabad  
Date: 13<sup>th</sup> November, 2014

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

  
P Sarath Kumar  
Partner  
M. No.021755



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Integrating People, Process and Technology

# GSS Infotech Limited

Regd. office: Level 5, Wing 5-01, Block 2,  
Cyber Pearl, Hitech City, Hyderabad- 500081  
Tel: +91 40 44556600; Fax: + 91 40 40028703

## Statement of Consolidated & Standalone Unaudited Financials Results for the quarter and half year ended September 30, 2014

### PART I

(In Rs.Lakhs except share and per equity share data)

| PARTICULARS  | CONSOLIDATED                                 |                                      |   |   |   |                                  | STANDALONE                                |                                      |   |   |   |                                  |
|--|--|--------------------------------------|---|---|---|----------------------------------|---|--------------------------------------|---|---|---|----------------------------------|
|  | Quarter ended September 30, 2014 (Unaudited) | Quarter ended June 30 2014 Unaudited | Quarter ended September 30 2013 Unaudited | Six month ended September 30 2014 Unaudited | Six month ended September 30 2013 Unaudited | Year ended March 31 2014 Audited | Quarter ended September 30 2014 Unaudited | Quarter ended June 30 2014 Unaudited | Quarter ended September 30 2013 Unaudited | Six month ended September 30 2014 Unaudited | Six month ended September 30 2013 Unaudited | Year ended March 31 2014 Audited |
| 1 Income from operations   |  |                                      |   |   |   |                                  |   |                                      |   |   |   |                                  |
| (a) Net sales/income from operations (Net of excise duty)  | 5,765.57                                     | 7,709.92                             | 7,016.56                                  | 13,475.49                                   | 14,187.42                                   | 26,958.01                        | 840.68                                    | 967.34                               | 1,264.35                                  | 1,808.02                                    | 2,413.10                                    | 4,613.94                         |
| (b) Other operating income   | -  | -                                    | -   | -   | -   | -                                | -   | -                                    | -   | -   | -   | -                                |
| <b>Total income from operations (net)</b>  | <b>5,765.57</b>                              | <b>7,709.92</b>                      | <b>7,016.56</b>                           | <b>13,475.49</b>                            | <b>14,187.42</b>                            | <b>26,958.01</b>                 | <b>840.68</b>                             | <b>967.34</b>                        | <b>1,264.35</b>                           | <b>1,808.02</b>                             | <b>2,413.10</b>                             | <b>4,613.94</b>                  |
| 2 Expenses   |  |                                      |   |   |   |                                  |   |                                      |   |   |   |                                  |
| (a) Direct cost  | 2,216.66                                     | 3,336.77                             | 2,567.05                                  | 5,553.43                                    | 5,628.42                                    | 9,289.06                         | 118.35                                    | 140.30                               | 322.49                                    | 258.65                                      | 633.11                                      | 1,238.04                         |
| (b) Purchases of stock-in-trade  | -  | -                                    | -   | -   | -   | -                                | -   | -                                    | -   | -   | -   | -                                |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade                          | -  | -                                    | -   | -   | -   | -                                | -   | -                                    | -   | -   | -   | -                                |
| (d) Employee benefits expense  | 2,765.54                                     | 3,272.39                             | 3,519.51                                  | 6,037.94                                    | 6,700.67                                    | 14,220.18                        | 438.75                                    | 502.92                               | 571.30                                    | 941.67                                      | 1,087.94                                    | 2,107.08                         |
| (e) Depreciation and amortisation expense  | 35.48  | 34.75                                | 41.32                                     | 70.23                                       | 82.20                                       | 170.36                           | 27.36                                     | 27.25                                | 29.84                                     | 54.61                                       | 59.31                                       | 119.91                           |
| (f) Other expenses   | 563.73                                       | 708.98                               | 541.56                                    | 1,265.47                                    | 1,028.23                                    | 3,166.92                         | 157.90                                    | 139.55                               | 130.48                                    | 293.01                                      | 284.36                                      | 1,381.79                         |
| <b>Total expenses</b>  | <b>5,581.41</b>                              | <b>7,352.89</b>                      | <b>6,669.45</b>                           | <b>12,927.07</b>                            | <b>13,439.52</b>                            | <b>26,846.52</b>                 | <b>742.36</b>                             | <b>810.02</b>                        | <b>1,054.12</b>                           | <b>1,547.93</b>                             | <b>2,064.71</b>                             | <b>4,846.82</b>                  |
| 3 <b>Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>    | <b>184.16</b>                                | <b>357.03</b>                        | <b>347.11</b>                             | <b>548.43</b>                               | <b>747.90</b>                               | <b>111.49</b>                    | <b>98.32</b>                              | <b>157.32</b>                        | <b>210.24</b>                             | <b>260.09</b>                               | <b>348.39</b>                               | <b>(232.88)</b>                  |
| 4 Other income   | 119.17                                       | 1.30                                 | 265.84                                    | 113.24                                      | 694.10                                      | 640.90                           | 128.26                                    | 1.16                                 | 255.67                                    | 124.97                                      | 664.84                                      | 605.54                           |
| 5 <b>Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>       | <b>303.33</b>                                | <b>358.33</b>                        | <b>612.95</b>                             | <b>661.66</b>                               | <b>1,442.00</b>                             | <b>752.39</b>                    | <b>226.58</b>                             | <b>158.48</b>                        | <b>465.91</b>                             | <b>385.06</b>                               | <b>1,013.23</b>                             | <b>372.66</b>                    |
| 6 Finance costs  | 70.63  | 152.16                               | 106.38                                    | 222.79                                      | 221.58                                      | 431.98                           | 40.15                                     | 79.79                                | 61.01                                     | 119.94                                      | 135.35                                      | 262.94                           |
| 7 <b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)</b> | <b>232.70</b>                                | <b>206.17</b>                        | <b>506.57</b>                             | <b>438.88</b>                               | <b>1,220.42</b>                             | <b>320.41</b>                    | <b>186.43</b>                             | <b>78.69</b>                         | <b>404.90</b>                             | <b>265.12</b>                               | <b>877.88</b>                               | <b>109.72</b>                    |
| 8 Exceptional items*   | -  | -                                    | -   | -   | -   | -                                | -   | -                                    | -   | -   | -   | -                                |
| 9 <b>Profit / (Loss) from ordinary activities before tax (7 + 8)</b>                                       | <b>232.70</b>                                | <b>206.17</b>                        | <b>506.57</b>                             | <b>438.88</b>                               | <b>1,220.42</b>                             | <b>320.41</b>                    | <b>186.43</b>                             | <b>78.69</b>                         | <b>404.90</b>                             | <b>265.12</b>                               | <b>877.88</b>                               | <b>109.72</b>                    |
| 10 Tax expense   | 14.07  | 65.43                                | 121.25                                    | 79.49                                       | 140.89                                      | (311.10)                         | 14.44                                     | 39.27                                | 113.08                                    | 53.71                                       | 128.43                                      | (321.97)                         |
| 11 <b>Net Profit / (Loss) from ordinary activities after tax (9 + 10)</b>                                  | <b>218.64</b>                                | <b>140.75</b>                        | <b>385.31</b>                             | <b>359.38</b>                               | <b>1,079.53</b>                             | <b>631.51</b>                    | <b>171.99</b>                             | <b>39.42</b>                         | <b>291.82</b>                             | <b>211.41</b>                               | <b>749.45</b>                               | <b>431.69</b>                    |
| 12 Extraordinary items   | -  | -                                    | -   | -   | -   | -                                | -   | -                                    | -   | -   | -   | -                                |
| 13 <b>Net Profit / (Loss) for the period (11 + 12)</b>   | <b>218.64</b>                                | <b>140.75</b>                        | <b>385.31</b>                             | <b>359.38</b>                               | <b>1,079.53</b>                             | <b>631.51</b>                    | <b>171.99</b>                             | <b>39.42</b>                         | <b>291.82</b>                             | <b>211.41</b>                               | <b>749.45</b>                               | <b>431.69</b>                    |
| 14 Share of profit / (loss) of associates  | -  | -                                    | -   | -   | -   | -                                | -   | -                                    | -   | -   | -   | -                                |
| 15 Minority interest   | -  | -                                    | -   | -   | -   | -                                | -   | -                                    | -   | -   | -   | -                                |
| 16 <b>Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates</b>    | <b>218.64</b>                                | <b>140.75</b>                        | <b>385.31</b>                             | <b>359.38</b>                               | <b>1,079.53</b>                             | <b>631.51</b>                    | <b>171.99</b>                             | <b>39.42</b>                         | <b>291.82</b>                             | <b>211.41</b>                               | <b>749.45</b>                               | <b>431.69</b>                    |
| 17 Paid-up equity share capital (Face Value of the Share Rs.10/- each)                                     | 1,693.68                                     | 1,413.68                             | 1,413.68                                  | 1,693.68                                    | 1,413.68                                    | 1,413.68                         | 1,693.68                                  | 1,413.68                             | 1,413.68                                  | 1,693.68                                    | 1,413.68                                    | 1,413.68                         |
| No of Equity shares  | 16,936,843                                   | 14,136,843                           | 14,136,843                                | 16,936,843                                  | 14,136,843                                  | 14,136,843                       | 16,936,843                                | 14,136,843                           | 14,136,843                                | 16,936,843                                  | 14,136,843                                  | 14,136,843                       |
| 18 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year                 | -  | -                                    | -   | -   | -   | 32,540                           | -   | -                                    | -   | -   | -   | 27,429                           |
| 19i Earnings per share (before extraordinary items) (of ₹ FV Rs.10/- each) (not annualised):               |  |                                      |   |   |   |                                  |   |                                      |   |   |   |                                  |
| (a) Basic  | 1.29   | 1.00                                 | 2.73                                      | 2.12  | 7.64  | 4.47                             | 1.02                                      | 0.28                                 | 2.06                                      | 1.25  | 5.30  | 3.05                             |
| (b) Diluted  | 1.39   | 0.83                                 | 2.28                                      | 2.40  | 6.37  | 3.73                             | 1.09                                      | 0.23                                 | 1.72                                      | 1.41  | 4.42  | 2.55                             |
| 19ii Earnings per share (after extraordinary items) (of ₹ FV Rs.10/- each) (not annualised):               |  |                                      |   |   |   |                                  |   |                                      |   |   |   |                                  |
| (a) Basic  | 1.29   | 1.00                                 | 2.73                                      | 2.12  | 7.64  | 4.47                             | 1.02                                      | 0.28                                 | 2.06                                      | 1.25  | 5.30  | 3.05                             |
| (b) Diluted  | 1.39   | 0.83                                 | 2.28                                      | 2.40  | 6.37  | 3.73                             | 1.09                                      | 0.23                                 | 1.72                                      | 1.41  | 4.42  | 2.55                             |

See accompanying note to the financial results

### PART-II

#### Information for the quarter and half year ended 30.09.2014

| Sl. No | Particulars  | Consolidated and Standalone                   |  |   |                                  | Particulars | 3 months ended 30.09.2014 |
|--------|--|---|--|---|----------------------------------|-------------|---------------------------|
|        |  | Quarter ended 30th September, 2014 Un-Audited | Quarter ended 30th June, 2014 Un-Audited | Quarter ended 30th September, 2013 Un-Audited | Year ended March 31 2014 Audited |             |                           |
| A      | <b>PARTICULARS OF SHAREHOLDING</b>   |   |  |   |                                  |             |                           |
| 1      | <b>Public shareholding</b>   |   |  |   |                                  |             |                           |
|        | Number of shares   | 16,732,320                                    | 13,925,920                               | 12,325,883                                    | 13,925,920                       |             |                           |
|        | percentage of shareholding   | 98.79   | 98.51                                    | 87.19   | 98.51                            |             |                           |
| 2      | <b>Promoters and Promoter Group Shareholding</b>                                       |   |  |   |                                  |             |                           |
|        | <b>a) Pledged / Encumbered</b>   |   |  |   |                                  |             |                           |
|        | Number of shares   | 199,000                                       | 199,000                                  | 1,511,000                                     | 199,000                          |             |                           |
|        | Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 97.3  | 94.35                                    | 83.44   | 94.35                            |             |                           |
|        | Percentage of shares (as a % of the total share capital of the company)                | 1.21  | 1.49                                     | 10.69   | 1.49                             |             |                           |
|        | <b>b) Non-encumbered</b>   |   |  |   |                                  |             |                           |
|        | Number of shares   | 5,523   | 11,923                                   | 299,960                                       | 11,923                           |             |                           |
|        | Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 2.70  | 5.65                                     | 16.56   | 5.65                             |             |                           |
|        | Percentage of shares (as a % of the total share capital of the company)                | 0.0   | 0.08                                     | 2.12  | 0.08                             |             |                           |

#### Consolidated Balance sheet as at September 30, 2014

| Sl. No | Particulars                                      | Consolidated             |                      | Standalone               |                      |
|--------|--|--------------------------|----------------------|--------------------------|----------------------|
|        |  | As at September 30, 2014 | As at March 31, 2014 | As at September 30, 2014 | As at March 31, 2014 |
| I.     | <b>EQUITY AND LIABILITIES</b>                    |                          |                      |                          |                      |
| (1)    | <b>Shareholder's Funds</b>                       |                          |                      |                          |                      |
|        | (a) Share Capital                                | 169,368,430              | 141,368,430          | 169,368,430              | 141,368,430          |
|        | (b) Reserves and Surplus                         | 3,445,057,799            | 3,254,005,084        | 2,850,737,904            | 2,742,929,213        |
|        | (c) Money received against share warrants        | -                        | 57,400,000           | -                        | 57,400,000           |
| (2)    | <b>Share Application money pending allotment</b> | -                        | -                    | -                        | -                    |
| (3)    | <b>Non-Current Liabilities</b>                   |                          |                      |                          |                      |
|        | (a) Long-Term Borrowings                         | 108,500,000              | 122,369,317          | -                        | -                    |
|        | (b) Deferred Tax Liabilities (Net)               | -                        | -                    | -                        | -                    |
|        | (c) Other Long Term Liabilities                  | -                        | -                    | 108,500,000              | -                    |
|        | (d) Long Term Provisions                         | -                        | -                    | -                        | -                    |
| (4)    | <b>Current Liabilities</b>                       |                          |                      |                          |                      |
|        | (a) Short-Term Borrowings                        | 103,158,921              | 90,085,873           | -                        | 121,995,255          |
|        | (b) Trade Payables                               | 153,363,288              | 229,794,094          | 26,421,100               | 20,419,394           |
|        | (c) Other Current Liabilities                    | 107,235,753              | 104,407,694          | 15,588,560               | 14,823,007           |
|        | (d) Short-Term Provisions                        | 62,843,674               | 10,098,039           | 2,724,598                | 9,917,839            |
|        | <b>Total Equity &amp; Liabilities</b>            | <b>4,149,527,865</b>     | <b>4,009,528,532</b> | <b>3,173,340,591</b>     | <b>3,108,853,138</b> |
| II.    | <b>ASSETS</b>                                    |                          |                      |                          |                      |
| (1)    | <b>Non-Current Assets</b>                        |                          |                      |                          |                      |
|        | (a) Fixed Assets                                 |                          |                      |                          |                      |
|        | (i) Gross Block                                  | 3,342,071,046            | 3,261,729,901        | 98,480,490               | 97,703,790           |
|        | (ii) Depreciation                                | 97,071,782               | 90,048,595           | 75,547,639               | 70,086,572           |
|        | (iii) Net Block                                  | 3,244,999,263            | 3,171,681,306        | 22,932,852               | 27,617,218           |
|        | (b) Non-current investments                      | -                        | -                    | 2,222,979,620            | 2,222,979,620        |
|        | (c) Deferred tax assets (net)                    | 76,295,849               | 82,866,739           | 76,427,494               | 81,798,198           |
|        | (d) Long term loans and advances                 | 108,273,022              | 105,032,540          | 285,433,157              | 270,522,116          |
|        | (e) Other non-current assets                     | 88,760,441               | 83,455,992           | 87,417,827               | 82,113,378           |
| (2)    | <b>Current Assets</b>                            |                          |                      |                          |                      |
|        | (a) Current investments                          | -                        | -                    | -                        | -                    |
|        | (b) Inventories                                  | -                        | -                    | -                        | -                    |
|        | (c) Trade receivables                            | 419,656,486              | 422,577,596          | 369,125,266              | 358,623,146          |
|        | (d) Cash and Bank balances                       | 96,610,505               | 62,060,012           | 76,922,885               | 27,161,023           |
|        | (e) Short-term loans and advances                | 48,175,739               | 44,829,026           | 26,457,760               | 24,524,359           |
|        | (f) Other current assets                         | 66,756,559               | 37,025,320           | 5,643,731                | 13,514,080           |
|        | <b>Total Assets</b>                              | <b>4,149,527,865</b>     | <b>4,009,528,531</b> | <b>3,173,340,591</b>     | <b>3,108,853,138</b> |

#### Notes to the Results

- These unaudited results for the Quarter and Half Year ended September 30, 2014 were reviewed by the Audit Committee and have been taken on record by the Board of Directors at its meeting held on November 13, 2014.
- Previous Year / Period's figures have been regrouped wherever necessary.
- The Company operates in a single business segment i.e., Software Services.
- The Company is in the process of getting residual value life of various Assets in order to switch to the new rates of Depreciation as per Schedule II - Depreciation Under Companies Act 2013. As the company continues to apply old rates in mentioned in Companies Act, 1956 for current quarter. Hence the net impact between two rates can't be quantified and reported

Place : Hyderabad  
Date : 13th Nov 2014

for GSS Infotech Ltd  
Sd/-  
PVRK Prasad  
Chairman