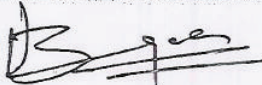





FORM A
(Pursuant to Clause 31(a) of the Listing Agreement)
Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	GSS Infotech Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	<p><u>Matter of emphasis: paragraph under other matters in Auditors Report on Standalone Financial statements</u></p> <p>Without qualifying our opinion, attention is drawn to Note No.6 to the 'Notes to Accounts' relating to Investments and its evaluation, which is based on the Audited Financials of the Subsidiary in USA, the audit of which was not performed by us and by the US local Auditor and we had relied on the independent assessment made by the US local Auditor for testing the value of the investments</p> <p>Our opinion is not qualified in respect of this matter</p>
		<p><u>The Annexure referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirement" section of Auditors' report of even date</u></p> <p>2(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 301 of the Act, aggregating to Rs.1676.94 Lakhs and the maximum balance outstanding was Rs.1994.14 Lakhs.</p> <p>2(b) As per the information and explanations given to us, in our opinion, the above loans are given to fully owned subsidiary companies and does not carry interest or do not specify any specific repayment schedule and hence is repayable on demand. Accordingly the terms and conditions on which interest free loans have been granted to Companies and parties listed in the register maintained under Section 301 of the Companies Act, 1956 are, prima facie, are prejudicial to the interests of the Company</p>

		<p><u>Notes Forming Part Of The Standalone Financial Statements</u></p> <p>6. Investments:</p> <p>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.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, 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.</p>
4.	Frequency of observation	This observation, without qualifying the report has been made only in respect to the financial year 2013-2014
5.	<p>To be signed by-</p> <p><input type="checkbox"/> CEO/Managing Director</p> <p><input type="checkbox"/> CFO</p> <p><input type="checkbox"/> Auditor of the company</p> <p><input type="checkbox"/> Audit Committee Chairman</p>	   



Integrating People, Process & Technology



Healthcare Services



Sharepoint Services



Mobile Solutions



Infrastructure Management Services

11th Annual Report

2014

Vision & Mission

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

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

Core values

- ✓ Entrepreneurship
- ✓ Integrity
- ✓ Pursuit of Excellence

GSS Infotech – A Snapshot

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

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Corporate Information

Board of Directors

Patri Venkata Rama Krishna Prasad

Chairman, Non-Executive & Independent Director

Bhargav Marepally

CEO & Managing Director

Ramesh Yerramsetti

Non-Executive Director

Keerthy Jaya Tilak

Non-Executive & Independent Director

Mark Silgado

Non-Executive Non-Independent Director

Madhukar Sheth

Non-Executive Non-Independent Director

Company Secretary & Compliance Officer

Sai Krishna Narla

Bankers

Bank of India

Axis Bank Limited

Committees of Board of Directors

Audit Committee

P.V.R.K. Prasad

Bhargav Marepally

Keerthy Jaya Tilak

Remuneration Committee

P.V.R.K. Prasad

Ramesh Yerramsetti

Keerthy Jaya Tilak

**Share Transfer and Shareholders'/
Investors' Grievance Committee**

Bhargav Marepally

Ramesh Yerramsetti

Keerthy Jaya Tilak

Auditors

M/s. Sarath & Associates

Chartered Accountants, 4th floor, Mass heights,

H.NO.8-2-577B, Road No.8, Banjara Hills,

Hyderabad-500034

Registered Office

Cyber Pearl, Block '2', 5th Floor - 01,

Madhapur, Hyderabad - 81, India.

Ph: +91 40 44556600

Fax: +91 40 40028703

www.gssinfotech.com

Registrar and Share Transfer Agents

Bigshare Services Private Limited

E/2, Ansa Industrial Estate, Saki Vihar Road,

Saki Naka, Andheri (E), Mumbai - 400 072, India

Tel: +91 22 2847 3747

Fax: +91 22 2847 5207

Notice of Annual General Meeting (AGM)

Notice is hereby given that the Eleventh Annual General Meeting (AGM) of the members of GSS Infotech Limited will be held on Tuesday, the 30th Day of September, 2014 at 10.00 A.M at Ellaa Suites, Jasmine Banquet Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad – 500 032 to transact the following business:

Ordinary Business:

1. To consider and adopt the audited Balance Sheet as at 31st March 2014, the Statement of Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Ramesh Yerramsetti, who retires by rotation, and being eligible, offers himself for Re-appointment.
3. To appoint a Director in the place of Mr. Madhukar C Sheth, who retires by rotation, and being eligible, offers himself for Re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s Sarath & Associates, Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

By Order of the Board of GSS Infotech Limited

Sd/-

Place : Hyderabad

Sai Krishna Naria

Date : 09th August 2014

Company Secretary & Compliance Officer

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Members/proxies are requested to bring their copy of the Annual Report and duly filled in attendance slips to the meeting. The form of attendance slip is given at the end of this Annual Report.
3. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting.
4. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days of the Company between 11:00 am to 1:00 pm up to the date of the Annual General Meeting and at the venue of the Meeting for the duration of the Meeting.
5. Members who still hold shares certificates in physical form are advised to de-materialize their shareholding to avail the benefits of dematerialization, which include easy liquidity, since trading is permitted in dematerialized form only, electronic transfer, saving in stamp duty and elimination of any possibility of documents and bad deliveries.

6. The register of members and the share transfer books will remain closed from 25.09.2014 to 30.09.2014 for the purpose of Annual General Meeting .
7. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the Director's Report. The Directors have furnished the requisite declarations for their appointment/re-appointment.
8. Electronic copy of the Notice of the Eleventh Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Eleventh Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members may also note that the Notice of the Eleventh Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.gssinfotech.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: salkrishna.narla@gssinfotech.com **MEMBERS ARE REQUESTED TO UPDATE THEIR E-MAIL IDS WITH THE REGISTRAR AND SHARE TRANSFER AGENTS FOR FACILITATING TIMELY CORRESPONDENCE FOR ALL FUTURE COMMUNICATIONS.**
11. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Eleventh Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

The Instructions for e-voting are as under:

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 11th Annual General Meeting to be held on 30th September 2014. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the E-Voting facility.

The E-Voting facility is available at the link: <https://www.evotingindia.com>

EVEN (E-VOTING EVENT NUMBER)	COMMENCEMENT OF E-VOTING	END OF E-VOTING
140826009	18.09.2014	24.09.2014

These details and instructions form an integral part of the notice for the Annual General Meeting to be held on 30th September 2014.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins from **10.00 AM on Thursday, the 18th day of September 2014** and ends at **5.00 PM on Wednesday, the 24th day of September 2014**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) **22nd August, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.

- (iii) Click on Shareholders.

- (iv) Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (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 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat share holders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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 folio/client id number in the PAN field. In case the folio 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. Eg. If your name is Ramesh Kumar with folio 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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login, if the details are not recorded with the depository or company please enter the number of shares 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 140826009> 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 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.
 - 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 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 under help section or write an email to 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.

Mr. Artham Someswara Rao, Practicing Company Secretary (ACS 18979, COP 11366) and Partner M/s. Someswara Rao and Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.



The Scrutinizer shall within a period not exceeding five(5) 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, if any, forthwith to the Chairman of the Company.

DIRECTOR'S REPORT

Dear Members,

We are delighted to present the report on our business and operations for the financial year ended March 31, 2014

I. FINANCIAL RESULTS

The Company's financial results (consolidated & standalone) for the year ended 31st March 2014 is provided in the Annual Report

Consolidated Revenues of the Company for the year ended 31.03.2014 is INR 277.04 Crores and standalone revenues of the company is 52.19 Crores.

The Consolidated Profit after Tax of the company for the year ended 31.03.2014 is INR 6.31 Crores and Standalone Profit After Tax is INR 4.31 Crores.

Particulars	GSS Infotech Limited (Standalone)		GSS Infotech Limited and its subsidiaries (consolidated)	
	Year ended (Rs.in Crores)		Year ended (Rs.in Crores)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Total Income	52.19	41.91	277.04	296.46
Gross Profit	18.74	13.18	41.95	31.77
Profit (+)/Loss () from Ordinary Activities before tax	1.09	2.99	3.20	1.60
Net Profit (+)/ Loss () from Ordinary Activities after tax	4.31	(4.94)	6.31	(5.94)
Paid up equity share capital (Face Value, R10/ each)	14.13	14.13	14.13	14.13
Reserves and Surplus	274.30	270.04	325.40	293.66
Earnings Per Share	3.05	(3.49)	4.47	(4.20)

II. DIVIDEND

The Directors did not recommend any dividend for the year ended 31st March 2014.

III. FIXED DEPOSITS

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

IV. DIRECTORS

Mr. Ramesh Yerramsetti and Mr. Madhukar C Seth, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re appointment.

During the Financial year under review, Mr. Farokh Kekhushroo Banatwalla resigned from the Board of Directors on 17.09.2013 due to his other pre-occupations.

V. AUDITORS

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

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

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

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

VII. AUDIT COMMITTEE

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

VIII. PARTICULARS OF EMPLOYEES:

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

Sl.no	Name	Designation	Qualification	Age (years)	Previous employer	Designation at previous employment	Date of joining	Remuneration (INR)
1	Mr. Rajeev Banduni	Designation Chief Sales Officer	BE Computer Science with 20 years' experience	44	Gatner Inc	Offshore Business	11 th February 2013	42,50,000 from April, 2013 to September, 2013 (6 months) Resigned on 30.09.2013

IX. CORPORATE GOVERNANCE:

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

X. EMPLOYEES STOCK OPTION SCHEME (ESOS)

An application for in – principle approval for listing of 20,00,000 shares has been made to the stock exchanges under the new scheme GSS Infotech Limited Restricted Employee Stock Option Plan 2013 as per the scheme approved by the shareholders in the Annual General Meeting held on 19th July 2014.

XI. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

XII. CEO's DECLARATION

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

XIII. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- That in preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- That the selected accounting policies were applied consistently and the Directors made judgments and

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2014 and of the profit of the Company for the year ended on that date;

- c. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. That the annual accounts have been prepared on a going concern basis.

XIV. DIRECTORS COMMENTS ON RESERVATION(S) BY AUDITORS IN THEIR REPORT

With reference to Point No 3(b) in The Annexure referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirement" section of Auditor's report (standalone) of even date, the amounts are advanced to wholly owned subsidiaries of the company and the details thereof are as under:

Name of Subsidiary	Balance as on 31.03.2014	Balance as on 31.03.2013
	₹	₹
Gss Infotech Inc	13,53,54,979	12,24,95,132
GSS IT Solutions Pvt Ltd	18,50,000	2,43,92,064
GSS Healthcare IT Solutions Pvt Ltd	3,04,88,945	0
Total:	16,76,93,924	14,68,87,196

These amounts are advanced to subsidiaries towards working capital requirements and are given out of non interest bearing funds. 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 Group.

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

As per the provisions of the Companies Act, 1956 we are required to attach the Director's report, Balance Sheet and Profit and Loss account of our subsidiaries. The Ministry of Corporate Affairs, Government of India Vide its circular no. 2/2011 dated February 8, 2011 has provided an exemption to companies from complying with section 212, provided such companies publish the audited consolidated financial statements in the annual report. Accordingly the annual report 2013-14 does not contain the financial statements of our subsidiaries.

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

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

XV. GREEN INITIATIVE

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

XVI. ACKNOWLEDGEMENTS:

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

By Order of the Board of GSS Infotech Limited

Place: Hyderabad
Date: 09.08.2014

Sd/-
Bhargav Marepally
CEO & Managing Director

Sd/-
Ramesh Yerramsetti
Director

ANNEXURE A

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

I. Details of Conservation of Energy:

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

II. Technology, absorption, adaptation and innovation

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

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

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

III. Foreign Exchange Earnings and Outgo:

a. Activities relating to Exports:

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

b. Total Foreign Exchange Earnings used and earned:

Particulars	Current Year (2013-14) (Rs in Lakhs)	Previous Year (2012-13) (Rs in Lakhs)
Foreign Exchange expenditure	1742.54	49.12
Foreign Exchange earned	3184.10	3057.17

By Order of the Board of GSS Infotech Limited

Place: Hyderabad
Date: 09th Aug 2014

Sd/-
Mr. Bhargav Marepally
CEO & Managing Director

Sd/-
Mr. Ramesh Yerramsetti
Director

ANNEXURE B

Report on Corporate Governance

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

The Company is committed to achieve and maintain the highest standards of Corporate Governance. The Company believes that all its actions must serve the underlying goal of enhancing shareholder value over a sustained period of time. Over the years, governance processes and systems have been strengthened within the Company and corporate governance has been an integral part of the way business has been done.

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

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

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

Following are the salient features of our Corporate Governance philosophy:

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

2. Board of Directors:

2.1 Composition of Board:

The board of Directors of the Company "the Board" comprises of Seven Directors: one (1), Managing Director, Six (6) non-executive Directors.

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

Name of the Director	Nature of Directorship	Relationship with Other Directors	No. of Directorships in other Companies*	No. of committees of Public Companies in which he is Chairman/ Member
Mr. Bhargav Marepally	CEO & Managing Director, Promoter	None	5	Nil
Mr. Ramesh Yerramsetti	Non Executive Director, Promoter	None	4	Nil
Mr. P.V.R.K. Prasad	Chairman & Non Executive & Independent Director	None	3	1
Mr. Mark Silgado	Non Executive & Non Independent Director	None	6	Nil
Mr. Madhukar Sheth	Non Executive & Non Independent Director	None	3	Nil
Mr. Javed Faizullah Tapia	Non Executive Non Independent Director	None	25	Nil
Mr. Keerthy Jaya Tilak	Non Executive Independent Director	None	1	Nil

* Includes listed, unlisted Public and Private Indian Companies

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

2.2 Board Meetings

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

2.3. Role of Independent Directors:

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

2.4. Information Supplied to the Board:

- Annual operating plans and budgets and any updates
- Quarterly, half yearly and annual results of the company
- Minutes of meetings of audit committee and other committees of the board
- Information on recruitment of senior officers just below the Board level

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

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

Name of the director	Shares held as on 31st March, 2014
Mr. P. V. R. K. Prasad	Nil
Mr. Mark Silgado	Nil
Mr. Ramesh Yerramsetti	106400
Mr. Madhukar Sheth	1644666
Mr. Javed Faizullah Tapia	4509160
Mr. Keerthy Jaya Tilak	Nil

2.6 Appointment / Re appointment of Directors:

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

- I. **Mr. Ramesh Yerramsetti:** Mr. Ramesh, appointed as a Director on the Board on 13.10.2003, will retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re appointment. If re appointed will be a Non – Independent and Non-Executive Director.
- II. **Mr. Madhukar C Seth:** Mr. Seth, appointed as a Director on the Board on 15.05.2012, will retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re appointment. If re appointed will be a non-Independent and Non-executive Director.

2.7 Board meetings and the previous Annual General Meeting

During the financial year 4 board meetings were held on various occasions, 30th May 2013, 12th August 2013, 12th November 2013, and 12th February 2014. The last AGM of the Company was held on 19th July, 2013. The details of attendance of Directors in Board Meetings and the last Annual General Meeting are as follows:

Name of the Director	No. of Board meetings attended	Attendance at the last A G M
Mr. Bhargav Marepally	4	Present
Mr. Ramesh Yerramsetti	4	Present
Mr. P. V. R. K. Prasad	3	Absent
Mr. Keerthy Jaya Tilak	4	Absent
Mr. Mark Silgado	4	Absent
Mr. Madhukar Sheth	4	Absent
Mr. Javed Faizullah Tapla	3	Absent
Mr. Farookh Kekhushroo Banatwala*	—	Absent

*Appointed on 30.05.2013, Resigned on 17.09.2013

2.8 Code of Conduct

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

2.9 Risk Management

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

3 Audit Committee

3.1 Constitution of Audit Committee:

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

3.2 Composition of Audit Committee and attendance of members:

During the financial year 2013 14, the Audit Committee met four times on various occasions i.e. 30th May 2013, 12th August 2013, 12th November 2013, and 12th February 2014. The composition of the Audit Committee and the number of meetings attended during the financial year 2013 14 were as follows:

Name of the member	Designation	Nature of Directorship	No. of meetings attended
Mr. P. V. R. K. Prasad	Chairman	Non Executive, Independent	3
Mr. Keerthy Jaya Tilak	Member	Non Executive, Independent	4
Mr. Bhargav Marepally	Member	Executive, Promoter group	4

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

Mr. PVRK Prasad, Chairman of audit committee could not attend the AGM due to his personal pre-occupations

3.4 Attendees:

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

3.5 The Terms of Reference of the Audit Committee:

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

- A. Overview of the company's financial reporting process and the disclosure of its financial information to ensure
- B. Recommending the appointment and removal of the statutory auditors, fixation of audit fees and also approval or payment for any other services.
- C. Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- D. Reviewing, with the management, the annual financial statements before submission to the board, focusing primarily on:
 - i) Matters required to be included in the Director's Responsibility statement to be incorporated in terms of Section 217 (2AA) of the Companies Act, 1956
 - ii) Any changes in accounting policies and practices
 - iii) Major accounting entries based on the exercise of judgment by management
 - iv) Significant adjustments arising out of audit
 - v) Compliance with listing and other legal requirements relating to financial statements
 - vi) Disclosure of any related party transactions
 - vii) Qualifications in the draft audit report.
 - viii) Compliance with accounting standards;
 - ix) Management discussion and analysis of financial condition and result of operations

- E. Reviewing the Quarterly Financial Results before submitting the same to the Board's approval
- F. Reviewing, with the management, the performance of external and internal auditors and adequacy of the internal control systems.
- G. Reviewing the adequacy of internal audit function and frequency of internal audit.
- H. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- I. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

3.6 Powers of the Audit Committee:

The following are the powers of the Audit Committee:

- i. Investigating any activity within its terms of reference as above, or in relation to the items specified in Section 292A of the Companies Act, 1956, or as may be referred to it by the Board, from time to time and for this purpose, it shall have full access to information contained in the records of the Company and external professional advice, if necessary
- ii. Seek information from any employee.
- iii. Obtain outside legal or other professional advice, if necessary.
- iv. Secure attendance of outsiders with relevant expertise, if it considers necessary.

4 Remuneration Committee

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

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

4.1 Constitution of Remuneration Committee:

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

4.2 Composition of Remuneration Committee and attendance of members:

2 Remuneration Committee meetings were held during the year under review Committee on 30.05.2013 and 12.08.2013. The Composition of the Remuneration Committee during the financial year 2013 – 2014 is given below:

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

4.3 The Terms of Reference of the Remuneration Committee:

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

4.4 Remuneration Policy:

4.4.1 Management staff:

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

4.4.2 Non Executive Directors:

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

4.4.3 Executive Directors

The Company has one Executive Director namely Bhargav Marepally, Chief Executive Officer & Managing Director. During the financial year under review, there was no remuneration paid to Mr. Bhargav Marepally from the company based on his waiver letter to the company that he is willing to foregone his salary as per waiver letter and hence company did not pay any salary for the financial year 2013-14.

Share Transfer and Shareholders' / Investors Grievance Committee

4.5 Constitution of the Committee:

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

4.6 Composition of the Committee and attendance of members:

4 Meetings of the Share transfer and Shareholders/ Investors Grievance Committee were held on 30th May 2013, 12th August 2013, 12th November 2013, and 12th February 2014. The composition of the Remuneration Committee and the attendance of members during the financial year 2013 - 2014 are given below

Name of the member	Designation	Nature of Directorship	No of meetings attended
Mr. Keerthy Jaya Tilak	Chairman	Non Executive, Independent	4
Mr. Ramesh Yerramsetti	Member	Non Executive Director, Promoter	4
Mr. Bhargav Marepally	Member	Executive, Promoter	4

4.7 The Terms of Reference of the Committee:

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

4.8 Name of the Compliance Officer

During the year 2013-14, due to certain pre occupations Mr. R S Kalyan Bhasker, Company Secretary & Compliance Officer resigned from the company w.e.f 28th February, 2014 and in his place Mr. Sai Krishna Narla was appointed as Company Secretary & Compliance Officer to address the grievances / complaints of the investors.

4.9 Status of Shareholders' complaints

Status of the investor complaints during the FY 2013-2014:

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

4.10 Share Transfers in Physical Mode

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

5 General Body Meetings:

5.1 Annual General Meeting:

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

Financial Year	Date	Time	Meeting location
2012-2013	19 th July, 2013	10.00 A.M.	Ellaa Suites, Jasmine Banquet Hall, Hillridge springs, No.25, Kancha, Gachbowli, ISB Road, Hyderabad 500032
2011-2012	28 th September, 2012	10.30 A.M.	Ellaa Suites, Jasmine Banquet Hall, Hillridge springs, No.25, Kancha, Gachbowli, ISB Road, Hyderabad 500032
2010-2011	30 th December, 2011	10.30 A.M.	Ellaa Suites, Jasmine Banquet Hall, Hillridge springs, No.25, Kancha, Gachbowli, ISB Road, Hyderabad 500032

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

Date of the General Meeting	Type of Meeting	Purpose
Friday, 19 th July, 2013	Annual General Meeting	<p>a) To consider and adopt the audited balance sheet as at 31st March 2013, the statement of profit and loss account for the nine months and year ended on that date together with the reports of the Board of Directors and Auditors thereon.</p> <p>b) To appoint a director in the place of Mr. Keerthy Jaya Tilak who retires by rotation, and being eligible offers himself for re appointment</p> <p>c) To appoint a director in the place of Mr. Mark Silgado who retires by rotation, and being eligible offers himself for re appointment</p> <p>d) To appoint auditors and to fix their remuneration d) Appointment of Mr. Javed F Tapla as a director liable to retire by rotation.</p> <p>e) Appointment of Mr. Farokh K Banatwalla as a director liable to retire by rotation</p> <p>f) Approval of ESOP Plan 2013 and Extension of the same to the employees of subsidiary company</p>
Notice Date is 12 th November, 2013	Extra ordinary General Meeting passed through postal ballot	For increasing the shareholding threshold limits of FII's in the Company from 22% to 49% of the paid of capital of the Company. Results of the postal ballot were declared at the registered office of the Company on 31.12.2013.

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

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

6 Disclosures

6.1 Disclosure on materially significant related party transactions:

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

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

None in last three years

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

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

6.4 Confirmation of compliance with the Mandatory/ Non mandatory requirements

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

6.5 Whistle blower policy:

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

7 Means of Communication

a) The main channel of communication to the shareholders is through the Annual Report which includes inter alia, the Directors' Report, The report on Corporate Governance and annual audited financial results.

b) The website of the Company www.gssinfotech.com acts as the primary source of information regarding the operations of the company.

c) The quarterly, half yearly and annual results of the Company are published in leading national and regional newspapers which include Economic Times, Business Standard and Surya (the regional newspaper as required under clause 41 of the listing agreement). The results are also displayed on the Company's website and also on the websites of stock exchanges.

d) Management Discussion and Analysis forms part of this Annual Report.

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

8. General Shareholder Information

8.1 Annual General Meeting

The AGM of the Company for the financial year 2013-14 is scheduled to be held on 30.09.2014 at 10:00 A.M Ellaa Suites, Jasmine Banquet Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad 500 032. The notice convening the AGM is provided elsewhere in the Annual Report.

8.2 Financial Year

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

8.3 Book Closure

Register of Members and the Share Transfer Book of the Company will remain closed from 25.09.2014 to 30.09.2014 (Both days are inclusive)

8.4 Listing on Stock Exchanges & Stock Code

The Company is listed on the following Stock Exchanges

- * BSE Limited (BSE): Scrip ID: GSS; Scrip Code: 532951
- * National Stock Exchange of India Limited (NSE): Symbol: GSS

Listing fees has been paid to both the Exchanges for the FY 2013 14. The ISIN number of the equity shares of the Company is INE870H01011

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

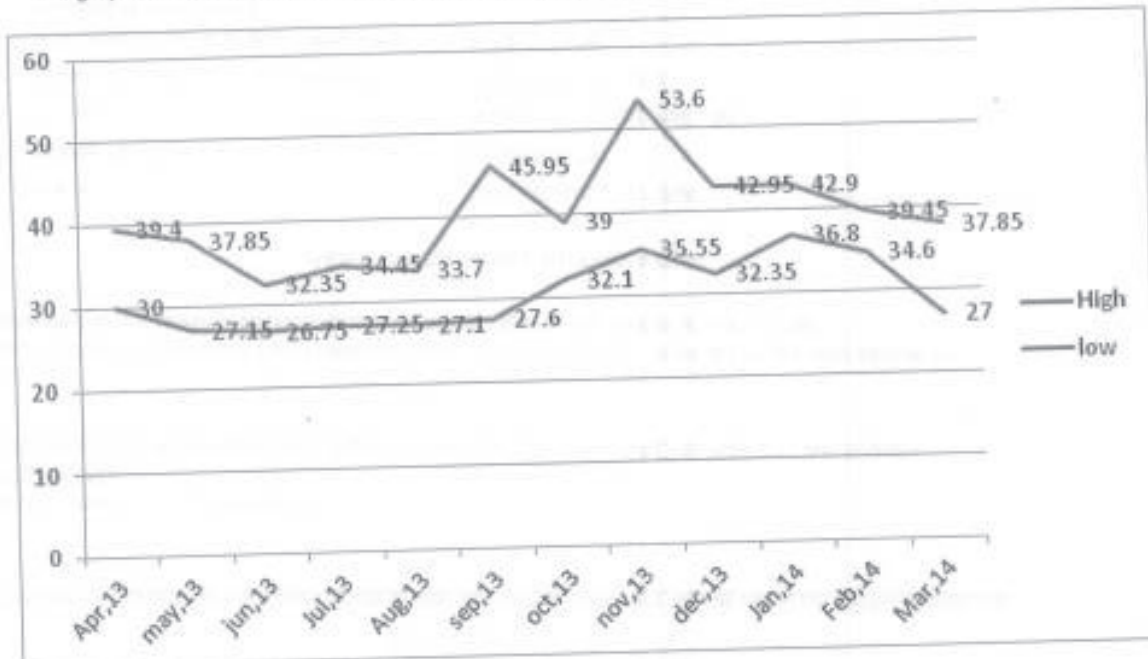
Share price Data (In Rs. Per share)

Month	NSE		BSE	
	High	Low	High	Low
April 2013	35.00	29.25	39.40	30.00
May 2013	33.90	27.00	37.85	27.15
June 2013	30.85	26.15	32.35	26.75
July 2013	31.50	26.40	34.45	27.25
August 2013	31.00	24.70	33.70	27.10
September 2013	46.60	26.80	45.95	27.60
October 2013	38.70	32.25	39.00	32.10
November 2013	54.90	35.55	53.60	35.55
December 2013	44.15	31.70	42.95	32.35
January 2014	42.20	35.70	42.90	36.80
February 2014	39.15	35.00	39.45	34.60
March 2014	37.80	27.25	37.85	27.00

The graphical representation of the high and low price in National Stock Exchange for the financial year 2013-14



The graphical representation of the high and low price in Bombay Stock Exchange for the financial year 2013-14



8.6 Shareholding pattern as on March 31st, 2014

SHAREHOLDING PATTERN AS ON 31ST MARCH 2014 holding percentage



The detailed shareholding pattern is available on The Company's website at

<https://www.gssinfotech.com/about/shareholding-pattern.php>

Shareholding pattern as on March 31st, 2014

Shareholding pattern as on March 31st, 2014

Category of shareholder	Number of shareholders	Total number Shares	Total shareholding as a % of total number of Shares		Shares pledged or otherwise encumbered	
			As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a %
Shareholding of promoter and promoter group						
Indian	6	210923	1.49	1.49	199000	94.35
Foreign	0	0	0	0	0	0
Total Share holding of Promoter and Promoter Group	6	210923	1.49	1.49	199000	94.35
Public shareholding						
Institutions	6	6033150	42.68	42.68	0	0
Non-Institutions						
Bodies Corporate	258	2456036	17.37	17.37	0	0
Individuals	9810	5436734	38.46	38.46	0	0
Any Other (specify)	0	0	0	0	0	0
Total Public Shareholding	10074	13925920	98.51	98.51	0	0
TOTAL	10080	14136843	100	100	199000	1.41
Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0
GRAND TOTAL	10080	14136843	100	100	199000	1.41

8.7 Distribution of shareholding as on 31st March, 2014

Range in Rs.	Total Holders	% of Total Holders	Total holding in Rs	% of Total Capital
Up to 5000	9637	95.6	5794820	4.10
5001 to 10000	213	2.11	1604910	1.14
10001 to 20000	106	1.05	1511580	1.07
20001 to 30000	32	0.32	813270	0.58
30001 to 40000	11	0.11	401410	0.28
40001 to 50000	14	0.14	597390	0.42
50001 to 100000	25	0.25	1778770	1.26
100001 to 500000	20	0.20	4730920	3.35
500001 to 1000000	5	0.05	4077540	2.88
1000001 to 5000000	11	0.11	34850170	24.65
5000001 to 10000000	1	0.00	10000000	7.07
10000001 and above	5	0.05	75207650	53.20
Total	10080		141368430	100

8.8 Registrar and Share Transfer Agents

306, Right Wing, Amrutha Ville, Opp.Yasodha Hospital, Somajiguda,
Raj Bhavan Road, Hyderabad - 500 082.
Tel: 91-40-2337 4967 | 2337 0295
Fax:91-40-23370295
E-mail: bsshyd@bigshareonline.com

8.9 Bankers to the Company

- ❖ Bank of India, Midcorp banking branch, Hyderabad
- ❖ Axis Bank Ltd, RP Road Branch, Rashtrapati Road, Secunderabad - 500 003

8.10 Share Transfer System

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

8.11 Dematerialization of shares and liquidity

The Company has entered into agreements with NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited) to establish electronic connectivity. The details of dematerialization as on 31st March 2014 are as follows:

Mode	Records	% to holders	Shares	% to capital
NSDL	5725	56.80	12801105	90.55
CDSL	4351	43.16	985257	6.97
Physical	4	0.04	350481	2.48
Total	10080	100	14136843	100.00

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

During the year 2012-13, the company issued 28,00,000 convertible warrants to non-promoter group on a preferential basis at an exercise price of Rs.41.00/- per share (Rupees forty one only) (including premium of Rs.31.00) aggregating to Rs.11,48,00,000/- vide its board resolution dated 14th November 2012 and shareholders' approval through postal ballot declared on 19th December 2012 and the said warrants to be converted within 18 (eighteen) months from its allotment date i.e. 24th January 2013

8.13 Office Locations

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

North America

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

India Hyderabad - Global HQ Cyber Pearl, Block - 2, Level - 5, Wing 05-01, HITEC City, Madhapur, Hyderabad - 500 081. AP. India. Tel: +91 40 44556600 Fax: +91 40 40028703 e-mail: saikrishna.narla@gssinfotech.com	Singapore 3 Shenton Way, #03-09, Shenton House, Singapore 068805. Tel: +65 6227 8157 Fax: +65 6491 5300 e-mail: singapore@gssinfotech.com
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8.14 Address for correspondence

Any queries relating to the financial statements and Investors' correspondence may be addressed to Mr. Sai Krishna Narla, Company Secretary & Compliance Officer at saikrishna.narla@gssinfotech.com

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

By Order of the Board of GSS Infotech Limited

Place: Hyderabad

Date: 09th Aug 2014

Sd/-

Bhargav Marepally

CEO & Managing Director

Sd/-

Ramesh Yerramsetti

Director

ANNEXURE C

Certificate on Corporate Governance

To
The Members
GSS Infotech Limited
Level 5, Wing 5-01, Block 2,
Cyber Pearl Hitech City,
Hyderabad 500081

We have examined the compliance of conditions of Corporate Governance by GSS Infotech Limited, for the period ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us by the Directors and Management, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except that the composition of Board of Directors relating to minimum number of Independent Directors. However the management has provided satisfactory explanations that it is making necessary efforts to comply with the same.

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

Sd/-
A.SOMESWARARAO
M.NO.18979
C.P.NO.11366

Place: Hyderabad
Date: 09th Aug, 2014

PARTNER
A.SOMESWARARAO & ASSOCIATES
COMPANY SECRETARIES

ANNEXURE D

Management discussion and Analysis report

Outlook for IT Industry in 2014: A recently conducted survey by Nasscom did a comprehensive review on how the IT industry and its companies performed in 2013 and their predictions and plans in 2014. The report was summarized in an article in India Today which revealed some great insights on the present and future changes and prospects in the Indian IT Industry among its IT Giants. Some of these insights are as under:

The resilient \$270-billion plus Indian IT industry returned to the higher growth trajectory in 2013 and is hoping to gain momentum in the ensuing year 2014 for a greater share of the global multi-billion dollar outsourcing market.

The National Association of Software and Services Companies (Nasscom) is expecting the industry to clock export revenues of \$84-87 billion this fiscal (FY 2014) as against \$76 billion last fiscal (FY2013). In the Indian market, the industry is, expected to grow marginally year-on-year at 14 percent to post Rs.1.2 trillion (\$185 billion) this fiscal from Rs.1.05 trillion (\$160 billion last fiscal). The Indian IT industry comprises domestic firms, captive centers of multinationals, global industry classification standards (GICs) and industry sectors providing software and hardware services, business process outsourcing (back office operations), engineering and research and development (ER&D) and products.

The industry is also investing in technology and talent to explore opportunities like smart computing, anything-as-a service and the small and medium businesses. The domestic market is also maturing and is one of the fastest in the developing countries, thanks to the increasing role technology is playing in transforming delivery of diverse services in the government and private sector. Though attrition remained higher than last year, especially among the bellwethers, campus hiring and fresh offers declined during the year, as companies consolidated operations than invest in human capital to make more techies sit on the bench waiting for new projects.

The industry added 188,000 jobs last fiscal, taking the total number of direct jobs to three million. The industry has once again demonstrated resilience and agility. As technology has become an integral enabler for growth across sectors, we are evolving and innovating to become a strategic partner to our customers. The thrust is to offer IP-led solutions over multiple platforms, which are transformative in nature.

2014 Industry trends – Worldwide

- I For 2014, CompTIA's consensus forecast projects a worldwide IT industry growth rate of 3.4%, with upside potential of 5.9%. The forecast for the U.S. comes in at 3.0%, with upside potential of 5.4%. The 2014 forecast remains roughly on par with the forecast issued for 2013.
- II The deepening integration of cloud and mobility into businesses of all sizes will lead to wider benefits as well as a new set of issues to contend with.
- I Companies may purchase a variety of datacenter equipment to serve different needs, companies will be looking for best of breed cloud solutions for different applications. On the flip side, managing many different cloud solutions will be a significant challenge for many organizations.
- I Big data has never lacked for hype—the notion of making better decisions faster has obvious appeal to companies of all sizes. However, the complexity involved in dealing with huge amounts of unstructured data at a rapid pace is a hurdle for many companies.
- I As the network evolves to become more software and services centric, and less hardware oriented, new skill sets will be required in the areas of deployment, integration and support.

- I New product categories such as those that cross big data (analytics, business intelligence), mobile application development and unified communications' many facets are opening up a world of new business opportunity for the channel

2014 Industry trends - India

Online retailing, cloud computing and e-commerce are leading to rapid growth in the IT industry. Online shopping is fast gaining popularity with the emergence of internet retailing. According to the Internet and Mobile Association of India (IAMAI), the number of internet users in the country is more than 121 million, out of which over 17 million are online shoppers. Increasing internet penetration and affordability for personal computers has led to these numbers, which are further expected to triple by 2015.

Indian IT & ITeS Sector Report April 2014

The Indian Information Technology (IT) and Information Technology enabled Services (ITeS) sectors go hand-in-hand in every aspect. The industry has not only transformed India's image on the global platform, but also fuelled economic growth by energizing higher education sector (especially in engineering and computer science). The industry has employed almost 10 million Indians and hence, has contributed a lot to social transformation in the country.

Furthermore, Indian firms, across all other sectors, largely depend on the IT & ITeS service providers to make their business processes efficient and streamlined. Indian manufacturing sector has the highest IT spending followed by automotive, chemicals and consumer products industries. Indian organizations are turning to IT to help them grow business in the current economic environment. IT is seen as a change enabler and a source of business value for organizations by 85 per cent of the respondents, according to a study by VMware.

India's IT-business process outsourcing (BPO) industry revenue is expected to cross US\$ 225 billion mark by 2020, according to a Confederation of Indian Industry (CII) report, titled 'The SMAC Code-Embracing New Technologies for Future Business'. India is expected to become world's second-largest online community after China with 213 million internet users by December 2013 and 243 million by June 2014, according to a report by Internet and Mobile Association of India (IAMAI) and IMRB International. Technology firms in India are expected to reap the benefits of Internet of Things (IoT) data, considered to be a US\$ 18 billion opportunity, to help clients improve productivity and asset utilization as well as to enhance end-customer experience, as per networking firm Cisco.

India's total IT industry's (including hardware) share in the global market stands at 7 per cent; in the IT segment the share is 4 per cent while in the ITeS space the share is 2 per cent. India's IT and BPO sector exports are expected to grow by 12-14 per cent in FY14 to touch US\$ 84 billion - US\$ 87 billion, according to Nasscom. Moreover, India plans to spend around US\$ 3.9 billion on cloud services during 2013-2017, of which US\$ 1.7 billion will be spent on software-as-a-service (SaaS), according to the latest outlook of IT research and advisory company, Gartner Inc. The enterprise software market in India is expected to reach US\$ 3.92 billion in 2013, registering a growth of 13.9 per cent over 2012 revenue of US\$ 3.45 billion, according to Gartner.

Export predictions of the industry

For FY 2014, the IT-BPO exports are expected to grow by 12-14 per cent to touch US\$ 84-87 billion, according to NASSCOM. Newer phenomenon like analytical services, advanced mobile applications, healthy environment for start-ups and SaaS will further drive the growth of IT exports.

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

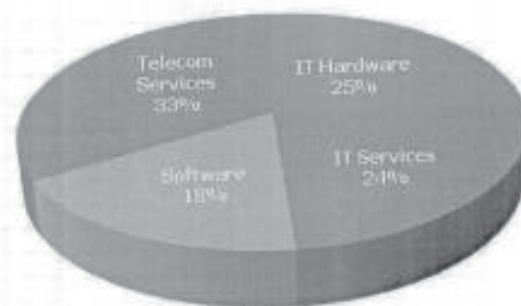
The government has recently approved the National IT Policy as well as the National Electronics Policy, which aims to increase revenues of IT and ITeS industry and make the country a manufacturing hub for electronic goods. The policy will promote innovation and development of applications and solutions 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 Hardware

U.S. IT Industry



TELECOM SERVICES

- Fixed voice
- Fixed data
- Wireless voice
- Wireless data

IT Spending

Worldwide IT spending is projected to total \$3.8 trillion in 2014, a 3.1 percent increase from 2013 spending of \$3.7 trillion, according to the latest forecast by Gartner, Inc. In 2013, the market experienced flat growth, growing 0.4 percent year over year.

Worldwide IT Spending Forecast (Billions of U.S. Dollars)				
Year	2013	2013	2014	2014
	Spending	Growth (%)	Spending	Growth (%)
Devices	669	-1.2	697	4.3
Data Center Systems	140	-0.3	143	2.6
Enterprise Software	300	5.2	320	6.8
IT Services	922	1.8	963	4.5
Telecom Services	1,633	-0.5	1,653	1.2
Overall IT	3,663	0.4	3,777	3.1

Relevant Business Segments for GSS:

Managed Services

Traditional outsourcing as we know it is yielding to new outcome-based managed services and solutions. Sixty five per cent of commercial enterprises indicated that they have at least one managed services deal and more than 55% indicated that they plan to increase their use of managed services. The business and IT services market is experiencing a profound change due to the convergence of services, software and infrastructure. Buyers are no longer procuring hardware, software and services separately — they are now seeking integrated offerings.

IT Infrastructure & Operations (I & O)

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

Remote Infrastructure Management (RIM) services

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

In 2014, organizations will increase Workload Automation's span of control to cover more business applications than before. Simple-to-use, automated tools will allow the consolidation of workloads from multiple schedulers and business applications into a single solution providing a focal point of control. The production control team will no longer be required to use different tools and interfaces in order to manage batch activity. The use of automatic workload discovery tools will grow in 2014, allowing organizations to identify critical batch elements which they have not been aware of.

In 2014 Workload Automation will evolve from the IT "basement" to the desktops and smartphones of application developers and business users. The increased ROI and reduced time to value will become visible to all stakeholders. Self-service, collaboration, workload conversion and workload discovery will become industry standards. Gartner a leading research analyst firm identified the following vendors as leaders in workload automation: BMC, Cisco Systems, ORSYN and UC4.

Applications and Portals Development

In this ever-changing world of software development it's extremely important to keep up with current technologies, methodologies and trends. Gartner predicts that through 2014, improved JavaScript performance will begin to push HTML5 and the browser as a mainstream enterprise application development environment.

Portals

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

SharePoint

Microsoft SharePoint is a Web application platform developed by Microsoft. SharePoint can be used to provide intranet portals, document & file management, collaboration, social networks, extranets, websites, enterprise search, and business intelligence. It also has system integration, process integration, and workflow automation capabilities.

Mobility

User and consumer demand for mobile access to services of every kind is insatiable, and the browser won't deliver what users and consumers want. Mobile websites address a very different need than mobile applications. Users and consumers demand applications designed for the mobile experience.

Over the last three to four years of the mobile explosion, the costs for mobile application development have been kept artificially low through concentration on simple delivery of features and functions, and an emphasis on developing applications that address functions from systems-of-record applications. However, as the market grows to maturity, the full total cost of ownership of mobile applications is becoming very visible, and the shortcuts taken in the past will no longer be acceptable, so costs will inevitably rise.

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 and 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 an 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 India, the Middle East and the United State of America.

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

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

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

Geographic Reach



9 offices Globally

North America

- Chicago, IL - North America HQ
- Dublin, California
- New Jersey, (Development Centre)
- Hartford, CT
- Albany, NY, (Development Centre)
- Minneapolis, MN

APAC

- Hitec City - Global HQ
(Global Development Centre)

Middle East

- Dubai
- Riyadh, KSA



Infrastructure Management

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

Strength and Depth

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

Innovation

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

Blended Delivery

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

Monitoring and Management

- 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 workforce mobility, but also reduces cost.

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

Infrastructure Solutions

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

Virtualization Service

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

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

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

- 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.

Testing Business Solutions

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

Functional Testing

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

Test Automation

- Core Test Automation
- Automation Consultancy

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.





- 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

ISO 9001: 2008
Quality Management



ISO 27001
Information Security
Management System



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

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

Opportunities:

- Emerging technologies like big-data provide good growth opportunities
- Partnering with various firms for business development

Threats:

- 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) The economy of the United States hasn't improved much and IT budgets are still very frugal;
- b) 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.
- f) 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:
- g) Acceptance of the Company's service offerings in the domestic and international markets;
- h) Pricing pressures for the Company's IT services due to continued competition from other IT products, services and transaction services companies;
- i) Capital expenditure and related financings;
- j) The Company's ability to expand international operations;
- k) Gain or loss of significant customers;
- l) New strategic partnerships or mergers/acquisitions; and obtaining funding for additional acquisition opportunities and their working capital requirements.
- m) Internal controls and adequacy
- n) 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.
- o) 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.
- p) 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.

- q) Your company conducts employee background screening, information security education and regular training on IP protection to all its employees working on various projects.
- r) Your company has documented business continuity and disaster recovery plans
- s) Your company has appointed an independent audit firm, M/s.Polamraju & Associates, Chartered Accountants, have conducted a quarterly internal audit and verify internal controls and its adequacy in the areas of operations, HR, Secretarial and Finance and Accounts. Their report is placed and discussed in the audit committee, and there are no adverse observations made by the firm post their review

Discussion on financial performance with respect to operational performance

DISCUSSION ON RESULTS OF OPERATIONS (STANDALONE)

Operational Income

The operational income for the twelve months and year ended 31st March 2014 is Rs. 461.394 Million as against 31st March 2013 which stood at Rs.398.77 million

Total staff costs and other direct costs

The direct costs including staff costs in the year 2013-14 is Rs. 334.511 Million as against 2012-13 which stood at Rs.287.26 million

Total expenditure

The operating, general and selling expenses in the year 2013-14 are Rs. 138.179 Million as against 2012-13 which stood at Rs. 62.05 million.

Depreciation / Amortization

The depreciation / amortization in FY 2013-14 is Rs. 11.99 Million as against 2012-13 which stood at Rs.13.36 million

Financial Expenses

The financial expenses in 2013-14 is Rs.26.29Million as against 2012-13 which stood at Rs.26.47 million

Profit before Tax

The Company's net Profit before tax for the period 2013-14 is Rs. 10.97 Million as against a net loss before tax of Rs. 48.01 million in 2012-13.

Profit after Tax

The Company's net Profit after tax for the period 2013-14 is Rs. 43.17 Million as against a net loss after tax of Rs 49.37 Million in 2012-13.

CONSOLIDATED FINANCIAL PERFORMANCE

A summary of our past financial results based on our consolidated accounts is given below

(₹ in Lakhs) Particulars	For the year ended 31 st March 2014	For the year ended 31 st March 2013
Income		
Sales:		
a) Software Services	26958.01	29429.75
b) Other Income	746.05	215.97
Total	27704.07	29645.72
Expenditure:		
a) Direct cost	9289.05	12965.23
b) Employee benefit expense	14220.17	13503.61
c) Other expenses	3272.08	2344.51
d) Financial costs	431.98	470.52
e) Depreciation and amortization expense	170.36	201.80
f) Exceptional items	Nil	Nil
Net Profit before tax and extraordinary items	320.41	160.05
Tax expense	(311.10)	(25.34)
Extraordinary item	Nil	779.50
Net Profit/(loss) after Tax	631.51	(594.11)

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

Employees As of 31/03/14 is 822 FTE's. As a result of additional focus and programs to improve the working environment employee satisfaction has increased from 3.6 to 4.1 on a scale of 1-5 compared to the same time period in 2014. Scores of note include: Work Relationships, Work Culture and Career Growth which received a score of 4+ in all cases.

Annexure E

CEO certification

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

- a. I have reviewed financial statements and the cash flow statement for the year 2013-14 and that to the best of my knowledge and belief:
 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have:
 1. Evaluated the effectiveness of internal control systems of the company pertaining to financial reporting
 2. Disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit committee significant changes in internal control over financial reporting during the year;
- e. There are no significant changes in accounting policies during the year to be disclosed to the auditors and the audit committee
- f. There are no instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

For GSS Infotech Limited

Date: 09th Aug, 2014
Place: Hyderabad

Sd/-
Bhargav Marepally
CEO & Managing Director

Annexure F

CEO's Declaration

I, Bhargav Marepally, CEO & Managing Director of GSS Infotech Limited do hereby declare that pursuant to the provisions of the Corporate Governance as laid down by the Stock Exchanges in India, all the members of the Board and Senior Management of the Company have furnished their affirmation of compliance with the code of conduct of the Company for Board members and senior management for the financial year 2013-2014.

On behalf of the Board of Directors

Place: Hyderabad
Date: 09th Aug, 2014

Sd/-
Bhargav Marepally
Chief Executive Officer & Managing Director

CONSOLIDATED REPORT

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors
M/s GSS INFOTECH LIMITED
HYDERABAD

Report on the Financial Statements

We have audited the accompanying Consolidated Financial Statements of M/s. GSS Infotech Limited ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year ended on that date and a summary of Significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :

- i. In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014; and
- ii. In the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and

III. In the case Consolidated Cash Flow Statement, of the cash flows of the Group for the year end on that date.

Other Matter

We did not audit the financial statements of one US subsidiary, whose financial statements reflect total assets of Rs.35,373.12 Lakhs as at 31st March, 2014 and total revenues of Rs.23,201.63 Lakhs 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 these subsidiaries, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

Place: Hyderabad
Date: 09.08.2014

For SARATH & ASSOCIATES
Chartered Accountants
Firm Regn. No. 0051205

Sd/-
P Sarath Kumar
Partner
Membership No. 21755

GSS INFOTECH LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note. No.	As at March 31, 2014	As at March 31, 2013
		₹	₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	141,368,430	141,368,430
(b) Reserves and Surplus	2	3,254,005,084	2,936,605,229
(c) Money received against share warrants	3	57,400,000	57,400,000
(2) Share Application money pending allotment		—	—
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5	93,869,317	—
(b) Deferred Tax Liabilities (Net)	4	—	—
(c) Other Long Term Liabilities	7	—	—
(d) Long Term Provisions	8	—	—
(4) Current Liabilities			
(a) Short-Term Borrowings	5	118,585,873	246,481,141
(b) Trade Payables	6	229,794,094	135,461,157
(c) Other Current Liabilities	7	104,407,693	113,798,652
(d) Short-Term Provisions	8	10,098,038	93,019,237
Total Equity & Liabilities		4,009,528,529	3,724,133,846
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Gross Block		3,261,729,901	2,980,171,382
(ii) Depreciation		90,048,595	90,101,455
(iii) Net Block		3,171,681,306	2,890,069,927
(b) Non-current investments	10	—	—
(c) Deferred tax assets (net)	4	82,866,739	71,202,830
(d) Long term loans and advances	11	105,032,540	145,530,749
(e) Other non-current assets	12	83,455,992	81,260,706
(2) Current Assets			
(a) Current investments			
(b) Inventories			
(c) Trade receivables	13	422,577,596	369,419,391
(d) Cash and Bank balances	14	62,060,012	102,177,044
(e) Short-term loans and advances	11	44,829,025	54,141,638
(f) Other current assets	12	37,025,320	10,331,561
Total Assets		4,009,528,529	3,724,133,846

Schedules referred to above and notes attached there to form an integral part of Balance Sheet

This is the Balance Sheet referred to in our Report of even date.

Per Our Report of Even Date

For SARATH & ASSOCIATES

Chartered Accountants

Firm Regn No:0051205

Sd/-

P. SARATH KUMAR

Partner

Membership No: 21755

Hyderabad

09.08.2014

For and on behalf of the board

Sd/-

Mr. Bhargav Marepally

CEO & Managing Director

Sd/-

Mr. Ramesh Yerramsetti

Director

Sd/-

Sai Krishna Narla

Company Secretary

GSS INFOTECH LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT AND LOSS
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

	Particulars	Note	Year ended March 31, 2014 (Audited)	Year ended March 31, 2013 (Audited)
I.	Revenue from operations	15	₹ 2,695,801,347	2,942,975,243
II.	Other Income	16	64,089,877	21,595,675
III.	Total Revenue - (I+II)		2,759,891,224	2,964,571,918
	Expenses:			
	Direct cost	17	928,905,722	1,296,523,287
	Purchase of Stock-in-Trade			
	Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade			
	Employee benefit expense	18	1,422,017,797	1,350,361,051
	Other expenses	20	316,692,361	234,450,569
IV.	Total Expenses		2,667,615,879	2,881,334,907
V.	Earnings before Interest, Tax, Depreciation, Exceptional and extraordinary items (EBITDA)	(III - IV)	92,275,345	83,237,011
	Financial costs	19	43,198,018	47,051,999
	Depreciation and amortization expense	9	17,036,084	20,180,283
VI.	Profit before exceptional and extraordinary items and tax		32,041,243	16,004,729
VII.	Exceptional Items		-	-
VIII.	Profit before extraordinary items and tax	(VI - VII)	32,041,243	16,004,729
IX.	Extraordinary Items		-	77,950,000
X.	Profit before tax	(VIII-IX)	32,041,243	(61,945,271)
XI.	Tax expense:	21		
	(1) Current tax		(19,445,798)	3,726,923
	(2) Deferred tax		(11,663,909)	(6,260,633)
	Total Tax Expense		(31,109,706)	(2,533,711)
XII.	Profit(Loss) from the period from continuing operations	(X-XI)	63,150,949	(59,411,560)
XIII.	Profit/(Loss) from discontinuing operations		-	-
XIV.	Tax expense of discounting operations		-	-
XV.	Profit/(Loss) from Discontinuing operations	(XIII + XIV)	-	-
XVI.	Profit/(Loss) for the period	(XII + XV)	63,150,949	(59,411,560)
XVII.	Earning per equity share:			
	(1) Basic		4.47	(4.20)
	(2) Diluted		3.73	(3.51)

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

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

Sd/-
P. SARATH KUMAR
Partner
Membership No: 21755

Hyderabad
09.08.2014

For and on behalf of the board

Sd/-
Mr.Bhargav Marepally
CEO & Managing Director

Sd/-
Mr.Ramesh Yerramsetti
Director

Sd/-
Sai Krishna Naria
Company Secretary

GSS INFOTECH LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Amounts in ₹)

Particulars	31-Mar-14	31-Mar-13
Cash flow from operating activities	83,041,243	(61,945,271)
Profit before tax from continuing operations	32,041,243	(61,945,271)
Profit before tax	32,041,243	(61,945,271)
Non-cash adjustment to reconcile profit before tax to net cash flows	17,036,084	20,180,283
Depreciation/amortization on continuing operation	—	—
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	602,883	18,254,381
Provision for Bad Debts made / (written back)	81,480,552	—
Bad debts written off	—	—
Unrealized foreign exchange loss	43,198,018	47,051,999
Interest expense	(2,204,715)	(2,254,589)
Interest income	172,354,064	23,388,703
Operating profit before working capital changes	—	—
Movements in working capital:	94,332,937	(427,975,588)
Increase/(decrease) in trade payables	—	—
Increase / (decrease) in long-term provisions	(53,024,818)	72,862,116
Increase / (decrease) in short-term provisions	(9,290,959)	(61,300,093)
Increase/(decrease) in other current liabilities	—	—
Increase/ (decrease) in other long-term liabilities	(135,241,638)	406,032,778
Decrease/(increase) in trade receivables	40,498,209	(136,836,885)
Decrease / (increase) in long-term loans and advances	9,812,613	228,881,269
Decrease / (increase) in short-term loans and advances	(26,693,759)	(10,391,961)
Decrease/(Increase) in other current assets	—	—
Decrease / (increase) in other non-current assets	91,942,547	92,535,789
Cash generated from operations	(12,846,769)	(19,100,803)
Direct taxes paid/ adjusted (net of refunds)	29,300,778	73,437,838
Net cash flow from/ (used in) operating activities (A)	—	—
Cash flows from investing activities	(4,513,075)	(3,339,116)
Purchase of fixed assets, including intangible assets, CWIP and capital advances	3,866,968	1,683,482
Proceeds from sale of fixed assets	—	—
Proceeds of non-current investments	(297,701,256)	(319,868,959)
Increase in Goodwill on Consolidation due to difference in exchange rate	—	—
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)	—	—
Purchase consideration paid for Acquisition - Net	2,204,715	2,354,589
Interest received	(296,442,747)	(219,220,008)
Net cash flow from/(used in) investing activities (B)	—	—
Cash flows from financing activities	—	57,400,008
Proceeds from issuance of share capital	—	—
Proceeds from share application money	—	83,218
Proceeds from issuance of preference share capital	—	144,605,415
Payment of share issue expenses	254,248,805	—
Increase in Exchange translation RESERVE	93,869,317	—
Proceeds from long-term borrowings	—	(724,521)
Repayment of long-term borrowings	—	—
Proceeds from short-term borrowings	(127,895,267)	(39,102,794)
Repayment of short-term borrowings	(43,198,018)	(47,051,999)
Interest paid	—	—
Dividends paid on equity shares	—	(987,524)
Dividends paid on preference shares	—	—
Tax on equity dividend paid	—	—
Tax on preference dividend paid	—	—
Net cash flow from/(used in) financing activities (C)	177,024,938	114,011,784
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(40,117,032)	(81,790,278)
Effect of exchange differences on cash & cash equivalents held in foreign currency	—	—
Cash and cash equivalents at the beginning of the year	102,177,044	183,867,322
Cash and cash equivalents at the end of the year	62,060,012	102,177,044
Components of cash and cash equivalents	58,050	8,406
Cash on hand	—	—
Cheques/ drafts on hand	51,988,670	84,304,159
With banks- in current account	9,584,417	17,578,888
-- on deposit account	482,875	437,590
-- unpaid dividend accounts*	—	—
-- unpaid matured deposits*	—	—
-- unpaid matured debentures*	—	—
Total cash and cash equivalents (note 15)	62,060,012	102,177,044

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-8 notified under the Companies Act, 1956 as per Revised Schedule-VI format.
- Previous year figures have been regrouped/ re-classified wherever necessary to conform to current year classification

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

Sd/-
Mr. Bhargav Marepally
CEO & Managing Director

For and on behalf of the board

Sd/-
Mr. Ramesh Yerramsetti
Director

Sd/-
P. SARATH KUMAR
Partner
Membership No: 21755

Sd/-
Sai Krishna Narla
Company Secretary

Hyderabad
09.08.2014

GSS INFOTECH LIMITED AND ITS SUBSIDIARIES
NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

PARTICULARS	March 31, 2014	March 31, 2013
	₹	₹
Note No - 1: Share Capital		
Authorised Share Capital: 50,000,000 Equity shares of Rs.10/- each.	500,000,000	500,000,000
Issued, Subscribed and Paid up Share Capital: 1,41,36,843 (Previous Year 1,41,36,843) Equity Shares of Rs.10/- each fully paid up	141,368,430	141,368,430
(Out of the above 75,90,000 fully paid up equity shares of Rs.10/- each were issued as bonus shares by capitalisation of Retained Earnings and General Reserves)	141,368,430	141,368,430
Note No-2: Reserves and Surplus		
Securities Premium Account	1,965,580,129	1,965,580,129
Balance as per the last financial statements	1,965,580,129	1,965,580,129
Closing balance		
General Reserve	24,001,603	23,918,300
Balance as per the last financial statements	24,001,603	23,918,300
Add: Transferred by appropriation from profits	24,001,603	24,001,603
Closing balance	705,159,028	450,910,123
Foreign exchange Translation Reserve		
Surplus/ (Deficit) in the Statement of Profit and Loss Account		
Balance as per last financial statements	496,113,374	556,512,458
Profit for the year	63,150,948	(59,411,560)
Less: Appropriations	-	-
- Proposed Dividend	-	(987,524)
- Tax on Proposed Dividend	559,264,323	496,113,374
Closing Balance	1,288,424,954	2,936,605,229
Total	March 31, 2014	March 31, 2013
Note No- 3: Money received against share warrants	57,400,000	57,400,000
Money received against share warrants	57,400,000	57,400,000
Note No- 4: Deferred Tax Liability/ (Asset) Net	(71,202,830)	(69,213,016)
Balance as per the last financial statements	(11,653,909)	(1,099,814)
Add: Adjustments for the year	(82,866,739)	(71,202,830)
Note No- 5: Long term borrowings	March 31, 2014	March 31, 2013
Secured Loans	93,869,317	-
Term Loan	93,869,317	-
Note No- 5: Short term borrowings	March 31, 2014	March 31, 2013
Secured Loans	50,085,873	246,481,141
Cash Credit from banks/ Institutions (Secured)	28,500,000	-
Term Loan - Due within one Year	118,585,873	246,481,141
Note No - 6: Trade Payables	March 31, 2014	March 31, 2013
- Dues of Micro and Small Enterprises	229,794,094	135,463,157
- Others	229,794,094	135,463,157

GSS INFOTECH LIMITED

Note No- 9-FIXED ASSETS

S.No.	Particulars	Gross Block Value				Accumulated Depreciation				Net Block Value		(Amount in ₹)
		As at 01-04-13	Additions	Deductions	As at 31-03-14	As at 01-04-13	Additions	Deductions	As at 31-03-14	As at 31-03-14	As at 31-03-13	
A. TANGIBLE ASSETS:												
1	Computer Equipment	56,998,624	3,259,876	14,996,639	45,261,860	44,576,469	5,172,669	12,567,618	37,181,520	8,170,940	12,422,155	
2	Furniture And Fixtures	12,892,008	121,090	1,923,074	11,090,024	8,240,874	647,536	1,425,595	7,458,815	3,631,109	4,651,134	
3	Vehicles	12,187,568	-	-	12,187,568	8,763,446	886,505	-	9,649,951	2,537,616	3,424,121	
4	Plant and Machinery	11,370,048	798,385	3,826,139	8,342,294	5,661,495	1,563,009	3,091,731	4,132,683	4,209,611	5,708,043	
	Total (A)	93,448,248	4,179,351	20,655,853	76,971,746	67,242,195	8,289,719	17,089,945	58,422,969	18,548,777	26,206,063	
B. INTANGIBLE ASSETS:												
5	Goodwill	2,835,722,769	297,701,296	-	3,133,424,064	-	-	-	-	3,133,424,064	2,835,722,769	
6	Software	9,145,000	333,724	-	9,478,724	8,186,958	395,298	-	8,582,256	886,498	958,072	
7	Copyrights	41,855,336	-	-	41,855,336	14,672,302	8,371,067	-	23,043,369	18,811,967	27,183,034	
	Total (B)	2,886,723,135	298,035,020	-	3,184,758,154	22,859,260	8,766,365	-	31,625,625	3,153,132,529	2,863,863,876	
	GRAND TOTAL	2,980,171,383	302,214,370	20,655,853	3,261,729,901	90,101,456	17,096,084	17,089,945	90,048,595	3,171,681,306	2,890,069,927	
	Previous Year Total	2,759,634,321	223,208,075	2,671,015	2,980,171,361	70,958,705	20,180,283	1,057,533	90,101,455	2,890,069,926	2,688,675,616	

GSS INFOTECH LIMITED AND ITS SUBSIDIARIES
NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

PARTICULARS	March 31, 2014		March 31, 2013	
	₹		₹	
Note No - 7: Other Current Liabilities	March 31, 2014		March 31, 2013	
Other Current Liabilities	32,109,684		40,640,003	
Salary Payable	968,120		11,983,715	
Due to Directors	2,871,148		3,098,042	
Unclaimed Dividend	452,075		637,590	
Acquisition Payments due	98,025,898		57,649,303	
	<u>104,407,891</u>		<u>113,998,653</u>	
Note No-8: Provisions:	Long-term		Short-term	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for Employee Benefits			5,295,797	2,328,269
Provision for Retirement Benefits				
Other Provisions			(35,281,801)	(5,184,610)
Provision for Income Tax			—	—
Proposed Dividend			—	—
Provision for Dividend Distribution Tax			39,484,133	96,075,579
Provision for Expenses			<u>10,098,038</u>	<u>93,019,237</u>
Note No-9: Fixed Assets:	March 31, 2014		March 31, 2013	
Tangible				
10 Gross Block	76,971,746		93,448,248	
10 Depreciation	<u>58,412,969</u>		<u>67,243,105</u>	
10 Net Block	<u>18,558,777</u>		<u>26,205,143</u>	
Intangible				
10 Gross Block	3,184,756,154		2,896,723,189	
10 Depreciation	<u>31,625,625</u>		<u>22,859,760</u>	
10 Net Block	<u>3,153,130,529</u>		<u>2,873,863,429</u>	
Total	<u>3,171,689,306</u>		<u>2,899,968,572</u>	
Note No-10: Non-Current Investments:	—	—	—	—
Note No - 11: Loans and advances: (Unsecured, Considered good unless otherwise stated)	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Rental and Other deposits	16,999,015	15,900,324	—	—
Prepaid Expenses & Other Current Assets			22,998,148	33,927,431
Advances Receivable in Cash or in kind or for value to be received	86,932,925	129,730,425	292,829	201,887
Balances with (Statutory/government authorities)	—	—	21,536,030	10,913,320
Total	<u>103,931,940</u>	<u>145,630,749</u>	<u>44,826,907</u>	<u>44,841,638</u>
Note No - 12: Other Current assets :	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
MAT Credit Entitlements	83,455,992	81,260,706	—	—
Inventory	—	—	1,396,106	—
Accrued Income	—	—	35,627,214	10,333,561
	<u>83,455,992</u>	<u>81,260,706</u>	<u>37,023,320</u>	<u>10,333,561</u>
Note No-13: Trade Receivables: (Unsecured, Considered Good)	March 31, 2014		March 31, 2013	
Outstanding for a period exceeding Six Months	255,537,855		—	
Others	<u>167,030,740</u>		<u>385,419,391</u>	
	<u>422,568,595</u>		<u>385,419,391</u>	
Note No - 14: Cash and Bank balances	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Cash and cash Equivalents:				
On current accounts			51,986,470	84,204,158
Deposits with original maturity of less than 3 months			—	5,464,750
On unpaid dividend accounts			432,875	437,500
Cash on hand			56,050	8,406
Balance with banks	3,508,009	5,545,084	7,076,408	6,517,005
Margin money deposits	<u>2,548,009</u>	<u>5,545,084</u>	<u>59,552,503</u>	<u>96,633,819</u>

GSS INFOTECH LIMITED AND ITS SUBSIDIARIES

Notes Forming Part of the Consolidated Statement of Profit & Loss for the year ended March 31, 2014

PARTICULARS	Year ended March 31, 2014	Year ended March 31, 2013
	₹	₹
Note - 15: Revenue from Operations		
Sale of services		
a) Exports Sales	2,695,801,347	2,942,975,243
Other operating revenues	<u>2,695,801,347</u>	<u>2,942,975,243</u>
Note - 16: Other Income		
Interest Income (Gross)		
a) Interest on Fixed Deposits	2,204,715	2,354,589
b) Other interest	—	—
Miscellaneous Income	17,076,106	628,137
Gain on Exchange Rate Fluctuations	<u>44,809,056</u>	<u>18,613,949</u>
	<u>64,089,877</u>	<u>21,596,675</u>
Note - 17: Direct Cost		
Software Expenses	16,870	8,306,204
Subcontractor Expenses	297,439,673	428,603,043
Hardware Expenses	588,051,651	821,800,685
Rent - Equipments	43,397,528	37,813,356
	<u>928,905,722</u>	<u>1,296,523,287</u>
Note - 18: Employee benefit expense		
Salaries And Allowances	1,390,414,254	1,308,942,259
Contribution to PF and Others	7,609,906	5,542,860
Managerial Remuneration	6,050,000	5,445,000
Recruitment & Training	15,459,116	27,864,993
Employee Welfare Expenses	2,484,521	2,565,939
	<u>1,422,017,797</u>	<u>1,350,361,051</u>
Note - 19: Financial Costs		
Interest Expenses	37,514,636	40,616,284
Other borrowing costs	5,683,382	6,435,715
	<u>43,198,018</u>	<u>47,051,999</u>

GSS INFOTECH LIMITED AND ITS SUBSIDIARIES

Notes Forming Part of the Consolidated Statement of Profit & Loss for the year ended March 31, 2014

PARTICULARS	Year ended March 31, 2014	Year ended March 31, 2013
	₹	₹
Note - 20: Other Expenses		
Recruitment And Training	—	—
Directors' Sitting Fees	520,000	520,000
Bank Service Charges	—	—
Printing & Stationery	361,057	624,864
Telephone Expenses	9,726,754	10,504,951
Internet and Web Expenses	4,429,671	4,909,202
Rent	39,319,173	45,445,567
Insurance	38,148,796	38,730,360
Rates And Taxes	1,202,630	1,451,075
License, Immigration And Permits	14,973,108	15,005,683
Local Conveyance and Vehicle Maintenance	7,118,215	4,248,260
Repairs And Maintenance:		
- Buildings	132,019	970,457
- Machinery	402,531	467,887
- Others	1,939,918	2,601,298
Travel Expenses	39,883,084	32,013,743
Utilities	8,612,900	8,042,140
Professional Fees	47,645,400	28,858,932
Auditor's Remuneration	1,461,044	1,542,477
Advertisement And Business Promotion	9,222,225	8,816,954
Bad Debts Written Off	81,480,552	—
Provision of Bad Debts	602,883	18,254,281
Meeting Expenses	353,558	147,061
General Office Expenses	9,156,846	11,295,378
Exchange Rate Fluctuation - Loss	—	—
Loss on sale of fixed assets	—	—
	316,692,361	234,450,569
Note - 21: Tax Expenses:		
Current Tax (MAT)	4,675,726	1,342,614
Current Tax Relating to Previous Years A/c	(21,926,237)	3,726,923
Less: MAT Credit Entitlements	(2,195,286)	(1,342,614)
Net Current Tax	(19,445,798)	3,726,923
Deferred Tax	(11,663,909)	(6,260,633)
	(31,109,706)	(2,533,711)



GSS INFOTECH LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIALS STATEMENTS

(A) COMPANY OVERVIEW:

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

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

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

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

GSS INFOTECH LIMITED

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

S. No.	Name of the Entity	Country of Incorporation	Extent of Holding held by Parent Company	
			31.03.2014	31.03.2013
A.	Subsidiaries:			
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.	Step Down Subsidiaries:			
1	System Dynamix Corporation	USA	100%	100%
2	ATEC Group	USA	100%	100%
3	GCI Systems	USA	100%	100%
4	Veloce Group	USA	100%	100%
5	Infovista Technologies	USA	100%	100%
6	Technovant Inc	USA	100%	100%
7	Infovision Technologies Inc	USA	100%	100%

(C) Significant Accounting Policies :

1. Basis of Preparation of Financial Statements

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

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

2. Principles of Consolidation

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

The consolidated financial statements have been prepared 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.

3. Use of Estimates

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

4. Revenue recognition

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

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

5. Expenditure and provisions

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

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

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

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

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

7. Depreciation and Amortisation

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

Depreciation for assets purchased/ sold during the period is proportionately charged. Individual low cost assets (acquired for less than Rs.5000/-) are depreciated in the same year of acquisition.

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

8. Impairment of Assets

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

9. Investments

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

10. Foreign Currency Transactions

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

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

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

Integral operations:

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

Non-integral operations:

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

11. Taxes on Income

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

Current taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws.

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

12. Employee Benefits

Short Term Benefits:

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

Long Term Benefits:

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

Retirement Benefits:

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

Terminal Benefits

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

13. Borrowing Costs:

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

14. Leases:

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

15. Proposed Dividend:

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

16. Earnings Per Share:

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

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

17. Contingent Liabilities and Contingent Assets:

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

2. NOTES TO ACCOUNTS:

2.1 Contingent Liabilities:

- i.) Against Bank Guarantees issued by Banks towards financial and performance guarantees outstanding as at 31st March, 2014 amounts Rs.2,59,55,752/- (Previous Year: Rs.3,66,23,266/-)
- ii.) Appeal pending before Income Tax Appellate Tribunal for the AY 2009-10, involving Tax Amount of Rs.28.21 Lakhs; and Appeal pending before Dispute Resolution Panel for the AY 2010-11, involving Tax amount of Rs.16.02 Lakhs;
- iii.) There was a Service Tax demand amounting to Rs.79.38 Lakhs on part of the e'procurement contract executed in Bangladesh for the Bangladesh government, treating as 'Import of Business Support Services', against which Company filed appeal before CESTAT, Bangalore.
- iv.) The Company had filed application for compounding before the Reserve Bank of India for obtaining permissions under the FEMA provisions in relation to transfer of funds to the Fully Owned Subsidiary Company by the Branch.

2.2 Claims Not Acknowledged as Debts :

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

2.3 Details of Fees to Auditors:

Particulars	2013-14	2012-13
	₹	₹
As Auditors	12,29,500	12,00,000
For Certifications	1,00,000	1,00,000
Out of Pocket Expenses	11,299	14,387
Total	13,40,799	13,14,387

2.4 Tax Expense:

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

2.5 Managerial Remuneration:

The Managerial Remuneration to Whole Time Directors for the year is Rs 60,50,000/- (Previous year Rs. 54,45,000/-)

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

2.7 Leases:

The Company has operating lease for office premises, which is renewable on a periodical basis and cancellable at its option. Rental Expenses for operating lease recognized in Profit and Loss account is Rs. 3,93,19,173/- (Previous Year Rs. 4,54,45,567/-)

The future minimum lease payments are as given below:

	2013-14	2012-13
	₹	₹
Not later than one year	1,69,91,451	1,74,79,214
Later than one year and not later than five years	2,01,83,747	3,17,55,580
Later than five years	NIL	NIL

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

	2013-14	2012-13
	₹	₹
Not later than one year	2,36,51,344	3,90,57,779
Later than one year and not later than five years	1,19,32,149	2,55,83,493
Later than five years	NIL	NIL

2.8 Segment Reporting Business Segments:

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

Geographical Segments:

	2013 - 14	2012 - 13
	₹	₹
Business from United States of America	252,00,44,870	274,18,55,778
Business from Middle East	1,59,001	2,12,79,689
Business from APAC Region	0	4,45,31,868
Business from Bangladesh	3,26,13,245	4,22,57,790
Business from India	14,29,84,231	9,30,50,118
Total	269,58,01,347	294,29,75,243

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

2.9 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) Transactions with Related Parties:

Particulars	2013-14		2012-13	
	Amount	Outstanding As at 31.03.2014	Amount	Outstanding As at 31.03.2013
	₹	₹	₹	₹
Managerial remuneration to Key Management Personnel	60,50,000	-	54,45,000	-
Loan Received	-	-	-	-
Repayment of Loan Received	2,26,996	28,71,146	1,39,99,458	-

C) 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	2013 -14	2012 -13
		₹	₹
Loan Received	Ramesh Yerramsetti	-	-
Repayment of Loan Received	Ramesh Yerramsetti	1,86,209	3,79,558
Loan Received	Bhargav Marepally	-	-
Repayment of Loan Received	Bhargav Marepally	40,787	1,36,19,900

2.10 Earnings Per Share (EPS):

The Numerator and Denominator used to calculate Earnings Per Share:

Particulars	2013-14 ₹	2012-13 ₹
A. EARNINGS:		
Profit attributable to Equity Shareholders	6,31,50,949	(5,94,11,560)
B. NO.OF SHARES:		
Weighted average number of Equity Shares outstanding during the year (No s) – Basic	1,41,36,843	1,41,36,843
Weighted Average number of Equity shares arising out of outstanding stock options that have diluting effect on Earnings Per Share	28,00,000	28,00,000
Weighted average number of Equity Shares outstanding during the year – Diluted	1,69,36,843	1,69,36,843
C. EARNINGS PER SHARE:		
Earnings per Share of Par Value Rs.10/- each – Basic	4.47	(4.20)
Earnings per Share of Par Value Rs.10/- each – Diluted	3.73	(3.51)

2.11 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.

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

For Sarath & Associates
Chartered Accountants
Firm Regn No: 0051205

For GSS Infotech Limited

Sd/-
P Sarath Kumar
Partner
Membership No: 021755

Sd/-
Bhargav Marepally
CEO & Managing Director

Sd/-
Ramesh Yerramsetti
Director

Place : Hyderabad
Date : 09.08.2014

Sd/-
Sai Krishna Narla
Company Secretary

STANDALONE REPORT

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To
The Members
M/s GSS INFOTECH LIMITED
HYDERABAD

Report on the Financial Statements

We have audited the attached Balance Sheet of M/s. GSS Infotech Limited ("the Company") which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statements for the year ended on that date and a summary of Significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 ("Act") of India (the Act) and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227 (3) of the Act, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
 - (iii) The Balance Sheet and the statement of profit & loss and cash flow statements dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet and the statement of profit & loss and cash flow statements comply with the Accounting Standards referred to in Sub – Section 3(c) of Section 211 of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs); and
 - (v) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (vi) Since the Central Government has not issued any notification as the rate at which the Cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Other Matters

Without qualifying our opinion, attention is drawn to Note No.6 to the 'Notes to Accounts' relating to Investments and its evaluation, which is based on the Audited Financials of the 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.

Place: Hyderabad
Date: 09.08.2014

For SARATH & ASSOCIATES
Firm Regn. No. 0051205
Chartered Accountants

Sd/-
P Sarath Kumar
Partner
Membership No. 21755

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

(The Annexure referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirement" section of our report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) We were informed that the Company has a regular programme of physical verification of fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) In our opinion and according to the information and explanations given to us, the company has not disposed off any assets during the year.
2. The Company is a service company, primarily rendering Information Technology Services. Accordingly, as it does not hold any physical inventories, the provisions of Clause 4 (ii) of the Order are not applicable to the Company for the current year.
3. (a) As per the information and explanations given to us, the Company had granted advances to three parties covered in the Register maintained under Section 301 of the Act, aggregating to Rs.1676.94 Lakhs and the maximum balance outstanding was Rs.1994.14 Lakhs.
- (b) As per the information and explanations given to us, in our opinion, the above loans are given to fully owned subsidiary companies and does not carry interest or do not specify any specific repayment schedule and hence is repayable on demand. Accordingly the terms and conditions on which interest free loans have been granted to Companies and parties listed in the register maintained under Section 301 of the Companies Act, 1956 are, prima facie, are prejudicial to the interests of the Company.
- (c) As per the information and explanations given to us, these loans do not carry any specific repayment schedule and accordingly do not warrant any comments under Clauses 4 (iii) (c) and (d) of the Order for the current year.
- (d) As per the information and explanations given to us, the Company had taken interest free advance from two parties covered in the Register maintained under Section 301 of the Act, aggregating to Rs.28.71 Lakhs and the maximum balance outstanding was Rs.30.98 Lakhs.
- (e) As per the information and explanations given to us, as the above loans are given interest free and without any specific stipulations, these loans obtained are not prejudicial to the interest of the Company.
- (f) As per the information and explanations given to us, these loans obtained do not carry any specific repayment schedule and accordingly do not warrant any comments under Clause 4 (iii) (g) of the Order for the current year.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for purchase of fixed assets and for sale of services and during the course of our audit, we have not come across any instances of continuing failure to correct major weaknesses in internal control system.

5. (a) According to information and explanations furnished to us and as confirmed by the management of the company, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, company has entered transactions in pursuance of contracts or arrangements that need to be entered into the register referred to in clause 5(a) above, and exceeding the value of Rs. 5.00 Lakhs during the year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. As the Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and rules framed there under, the provisions of Clause 4(vi) of the Order are not applicable to the Company for the current year.
7. In our opinion, the internal audit functions carried out during the year by an external agency appointed by the Management have been commensurate with the size of the Company and the nature of its business.
8. As the Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub section (1) of section 209 of the Act for any of the activities of the company, the provisions of Clause 4(viii) of the Order are not applicable to the Company for the current year.
9. (a) According to records of company and as per the information and explanation given to us, the company is generally regular in depositing with the appropriate authorities, the undisputed statutory dues including provident fund, Investor Education protection Fund, Income Tax, Sales Tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it and in respect of these statutory dues, there are no outstanding statutory dues as on 31.03.2014, which are outstanding for a period of more than six months from the date they become payable.
- (b) According to records of Company and as per information and explanations given to us, there are no dues of Income tax, Wealth tax, Service tax, Customs duty, Excise duty, which have not been deposited on account of any dispute, except as stated hereunder:-
 - i. Appeal pending before Income Tax Administrative Tribunal for the AY 2009-10, involving Tax Amount of Rs.28.21 Lakhs; and Appeal pending before Dispute Resolution Panel for the AY 2010-11, involving Tax amount of Rs.16.02 Lakhs;
 - ii. Service Tax demand amounting to Rs.79.38 Lakhs on certain Import of Business Support Services for Bangladesh Project availed in that country, against which Company filed appeal before CESTAT, Bangalore.
10. The Company does not have any accumulated losses at the end of the current financial year. The Company had not incurred any cash losses in the current financial period as or in the immediately preceding financial year.
11. As per the information and explanations given to us, the Company did not have any outstanding dues to any financial institution or bank or debenture holders as at the balance sheet date, and hence the provisions of Clause 4(xi) of the Order are not applicable to the Company for the current year.
12. As per the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, and accordingly the provisions of Clause 4(xii) of the Order are not applicable to the Company for the current year.
13. In our opinion, as the Company is not a chit fund or a nidhi or mutual benefit fund or society, the provisions of Clause 4 (xiii) of the Order are not applicable to the Company for the current year.

14. As the company is not dealing or trading in shares, securities, debentures and other investments, the provisions of clause 4(xiv) of the order are not applicable to the Company for the current year.
15. As per the information and explanations given to us, as the Company has not given any guarantees for loans taken by others from banks or financial institutions, the provisions of Clause 4(xv) of the Order are not applicable to the Company for the current year.
16. In our opinion, and according to the information and explanations furnished to us, as the company has availed term loans, by way of conversion of working capital limits, which are used for its business purpose.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, no funds raised on a short-term basis have been used for long-term investment by the Company.
18. As per the information and explanations given to us, as the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act during the year, the provisions of Clause 4(xviii) of the Order are not applicable to the Company for the current year.
19. As the Company has not issued any secured debentures, the provisions of Clause 4(xix) of the Order are not applicable to the Company for the current year.
20. As the Company has not raised any money by public issues during the year, the provisions of Clause 4(xx) of the Order are not applicable to the Company for the current year.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as per the representation given by the Company and relied on by us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such cases by the management.

Place: Hyderabad
Date : 09.08.2014

For SARATH & ASSOCIATES
Chartered Accountants
Firm Regn. No. 0051205

Sd/-
P Sarath Kumar
Partner
Membership No. 21755

GSS INFOTECH LIMITED

BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note. No.	As at March 31, 2014 ₹	As at March 31, 2013 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	141,368,430	141,368,430
(b) Reserves and Surplus	2	2,742,929,213	2,700,379,858
(c) Money received against share warrants	3	57,400,000	57,400,000
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5	93,495,255	-
(b) Deferred Tax Liabilities (net)	4	-	-
(c) Other Long Term Liabilities	7	-	-
(d) Long Term Provisions	8	-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	5	28,500,000	143,085,709
(b) Trade Payables	6	20,419,394	15,256,920
(c) Other Current Liabilities	7	14,823,007	34,629,849
(d) Short-Term Provisions	8	9,917,839	86,611,201
Total Equity & Liabilities		3,108,853,138	3,128,731,967
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Gross Block		97,703,790	96,723,354
(ii) Depreciation		70,086,572	58,286,161
(iii) Net Block		27,617,218	38,437,193
(b) Non-current Investments	10	2,222,979,620	2,222,879,720
(c) Deferred tax assets (net)	4	81,798,198	71,527,364
(d) Long term loans and advances	11	270,522,116	280,169,246
(e) Other non-current assets	12	82,113,378	79,918,092
(2) Current Assets			
(a) Current investments			
(b) Inventories			
(c) Trade receivables	13	358,623,146	324,736,281
(d) Cash and Bank balances	14	27,161,023	76,522,495
(e) Short-term loans and advances	11	24,524,359	24,210,015
(f) Other current assets	12	13,514,080	10,331,561
Total Assets		3,108,853,138	3,128,731,967

Schedules referred to above and notes attached there to form an integral part of Balance Sheet
This is the Balance Sheet referred to in our Report of even date.

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

Sd/-
P. SARATH KUMAR
Partner
Membership No: 21755

Hyderabad
09.08.2014

For and on behalf of the board

Sd/-
Mr. Bhargav Marepally
CEO & Managing Director

Sd/-
Mr. Ramesh Yerramsetti
Director

Sd/-
Sai Krishna Narla
Company Secretary

GSS INFOTECH LIMITED
Statement of Profit & Loss for the year ended March 31, 2014

	Particulars	Note No	Year ended March 31, 2014	Year ended March 31, 2013
I.	Revenue from operations	15	461,394,156	398,766,843
II.	Other Income	16	50,553,694	20,328,035
	III. Total Revenue (I + II)		521,947,850	419,094,879
IV.	Expenses:			
	Direct cost	17	123,803,726	99,782,080
	Purchase of Stock-in-Trade		-	-
	Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
	Employee benefit expense	18	210,707,696	187,482,033
	Other expenses	20	138,179,121	62,053,762
	Total Expenses		472,690,543	349,317,874
V.	Earnings before Interest, Tax, Depreciation, Exceptional and extraordinary items (EBITDA)	(III - IV)	49,257,307	69,777,004
	Financial costs	19	26,293,938	26,469,468
	Depreciation and amortization expense	9	11,991,191	13,363,934
VI.	Profit before exceptional and extraordinary items and tax		10,972,178	29,943,602
VII.	Exceptional Items (Refer Note No. 2.12)		-	-
VIII.	Profit before extraordinary items and tax	(VI - VII)	10,972,178	29,943,602
IX.	Extraordinary Items		-	77,950,000
X.	Profit before tax	(VIII - IX)	10,972,178	(48,006,398)
XI.	Tax expense:	21		
	(1) Current tax		(21,926,237)	3,726,923
	(2) Deferred tax		(10,270,834)	(3,367,834)
	Total Tax Expense		(32,197,071)	1,359,089
XII.	Profit(Loss) from the period from continuing operations	(X - XI)	43,169,249	(49,365,487)
XIII.	Profit/(Loss) from discontinuing operations		-	-
XIV.	Tax expense of discounting operations		-	-
XV.	Profit/(Loss) from Discontinuing operations	(XIII + XIV)	-	-
XVI.	Profit/(Loss) for the period	(XII + XV)	43,169,249	(49,365,487)
XVII.	Earning per equity share:			
	(1) Basic		3.05	(3.49)
	(2) Diluted		2.55	(2.91)

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

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

Sd/-
P. SARATH KUMAR
Partner
Membership No: 21755

Hyderabad
09.08.2014

For and on behalf of the board

Sd/-
Mr. Bhargav Marepally
CEO & Managing Director

Sd/-
Mr. Ramesh Yerramsetti
Director

Sd/-
Sai Krishna Narla
Company Secretary

GSS INFOTECH LIMITED
CASH FLOW STATEMENT FOR YEAR ENDED MARCH 31, 2014

Particulars	31-Mar-14	(Amount in ₹)
Cash flow from operating activities		
Profit before tax from continuing operations	10,972,175	(48,006,298)
Profit before tax	10,972,175	(48,006,298)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation	11,991,191	13,363,934
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	-	-
Unrealized foreign exchange loss	-	-
Interest expense	26,293,938	6,683,218
Interest income	(2,204,715)	(2,584,476)
Operating profit before working capital changes	47,062,592	(30,593,721)
Movements in working capital :		
Increase/(decrease) in trade payables	5,162,474	(112,864,984)
Increase / (decrease) in long-term provisions	-	-
Increase / (decrease) in short-term provisions	8,558,017	11,378,180
Increase/(decrease) in other current liabilities	(19,806,844)	7,836,743
Increase/ (decrease) in other long-term liabilities	-	-
Decrease/(increase) in trade receivables	(33,886,865)	176,928,112
Decrease / (increase) in long-term loans and advances	9,647,130	(124,588,186)
Decrease / (increase) in short-term loans and advances	(354,344)	86,758,039
Decrease/(increase) in other current assets	(3,182,519)	(8,091,879)
Decrease / (increase) in other non-current assets	(2,195,286)	842,842
Cash generated from operations	11,028,355	7,715,196
Direct taxes paid (net of refunds)	(14,420,340)	(17,536,843)
Net cash flow from/(used in) operating activities (A)	(2,290,785)	(9,821,647)
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,171,214)	(1,268,069)
Proceeds from sale of fixed assets	-	-
Proceeds of non-current investments	-	-
Investments in Subsidiaries of non-current investments	(99,900)	(7,362,000)
Investments in bank deposits (having original maturity of more than	-	-
Redemption/maturity of bank deposits (having original maturity of more than three months)	-	-
Purchase consideration for amalgamation (note 35)	-	-
Interest received	2,204,715	2,584,476
Net cash flow from/(used in) investing activities (B)	955,601	(6,045,593)
Cash flows from financing activities		
Proceeds from issuance of share capital	-	-
Proceeds from share application money	-	37,400,000
Proceeds from issuance of preference share capital	-	-
Payment of share issue expenses (refund of Buyback expenses)	-	83,213
Increase in Exchange translation RESERVE	(619,895)	666,433
Proceeds from long-term borrowings	89,495,255	-
Repayment of long-term borrowings	-	-
Proceeds from short-term borrowings	(114,585,709)	518,358
Repayment of short-term borrowings	-	-
Interest paid	(26,293,938)	(6,633,218)
Dividends paid on equity shares	-	-
Dividends paid on preference shares	-	-
Tax on equity dividend paid	-	(987,524)
Tax on preference dividend paid	-	-
Net cash flow from/(used in) financing activities (C)	(48,006,298)	51,047,263
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(49,361,473)	25,880,023
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	76,522,496	41,142,472
Cash and cash equivalents at the end of the year	27,161,023	76,522,496
Components of cash and cash equivalents		
Cash on hand	48,246	6,099
Cheques/ drafts on hand	-	-
With banks- on current account	17,097,485	58,551,317
- on deposit account	9,584,417	17,526,889
- unpaid dividend accounts*	432,875	437,590
- unpaid matured deposits*	-	-
- unpaid matured debentures*	-	-
Total cash and cash equivalents (note 35)	27,161,023	76,522,495

Note:

1. Figures in bracket indicate cash out flow

2. The above cash flow statement has been prepared under indirect method as set out in Accounting Standard-3 notified under the Companies

3. Previous year figures have been regrouped/ re-classified wherever necessary to conform to current year classification

Per Our Report of Even Date

For SARATH & ASSOCIATES

Chartered Accountants

Firm Regn No:0051205

Sd/-

P. SARATH KUMAR

Partner

Membership No: 21755

Hyderabad

09.08.2014

For and on behalf of the board

Sd/-

Mr. Bhargav Marepally

CEO & Managing Director

Sd/-

Mr. Ramesh Yerramsetti

Director

Sd/-

Sai Krishna Narla

Company Secretary

GSS INFOTECH LIMITED
NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2014

PARTICULARS	AS AT MARCH 31, 2014		AS AT MARCH 31, 2013	
	₹	₹	₹	₹
Note No - 1: Share Capital				
Authorised Share Capital:				
50,000,000 Equity shares of Rs.10/- each.		500,000,000		500,000,000
Issued, Subscribed and Paid up Share Capital:				
1,41,36,843 (Previous Year 1,41,36,843) Equity Shares		141,368,430		141,368,430
of Rs.10/- each fully paid up				
(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)				
		141,368,430		141,368,430

a. Reconciliation of shares outstanding at the beginning and at the end of reporting period

Equity shares	March 31, 2014		March 31, 2013	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
At the beginning of the period	14,136,843	141,368,430	14,136,843	141,368,430
Issued during the period	—	—	—	—
Outstanding at the end of the period	14,136,843	141,368,430	14,136,843	141,368,430

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- each. Each share holder of equity shares is entitled to one vote per share.

c. Details of shareholders having more than 5% of share holding

	March 31, 2014		March 31, 2013	
	No. of shares	% of holding	No. of shares	% of holding
Yenkata Ramesh Babu - Yerramsetti	106,400	0.75%	1,105,279	7.82%
IL & FS Trust Company Ltd	1,952,505	13.81%	1,952,505	13.81%
Madhukar Sheth	1,644,666	11.63%	1,550,535	10.97%
Surbhi Investment & trading company pvt ltd	1,638,476	11.59%	—	0.00%
Beaumaris Investments Ltd.	1,409,460	9.97%	1,410,000	9.97%
Clearwater Capital partners Singapore Pte Ltd. A/c: Clear water capital partner	1,384,950	9.80%	1,384,950	9.80%
Singapore fund III Pvt Ltd	1,000,000	7.07%	1,000,000	7.07%
Kubera Cross Border Fund (Mauritius) Ltd	9,116,457	64.83%	8,403,269	59.44%

	March 31, 2014	March 31, 2013
Note No-2: Reserves and Surplus		
Securities Premium Account		
Balance as per the last financial statements	1,965,580,129	1,965,580,129
Closing balance	1,965,580,129	1,965,580,129
General Reserve		
Balance as per the last financial statements	24,001,603	23,918,390
Add: transferred by appropriation from profits	—	83,213
Closing balance	24,001,603	24,001,603
Foreign exchange Translation Reserve		
	197,859,316	198,479,211
Surplus/ (Deficit) in the Statement of Profit and Loss Account		
Balance as per last financial statements	512,318,914	562,671,925
Profit for the year	43,169,249	(49,365,487)
Less: Appropriations	—	—
- Proposed Dividend	—	(987,524)
- Tax on Proposed Dividend	555,688,164	512,318,914
Closing Balance	555,688,164	512,318,914
Total	2,742,929,213	2,700,379,858

GSS INFOTECH LIMITED
NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2014

PARTICULARS	AS AT MARCH 31, 2014		AS AT MARCH 31, 2013	
	₹	₹	₹	₹
	March 31, 2014		March 31, 2013	
Note No- 3: Money received against share warrants				
Money received against share warrants		57,400,000		57,400,000
		<u>57,400,000</u>		<u>57,400,000</u>
	March 31, 2014		March 31, 2013	
Note No- 4: Deferred Tax Liability/ (Asset) Net				
Balance as per the last financial statements		(71,527,364)		(69,159,530)
Add: Adjustments for the year		(10,270,834)		(2,367,834)
		<u>(81,798,198)</u>		<u>(71,527,364)</u>
	March 31, 2014		March 31, 2013	
Note No- 5: Long term borrowings				
Secured Loans				
Term Loan*		93,495,255		—
		<u>93,495,255</u>		<u>—</u>
	March 31, 2014		March 31, 2013	
Note No- 5: Short term borrowings				
Secured Loans				
Cash Credit from banks (Secured)		—		143,085,709
Term Loan - Due within one Year*		28,500,000		—
		<u>28,500,000</u>		<u>143,085,709</u>
Cash credit from banks is secured against the margin money deposits, Tangible assets and secured charge of trade receivables. Cash credit will be repayable on demand and carries interest @ 14.25%.				
Conversion of Cash Credit Limit into Working Capital Term Loan repayable in 55 stepped up monthly instalments commencing from July 2013. It is secured against the margin money deposits, Tangible assets and secured charge of trade receivables.				
	March 31, 2014		March 31, 2013	
Note No - 6: Trade Payables				
- Dues of Micro and Small Enterprises		—		—
- Others		20,419,394		15,256,920
		<u>20,419,394</u>		<u>15,256,920</u>
Note No - 7: Other Current Liabilities				
Other Current Liabilities		10,865,356		19,724,247
Salary Payable		653,630		11,369,970
Due to Directors		2,871,146		3,098,042
Unclaimed Dividend		432,875		437,590
		<u>14,823,007</u>		<u>34,629,849</u>
Note No-8: Provisions:				
	Long-term		Short-term	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for Employee Benefits	—	—	3,269,851	2,328,269
Provision for Leave benefits	—	—	—	—
Other Provisions	—	—	(35,281,891)	(35,514)
Provision for Income Tax (Net of Tax Paid)	—	—	—	—
Proposed Dividend	—	—	—	—
Provision for Dividend Distribution Tax	—	—	39,929,880	34,318,445
Provision for Expenses	—	—	—	—
	<u>—</u>	<u>—</u>	<u>8,917,839</u>	<u>36,611,200</u>
Note No-9: Fixed Assets:				
	March 31, 2014		March 31, 2013	
Tangible				
(i) Gross Block		46,627,247		45,722,989
(ii) Depreciation		38,470,261		35,426,900
(iii) Net Block		<u>8,156,986</u>		<u>10,296,089</u>
Intangible				
(i) Gross Block		51,076,543		51,000,366
(ii) Depreciation		31,616,311		22,859,260
(iii) Net Block		<u>19,460,232</u>		<u>28,141,106</u>
Total		<u>27,617,217</u>		<u>38,457,194</u>

GSS INFOTECH LIMITED
NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2014

PARTICULARS	AS AT MARCH 31, 2014		AS AT MARCH 31, 2013	
	₹	₹	₹	₹
Note No-10: Non- Current Investments:				
Non-Trade -Unquoted - At Cost				
Investments in Equity Instruments in wholly owned Subsidiaries:				
	March 31, 2014		March 31, 2013	
GSS infotech Inc (Delaware)				
1,500 (31-March-2013: 1,500) Equity Shares fully paid up in GSS infotech Inc (Delaware)		2,222,779,820		2,222,779,820
GSS Healthcare IT Solutions Private Ltd				
9,990 (31-March-2013: Nil) Equity Shares of Rs/- 10/- each fully paid up in GSS Healthcare IT Solutions Pvt. Ltd		99,900		—
GSS IT Solutions Private Ltd				
9,990 (31-March-2013: 9,990) Equity Shares of Rs/- 10/- each fully paid up in GSS IT Solutions Pvt. Ltd		99,900		99,900
		<u>2,222,979,620</u>		<u>2,222,879,720</u>
Note No - 11: Loans and advances:				
<i>(Unsecured, Considered good unless otherwise stated)</i>				
	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Security deposits (Secured, considered good)	13,895,267	13,551,625	—	—
Loans and advances to Related Parties*	167,693,924	146,887,196	—	—
Advances Recoverable in Cash or in Kind or for value to be received	88,932,925	119,730,425	169,501	237,428
Prepaid Expenses	—	—	2,712,820	3,995,808
Other Advances	—	—	104,000	64,459
Balances with Statutory/government authorities	—	—	21,538,038	19,912,320
Total	270,522,116	280,169,246	24,524,359	24,210,015
Note No - 12: Other Current assets :				
	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
MAT Credit Entitlements	82,113,378	79,918,092	—	—
Accrued Income	—	—	13,514,080	10,331,561
	<u>82,113,378</u>	<u>79,918,092</u>	<u>13,514,080</u>	<u>10,331,561</u>
Note No-13:Trade Receivables:				
<i>(Unsecured, Considered Good)</i>				
	March 31, 2014		March 31, 2013	
Outstanding for a period exceeding Six Months		227,734,393		209,411,095
Others		130,883,753		115,325,185
		<u>358,623,146</u>		<u>324,736,281</u>
Note No - 14: Cash and Bank balances				
	Non Current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Cash and cash Equivalents:				
On current accounts	—	—	17,097,485	58,551,317
Deposits with original maturity of less than 3 months	—	—	—	5,464,759
On unpaid dividend accounts	—	—	432,875	497,590
Cash on hand	—	—	46,346	6,699
Balance with banks:				
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	2,508,009	5,545,084	7,076,408	6,517,045
	<u>2,508,009</u>	<u>5,545,084</u>	<u>24,653,014</u>	<u>70,977,411</u>

GSS INFOTECH LIMITED

Note No- 9: FIXED ASSETS

S.No.	Particulars	Gross Block Value			Accumulated Depreciation			Net Block Value			(Amount in ₹)
		As at 01-04-13	Additions	Deductions	As at 31-03-14	Additions	Deductions	As at 31-03-14	As at 31-03-13		
A. TANGIBLE ASSETS:											
1	Computer Equipment	28,546,098	658,350	137,459	29,066,989	2,214,538	137,459	25,458,275	3,608,714	5,164,902	
2	Furniture And Fixtures	6,127,422	121,090	-	6,248,512	291,873	-	4,902,930	1,345,582	1,516,365	
3	Vehicles	6,396,342	-	-	6,396,342	327,189	-	5,459,764	936,577	1,263,766	
4	Plant and Machinery	4,653,128	315,597	53,320	4,915,405	400,540	53,320	2,649,290	2,266,113	2,351,056	
	Total (A)	45,722,989	1,095,037	190,779	46,627,247	3,234,140	190,779	38,470,261	8,156,986	10,296,089	
B. INTANGIBLE ASSETS:											
5	Goodwill	-	-	-	-	-	-	-	-	-	
6	Software	9,145,030	76,177	-	9,221,207	385,984	-	8,572,942	648,265	958,072	
7	Copyrights	41,855,336	-	-	41,855,336	8,371,067	-	23,043,369	18,811,967	27,183,034	
	Total (B)	51,000,366	76,177	-	51,076,543	8,757,051	-	31,616,311	19,460,232	28,141,106	
	GRAND TOTAL	96,723,355	1,171,214	190,779	97,703,790	11,991,191	190,779	70,086,572	27,617,218	38,437,194	
	Previous Year Total	95,455,285	1,268,069	-	96,723,354	13,363,934	-	58,286,160	36,437,194	50,533,058	

GSS INFOTECH LIMITED

Notes Forming Part of the Statement of Profit & Loss for the year ended March 31, 2014

PARTICULARS	Year ended March 31, 2014	Year ended March 31, 2013
	₹	₹
Note No-15: Revenue from Operations		
Sale of services	318,409,925	305,716,725
a) Export Sales	142,984,231	93,050,118
b) Domestic sales		
Other operating revenues	<u>461,394,156</u>	<u>398,766,843</u>
Note No-16: Other Income		
Interest on Fixed Deposits	2,204,715	2,584,476
Miscellaneous Income	15,873,102	275,918
Gain on Exchange Rate Fluctuations	<u>42,475,877</u>	<u>17,467,642</u>
	<u>60,553,694</u>	<u>20,328,035</u>
Note No-17: Direct Cost		
Software Expenses	16,870	64,545
Subcontractor Expenses	80,389,328	61,904,179
Rent - Equipments	<u>43,397,528</u>	<u>37,813,356</u>
	<u>123,803,726</u>	<u>99,782,080</u>
Note No-18: Employee benefit expense		
Salaries And Allowances	199,671,600	175,418,025
Contribution to PF and Others	6,733,666	5,275,500
Recruitment & Training Expenses	1,577,792	4,068,835
Employee Welfare Expenses	2,455,445	2,225,018
Relocation Expenses	<u>269,193</u>	<u>494,655</u>
	<u>210,707,696</u>	<u>187,482,033</u>
Note No-19: Financial Costs		
Interest Expenses	23,061,428	22,522,870
Other borrowing costs	<u>3,232,510</u>	<u>3,946,598</u>
	<u>26,293,938</u>	<u>26,469,468</u>
Note No-20: Other Expenses		
Directors' Sitting Fees	520,000	520,000
Printing And Stationery	311,732	621,978
Telephone Expenses	925,797	980,516
Internet and Web Expenses	2,745,136	3,700,644
Rent	13,459,034	14,251,154
Insurance	2,805,013	2,583,003
Rates And Taxes	1,018,711	1,404,074
License, Immigration And Permits	2,157,029	4,984,392
Local Conveyance and Vehicle Maintenance	2,553,052	2,174,265
Repairs And Maintenance:		
- Buildings	132,019	728,743
- Machinery	235,650	222,028
- Others	467,799	1,028,549
Travel Expenses	13,930,334	9,677,391
Utilities	4,185,682	3,602,893
Professional Fees	7,418,151	9,895,128
Auditor's Remuneration	1,431,544	1,514,387
Advertisement And Business Promotion	2,385,966	1,009,903
Bad Debts Written Off	78,871,538	-
Meeting Expenses	353,558	147,061
General Office Expenses	2,271,376	3,067,654
Loss on Exchange Rate Fluctuation	-	-
	<u>138,179,121</u>	<u>62,053,762</u>
Note No-21: Tax Expenses:		
Current Tax (MAT)	2,195,286	-
Current Tax Relating to Previous Years A/c	(21,926,237)	3,726,923
Less: MAT Credit Entitlements	(2,195,286)	-
	<u>(21,926,237)</u>	<u>3,726,923</u>
Net Current Tax	<u>(10,270,834)</u>	<u>(2,367,834)</u>
Deferred Tax	<u>(32,197,071)</u>	<u>1,359,089</u>
Total Tax Expense		

GSS INFOTECH LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1. Corporate information:

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

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

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

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

2. Basis of Preparation:

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

2.1 Summary of significant accounting policies:

Presentation and disclosure of financial statements

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

a) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the

disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material judgment to the carrying amounts of assets or liabilities in future periods. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, and the useful lives of fixed assets and intangible assets.

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

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

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

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

c) Depreciation and amortization :

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

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

d) Impairment of tangible and intangible assets:

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

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

e) Revenue recognition:

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

Profit on sale of investments is recorded on transfer of title from the company and is determined as the difference between the sales price and the then carrying value of the investment. Dividend income is recognised where the company's

right to receive dividend is established. Interest and Other Income is recognised on accrual basis.

f) Expenditure and provisions:

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

g) Investments

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

h) Foreign Currency Transactions:

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

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

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

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

i) Taxes on Income:

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

j) Employee Benefits

Short Term Benefits:

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

Long Term Benefits:

Provident Fund:

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

Gratuity:

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

Leave Encashment:

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

Terminal Benefits:

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

k) Borrowing Costs:

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

l) Leases:

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

m) Proposed Dividend:

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

n) Earnings Per Share:

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

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

o) Contingent Liabilities and Contingent Assets:

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

p) Measurement of EBITDA

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

2.2 NOTES TO ACCOUNTS:

1. 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, 2014 amounts Rs.2,59,55,752/- (Previous Year: Rs.3,66,23,266/-)
- ii.) Appeal pending before Income Tax Appellate Tribunal for the AY 2009-10, involving Tax Amount of Rs.28.21 Lakhs; and Appeal pending before Dispute Resolution Panel for the AY 2010-11, involving Tax amount of Rs.16.02 Lakhs;
- iii.) There was a Service Tax demand amounting to Rs.79.38 Lakhs on part of the e'procurement contract executed in Bangladesh for the Bangladesh government, treating as 'Import of Business Support Services' , against which Company filed appeal before CESTAT, Bangalore.
- iv.) The Company had filed application for compounding before the Reserve Bank of India for obtaining permissions under the FEMA provisions in relation to transfer of funds to the Fully Owned Subsidiary Company by the Branch.

3. Claims Not Acknowledged as Debts :

On account of disputed Income Tax demand, not acknowledged as debt by the company Rs.NIL (Previous Year : Rs.NIL).

4. 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	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	₹	₹	₹	₹
GSS Infotech Inc.	13,53,54,979	12,24,95,132	14,13,90,777	12,55,41,433
GSS IT Solutions Private Limited	18,50,000	2,43,92,064	2,75,34,165	2,87,01,873
GSS Health Care IT Solutions Private Limited	3,04,88,945	-	3,04,88,945	-

5. 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 new scheme GSS Infotech Limited Restricted Employee Stock Option Plan 2013 as per the scheme approved by the shareholders in the Annual General Meeting held on 19th July 2014.

6. 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.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, 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.

7. Details of Remuneration to Auditors:

Particulars	2013-14	2012-13
	₹	₹
For Statutory Audit	12,00,000	12,00,000
For taxation matters	-	-
For Certifications	1,00,000	1,00,000
For reimbursement of expenses	11,2990	14,387
Total	13,11,299	13,14,387

8. 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. 67,33,666/- (Previous Year:Rs.52,75,500/-)

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	2013-14	2012-13
	₹	₹
Expenses recognized during the year	11,05,759	9,37,515
Present value of obligation at the year end	27,72,649	23,28,269

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	2013-14	2012-13
	₹	₹
Expenses recognized during the year	26,45,514	6,72,160
Present value of obligation at the year end	24,97,202	19,75,707
Value Present value of Planned Assets at the year end	21,10,594	20,21,799
Liability at the year end	-	-

9. Tax Expense:

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

- ii) Minimum Alternate Tax Credit, where there is certainty in availing the tax credit against the taxes on income paid, are recognised and shown as "MAT Credit Entitlement" under Loans and Advances in the financial statements.

iii) **Deferred Tax:**

Movement of provision for Deferred Tax for the year ended 31.03.2014 is as given below:

Particulars	Deferred Tax Liability/(Asset) in ₹
Timing Difference on Account of WDV of assets	8,839,226
Timing Difference on Account of Provision of Leave Encashment	(2,772,649)
Timing Difference on Account of Loss Carry forward	(270,785,665)
Timing difference (a)	(264,719,088)
Deferred Tax Asset as on 31.03.2014 @ 30.9% on (a)	(81,798,198)
Less: Deferred Tax Asset as on 31.03.2013	(71,527,364)
Asset Provided During the year	(10,270,834)

10. The Company had given an advance amounting to Rs.3,93,16,028/- to certain parties towards fulfillment of certain obligations. However, the said obligation was not fulfilled and the Company, despite its best efforts, could not realize Rs. 3,93,16,028/- hence these amounts accordingly became unrealizable. Further the company also as written back of the advance payable of Rs. 1,45,86,557/- which was not payable to the party.

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.

11. The company has written off Accounts Receivables pertaining to branches to the extent of Rs. 2,60,59,254/- which were not recoverable, despite its best efforts to collect the same.
12. The company has written off Accounts Receivables pertaining to UIDAI project of Gujarat Social Infrastructure Development Board to the extent of Rs. 1,34,96,255/-, for non fulfillment of conditions mentioned in the agreement.
13. There are no dues to Micro and Small Enterprises as on 31st March, 2014.
14. The Balances of Trade receivables, Loans and Advances and Trade payables are subject to confirmation and consequential adjustment if any required.
15. **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.
16. The Ministry of Corporate Affairs, Government of India, vide General circular No.2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 211 of the Companies Act, 1956. Subject to fulfillment of conditions stipulated in the circular, the Company has satisfied the conditions stipulated in the circular and hence entitled to exemption. Necessary information relating to subsidiaries has been included in Consolidation of Financial statements.

17. Leases:

The Company has operating lease for office premises, which is renewable on a periodical basis and cancellable at its option. Rental expenses for operating lease recognized in Profit and Loss account is Rs.13,459,034/- (Previous Year Rs.15,070,872/-)

The future minimum lease payments are as given below:

Particulars	2013-14	2012-13
	₹	₹
Not later than one year	1,18,08,547	1,12,25,234
Later than one year and not later than five years	1,76,92,241	2,95,00,788
Later than five years	--NIL--	--NIL--

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

Particulars	2013-14	2012-13
	₹	₹
Not later than one year	2,36,51,344	3,90,57,779
Later than one year and not later than five years	1,19,32,149	2,55,83,493
Later than five years	NIL	NIL

18. Details of Balances with Non-Scheduled Banks:

Name of the Bank's	As at 31.03.2014	As at 31.03.2013	Maximum Balance outstanding during the year	
			2013-14	2012-13
	₹	₹	₹	₹
Harris Bank	2,33,974	1,317,972	84,60,426	1,26,55,925
HSBC, Dubai	0	4,45,013	5,26,215	61,37,979
Indian Bank, Singapore	1,87,944	1,73,536	1,87,944	1,62,959
SBI Bank, Bangladesh	91,81,229	35,16,453	1,27,34,705	46,23,311

19. Segment Reporting:

Business Segments:

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

Geographical Segments:

Particulars	2013-2014	2012-2013
	₹	₹
Business from United States of America	28,56,37,679	24,20,18,252
Business from Middle East	1,59,001	2,25,34,033
Business from Singapore	0	0
Business from Bangladesh	3,26,13,245	4,22,57,790
Domestic	14,29,84,231	9,30,50,118
Total	46,13,94,156	39,98,60,199

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

20. 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 CT Inc (A Delaware Company)
 - b) GSS IT Solutions Private Limited
 - c) GSS Healthcare IT Solutions Private Limited

- ii) Step down Subsidiaries:
 - GSS Infotech Holdings Inc
 - GSS Infotech Inc
 - Infovision Technologies, Inc
 - Infospectrum Consulting Inc
 - System Dynamix Corporation
 - GSS Infotech NY Inc (formerly ATEC Group)
 - Infovista Technologies Inc
 - Technovant Inc
 - GCI Systems Inc
 - Veloce Group LLC

iii) Key Management Personnel:

Mr. Bhargav Marepally

Chief Executive Officer and Managing Director

B) Transactions with Related Parties:

Particulars	2013-14		2012-13	
	Amount During the year	Outstanding as at 31.03.2014	Amount During the year	Outstanding as at 31.03.2013
	₹	₹	₹	₹
Managerial remuneration to Key Management Personnel	-	-	-	-
Investment in capital of Subsidiaries	99,900	2,22,29,79,620	73,62,000	2,22,28,79,620
Advances to Subsidiaries	4,96,75,393	16,76,93,923	12,05,69,294	14,68,87,196
Sales to Subsidiaries	8,68,86,802	24,85,38,265	10,28,78,914	23,22,98,602
Loan Received	-	28,71,146	-	30,98,042
Repayment of Loan Received	2,26,996	-	4,01,958	-

C) 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	2013 -14	2012 -13
		₹	₹
Managerial Remuneration	Bhargav Marepally Ramesh Yerramsetti	- -	- -
Advances to subsidiaries	GSS IT Solutions Pvt Ltd. GSS Healthcare IT Solutions Pvt Ltd	52,54,507 4,44,20,886	12,24,95,132 2,43,92,064
Sales to subsidiaries	GSS Infotech Inc	7,78,68,255	10,28,78,914
Investment in Subsidiaries	GSS Healthcare IT Sol (P)Ltd GSS Infotech Inc(Delaware)	99,900 -	- 73,62,000
Repayment of Loan Received	Ramesh Yerramsetti	186,209	3,79,558
Repayment of Loan Received	Bhargav Marepally	40,787	22,400

21. EARNINGS PER SHARE (EPS):

The Numerator and denominator used to calculate Earnings Per Share:

Particulars	2013-14	2012-13
	₹	₹
A. EARNINGS:		
Profit attributable to Equity Shareholders	43,169,249	(4,93,65,487)
B. NO.OF SHARES:		
Weighted average number of Equity Shares outstanding during the year (Nos) – Basic	1,41,36,843	1,41,36,843
Weighted Average number of Equity shares arising out of outstanding stock options that have diluting effect on Earnings Per Share	-	-
Weighted average number of Equity Shares outstanding during the year – Diluted	1,69,36,843	1,69,36,843
C. EARNINGS PER SHARE:		
Earnings per Share of Par Value Rs.10/- each – Basic	3.05	(3.49)
Earnings per Share of Par Value Rs.10/- each – Diluted	2.55	(2.91)

22. Income and expenditure in Foreign Currency :

	2013-14	2012-13
1. Expenditure in Foreign Currency Towards: (On Accrual basis)		
Travelling Expenses	85,73,455	75,13,503
Foreign Branch Expenses incurred abroad	16,56,80,739	19,51,46,307
2. Earnings in For		
3. Foreign Exchange: (On Accrual Basis)		
FOB Value of Exports	31,84,09,925	31,67,85,515
4. CIF Value of Imports:		
Capital goods	Nil	Nil
5. Remittance of Dividend in Foreign Currency:		
No. of Shareholders	Nil	Nil
No. of Shares Held (Nos.)	Nil	Nil
Amount of Dividend paid (Net of Tax)	Nil	Nil

6. The other particulars as required are not given as the same are not applicable to the Company for the Current Year.

23. Rounding off & Regrouping:

The 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.

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

For Sarath & Associates
Chartered Accountants
Firm Regn No: 0051205

for GSS Infotech Limited

Sd/-
P.SARATH KUMAR
Partner
Membership No:21755

Sd/-
Mr. Bhargav Marepally
CEO & Managing Director

Sd/-
Mr. Ramesh Yerramsetti
Director

Place: Hyderabad
Date:09.08.2014

Sd/-
Mr. Sai Krishna Narla
Company Secretary

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

S.No.	Particulars	GSS Infotech Inc	GSS IT	GSS Healthcare IT
		(A Delaware Company)*	Solutions Pvt Ltd	Solutions P Ltd
1	Reported Currency	₹	₹	₹
2	Capital	11,704,337	100,000	100,000
3	Reserves	2,725,068,766	(527,906)	(2,389,520)
4	Total Assets	3,537,312,375	1,423,094	30,582,301
5	Total Liabilities	800,539,272	1,851,000	32,871,821
6	Investments	Nil	Nil	Nil
7	Turnover	2,320,163,142	1,556,385	42,048,563
8	Profit/(Loss) Before Taxation	25,389,377	(862,250)	(3,458,060)
9	Provision for taxation	2,480,440	(324,534)	(1,068,541)
10	Profit/(Loss) After Taxation	22,908,937	(537,716)	(2,389,519)
11	Proposed dividend	Nil	Nil	Nil
12	Country	USA	INDIA	INDIA

* Includes subsidiaries and step subsidiaries



GSS INFOTECH LIMITED
Level-5, Wing 5-01, Block 2, Cyber Pearl, Madhapur, Hitech City, Hyderabad- 500081

Proxy Form

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

I/ we being a member of GSS Infotech Limited hereby appoint of or failing him of as my / our proxy to attend and vote for me/ us on my / our behalf at the AGM at Ellaa Suites, Jasmine Banquet Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad 500 032 to be held on 30th September 2014 at 10.00 A.M. and at any adjournment thereof

As witness my /our hand (s) this Day of 2014

Signed by the said

Affix 1/-
revenue
stamp

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

* Applicable for investors holding shares in electric form.

GSS INFOTECH LIMITED
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**Attendance Slip for the
Annual General Meeting on 30th September, 2014 at 10.00 A.M.**

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

I hereby record my presence at this AGM of the Company held on September 30th, 2014 at 10.00 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.

BOOK-POST

If undelivered please return this copy to the following address

GSS Infotech Ltd.

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