



Ref: GSS/BSE-OCT/2017 – 04

Integrating People, Process and Technology
Date: October 12, 2017

To
Deputy Manager
Dept. of Corporate Services,
Bombay Stock Exchange Limited
P J Towers, Dalal Street,
Fort, MUMBAI – 400001

Dear Sir/Madam,

Sub: 14th Annual General meeting ('AGM') Annual Report of GSS Infotech Limited

Ref: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; Script Code# 532951

With reference to the above captioned subject matter we herewith submit the 14th Annual Report for the financial year 2016-17 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

We request you to take note of the 14th Annual report of the Company on your records and acknowledge the receipt of the same.

Thanking you,

Yours faithfully,

For GSS Infotech Limited

Bhargav Marepally
Managing Director
DIN: 00505098

Encl: Annual Report

GSS Infotech Limited

Wing-B, Ground Floor, N heights, Plot No.12, TSIC Software Units Layout, Madhapur, Serilingampally Mandal,
Rangareddy District, Hyderabad – 500081, Telangana, India

Tel: +91 40 4455 6600 | Fax: +91 40 4002 8703 | E-mail: india@gssinfotech.com | www.gssinfotech.com

CIN No: L72200TG2003PLC041860



Integrating People, Process and Technology

ANNUAL REPORT

14th Edition

2016-17

Vision & Mission

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

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

Core values

- ▶ Entrepreneurship
- ▶ Integrity
- ▶ Pursuit of Excellence

GSS Infotech – A Snapshot

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

Contents	Page Nos.
Corporate Information	4
Notice of the Annual General Meeting	5
Board's Report	14
Management Discussion and Analysis Report	39
Report on Corporate Governance	46
Auditors' Report on Consolidated Financial Statements	69
Consolidated Financial Statements	73
Auditors' Report on Standalone Financial Statements	93
Standalone Financial Statements	99
Proxy Form	121
Attendance Slip	123

Corporate Information

Board of Directors

Mr. Keerthy Jaya Tilak

Chairman, Non-Executive & Independent Director

Mr. Bhargav Marepally

CEO & Managing Director

Mr. Ramesh Yerramsetti

Non-Executive, Non-Independent Director

Mr. Mark Silgado

Non-Executive, Non-Independent Director

Mr. Madhukar Sheth

Non-Executive, Non-Independent Director

Mr. Patri VenkataRamakrishna Prasad

Non-Executive, Non-Independent Director

Mrs. Nagajayanthi Das Juttur Ragavendra

Non-Executive, Independent Director

Mr. Sanjay Heda

Chief Financial Officer

Mrs. Esha Sinha

Company Secretary & Compliance Officer

Bankers

Bank of India

Axis Bank Limited

Committees of Board of Directors

Audit Committee

Mr. Keerthy Jaya Tilak

Mrs. Nagajayanthi Das Juttur Ragavendra

Mr. Bhargav Marepally

Nomination and Remuneration Committee

Mr. Patri VenkataRamakrishna Prasad

Mr. Keerthy Jaya Tilak

Mrs. Nagajayanthi Das Juttur Ragavendra

Mr. Madhukar Sheth

Stakeholders Relationship Committee

Mr. Madhukar Sheth

Mrs. Nagajayanthi Das Juttur Ragavendra

Mr. Bhargav Marepally

Statutory Auditors

M/s. Sarath & Associates

Chartered Accountants, 4th floor, Mass heights,

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

Hyderabad - 500034. Telangana State

Registered Office

CIN: L72200TG2003PLC041860

Ground Floor, Wing-B,

N heights, Plot No. 12,

TSIIC software units lay out, Madhapur,

Serilingampally Mandal,

Ranga Reddy District

Hyderabad -500 081

Registrar and Share Transfer Agents

Bigshare Services Private Limited

E-2 & 3, Ansa Industrial Estate, Saki Vihar

Road, Saki Naka, Andheri(E), Mumbai-400072, India

Tel:+912240430200, Fax:+912228475207

Notice of Annual General Meeting (AGM)

Notice is hereby given that the 14th Annual General Meeting (AGM) of the members of GSS Infotech Limited will be held on Saturday, the 30th Day of September, 2017, at 10.30 A.M at Ellaa Suites, Lotus Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad - 500 032 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:
 - a) The audited financial statement of the Company for the financial year ended 31st March, 2017 and the reports of the Board of Directors and the report of the Auditors thereon.
 - b) The audited consolidated financial statement of the company for the financial year ended 31st March, 2017 and the report of the Auditors thereon.
2. To appoint a Director in the place of Mr. Madhukar Chimanlal Sheth (DIN: 00593586), who retires by rotation, and being eligible, offers himself for Re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Madhukar Chimanlal Sheth (DIN: 00593586), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."
3. To appoint a Director in the place of Mr. Ramesh Yerramsetti (DIN: 00379850), who retires by rotation, and being eligible, offers himself for Re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Ramesh Yerramsetti (DIN: 00379850), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."
4. To ratify the appointment of M/s. Sarath and Associates, Chartered Accountants (Firm Registration Number 005120S), as Statutory Auditors and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Sarath and Associates, Chartered Accountants (Firm Registration Number 005120S) as auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company to be held in the year 2018."

Special Business:

5. **To consider and appoint Mr. Padmarao G.S. Lakkaraju (DIN: 07926264) as an Independent Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Padmarao G.S. Lakkaraju (DIN: **07926264**) who was appointed as an Additional Director with effect from 08th August, 2017, by the Board of Directors of the Company and who in terms of Section 161 of the Companies Act, 2013, holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years from the date of coming into effect of this resolution.
6. **To consider and appoint Mr. A Prabhakara Rao (DIN: 02263908) as an Independent Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. A Prabhakara Rao (DIN: 02263908) who was appointed as an

Additional Director with effect from 08th August, 2017, by the Board of Directors of the Company and who in terms of Section 161 of the Companies Act, 2013, holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years from the date of coming into effect of this resolution.

7. To approve offer or invitation to subscribe to Non-Convertible Debentures on private placement.

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

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

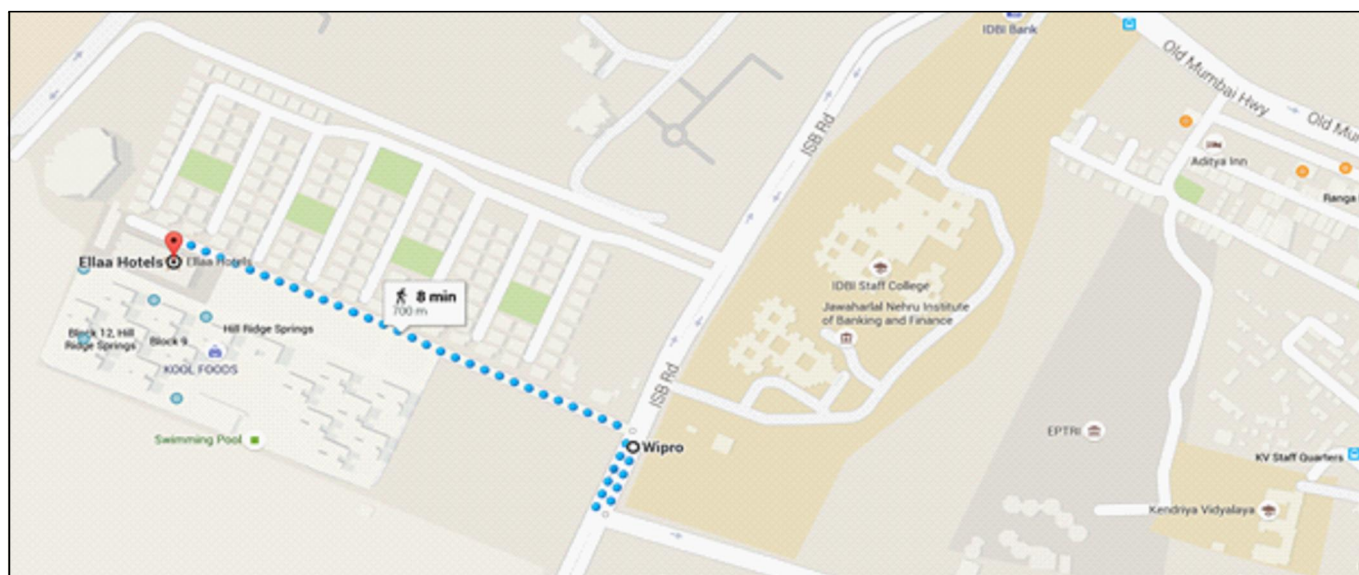
“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to determine the terms of issue, including the class of investors to whom the NCDs may be issued/offered, time, type, number of NCDs, tranches, issue/offer price, tenor, interest rates, premium/discount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

By Order of the Board of Directors

Date: 08th August, 2017
Place: Hyderabad

Keerthy Jaya Tilak
Chairman

Route Map for the venue of Annual General Meeting



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

ITEM No 5 and 6:

Mr. Padmarao G.S. Lakkaraju and Mr. A Prabhakara Rao are Additional Directors (Independent) of the Company appointed in the Board Meeting held on 08th August, 2017 and hold office up to the ensuing Annual General Meeting. Pursuant to the provisions of Section 149 of the Act, every listed company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation and shall hold office for a term up to five consecutive years on the Board of the Company. Accordingly, it is proposed to seek approval of the Members to appoint Mr. Padmarao G.S. Lakkaraju and Mr. A Prabhakara Rao as Independent Directors of the Company under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, for a term up to five consecutive years as set out in the accompanying Notice. As required under Section 160 of the Act, the Company has received notices in writing from members along with the requisite amount of deposit proposing the candidature of Mr. Padmarao G.S. Lakkaraju and Mr. A Prabhakara Rao as Independent Directors of the Company. Mr. Padmarao G.S. Lakkaraju and Mr. A Prabhakara Rao are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have consented to act as Directors of the Company. The Company has also received declarations from them that they meet with the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchanges. In the opinion of the Board, both of them fulfill the conditions specified in the Act and the Rules made thereunder and also under the Listing Agreement for appointment as Independent Director and they are independent of the management. Keeping in view the contributions made by them during their association with the Company, the Board considers that it shall be in the best interests of the Company to continue to have their benefit and knowledge. The Nomination and Remuneration Committee of the Board of Directors of the Company has recommended the appointment of Mr. Padmarao G.S. Lakkaraju and Mr. A Prabhakara Rao as Independent Directors for a term up to five consecutive years. None of the Independent Directors hold any shares in the Company. A brief resume of Mr. Padmarao G.S. Lakkaraju and Mr. A Prabhakara Rao, nature of their expertise in specific functional areas and name of the Companies in which they hold directorship and memberships / chairmanships of Board Committees, shareholding in the Companies as stipulated under Clause 49 of the Listing agreement with the Stock Exchanges, are provided in the Corporate Governance report forming part of the Annual Report. Copies of the draft letters for the appointment Mr. Padmarao G.S. Lakkaraju and Mr. A Prabhakara Rao as Independent Directors setting out the terms and conditions of the Appointment and the notices received under Section 160(1) of the Companies Act, 2013 from the Members are kept open for inspection by Members at the Registered Office of the Company. A brief profile of each Director is annexed hereto forming part of the Notice. Save and except Mr. Padmarao G.S. Lakkaraju and Mr. A Prabhakara Rao and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolutions set out at item nos. 5 and 6 of the Notice. The Board recommends the Ordinary Resolutions set out in Item No. 5 and 6 of the Notice for approval by the shareholders.

BRIEF PROFILE OF THE DIRECTORS

As per the requirement of SEBI (Listing Obligations and Disclosure Requirements) on Corporate Governance and the Companies Act, 2013, for appointment of the Directors / re-appointment of the retiring Directors, a statement containing details / brief profile of the concerned Directors are given below:

i. Mr. Padmarao G.S. Lakkaraju

Name of the Director	Mr. Padmarao G.S. Lakkaraju
Date of Birth	29.06.1974
DIN No.	07926264
Qualification	Advocate
Experience	Mr. Padmarao G.S. Lakkaraju comes with the enriched law experience with more than a decade and has made an immense impact with his expertise and been known for his pioneering work in his filed. He is practicing as an Advocate in the Hon'ble Supreme Court of India and High Court of Judicature at Hyderabad for the state of Telangana & A.P from February 2017 to till date. He was privileged to be the second Indian to address the 21 st International Association of Prosecutors Annual Conference at Dublin, Ireland in September 2016, participated by about 560 legal attorneys from 90 different countries. He

	has served as National Vice President, All India Prosecutors Association from August 2015 to February 2017. He was the State Convener for Association of Public Prosecutors from March 2011 to October 2012. He is also an Academic Mentor for aspirants completing Law School.
Shareholding in the Company as on March 31, 2017	NIL
Directorships held in other Companies	NIL

ii. Mr. A Prabhakara Rao

Name of the Director	Mr. A Prabhakara Rao
Date of Birth	15.06.1974
DIN No.	02263908
Qualification	Qualified Chartered Accountant
Experience	Mr. A Prabhakara Rao comes with a vast experience of 20 years in Industrial and Financial expertise. He is a qualified Chartered Accountant by profession and entrepreneur by choice. He comes with a vast experience and expertise in Corporate Finance, Strategic Financial Management and Statutory Compliances. He has played key role in the Financing Strategy, Corporate Planning and Risk Management. He holds expertise in the promotion of Hyderabad based IT/ITES Company engaged in IT infrastructure management, security solutions and OTT services. He has varied industry exposure in IT/ITES, Agro based seed industry, bulk drug industry and large scale dairy industry. As a financial professional, he contributed to the growth of Companies in terms of its rapid growth in turnover and profitability.
Shareholding in GSS Infotech Limited as on March 31, 2017	NIL
Directorships held in other Companies	Covidh Technologies Limited, ACS Technologies Limited, More Agri supplies & Services Private Limited, Akshara Infracon India Private Limited, Amaravati Global Solutions Private Limited, Upstream Capital Advisors Private Limited, Wiselinks Fincorp Private Limited, Eko Gifts Private Limited

iii. Mr. Madhukar Chimanlal Sheth

Name of the Director	Mr. Madhukar Chimanlal Sheth
Date of Birth	04.06.1949
DIN No.	00593586
Qualification	B.E, M.I.E
Experience	Mr. Sheth has held leadership positions in a variety of sectors. In addition, he has been a member of the Bombay Stock Exchange since 1993, at the BSE he was an arbitrator for Broker to Broker disputes and Broker to Client disputes, later being elevated to superior bench of Broker to Broker arbitrators. Mr Sheth's business and investment strategy, skills, and knowledge are widely recognized and he is often called upon to serve the role of commentator or analyst on leading business television channels. Madhukar holds a graduate degree in Mechanical Engineering from NIT-Surat.
Shareholding in GSS Infotech Limited as on March 31, 2017	1645143 shares
Directorships held in other Companies	Aabhaar Infrastructure Private Limited, Amax Holdings Private Limited, Blue Ideas Services Private Limited, Amax Properties Private Limited, Aabhaar Procon LLP

iv. Mr. Ramesh Yerramsetti

Name of the Director	Mr. Ramesh Yerramsetti
Date of Birth	11/08/1971
DIN No.	00379850
Qualification	M.Sc. (Tech) in Engineering and Masters in Systems and Information from BITS Pilani.
Experience	Mr. Ramesh Yerramsetti, the Founder Director of GSS Infotech comes with over 20 years of software industry experience with global technology companies, (which includes working as a Scientist at CSIR-New Delhi, various software technology roles at Indian National Science Academy – New Delhi, IBM Santa Teresa Labs - California, IBM - Connecticut and Morgan Stanley Dean Witter and Discover - Chicago).
Shareholding in GSS Infotech Limited as on March 31, 2017	NIL
Directorships held in other Companies	Arani Power Systems Limited, Yar Infrastructure Private Limited, GSS IT Solutions Private Limited

ITEM No 7:

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

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

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

Keeping in view the above, consent of the members is sought for passing the Special Resolution as set out at Item No. 7 of the Notice. This enabling resolution authorises the Board of Directors of the Company to offer or invite subscription for redeemable non-convertible debentures, as may be required by the Company, from time to time and as set out herein, for a year from the date of passing this resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the members.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/ HERSELF. A Proxy need not be a member of the Company. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the AGM i.e. by 10.30 a.m. on **Thursday, 28th September, 2017**. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person shall not act as a proxy for more than 50 (fifty) members and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. However, a single person may act as a proxy for a member holding more than 10% (ten percent) of the total share capital of the Company provided that such person shall not act as a proxy for any other person.
2. Relevant documents referred to in the accompanying Notice and the statement pursuant to Section 102(1) of the Companies Act, 2013 are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public Holidays up to the date of the AGM.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **23rd September, 2017 to 30th September, 2017 (both days inclusive)**.
4. Members holding shares in electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall where the AGM is proposed to be held. The Members are requested to fill the details i.e. folio number in case of physical shares and DP ID and Client ID numbers for identification.
6. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the AGM, to the Company's Registrar and Transfer Agent or to the Company's Registered office by 10.30 a.m. on **Thursday, 28th September, 2017**.
7. In terms of Section 125 of the Companies Act, 2013 and Sections 205A and 205C of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) for the time being in force), (including any statutory modification(s) or re-enactment(s) for the time being in force), the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Members are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.
8. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit PAN to their Depository Participant(s) with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer agent or at the Company's registered office.
9. Electronic copy of the Annual Report containing the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form are being sent to the members who have registered their email ids with the Company/Depository Participant(s). For members who have not registered their email ids, physical copies of the aforementioned documents are being sent in the permitted mode.

10. *Members, who have not registered their email address so far, are requested to register their email ids for receiving all communications including Annual Report, Notices, etc., from the Company electronically.*
11. As a measure of austerity, copies of the Annual Report will not be distributed at the AGM. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.
12. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013 read with the Rules issued thereunder. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled to the Company's Registrar and Share Transfer agent i.e. Bigshare Services Private Limited. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
13. Members who wish to obtain any information on any item of business of this meeting are requested to forward the same before 23rd September, 2017, to the Company Secretary at the Registered Office of the Company, email : company.secretary@gssinfotech.com, so that the same may be attended appropriately. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days i.e. Monday to Friday up to 29th September, 2017.

14. E-Voting:

In compliance with the provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 '(Amended Rules 2015)' and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, E-voting facility is being provided to Members to exercise their right to vote on the resolutions proposed to be passed at the 14th AGM by electronic means. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on the **27th September, 2017 at 9:00 A.M.** and will end on **29th September, 2017 at 5:00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the record date i.e. 23rd September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. In addition, the facility for voting through ballot paper shall also be made available at the venue of AGM and the Members attending the 14th AGM who have not cast their vote by e-voting shall be eligible to cast their vote at the 14th Annual General Meeting venue.

EVEN (E-VOTING EVENT NUMBER)	COMMENCEMENT OF E-VOTING	END OF E-VOTING
170901082	27 th September, 2017 at 9:00 A.M.	29 th September, 2017 at 5:00 P.M.

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

- i. Log on to the e-voting website www.evotingindia.com
- ii. Click on "Shareholders" tab.
- iii. Now Enter your User ID
 - a) For CDSL: 16 digits' beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.

- v. 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.
- vi. If you are a first-time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) i. Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. ii. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your Demat account or in the company records for the said Demat account or folio #. Please enter the DOB or Dividend Bank Details in order to login. Incase either the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then directly reach GSS Infotech Limited selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Select the "EVEN" (EVSN 170901082) of GSS Infotech Limited. Members can cast their vote online from **27th September, 2017 at 9.00 A.M. to 29th, September, 2017 at 5.00 P.M. e-Voting shall not be allowed beyond the said time.**
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting.
- xii. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO Implies that you dissent to the Resolution
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed.
- xv. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi. For Non – Individual Shareholders and Custodians

- a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c. After receiving the login details compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - d. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xvii. In case of any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- xviii. Members are advised to cast their vote only through e-voting or through Poll at the AGM. In case you cast your votes through both the modes, votes cast through e-voting shall only be considered and votes cast at the meeting through Poll would be rejected.

In case of members receiving the physical copy:

- a. Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
 - b. The voting period begins on 27th September, 2017 at 09:00 A.M. and ends on 29th September, 2017 at 05:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the record date i.e. 23rd September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - c. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and evoting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
15. **Ms. Manjula Aleti**, Practicing Company Secretary (Membership No. 31661, COP 13279) has been appointed as the **Scrutinizer** to scrutinize the e-voting and also the polling process in a fair and transparent manner.
16. The Scrutinizer shall within a period not exceeding one (1) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make Scrutinizer’s Report of the votes cast in favour or against and submit her report to the Chairman of the Company.
17. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto. As per the requirements of Section 102(1) read with Section 110 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information to enable the shareholders to consider and approve the Ordinary and Special Resolutions set out at items no. 5, 6 & 7 of the Notice for the Annual General Meeting of the Company.

By Order of the Board of Directors

Date: 08th August, 2017
Place: Hyderabad

Keerthy Jaya Tilak
Chairman

BOARD'S REPORT

Dear Members,

We are delighted to present the report on our business and operations for the financial year ended 31st March 2017

FINANCIAL RESULTS

The Company's Financial results (standalone & consolidated) for the year ended 31st March 2017 is provided in the Annual Report.

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2016-17	2015-16	2016-17	2015-16
Net sales/income from operations	15,486.22	21,372.71	2,339.53	2,982.82
Less: Direct cost	3,091.81	7459.56	279.15	220.04
Indirect Cost	12,239.12	13,508.58	2,098.71	2,379.05
Profit / (Loss) from operations before other income, finance costs and exceptional items	155.29	404.57	(38.32)	383.73
Other income	86.85	226.29	78.13	222.37
Profit / (Loss) from ordinary activities before finance costs and exceptional items	242.14	630.86	39.80	606.10
Finance costs	157.15	217.52	76.12	139.57
Profit / (Loss) from ordinary activities after finance costs but before exceptional items	84.99	413.34	(36.32)	466.53
Exceptional items*	5,284.38	-	4,324.49	-
Profit / (Loss) from ordinary activities before tax	(5,199.40)	413.34	(4360.80)	466.53
Tax expense	637.97	43.30	631.14	25.84
Net Profit / (Loss) from ordinary activities after tax	(5,837.36)	370.04	(4,991.94)	440.69
Net Profit / (Loss) for the period	(5,837.36)	370.04	(4,991.94)	440.69

*In the Financial Year 2016-17, the Company had provided for Rs. 3,329.58 lakhs towards diminution in the value of Company's Investment in Wholly owned foreign subsidiaries, consequent upon sale of one of the step down WOS as per the audited financials of WOS. Further, exceptional items include old advances not recoverable amounting to Rs.800 lakhs and reversal of lapsed advance tax of Rs.194.90 lakhs.

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year ended 2016-17 and the date of this report.

I. STATE OF COMPANY'S AFFAIRS

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

II. CONSOLIDATED ACCOUNTS

The consolidated financial statements of your Company for the financial year 2016-17, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as prescribed by the Securities and Exchange Board of India (SEBI). The consolidated financial statements have been prepared on the basis of audited financial statements of the Company, its subsidiary companies, as approved by their respective Board of Directors.

III. SUBSIDIARIES

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

Pursuant to the applicable provisions of Companies Act, 2013 and SBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of GSS Infotech Limited in their 12th Annual General Meeting held on 30th September, 2015 had given their consent to the Board for disposal of the entire investment of the Company held through its wholly owned subsidiary GSS Infotech Inc (Delaware), in its non-profit making step down wholly owned subsidiary i.e. GSS Infotech NY Inc, also a material subsidiary of the Company. GSS Infotech NY Inc. located in 1762, Central Avenue, Albany, NY 12205 has been sold on July 1st 2016, at such terms and conditions agreed for, and would not form part of the financials of the Company with effect from July 1st 2016.

IV. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms an integral part of this Report and gives detail of the overall industry structure, developments, performance and state of affairs of the Company's various businesses during the financial year ended 31st March, 2017, is enclosed as **Annexure [F]** to this report.

V. CORPORATE GOVERNANCE REPORT

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

VI. DIVIDEND

The Board of Directors did not recommend dividend for the financial year ended 31st March, 2017.

VII. PUBLIC DEPOSITS

During the financial year 2016-17, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

VIII. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Madhukar Chimanlal Sheth (DIN: 00593586) and Mr. Ramesh Yerramsetti (DIN: 00379850), Non-Executive Directors are liable to retire by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the resolution passed in the Annual General Meeting held on 30th September, 2014, and being eligible have offered themselves for re-appointment. Appropriate resolutions for their re-appointment are being placed for your approval at the ensuing AGM. Your Directors recommend the re-appointment of Mr. Madhukar Chimanlal Sheth (DIN: 00593586) and Mr. Ramesh Yerramsetti (DIN: 00379850), as Non-Executive Directors of your Company.

Mr. Padmarao G.S. Lakkaraju and Mr. A Prabhakara Rao have been appointed as Non-Executive Independent Additional Director of the Company with effect from 08th August, 2017 till the ensuing Annual General Meeting and recommend their appointment to the shareholders as a Non-Executive Independent Director of the Company for a term of 5 years.

Mr. Patri Venkataramakrishna Prasad has resigned from the Board of Directors of the Company with effect from 08th August, 2017.

Mr. Keerthy Jaya Tilak has resigned as Chairman and Independent Director of the Company with effect from 10th August, 2017.

Key Managerial Personnel:

- Mr. Bhargav Marepally is the Managing Director and Chief Executive Officer of the Company.
- Mr. Sanjay Heda is the Chief Financial Officer of the Company.
- Mrs. Esha Sinha is the Company Secretary and Compliance Officer of the Company

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

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

Annual Evaluation of Board's Performance:

In terms of the provisions of the Companies Act, 2013 read with Rules issued thereunder and the Listing Regulations, the Board of Directors on recommendation of the Nomination and Remuneration Committee, have annually evaluated the effectiveness of the Board/Director(s) for the financial year 2016-17.

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

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

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

X. NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE

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

XI. DECLARATION OF INDEPENDENCE

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

XII. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable Accounting standards and Schedule III of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) for the time being in force) have been followed and there are no material departures from the same;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2017 and of the profit and loss of the Company for the financial year ended 31st March, 2017;

- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the Provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) for the time being in force) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a 'going concern' basis;
- (e) Proper Internal Financial Controls laid down by the Directors were followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- (f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

XIII. AUDITORS AND AUDITOR'S REPORT

The Statutory Auditors of the Company, M/s. Sarath and Associates, Chartered Accountants (Firm Registration No. 005120S) were re-appointed by the members at the 13th AGM held on 30th September, 2016, for a term of three (3) years till the conclusion of the 16th Annual General Meeting of your company to be held in 2019, in accordance with section 139 of the Companies Act, 2013.

The Auditors' Report issued by the Statutory Auditors for the financial year ended 31st March 2017 forms part of this Report and does not contain any Audit qualification, for which the reply of Directors is required.

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

XIV. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. Mohammad Anwar Ul Haq Abdul Mannan from M/s. AMAM & Associates, Practicing Company Secretaries (Membership No:33676, and CP No: 12553), Hyderabad, to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is annexed herewith as **Annexure [C]** to this Report. The Board of Directors reply to the comments/qualifications/observations by the Secretarial Auditor is as follows:

The Composition of the Board was not in order for the period 1st April, 2016 to 31st March, 2017, in violation of section 149 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

XV. EXTRACT OF ANNUAL RETURN

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

XVI. RELATED PARTY TRANSACTIONS

During the financial year 2016-17, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arms' length basis and in accordance with the provisions of the Companies Act, 2013, Rules issued thereunder and Listing Regulations. During the financial year 2016-17, there were no transactions with related parties which qualify as material transactions under the Listing Agreement.

The details of the related party transactions as required under Accounting Standard - 18 are set out in point 16 of the notes to the standalone financial statements forming part of this Annual Report.

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

XVII. LOANS AND INVESTMENTS

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

A. Details of investments made by the Company.

(i) Investments in Equity Instruments in wholly owned Subsidiaries as at 31st March, 2017:

(In Indian ₹)

Particulars	31 st March 2017	31 st March 2016
GSS Infotech Inc (Delaware) 1,500 (31-March-2016: 1,500) equity shares of \$ 1 each fully paid up in GSS Infotech Inc (Delaware)	540,522,338	873,480,744
GSS Healthcare IT Solutions Private Limited 9,990 (31- March-2016: 9,990) Equity Shares of Rs. 10/- Each fully paid up in GSS Healthcare IT Solutions Private Limited.	99,900	99,900
GSS IT Solutions Private Limited 9,990 (31- March-2016: 9,990) Equity Shares of Rs. 10/- Each fully paid up in GSS IT Solutions Private Limited.	99,900	99,900

(ii) Investments in Debt Instruments by the Company as at 31st March, 2017: Nil

B. Details of Amounts advanced to Subsidiary Companies by the Company pursuant to clause 32 of the Listing Agreement as at 31st March 2017:

(In Indian ₹)

Name of Subsidiary	Balance as at 31.03.2017	Balance as at 31.03.2016
GSS Infotech Inc (Delaware)	14,37,78,485	14,93,85,953
GSS IT Solutions Pvt. Ltd	18,50,000	18,50,000
GSS Healthcare IT Solutions Pvt. Ltd	1,48,21,533	1,48,11,533

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

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

XVIII. EMPLOYEE STOCK OPTION SCHEME:

The Stock exchanges accorded in-principal approval for listing of 20,00,000 shares under the GSS Infotech Limited Restricted Employee Stock Option Plan 2013. However, no shares were granted to the eligible employees during the financial year ended 31st March, 2017.

XIX. VIGIL MECHANISM

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

XX. INTERNAL FINANCIAL CONTROLS

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

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

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

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

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

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

XXI. RISK MANAGEMENT

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

XXII. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

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

XXIII. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

i. Details of Conversation of Energy:

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

ii. Technology, absorption, adaptation and innovation

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

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

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

iii. Foreign Exchange Earnings and Outgo

a. Activities relating to Exports:

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

b. Total Foreign Exchange Earnings used and earned:

Particulars	2016-17 (₹)	2015-16 (₹)
Foreign Exchange expenditure (on Accrual basis)	7,23,72,133	10,00,03,383
Foreign Exchange earned (on Accrual basis)	14,98,96,782	19,61,40,299

XXVI. APPRECIATION

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

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

Place: Hyderabad
Date: 08th August, 2017

Keerthy Jaya Tilak
Chairman

Bhargav Marepally
CEO & Managing Director

Annexure [A] to Board's Report

FINANCIAL PERFORMANCE OF SUBSIDIARIES

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

Amount in ' (Lakhs)

Sr. No	Name of the Subsidiary/ Joint Venture Company	Turnover		Profit/(Loss) Before Tax		Profit/(Loss) After Tax	
		Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
A	Subsidiaries:						
1	GSS Infotech Inc*, (A Delaware Company)	13,770.46	18,081.85	(4,157.23)	46.72	(4,164.47)	29.07
2	GSS IT Solutions Private Limited	-	-	(4.12)	(0.23)	(3.71)	(0.23)
3	GSS Healthcare IT Solutions Private Limited	-	43.84	(1.15)	(87.47)	(1.15)	(87.28)

*Pursuant to the applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of GSS Infotech Limited in their 12th Annual General Meeting held on 30th September, 2015 had given their consent to the Board for disposal of the entire investment of the Company held through its wholly owned subsidiary GSS Infotech Inc (Delaware), in its non-profit making step down wholly owned subsidiary i.e. GSS Infotech NY Inc, also a material subsidiary of the Company. GSS Infotech NY Inc. located in 1762, Central Avenue, Albany, NY 12205 has been sold on July 1st 2016, at such terms and conditions agreed for, and would not form part of the financials of the Company with effect from July 1st 2016.

Annexure [B] to Board's Report

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

A. Ratio of remuneration of each Director to the median remuneration of all the employees of your Company for the financial Year 2016-17 is as follows:

(Amount in ₹)

Name of Director	Total Remuneration	Ratio of remuneration of director to the Median remuneration
Mr. Bhargav Marepally	Nil	Nil
Mr. Ramesh Yerramsetti	80,000	0.21
Mr. Madhukar Sheth	1,20,000	0.31
Mr. Mark Silgado	Nil	Nil
Mr. Patri VenkataRamakrishna Prasad	80,000	0.21
Mr. Keerthy Jaya Tilak	2,10,000	0.55
Mrs. Nagajayanthi Das Juttur Ragavendra	2,10,000	0.55

Notes:

- The information provided above is on **standalone** basis.
- The aforesaid details are calculated on the basis of remuneration for the financial year 2016-17.
- The remuneration to Directors is only the sitting fees paid to them for the financial year 2016-17. The sitting fees for attending each of the Board and other Committee meetings is Rs. 20,000/- respectively. The sitting fees for attending Independent Directors meeting is Rs. 10,000/-.
- Median remuneration of the Company for all its employees is Rs. 3,84,000 for the financial year 2016-17.

B. Details of percentage increase in the remuneration of each Director, CFO & Company Secretary in the financial year 2016-17 are as follows*:

(Amount in ')

Name of the Director/ Chief Financial Officer/ Company Secretary	Designation	Remuneration		Increase/ (Decrease) (%)
		2016-17	2015-16	
Mr. Bhargav Marepally	Managing Director	Nil	Nil	Nil
Mr. Ramesh Yerramsetti	Director	80,000	60,000	25.00
Mr. Madhukar Sheth	Director	1,20,000	1,00,000	(00.00)
Mr. Mark Silgado	Director	Nil	Nil	Nil
Mr. Patri VenkataRamakrishna Prasad	Director	80,000	80,000	(00.00)
Mr. Keerthy Jaya Tilak	Director	2,10,000	1,90,000	10.00
Mrs. Nagajayanthi Das Juttur Ragavendra	Director	2,10,000	1,90,000	10.00
Mr. Lalit Kumar Tiwari* (resigned on 05.08.2016)	CS	1,64,863	4,88,311	*
Ms. Esha Sinha* (appointed on 13.08.2016)	CS	2,48,909	-	*
Mr. Sanjay Heda*	CFO	2,745,832	23,25,964	*

- The information provided above is on standalone basis.
- *Percentage increase in remuneration not reported as they were holding the office of Directorship/CS for part of the financial year 2015-16 or 2016-17.
- The remuneration to Directors is only the sitting fees paid to them for the financial year 2016-17.

C. Percentage increase/ (Decrease) in the median remuneration of all employees in the financial year 2016-17:

(Amount in ₹)

	2016-17	2015-16	Increase/ (Decrease) (%)
Median remuneration of all employees per annum	3,84,000	1,30,042	195.29

D. Number of permanent employees on the rolls of the Company as on 31st March 2017:

Executive/Manager cadre	15
Staff	186
Operators/Workmen	3
Total	204

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

(Amount in ₹)

	2016-17	2015-16	Increase/Decrease (%)
Average Salary of all employees other than Key Managerial Personnel	2,98,561	2,54,449	17.34
Salary of CEO & MD (Key Managerial Personnel)	Nil	Nil	Nil
Salary of CFO & CS* (Key Managerial Personnel)	31,59,604	28,14,275	*

The above information is being provided on Standalone Basis.

*The CFO & CS was employed for part of the financial year of 2016-17 or 2015-16. Hence the Increase/ decrease have not been reported.

F. Affirmation:

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

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

- Names of the top ten employees in terms of the remuneration drawn during the financial year 2016-17 are as follows:

S.No	Emp Name	Date of Joining	Designation	Function	Age	Overall Exp (In Yrs) Excl. GSS	GSS Exp (In Yrs)	Qualification	Previous Employer	Remuneration Drawn (in Rs.)
1	Rajeev Shukla	11-Jul-16	CTO-Head of Strategy	Corporate	48	22	0.75	B.Tech	Raaga Technologies Pvt Ltd	3,936,632
2	Sudhanshu Ravella	23-Jan-14	Sr. Vice President - Operations & Strategy	Corporate	51	25.5	3.25	M.S	Virtify - Hyderabad	2,781,417
3	Sanjay Heda	6-May-15	Chief Financial Officer	Corporate	36	13.2	1.90	CA	Indus Renewable Energy India Private Limited	2,745,832

S.No	Emp Name	Date of Joining	Designation	Function	Age	Overall Exp (In Yrs) Excl. GSS	GSS Exp (In Yrs)	Qualification	Previous Employer	Remuneration Drawn (in Rs.)
4	Chandrakant Shivshankar Mashalkar	1-Mar-16	Service Delivery Manager	IMS	40	11.3	1.3	BA	Symantec Software Ind Pvt Ltd	2,173,930
5	Arun Kumar Guggilam	12-Aug-14	Program Manager - IMS	IMS	43	18	2.93	B.SC	PALSGlobal Solutions Private Limited	2,150,702
6	Mitra Pokkuluri	17-Dec-07	General Manager	Finance and Accounts - India	53	22	9.6	B.Com	M/S Uganda Transport Agencies	2,079,294
7	Mukesh Bedval	21-Sep-15	Sr. Solution Architect	ADMS	37	10.8	1.8	B.Sc	IQuadra Pvt. Ltd	1,943,064
8	Ayan Banerjee	1-Sep-14	Head - Strategic Sourcing	Strategic Sourcing	42	15.9	2.57	BHMCT	Aster Telesolutions Inc, Milpitas Ca	1,903,538
9	Surya Narayana Raju Naraveni	22-Sep-14	Data Modeler - Informatica	ADMS	46	16	2.8	B.E	Teksystems, Hyderabad	1,859,429
10	Mohammed Abdul Wajeed	9-Dec-13	Sr. Exchange Administrator	IMS	34	11.8	3.6	BA	Wipro BPO	1,569,197

- Employees employed throughout the financial year 2016-17, who were in receipt of remuneration which in aggregate was not less than Rs. 1.02 Crores: **NIL**
- Employees employed for part of the financial year 2016-17, who were in receipt of remuneration which in aggregate was not less than Rs. 8.50 lakhs per month: **NIL**

Annexure [C] to Board's Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

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

To,
The Members
GSS Infotech Limited
Ground Floor, Wing-B,
N heights, Plot No. 12,
TSIIC Software Units Layout,
Madhapur, Serilingampally Mandal,
Rangareddy District,
Hyderabad – 500081.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by GSS Infotech Limited for the financial year ended on 31st March, 2017 according to the provisions of:

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

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

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

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

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

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

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

The Composition of the Board was not in order for the period 01st April 2016 to 31st March 2017, in violation of Section 149 of the Companies Act, 2013 and Regulation 18 of SEBI LODR Regulations, 2015. The Company is making utmost efforts to bring the composition in order to have an appropriate mix of Independent and Non-Independent Directors and to ensure Compliance with the Listing Agreement and the Companies Act, 2013.

I further report that

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

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

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

Md. Anwar Ul Haq Abdul Mannan
Practicing Company Secretary
ACS No: 33676
CP. No: 12553

Place: Hyderabad
Date: 08th August, 2017

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

'Annexure A'

To,
The Members
GSS Infotech Limited
Ground Floor, Wing-B,
N heights, Plot No. 12,
TSIIC Software Units Layout,
Madhapur, Serilingampally Mandal,
Rangareddy District,
Hyderabad – 500081.

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

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

Place: Hyderabad
Date: 08th August, 2017

Md. Anwar Ul Haq Abdul Mannan
Practicing Company Secretary
ACS No: 33676
CP. No: 12553

Annexure [D] to Board's Report

Extract of Annual Return as at 31st March, 2017, Form No. MGT-9

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

I. REGISTRATION AND OTHER DETAILS

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

v) Address of the Registered Office and Contact Details:

Company Name	GSS Infotech Limited
Address	Ground Floor, Wing-B, N heights, Plot No. 12, TSIIC Software Units Layout, Madhapur, Serilingampally Mandal, Rangareddy District Hyderabad – 500081 Telangana State, India
Telephone with STD Area Code Number	+91 40 4455 66 00
Fax Number	+91 40 4002 8703
Email Address	company.secretary@gssinfotech.com
Website, if any	www.gssinfotech.com

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

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

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

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

Sr. No.	Name and address of the Company	Company Identification Number / Global Location Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
1	GSS IT Solutions Private Limited Ground Floor, Wing-B, N heights, Plot No. 12, TSIC Software Units Layout, Madhapur, Serilingampally Mandal, Rangareddy District Hyderabad – 500081 Telangana State, India	CIN:U72400TG2009PTC064514	Subsidiary	100	2(87)
2	GSS Healthcare IT Solutions Private Limited Ground Floor, Wing-B, N heights, Plot No. 12, TSIC Software Units Layout, Madhapur, Serilingampally Mandal, Rangareddy District Hyderabad – 500081 Telangana State, India	CIN:U72200TG2013PTC089229	Subsidiary	100	2(87)
3	GSS Infotech Inc (Delaware) 2050 Route 27, North Brunswick, NJ 08902	Federal Id: 27-2907139	Subsidiary	100	2 (87)
4	GSS Infotech CT Inc (Formerly System Dynamix Corporation) 2842 Main Street Ste#164, Glastonbury, CT 06033	Federal Id: 06-1432821	Subsidiary	100	2 (87)
5	Technovant IncParkway Plaza, 4677, Old Ironside Suit 260, Santa clara, CA	Federal Id: 20-0398637	Subsidiary	100	2 (87)
6	Infovision Technologies Inc2050 Brunswick Plaza, Rte 27, US Hwy 1, North Brunswick, NJ 08902	Federal Id: 20-3731391	Subsidiary	100	2 (87)
7	Infovista Technologies Inc2050 Brunswick Plaza, Rte 27, US Hwy 1, North Brunswick, NJ 08902	Federal Id: 20-8455186	Subsidiary	100	2 (87)
8	*GSS Infotech NY Inc (Advanced Technology Solutions Group Inc) 1762 Central Avenue, Albany, NY 12205	Federal Id: 72-1563114	Subsidiary	100	2 (87)
9	*Global Computronics Inc (GSI)655 County Road E West St Paul MN 55126	Federal Id: 41-1682260	Subsidiary	100	2 (87)

*Pursuant to the applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of GSS Infotech Limited in their 12th Annual General Meeting held on 30th September, 2015 had given their consent to the Board for disposal of the entire investment of the Company held through its wholly owned subsidiary GSS Infotech Inc (Delaware), in its non-profit making step down wholly owned subsidiary i.e. GSS Infotech NY Inc & Global Computronics Inc. (GCI), also a material subsidiary of the Company. GSS Infotech NY Inc. & GCI has been sold on July 1st 2016, at such terms and conditions agreed for, and would not form part of the financials of the Company with effect from July 1st 2016.

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

A. Category-wise Shareholding:

Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2016)				No. of shares held at the end of the year (As on 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1) Indian									
a. Individuals/ HUF	2865706	-	2865706	16.92	2910681	-	2910681	17.19	0.27
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	-	-	-	-	-	-	-	-	-
e. Banks/FI	-	-	-	-	-	-	-	-	-
f. Any other (specify)	-	-	-	-	-	-	-	-	-
i. Trusts	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	2865706	-	2865706	16.92	2910681	-	2910681	17.19	0.27
2) Foreign									
a. NRI Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Banks/ FI	-	-	-	-	-	-	-	-	-
e. Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter(s) (A)=(A) (1) + (A) (2)	2865706	-	2865706	16.92	2910681	-	2910681	17.19	0.27
B. Public Shareholding									
1) Institutions									
a. Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b. Banks/ FI	801595	-	801595	4.73	801595	-	801595	4.73	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	1952505	-	1952505	11.53	11.53
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	801595	-	801595	4.73	2754100	-	2754100	16.26	11.53
2) Non-Institutions									
a. Body Corporates									
i. Indian	-	-	-	-	887010	-	887010	5.24	5.24
ii. Overseas	2619849	-	2619849	15.47	-	-	-	-	(15.47)

Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2016)				No. of shares held at the end of the year (As on 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b. Individuals									
i. Individual Shareholders holding nominal share capital upto Rs. 1 lakh	1588338	1	1588339	9.38	2477167	1	2477169	14.63	5.25
ii. Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	8505702	-	8505702	50.22	7435808	-	7435808	43.90	(6.32)
c. Others (specify)									
i. Non-Resident Indian	195788	-	195788	1.16	93634	-		0.55	(0.61)
ii. Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
iii. Foreign Nationals	-	-	-	-	-	-	-	-	-
iv. Clearing Members	9864	-	9864	0.05	13327	-	13327	0.08	0.03
v. Trust	-	350000	350000	2.07	-	350000	350000	2.07	-
vi. Foreign Bodies	-	-	-	-	-	-	-	-	-
vii. Corporate Body NBFC registered with RBI	-	-	-	-	-	15115	-	15115	0.09
Sub-Total (B) (2)	12919541	350001	13269542	78.35	10922061	350001	11272062	66.56	(11.80)
Total Public Shareholding (B)= (B) (1) + (B)(2)	13721136	350001	14071137	83.08	13676161	350001	14026162	82.82	(0.26)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	16586842	350001	16936843	100.00	16586842	350001	16936843	100.00	0.00

B. Shareholding of Promoters:

Sr. No.	Shareholder's Name	No. of shares held at the beginning of the year (As on 01.04.2016)			No. of shares held at the end of the year (As on 31.03.2017)			% change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares*	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares*	
1.	Mr. Venkata Rameshbabu Yerramsetti	-	-	-	-	-	-	-
2.	Mr. Bhargav Marepally	4992	0.03	0.00	4992	0.03	0.00	(0.00)
3.	Mrs. Usha Yerramsetti	-	-	-	-	-	-	-
4.	Mrs. Jhansi Laxmi Yerramsetti	-	-	-	47498	0.28	-	0.28
5.	Mr. Raghunadha Rao Marepally	2337793	13.80	0.00	2337793	13.80	-	(0.00)
6.	Mrs. Madhavi Latha Marepally	9	0.00	0.00	9	0.00	0.00	(0.00)
7.	Mrs. Nanditha Marepally	-	-	-	-	-	-	(0.00)
8.	Mrs. Vidyavathi Marepally	-	-	-	-	-	-	(0.00)
9.	Mrs. G. Vijayakumari	306906	1.81	0.00	306906	1.81	0.00	(0.00)
10.	Mr. Sivaranga Rao Yarramsetty	266006	1.57	0.00	213483	1.26	0.00	(0.31)
	TOTAL	2865706	16.91	0.00	2910681	17.18	0.00	-0.03

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

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

C. Change in Promoters' shareholding:

Sr. No.	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.16 to 31.03.2017)	
		No. of Shares at the beginning (01.04.2016)/ end of the year (31.03.2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	Mr. Venkata Rameshbabu Yerramsetti	-	-	01.04.2016	-	-	-	-
		-	-	31.03.2017	-	-	-	-
2.	Mr. Bhargav Marepally	4992	0.03	01.04.2016	-	-	-	-
		4992	0.03	31.03.2017	-	-	-	-

Sr. No.	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.16 to 31.03.2017)	
		No. of Shares at the beginning (01.04.2016)/ end of the year (31.03.2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
3.	Mrs. Usha Yerramsetti	-	-	01.04.2016	-	-	-	-
		-	-	31.03.2017	-	-	-	-
4.	Mrs. Jhansi Laxmi Yerramsetti	-	-	01.04.2016	47498	Purchase	47498	0.28
		47498	0.28	31.03.2017				
5.	Mr. Raghunadha Rao Marepally	2337793	13.80	01.04.2016	-	-	-	-
		2337793	13.80	31.03.2017	-	-	-	-
6.	Mrs. Madhavi Latha Marepally	9	0.00	01.04.2016	-	-	-	-
		9	0.00	31.03.2017	-	-	-	-
7.	Mrs. Nanditha Marepally	-	-	01.04.2016	-	-	-	-
		-	-	31.03.2017	-	-	-	-
8.	Mrs. Vidyavati Marepally	-	-	01.04.2016	-	-	-	-
		-	-	31.03.2017	-	-	-	-
9.	Mrs. G. Vijayakumari	306906	1.81	01.04.2016	-	-	-	-
		306906	1.81	31.03.2017	-	-	-	-
10.	Sivaranga Rao Yarramsetty	266006	1.57	01.04.2016	-	-	-	-
					(52523)	Sale	213483	0.31
		213483	1.26	31.03.2017				

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

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

Sr. No.	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.16 to 31.03.2017)	
		No. of Shares at the beginning (01.04.2016)/ end of the year (31.03.2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	IL and FS Trust Company Limited	1952505	11.52	01.04.2016	-	-	-	-
		1952505	11.52	31.03.2017	-	-	-	-
2.	Mr. Madhukar Sheth	1662504	9.82	01.04.2016	-	-	-	-
				03.02.2017	(16601)	Sale	1645903	9.72
				10.02.2017	(760)	Sale	1645143	9.71
		1645143	9.71	31.03.2017	-	-	-	-

Sr. No.	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.16 to 31.03.2017)	
		No. of Shares at the beginning (01.04.2016)/ end of the year (31.03.2017)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
3.	Mr. Javed Faizullah Tapia	1648828	9.74	01.04.2016	-	-	-	-
		1648828	9.74	31.03.2017	-	-	-	-
4.	Mr. Azim Faizullah Tapia	1400000	8.27	01.04.2016	-	-	-	-
		1400000	8.27	31.03.2017	-	-	-	-
5.	Mr. Madanlal Saraswathi	2741837	16.18	01.04.2016	-	-	-	-
		2741837	16.19	31.03.2017	-	-	-	-
6.	United India Insurance Company Limited	407603	2.40	01.04.2016	-	-	-	-
		407603	2.40	31.03.2017	-	-	-	-
7.	General Insurance Corporation of India	393992	2.32	01.04.2016	-	-	-	-
		393992	2.32	31.03.2017	-	-	-	-
8.	GSS America ESOP Trust	350000	2.06	01.04.2016	-	-	-	-
		350000	2.06	31.03.2017	-	-	-	-
9.	Clover Technologies Private Limited	270333	1.59	31.03.2016	-	-	-	-
		160333	0.95	31.03.2017	-	-	-	-
10.	Sunil Gobindram Mukhi	111788	0.66	31.03.2016	-	-	-	-
				31.03.2017	-	-	-	-
11.	Seema Sonthalia	100342	0.59	31.03.2016	-	-	-	-
		101295	0.60	31.03.2017	-	-	-	-

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

E. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors and Key Managerial Personnel	Shareholding		Date@	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.16 to 31.03.17)	
		No. of shares at the beginning of the year (01.04.16)/end of the year (31.03.17)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Mr. Venkata Rameshbabu Yerramsetti	-	-	-	-	-	-	-
		-	-	-	-	-	-	-
2.	Mr. Bhargav Marepally	4992	0.03	01.04.2016	-	-	-	-
		4992	0.03	31.03.2017	-	-	-	-

Sr. No.	Name of Directors and Key Managerial Personnel	Shareholding		Date@	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.16 to 31.03.17)	
		No. of shares at the beginning of the year (01.04.16)/end of the year (31.03.17)	% of total shares of the Company				No. of shares	% of total shares of the Company
3.	Mr. Madhukar Sheth	1662504	9.82	01.04.2016	-	-	-	-
				03.02.2017	(16601)	Sale	1645903	9.72
				10.02.2017	(760)	Sale	1645143	9.71
		1645143	9.71	31.03.2017				
4.	Mr. Mark Silgado	Nil	Nil	01.04.2016	-	-	-	-
		Nil	Nil	31.03.2017	-	-	-	-
5.	Mr. Patri VenkataRamakrishna Prasad	Nil	Nil	01.04.2016	-	-	-	-
		Nil	Nil	31.03.2017	-	-	-	-
6.	Mr. Keerthy Jaya Tilak	Nil	Nil	01.04.2016	-	-	-	-
		Nil	Nil	31.03.2017	-	-	-	-
7.	Mrs. Nagajayanthi Das Juttur Ragavendra	Nil	Nil	01.04.2016	-	-	-	-
		Nil	Nil	31.03.2017	-	-	-	-

Key Managerial Personnel

1.	Ms. Esha Sinha (CS)	Nil	Nil	01.04.2016	-	-	-	-
		Nil	Nil	31.03.2017	-	-	-	-
2.	Mr. Sanjay Heda (CFO)	Nil	Nil	01.04.2016	-	-	-	-
		Nil	Nil	31.03.2017	-	-	-	-

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

V. INDEBTEDNESS

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

(Amount in ₹)

	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year (As at 01.04.2016)				
i) Principal Amount	63,500,000	-	-	63,500,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	63,500,000	-	-	63,500,000
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction (Repayment)	34,548,300	-	-	34,548,300

(Amount in ₹)

	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total indebtedness
Net Change				
Indebtedness at the end of the financial year (As at 31.03.2017)				
i) Principal Amount	28,951,700	-	-	28,951,700
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	28,951,700	-	-	28,951,700

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(Amount in ₹)

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

* The Information provided is on standalone basis

B. Remuneration to other Directors:

(Amount in ₹)

1. Independent Directors:				
Name of Director	Fee for attending Board/ committee meetings	Commission	Others	Total
Mr. Keerthy Jaya Tilak	2,10,000	-	-	2,10,000
Mrs. Nagajayanthi Das Juttur Ragavendra	2,10,000	-	-	2,10,000
Total (1)				4,20,000

2. Non-Executive/Promoter Directors:				
Name of Director	Fee for attending board/ committee meetings	Commission	Others	Total
Mr. Bhargav Marepally	-	-	-	-
Mr. Ramesh Yerramsetti	80,000	-	-	80,000
Mr. Mark Silgado	-	-	-	-
Mr. Patri VenkataRamakrishna Prasad	80,000	-	-	80,000
Mr. Madhukar Sheth	1,20,000	-	-	1,20,000
Total (2)				2,80,000
Total (1+2)				7,00,000

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

(Amount in ₹)

Sr.No.	Particulars of Remuneration	Key Managerial Personnel CFO & Company Secretary
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	3,159,604 - -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit	-
5.	Others - Contribution to Provident and other funds	-
	Total	3,159,604

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

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

Annexure [E] to Board's Report

FORM AOC – 2

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

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

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

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

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

Annexure [F] to Board's Report MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GSS Infotech has been a leading player in IT industry and has always strived to deliver high value to customers in an ever evolving IT landscape. We have always made strategic investment into the new areas to create new competencies and help our customers adopt transformative stance towards technology.

Over a period of time, we have created a cultural and process eco-system to keep on re-inventing ourselves, so that we can help our customers with the adoption of cutting edge technology infrastructure and stay ahead. We have also strived for creating strategic advantage for our customers by providing solutions and services, which are smart, cost efficient and cutting edge. We believe that we have the right combination of capability, process, people and frameworks to help our customers get maximum value out of existing IT infrastructure and adopt the new solutions, which can take the quality and efficiency of the infrastructure to the next level.

With the recent shifts in information technology, and, corresponding potential benefits which our customers can gain, we are aligning our strategy and direction, and, creating new competencies, models and capacities. Some of the new areas, which are of key focus to us are cloud, security, Internet of Things, mobility, automation and big data.

Some of our strategic drivers as we further evolve our capabilities, are following.

Strategic Drivers for GSS

- Build high margin IP driven business
- Develop business models with built-in scale factors
- Create market positioning around packaged and branded offerings

We are adopting a strategic business framework to focus on IP driven services. We will continue delivering value to customers with our current range of services, but, will evolve our portfolio to have technology IP pieces, which can help us deliver even higher value to customer.

Our adoption of technology, to deliver our IT infrastructure management services is to follow a set of basic premises.

1. *Scalability in services using the technology*
2. *An ability to design new services using intellectual property*
3. *Keep on investing in creating technology IP which can be used to launch new services*

We have been offering services to our customers all across IT segment. We have traditionally tapped into market opportunities as they have evolved and offered relevant services. Given the new and merging landscape, we are transforming ourselves, and, focusing on some selected areas, where we think, we can deliver higher value and a larger scale. These areas have been selected after careful consideration of IT market in US and India.

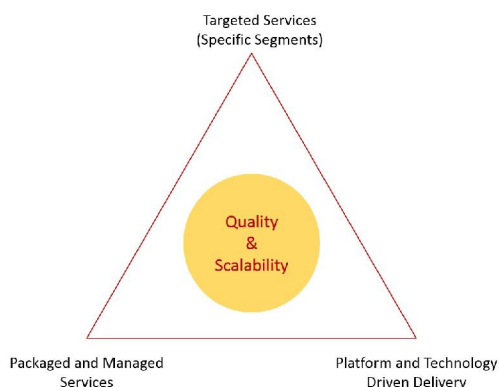
Our selection of these significant areas is based on market opportunities, and, also based on scalability of those opportunities.

We intend to create unique packaged and well-structured services in each of these areas. Our focus is to identify specific opportunities within these areas, and, offer super scalable, packaged, platform delivered services in these areas. We want to take the complexity out of managing an IT infra while adopting new formats and paradigms for our customers. Our packaged and catalog driven services will be offered to customers to make selection and usage of services simple. Following are some of the key areas, where GSS intends to create packaged and platform driven services for our esteemed customers.

Significant Areas/Segments for GSS Roadmap

- Infrastructure Management
- Service Desk
- Security Management
- Product Engineering (R&D)

While we focus on the above mentioned segment of IT, we have a clear framework in mind, which is to be used for creation of high value services and the ones which can be scaled. Following is a simple framework which we have adopted to create our new portfolio.



- Create specific and targeted services
 - ▶ *(which can be delivered with competency model & competency based team)*
- Focus on packaged and managed services
- Use platform and technology to deliver packaged and managed services
- Leverage partners and distributors
 - ▶ *(to handle services part and transform into a platform player)*

We have created a roadmap in alignment to our objectives. This roadmap has been designed with following considerations.

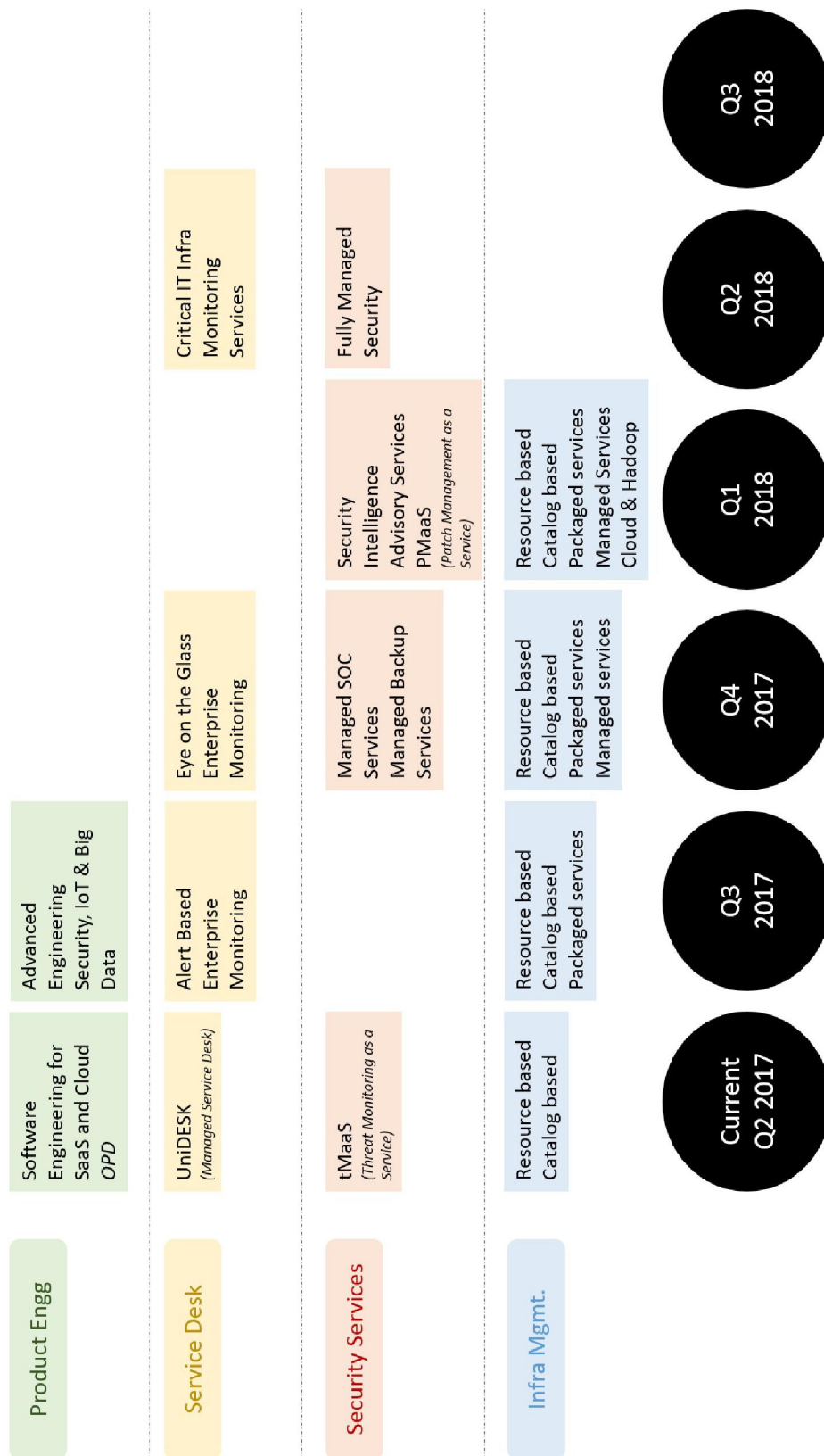
- Our roadmap should provide highest value to our customers
- Roadmap should resonate with demands and challenges of changing IT
- Our services and business should be scalable



Following is the basic construct of our services portfolio and corresponding roadmap. This roadmap is firm in its scope but will have accommodation for changing priorities and changing IT landscape over period of coming years.

GSS Services Portfolio Roadmap

- Infra Management Services
 - ▶ Resource based projects
 - ▶ Catalog based scoped project
 - ▶ Packaged Infra Mgmt. Services (Q3 - 2017)
 - ▶ Managed Services (Q4 – 2017)
 - ❑ *Managed Server Infra*
 - ❑ *Managed DB Infra*
 - ❑ *Managed Virtualization*
 - ❑ *Managed Clouds*
 - ▶ New Practice/Competencies based Projects (Q1 – 2018)
- Security Management Services
 - ▶ Threat Monitoring and Pre-emption Services
 - ❑ Threat Monitoring as a Service
 - ❑ Managed SOC (Q4 – 2017)
 - ❑ Security Intel Advisory Services (Q1 – 2018)
 - ▶ Managed Security Services
 - ❑ Managed Security Infra
 - ❑ Managed Backup Services (Q4 – 2017)
 - ❑ pMaaS (Patch Management as a Service) (Q1 – 2018)
 - ❑ Fully Managed Security (Q2 – 2018)
- Service Desk and Help Desk Services
 - ▶ UniDESK (Managed Service Desk)
 - ▶ Alert Based Enterprise Monitoring (ABEM) (Q3 – 2017)
 - ▶ 24x7 Eye on Glass Enterprise IT Monitoring (EoGM) (Q4 – 2017)
 - ▶ Critical IT Infra Monitoring (CIIM) (Q2 – 2018)
- Product Engineering and R&D Services
 - ▶ Software Engineering for SaaS and Cloud platforms
 - ▶ OPD (Outsourced Product Engineering)
 - ▶ Advanced Engineering (Q3 – 2018)



As we evolve this roadmap and build our new set of service lines and corresponding businesses, we are also preparing for evolution beyond the roadmap. GSS is creating specific IPs, competencies and capabilities through this roadmap development and will be using these to create services portfolio which can stay relevant and of value for next 5 years.

GSS is planning to develop various technology components and platforms, which can form the basis of developing more services beyond 2018. Some of the key things GSS will be taking up during build up, launch and sustenance of the portfolio during 2017 and 2018, are, following.

Beyond this GSS Services Roadmap

- Build platforms for each of the service areas/segment (tMaaS Cloud Platform for Security, UniDESK Cloud Platform for Service Desk and IMS)
- Create automation factors on platform to simplify and automate delivery of basic elements of service
- Build components in the platforms for launching value adding services in security and service desk
 - ▶ Value Added Services for Security
 - ❑ Vulnerability assessments on a program basis
 - ❑ Risk assessments on a recurring frequency basis
 - ❑ Configuration audit on a recurring frequency basis
 - ▶ Value Added Services for Service Desk
 - ❑ Infra analytic services
 - ❑ SOP/Knowledgebase as a hosted service
 - ❑ Orchestrated/approved triggering of tasks
- Develop systems/machine learning capabilities in the platforms (tMaaS Cloud Platform and UniDESK Cloud Platform) to enable predictive and pre-emptive services
 - ▶ Automatic detection and response services
 - ▶ Autonomic computing
 - ▶ Predictive healing for IT infra services
- Build teams which can deliver further value adding services with predictive and pre-emptive elements



GSS ADVANTAGE

4. Quality Assurance

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

3. Technology Practice Expertise

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

2. Service Delivery Expertise

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

1. IT Industry Experts

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

5. IT Adoption Commitment

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

6. Technology & Delivery Leadership

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



Locations

APAC -India	North America	
Hyderabad -Global HQ Ground Floor, Wing-B, N heights, Plot No. 12, TSIIC Software Units Layout, Madhapur, Serilingampally Mandal, Rangareddy District Hyderabad, Telangana –500081 Tel: +91 40 44556600 Fax:+91 40 40028703	North Brunswick, NJ, USA 2050, Brunswick Plaza -1, State Highway 27, Suite #201 North Brunswick NJ-08902. Tel: +1 732-798-3101 Fax: +1 866-726-0520	
	Glastonbury, CT, USA 41B New London Turnpike, Glastonbury, CT, 06033, USA Tel: +1 860-633-7174 Fax: +1 860-633-7162	Santa Clara, CA, USA 4677 Old Iron sides Drive, Suite#260, Santa Clara, CA -95054 Tel: +1 860-709-0933 Fax: +1 209-879-0162

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

GOVERNANCE FRAMEWORK

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

Board Structure:

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

Mr. Patri Venkataramakrishna Prasad has resigned from the Board of Directors of the Company with effect from 08th August, 2017. Mr. Keerthy Jaya Tilak has resigned as Chairman and Independent Director of the Company with effect from 10th August, 2017.

Mr. Padmarao G.S. Lakkaraju and Mr. A Prabhakara Rao have been appointed as Non-Executive Independent Additional Director of the Company with effect from 08th August, 2017 till the ensuing Annual General Meeting and recommend their appointment to the shareholders as a Non-Executive Independent Director of the Company for a term of 5 years.

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

Management Structure:

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

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

BOARD OF DIRECTORS

Composition:

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

1.	Mr. Keerthy Jaya Tilak*	Chairman, Non-executive, Independent Director
2.	Mr. Bhargav Marepally	Managing Director and Promoter
3.	Mr. Ramesh Yerramsetti	Non-executive Director and Promoter
4.	Mr. Patri VenkataRamakrishna Prasad**	Non-executive, Non –Independent Director
5.	Mr. Nagajayanthi Das Juttur Ragavendra	Non-executive, Woman Independent Director
6.	Mr. Mark Silgado	Non-executive, Non –Independent and Nominee Director
7.	Mr. Madhukar Sheth	Non-executive, Non –Independent Director

*Mr. Keerthy Jaya Tilak has resigned as Chairman and Independent Director of the Company with effect from 10th August, 2017.

**Mr. Patri Venkataramakrishna Prasad has resigned from the Board of Directors of the Company with effect from 08th August, 2017.

- The Chairman of the Company is Mr. Keerthy Jaya Tilak who is a Non-executive and Independent Director of the Company. Hence the Company should have one-third of the composition of the Board as Independent Directors.
- Mr. Patri VenkataRamakrishna Prasad was an Independent Director of the Company, but with effect from 10th February, 2015, his status has been changed to Non-independent Director. Before the said date, the Composition of the Board was in order and in compliance with Regulation 17 of LODR Regulation and Section 149 of the Companies Act, 2013.
- After the change in status of Mr. Prasad, the Company has been eagerly looking for a candidate as a Director who can contribute to the operations and sales segment of the Company. GSS Infotech limited is an Information Technology Company and in view of tremendous volatility in the IT markets which are very dynamic in nature, it was decided and deliberated by the Board that the Candidate should be familiar with the business of the Company who can bring outside Independent perspective/Knowledge to the Company and thus contribute to the growth of the Company and increase the shareholder wealth.
- The Board is putting its best efforts to get on board an independent Director, who can fill the gap that exists in the operations segment of the Company, who can bring Independent perspective about the latest technologies prevalent in the market, the skill set that our employees should possess to cater to a wide range of projects across of the world and the best practices prevalent in the world of Technology.
- During the financial year 2016-17, the Composition of the Board was not in order as required under Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013.

As on 31st August, 2017:

- Mr. Patri Venkataramakrishna Prasad has resigned from the Board of Directors of the Company with effect from 08th August, 2017.
- Mr. Keerthy Jaya Tilak has resigned as Chairman and Independent Director of the Company with effect from 10th August, 2017.
- Mr. Padmarao G.S. Lakkaraju has been appointed as Non-Executive Independent Additional Director of the Company with effect from 08th August, 2017 till the ensuing Annual General Meeting and recommend his appointment to the shareholders as a Non-Executive Independent Director of the Company for a term of 5 years.
- Mr. A Prabhakara Rao has been appointed as Non-Executive Independent Additional Director of the Company with effect from 08th August, 2017 till the ensuing Annual General Meeting and recommend his appointment to the shareholders as a Non-Executive Independent Director of the Company for a term of 5 years.
- The Composition of the Board is in order as required under Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013.

Independent Directors:

- The Independent Directors of your company have been appointed for a tenure of 5 (five) years up to 29th March, 2020. Their appointment was approved by the shareholders of your Company at their AGM held on 30th September, 2015. The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship in more than the prescribed limit in the Listing Regulations. Your Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013. A sample letter of appointment is available on the website of your Company and can be assessed through the link:
<http://www.gssinfotech.com/about/compliance-under-clause-49.html>

Mr. Keerthy Jaya Tilak has resigned as Chairman and Independent Director of the Company with effect from 10th August, 2017.

Mr. Padmarao G.S. Lakkaraju and Mr. A Prabhakara Rao have been appointed as Additional Independent Director of the Company with effect from 08th August, 2017 till the ensuing Annual General Meeting and recommend their appointment to the shareholders as a Non-Executive Independent Director of the Company for a term of 5 years.

Independent Director's Meeting:

During the year under review, the Independent Directors met on 10th February, 2017, without the attendance of Non-Independent Directors and members of the management, inter alia, to discuss on the following:

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

Directorship and Membership on Committees:

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

:

Name of the Director(s)	Nature of Directorship	Relationship with each other	Directorship in other Companies (*)	As on 31 st March, 2017	
Mr. Bhargav Marepally	Managing Director and CEO	***	-	Mr. Bhargav Marepally	Managing Director and CEO
Mr. Ramesh Yerramsetti	Non-Executive and Promoter Director	***	1	Mr. Ramesh Yerramsetti	Non-Executive and Promoter Director
Mr. Patri VenkataRamakrishna Prasad	Non-Executive and Non- Independent Director	***	1	Mr. Patri VenkataRamakrishna Prasad	Non-Executive and Non- Independent Director
Mr. Mark Silgado	Non-Executive and Non-Independent Director	***	1	Mr. Mark Silgado	Non-Executive and Non-Independent Director
Mr. Madhukar Sheth	Non-Executive and Non-Independent Director	***	-	Mr. Madhukar Sheth	Non-Executive and Non-Independent Director
Mr. Keerthy Jaya Tilak	Non-Executive and Independent Director	***	-	Mr. Keerthy Jaya Tilak	Non-Executive and Independent Director
Mrs. Nagajayanthi Das Juttur Ragavendra	Non-Executive and Independent Director	***	-	Mrs. Nagajayanthi Das Juttur Ragavendra	Non-Executive and Independent Director

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

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

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

Number of Board Meetings:

During the financial year ended 31st March, 2017, Four (4) meetings of the Board of Directors were held and the maximum time gap between two (2) meetings did not exceed one hundred and twenty days. The dates of the Board meetings are as under:

Date(s) on which Board meeting(s) were held	Purpose
30 th May, 2016	Results
13 th August, 2016	Results
14 th November, 2016	Results
10 th February, 2017	Results

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

Details of their attendance at Board Meetings and at the AGM held during the year ended 31st March, 2017 are as follows:

Name of the Director	Board Meeting details		Attendance
	Held	Attended	
Mr. Bhargav Marepally	4	4	Mr. Bhargav Marepally
Mr. Ramesh Yerramsetti	4	4	Mr. Ramesh Yerramsetti
Mr. Patri VenkataRamakrishna Prasad	4	3	Mr. Patri VenkataRamakrishna Prasad
Mr. Mark Silgardo	4	3	Mr. Mark Silgardo
Mr. Madhukar Sheth	4	4	Mr. Madhukar Sheth
Mr. Keerthy Jaya Tilak	4	4	Mr. Keerthy Jaya Tilak
Mrs. Nagajayanthi Das Juttur Ragavendra	4	4	Mrs. Nagajayanthi Das Juttur Ragavendra

Shareholding of the Non-Executive Directors of the Company in GSS Infotech Limited as on 31st March, 2017 is as follows:

Name of the Director	Nature of Directorship	No. of shares held	% to the paid up share capital
Mr. Ramesh Yerramsetti	Non-Executive and Promoter Director	Nil	Nil
Mr. Patri VenkataRamakrishna Prasad	Non-Executive and Non- Independent Director	Nil	Nil
Mr. Mark Silgardo	Non-Executive and Non- Independent Director	Nil	Nil
Mr. Madhukar Sheth	Non-Executive and Non- Independent Director	1645143	9.71
Mr. Keerthy Jaya Tilak	Non-Executive and Independent Director	Nil	Nil
Mrs. Nagajayanthi Das Juttur Ragavendra	Non-Executive and Independent Director	Nil	Nil

Mr. Bhargav Marepally, CEO and Managing Director holds 4992 equity shares of the Company as on 31st March 2017.

Board Procedures:

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

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

The Companies Act, 2013 read with the relevant rules issued thereunder, now facilitate conducting meetings of Board and its Committees through permitted audio-visual means or video-conferencing. Accordingly, during the year, the Board members were, in accordance with the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers)

Rules, 2014, provided with an option to participate at Board Meetings through video conferencing mode except in respect of those meetings wherein transactions are not permitted to be carried out by way of video-conferencing.

Familiarization Programme:

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

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

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

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

Evaluation of Board Effectiveness:

In terms of provisions of the Companies Act, 2013 read with Rules issued thereunder and Listing Regulations, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31st March, 2017. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution vis-à-vis their responsibilities.

The Board of Directors at its meeting held on 08th August, 2017, has noted the overall feedback on the performance of the Directors and the Board as a whole and its Committees.

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

COMMITTEES OF THE BOARD:

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

Audit Committee:

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

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

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended 31st March, 2017, are detailed below:

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

Date(s) on which Audit Committee meeting(s) were held.	Purpose
30 th May, 2016	Results
13 th August, 2016	Results
14 th November, 2016	Results
10 th February, 2017	Results

The Chairman of the Audit Committee was present at the last AGM held on 30th September, 2016:

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

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

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Reviewing with the management the quarterly, half-yearly, nine-monthly and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
- Reviewing the Management Discussion and Analysis of the financial condition and results of operations;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as per Section 134(3)(c) of the Companies Act, 2013;
 - Changes in the accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any Related Party Transactions (RPTs); and
 - Qualifications in the draft audit report, if any.
- Reviewing the financial statements of unlisted subsidiary companies (including joint ventures) and investments made by the unlisted subsidiary companies (including joint ventures);

6. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:
 - a. qualifications and experience of the individual/firm proposed to be considered for appointment as auditor;
 - b. whether such qualifications and experience are commensurate with the size and requirements of the company; and
 - c. giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.
7. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;
8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
9. Reviewing and approving quarterly and yearly management representation letters to the statutory auditor;
10. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
11. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor of the Company;
14. Formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
15. Evaluating the Internal Financial Controls and risk management policies/system of the Company;
16. Discussion with the internal auditors on internal audit reports relating to internal control weaknesses and any other significant findings and follow-up thereon;
17. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
18. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the company by its officers/employees;
19. Approval or subsequent modification of transactions of the Company with related parties including appointment and revision in remuneration of related parties to an office or place of profit in the Company, its subsidiary company or associate company;
20. Reviewing the statements of significant related party transactions submitted by the management;
21. Reviewing and Scrutinizing the inter-corporate loans and investments;
22. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy. Overseeing the functioning of the same;
23. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
24. Approving the auditors (appointed under the Companies Act, 2013) to render any service other than consulting and specialized services;
25. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
26. Review the cost audit report submitted by the cost auditor on audit of cost records before submission to the Board for approval;

27. Appointing registered valuers and defining the terms and conditions for conducting the valuation of assets/net-worth/Liabilities of the Company. Reviewing the valuation report and follow-up thereon;
28. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
29. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
30. Review and approve policy formulated for determination of material subsidiaries;
31. Review and approve policy on materiality of related party transactions and also dealing with related party Transactions and
32. Any other matter referred to by the Board of Directors.

Nomination and Remuneration Committee

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

The Nomination Committee and Remuneration Committee met twice during the financial year 2016-17. The composition of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations.

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company as on 31st March, 2017 is detailed below:

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

Date(s) on which NRC meeting(s) were held.
30 th May, 2016
13 th August, 2016

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

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

Nomination and Remuneration Policy of the Company:

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

1. Formulate the criteria for appointment as a Director: The Committee shall formulate criteria, and review them on an ongoing basis, for determining qualifications, skills, expertise, qualities, positive attributes required to be a Director of the Company.
2. Identify persons who are qualified to be Directors: The Committee shall identify persons who are qualified to become Directors and who satisfy the criteria laid down. The process of identification shall include ascertaining, meeting, screening and reviewing candidates for appointment as Directors, whether Independent, Non-Executive or Executive.
3. Nominate candidates for Directorships subject to the approval of Board: The Committee recommends to the Board the appointment of potential candidates as Non-Executive Director or Independent Director or Executive Director, as the case may be.
4. Approve the candidates required for senior management positions: The Committee shall lay down criteria including qualifications, skills, expertise and qualities required for senior management positions like Managing Director & CEO, CFO and Company Secretary and members of the Executive Council of the Company.
5. Evaluate the performance of the Board: The Committee shall determine a process for evaluating the performance of every Director, Committees of the Board and the Board. The Committee may seek the support and guidance of external experts and agencies for this purpose.
6. Evaluate the performance of the Managing Director or Whole-time Director and determine the Executive Compensation. The Committee shall evaluate the performance of the Managing Director by setting his Key Performance Objectives at the beginning of the each financial year. The Committee shall also approve his/her/their compensation package(s) in accordance with applicable laws, in line with the Company's objectives, shareholders' interests, comparable with industry standards and which shall have an adequate balance between fixed and variable component.
7. Review performance and compensation of senior management: The Committee shall review the performance of the senior management of the Company. The Committee shall ensure that the remuneration to the Key Managerial Persons and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
8. Recommend to the Board, commission to the Non-Executive Directors: The Committee shall recommend the commission payable to the Non-Executive Directors, including Independent Directors, to the Board of Directors of the Company after considering their contribution to the decision making at meetings of the Board/Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of corporate governance and Board effectiveness. It shall be within the overall limits fixed by the shareholders of the Company.

Remuneration to the Managing Director during the year 2016-17:

During the financial year ended 31st March, 2017, Mr. Bhargav Marepally, Managing Director, did not draw any remuneration from the Company.

Details of remuneration paid to Directors during the year 2016-17:

During the financial year ended 31st March, 2017, the Company paid Rs. 20,000/- (Rupees Twenty thousand only) as sitting fees for attending each of the Board and other Committee meetings to the Non-Executive Directors (except Mr. Mark Silgado – Nominee Director) of the Company.

Details of remuneration paid to the Directors of the Company for the financial year ended 31st March, 2017 are as follows*:

(Amount in ₹)

Name of the Director	Salary	Perquisites	Sitting fees	Commission	Total
Mr. Bhargav Marepally	-	-	-	-	Nil
Mr. Ramesh Yerramsetti	-	-	80,000	-	80,000
Mr. Patri VenkataRamakrishna Prasad	-	-	80,000	-	80,000
Mr. Mark Silgado	-	-	-	-	-
Mr. Madhukar Sheth	-	-	1,20,000	-	1,20,000
Mr. Keerthy Jaya Tilak	-	-	2,10,000	-	2,10,000
Mrs. Nagajayanthi Das Juttur Ragavendra	-	-	2,10,000	-	2,10,000

*The information is provided on standalone basis

Stakeholders Relationship Committee

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

The Committee did not meet during the financial year ended 31st March 2017. The terms of reference of the Committee includes enquiring into and redressing the complaints of shareholders and investors and to resolve the grievance of the security holders of the Company.

The Composition of the Stakeholder's Relationship Committee as on 31st March, 2017 is as follows:

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

Details pertaining to the number of complaints received and responded and status thereof during the financial year ended 31st March, 2017, is given below:

Details of Investor Complaints during FY 2016-17	Number
No. of complaints received during the year 2016-17	1
No. of complaints resolved during the year 2016-17	1
No. of complaints pending at the end of the year 2016-17	Nil

SUBSIDIARY COMPANIES

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

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

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

RELATED PARTY TRANSACTIONS

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

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

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

During the financial year ended 31st March, 2017, the Company has entered into RPTs in the ordinary course of business and on arms' length basis; and in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Regulation 23 of the Listing Regulations and the Policy of the Company on dealing with RPTs. During the financial year ended 31st March, 2017, there are no transactions with related parties which qualify as a material transaction in terms of the applicable provisions of Listing Regulations. The details of the RPTs are set out in the Notes to Financial Statements forming part of this Annual Report.

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

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

There are no employees in the Company, who are relatives of Directors, holding office of place of profit in the Company as on 31st March, 2017:

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

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

CEO AND CFO CERTIFICATION

As required under Regulation 17 of the Listing Regulations, the CEO and CFO certificate for the financial year ended 31st March, 2017, signed by Mr. Bhargav Marepally, CEO & Managing Director and Sanjay Heda, CFO is annexed and forms part of this Report.

GENERAL BODY MEETINGS

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

Financial Year	Location	Meeting Date	Time	No. of special resolutions set out at the AGM
2015-16	Ellaa Suits, Jasmine Banquet Hall, Hill ridge Springs, No.25, Kancha, Gachibowli, ISB Road, Hyderabad – 500032.	30 th September, 2016	10:30 a.m.	2
2014-15	Ellaa Suits, Jasmine Banquet Hall, Hill ridge Springs, No.25, Kancha, Gachibowli, ISB Road, Hyderabad – 500032.	30 th September, 2015	10:30 a.m.	3
2013-14	Ellaa Suits, Jasmine Banquet Hall, Hill ridge Springs, No.25, Kancha, Gachibowli, ISB Road, Hyderabad – 500032.	30 th September 2014	10.00 a.m.	Nil

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

Postal Ballot

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

DISCLOSURES

1. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
2. Your Company has complied with all the requirements of the Stock Exchange(s) [Except Regulation 17 of the Listing Agreement for the financial year ended 31st March, 2017] and the Securities Exchange Board of India (SEBI) on matters related to Capital Markets.

3. Vigil Mechanism and Whistle Blower Policy:

Your Company believes in conducting its business and working with all its stakeholders, including employees, customers, suppliers and shareholders in an ethical and lawful manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

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

4. Code of Conduct

Your Company has adopted a Code of Conduct for all the employees including Board Members and Senior Management Personnel of the Company in accordance with the requirement under Regulation 17 of the Listing Regulations. The Code of Conduct has been posted on the website of the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2017. The declaration to this effect signed by Mr. Bhargav Marepally, Managing Director & CEO of the Company forms part of the report. The Code of Conduct can be accessed through the following link:

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

5. Code of Conduct for Prevention of Insider Trading

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

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

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

1. The Board:

The Non – Executive Chairman of the Company has a separate Chairman’s Office at the Registered Office of the Company.

2. Shareholder Rights:

Half-yearly results of the Company are not sent to all shareholders of the Company, however, the Company uploads its Half-yearly results on its website www.gssinfotech.com and submits to the stock exchanges.

3. Audit qualifications:

During the year under review, there were no audit qualification and Emphasis of matter on the Company’s financial statements. The Company shall strive to move towards the regime of unqualified financial statements

4. Separate posts of Chairman and CEO:

The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.

5. Reporting of Internal Auditor:

M/s. Sriramurthy and Co, Chartered Accountants, Hyderabad are the Internal Auditors of the Company. They do not participate in the meetings of the Audit Committee. They submit the internal audit report and observations on quarterly basis to the Audit Committee of the Board of Directors of the Company.

MEANS OF COMMUNICATION

1. Publication of quarterly financial results:

Quarterly, half-yearly, nine-monthly and annual financial results of the Company were published in leading National and regional newspapers having wide circulation in the state of Telangana and nationally.

2. Website and News Releases:

A separate dedicated section under ‘Investors’ on the Company’s website gives information on various announcements made by the Company, status of unclaimed dividend, Share holding pattern, Annual Report, Quarterly/Half-yearly/Nine-monthly and Annual financial results along with the applicable policies of the Company.

3. Stock Exchange:

Your Company makes timely disclosures of necessary information to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the Listing Agreement(s) and other rules and regulations issued by SEBI.

4. NEAPS (NSE Electronic Application Processing System):

NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are also filed electronically through NEAPS.

5. BSE Corporate Compliance & Listing Centre:

BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, Shareholding pattern, Corporate Governance Report, Corporate announcements, amongst others are also filed electronically on the Listing Centre.

6. Reminders to Investors:

Reminders to shareholders for claiming returned undelivered share certificates, unclaimed dividend are regularly dispatched to the shareholders.

GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting

- Date - 30th September, 2017
- Time - 10.30 A.M
- Venue - Ellaa Suites, Lotus Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad - 500 032

(ii) Financial Calendar

- Financial year - 1st April 2017 to 31st March 2018

Tentative Schedule for declaration of results during the financial year 2017-18

- First Quarter - Second week of Aug 2017
- Second Quarter and Half Yearly - Second week of Nov 2017
- Third Quarter and Nine Months - Second week of Feb 2018
- Fourth Quarter and Annual - Last week of May 2018

(iii) Date of Book closure

- 23rd September 2017 to 30th September 2017 (both day inclusive)

(iv) Listing on Stock Exchanges

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

The Company has paid the listing fees to the above Stock Exchange(s) for the financial year 2017-18.

(v) Market Price Data

The monthly high and low prices and volumes of the Company's shares at BSE and NSE for the financial year ended 31st March, 2017 are as under:

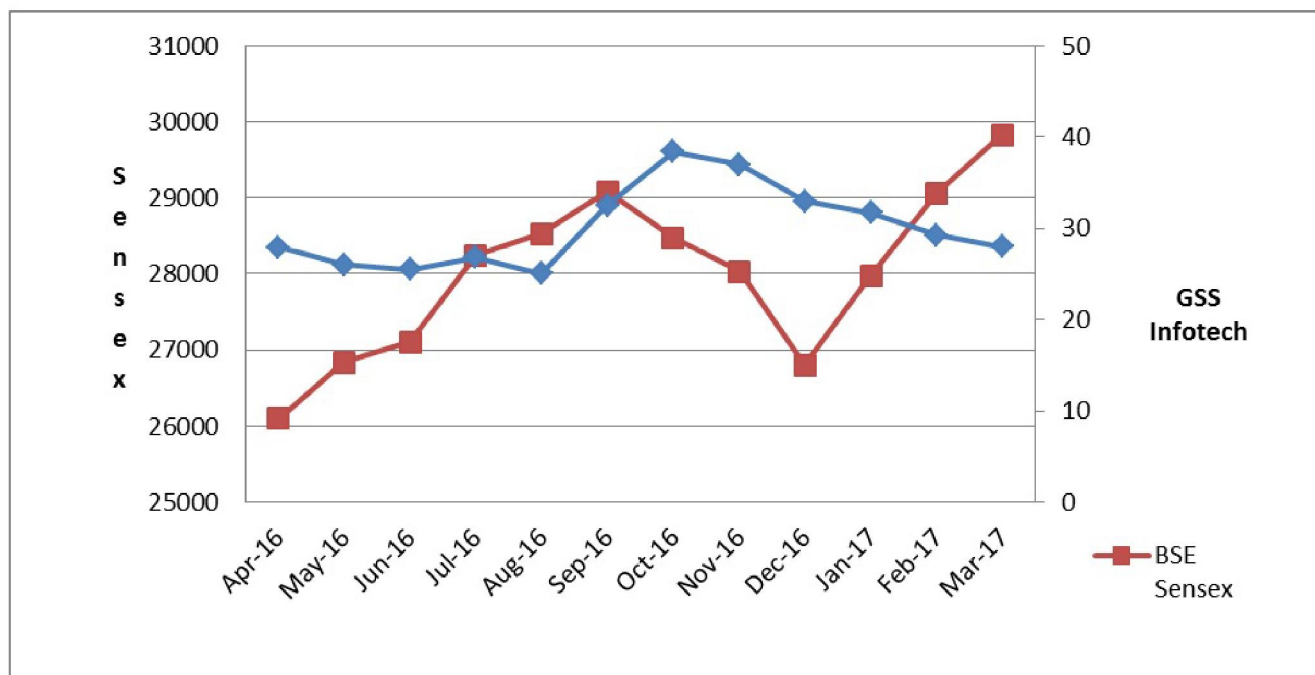
Month	BSE			NSE		
	High (in ₹)	Low (in ₹)	Volume (No. of Shares)	High (in ₹)	Low (in ₹)	Volume (No. of Shares)
April-16	27.95	24.40	43,060	29.00	24.15	65,495
May-16	26.00	22.25	26,421	26.95	22.45	46,928
June-16	25.50	20.85	75,981	25.00	20.20	115,742
July-16	26.80	20.05	58,683	26.45	20.85	120,018
August-16	25.00	22.00	25,890	26.40	20.65	52,806
September-16	32.55	22.00	428,968	32.50	21.80	905,624
October-16	38.40	26.00	239,804	38.50	26.00	514,619
November-16	37.00	21.55	74,648	35.90	24.25	263,591
December-16	32.95	22.80	54,068	30.95	24.10	204,335
January-17	31.70	25.20	45,682	29.90	25.80	182,682
February-17	29.30	23.60	75,337	26.95	23.55	184,512
March-17	28.00	22.00	154,668	25.65	22.00	341,640

Source: BSE and NSE website

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

(vi) Performance in comparison to broad-based Indices

The Chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the financial year ended 31st March, 2017 (based on month end closing):



(vii) Registrar and Transfer Agent -

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

(viii) Share Transfer System

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

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

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

(ix) Distribution of Shareholding

Distribution of shareholding of shares of the Company as on 31st March, 2017 is as follows:

No. of Equity Shares		Shareholders		Shareholding	
		Number	% to total	Number	% to total
1	5000	8657	92.30	5996930	3.54
5001	10000	298	3.18	2374840	1.40
10001	20000	153	1.63	2340520	1.38
20001	30000	72	0.77	1835750	1.08
30001	40000	41	0.44	1474990	0.87
40001	50000	30	0.32	1392650	0.82
50001	100000	64	0.68	4461100	2.63
100001	999999999	64	0.68	149491650	88.26
TOTAL		9379	100.00	16936843	100.00

Shareholding Pattern as on 31st March, 2017:

Category of Shareholder		Total Number of Shares	% of total no. of shares
(A)	Shareholding of Promoter and Promoter Group		
	(a) Individuals/Hindu Undivided Family	2910681	17.19
	(b) Bodies Corporate	Nil	Nil
	(c) Trust	Nil	Nil
	Total Shareholding of Promoter and Promoter Group (A)	2910681	17.19
(B)	Public shareholding		
	(1) Institutions		
	(a) Mutual Funds/ UTI	Nil	Nil
	(b) Financial Institutions/ Banks	801595	4.73
	(c) Venture Capital Funds	1952505	11.53
	(d) Foreign Institutional Investors	Nil	Nil
	Sub-Total (B)(1)	2754100	16.26
	(2) Non-Institutions		
	(a) Bodies Corporate	887010	5.24
	(b) Individuals		
	(i) Individual shareholders holding nominal share capital up to Rs. 2 lakhs	2477168	14.63
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	7435808	43.90
	(c) Individual (Non-Resident individuals)	93634	0.55
	(d) Trust	350000	2.07
	(e) Clearing Member	13327	0.08
	(f) NBFCs registered with RBI	15115	0.09
	(g) Overseas Corporate Bodies	-	-
	Sub-Total(B)(2)	11272062	66.56
	Total Public Shareholding (B)=(B)(1)+(B)(2)	14026162	82.82
	Total (A)+(B)	16936843	100.00

Details of the Company's dematerialized shares as on 31st March, 2017:

Number of shares	% of total shares	Number of shareholders	% of total shareholders
16936843	96.84	9379	99.98

Break up of shares in physical and Demat form as on 31st March, 2017:

Physical/Demat	No. of Shares	% of Shares
Physical segment	350001	2.06
Demat segment		
a) NSDL	9482861	54.19
b) CDSL	7103981	40.59
TOTAL	16936843	96.84

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

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

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March 2017.

(xi) The Company does not have plant locations.

(xii) Address for Correspondence

Bigshare services Private Limited

E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Saki Naka,
Andheri (E), Mumbai – 400072. India
Tel: 022 - 40430200, Fax : 022 – 28475207

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

GSS Infotech Limited

CIN: L72200TG2003PLC041860
Ground Floor, Wing-B, N heights, Plot No. 12,
TSIIC Software Units Layout, Madhapur, Serilingampally Mandal, Rangareddy District, Hyderabad – 500081, Telangana,
India Ph No. : 040 - 445556600 Website: www.gssinfotech.com

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

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

In terms of Sections 125 of the Companies Act, 2013, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). The Company would be transferring the unpaid dividend for the financial year ended 31st March, 2010 to the Investor Education and Protection Fund (IEPF) before the due date. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer to the IEPF. The unpaid dividend as on 31st March, 2017 is as follows:

Financial Year	Amount in ₹
2009-10	79,331

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

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

**The Company Secretary
Ground Floor, Wing-B, N heights, Plot No. 12,
TSIIC Software Units Layout, Madhapur,
Serilingampally Mandal, Rangareddy District,
Hyderabad – 500081, Telangana State, India
Email: company.secretary@gssinfotech.com**

Annexure to Report on Corporate Governance for the financial year ended 31st March, 2017

Declaration of Compliance with the Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2017.

Place: Hyderabad

Date: 08th August, 2017

Bhargav Marepally

CEO & Managing Director

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

The Board of Directors

GSS Infotech Limited

We hereby certify that for the financial year ended 31st March, 2017, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2016-17, which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies, if any.

We further certify that –

- a) There have been no significant changes in internal control over financial reporting during the year 2016-17; and
- b) There have been no significant changes in accounting policies during the year 2016-17; and
- c) There have been no materially significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

Bhargav Marepally
CEO & Managing Director

Sanjay Heda
Chief Financial Officer

Place: Hyderabad
Date: 08th August, 2017

CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF GSS INFOTECH LIMITED

I have examined the compliance of conditions of Corporate Governance by GSS InfoTech Limited ('the Company'), for the year ended 31st March, 2017, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st April, 2016 to 31st March, 2017.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable *except the composition of the Board which is not in order as required under Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and Clause 49 of the listing agreement for the financial year ended 31st March, 2017.*

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

Place: Hyderabad
Date: 08th August, 2017

Md. Anwar Ul Haq Abdul Mannan
Practicing Company Secretary
ACS No: 33676
CP. No: 12553

CONSOLIDATED FINANCIAL STATEMENTS & NOTES

Independent Auditor's Report

To,
The Board of Directors of
GSS INFOTECH LIMITED

Report on the Financial Statements

We have audited the accompanying Consolidated financial statements of **GSS INFOTECH LIMITED ('The Company')** and its Group (the company and its subsidiaries constitute "The Group") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Other Matter

We did not audit the financial statements of one US subsidiary (which has got step down subsidiaries), whose consolidated financial statements reflects the Total Assets of Rs. 123,14,64,152/- and Total Revenue of Rs. 137,70,45,933/-. These consolidated

financial statements and other financial information have been audited by other auditors whose report has been furnished to us by the Management. Also included in the Exceptional Items in the Statement of Profit and Loss amounting to Rs.42,89,48,368/- (out of the total amount of Rs.52,84,38,470/-) is on account of Goodwill Impairment and Loss on disposition of one overseas unit, which is audited by other auditors. In our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other overseas auditors.

Our opinion is not modified in respect of this matter

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2017, and its consolidated Profit and its Consolidated Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b. in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d. in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a Director of that company in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Audit Report - "Annexure A";
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - h. The Group Companies do not have any pending litigations which would impact its consolidated financial position.

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

P Sarath Kumar
Partner
M.No.:021755

Place: Hyderabad
Date: 29.05.2017

“Annexure A” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of M/s GSS INFOTECH LIMITED

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

We have audited the Internal Financial Controls over financial reporting of **M/S GSS INFOTECH LIMITED (‘The Company’)** and its Group (the company and its subsidiaries constitute “The Group”) as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are incorporated in India, have, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Hyderabad
Date: 29.05.2017

P Sarath Kumar
Partner
M.No.:021755

GSS INFOTECH LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note	As at 31st March, 2017	As at 31st March, 2016
		₹	₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	169,368,630	169,368,630
(b) Reserves and Surplus	2	869,952,871	1,489,070,034
(c) Money received against share warrants		-	-
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	-	33,500,000
(b) Deferred Tax Liabilities (Net)	3	-	-
(c) Other Long Term Liabilities	7	-	-
(d) Long Term Provisions	8	-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	5	153,475,502	145,194,742
(b) Trade Payables	6	59,258,369	98,340,543
(c) Other Current Liabilities	7	64,505,767	172,739,715
(d) Short-Term Provisions	8	82,959,085	111,756,018
Total Equity & Liabilities		1,399,520,224	2,219,969,682
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Gross Block		1,017,220,865	1,542,038,153
(ii) Depreciation		110,679,323	120,766,225
(iii) Net Block		906,541,542	1,421,271,928
(b) Non-current investments		-	-
(c) Deferred tax assets (net)	3	2,122,176	3,371,082
(d) Long term loans and advances	10	45,601,466	190,298,184
(e) Other non-current assets	11	-	-
(2) Current Assets			
(a) Current investments			
(b) Inventories			
(c) Trade receivables	12	287,243,682	398,826,329
(d) Cash and Bank balances	13	9,911,915	69,117,790
(e) Short-term loans and advances	10	89,590,706	55,268,250
(f) Other current assets	11	58,508,737	81,816,119
Total Assets		1,399,520,224	2,219,969,682

Notes attached there to form an integral part of Balance Sheet

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

For and on behalf of the Board

P. Sarath Kumar
Partner
Membership No: 21755

Bhargav Marepally
CEO & Managing Director

Keerthy Jaya Tilak
Chairman

Hyderabad
29.05.2017

Sanjay Heda
Chief Financial Officer

Esha Sinha
Company Secretary

GSS INFOTECH LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Particulars	Note	Year ended 31st March, 2017	Year ended 31st March, 2016
			₹	₹
I.	Revenue from operations	14	1,548,621,869	2,137,270,879
II.	Other Income	15	8,685,049	22,629,424
III.	Total Revenue - (I+II)		1,557,306,919	2,159,900,304
IV.	Expenses:			
	Direct cost	16	309,180,815	745,956,278
	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
	Employee benefit expense	17	1,086,366,411	1,184,580,690
	Financial costs	18	15,715,338	21,751,937
	Depreciation and amortization expense	9	4,286,538	13,146,088
	Other expenses	19	133,258,855	153,130,965
	Total Expenses		1,548,807,957	2,118,565,958
V	Profit before exceptional and extraordinary items and tax	(III-IV)	8,498,962	41,334,346
VI	Exceptional Items		528,438,470	-
VII	Profit before extraordinary items and tax	(V - VI)	(519,939,508)	41,334,346
VIII	Extraordinary Items		-	-
IX	Profit before tax	(VII-VIII)	(519,939,508)	41,334,346
X	Tax expense:	20		
	(1) Current tax		62,547,890	6,298,903
	(2) Deferred tax		1,248,906	(1,969,023)
	Total Tax Expense		63,796,796	4,329,880
XI	Profit(Loss) from the period from continuing operations	(IX-X)	(583,736,304)	37,004,466
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations	(XII - XIII)	-	-
XV	Profit/(Loss) for the period	(XI + XIV)	(583,736,304)	37,004,466
XVI	Earning per equity share:			
	(1) Basic		(34.47)	2.18
	(2) Diluted		(34.47)	2.18

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

For and on behalf of the Board

As Per Our Report of Even Date

For SARATH & ASSOCIATES

Chartered Accountants

Firm Regn No:0051205

Bhargav Marepally
CEO & Managing Director

Keerthy Jaya Tilak
Chairman

P. Sarath Kumar

Partner

Membership No: 21755

Sanjay Heda
Chief Financial Officer

Esha Sinha
Company Secretary

Hyderabad

29.05.2017

GSS INFOTECH LTD
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amounts in ₹)

Particulars	31st March, 2017	31st March, 2016
Cash flow from operating activities		
Profit before tax from continuing operations	(519,939,508)	41,334,346
Profit before tax	(519,939,509)	41,334,346
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation	4,286,538	13,146,088
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	530,310,683	-
Provision for Bad Debts made / (written back)	-	17,807,934
Bad debts written off	49,067,883	100,698,950
Unrealized foreign exchange loss	(20,889,231)	(145,016,968)
Interest expense	15,715,338	21,751,937
Interest income	(1,081,319)	(2,450,580)
Operating profit before working capital changes	57,470,383	47,271,706
Movements in working capital :		
Increase/(decrease) in trade payables	(39,082,174)	(51,525,374)
Increase / (decrease) in long-term provisions	-	-
Increase / (decrease) in short-term provisions	(28,796,932)	5,279,849
Increase/(decrease) in other current liabilities	(108,233,697)	40,387,727
Decrease/(increase) in trade receivables	62,514,764	(68,663,460)
Decrease / (increase) in long-term loans and advances	144,696,719	(2,327,350)
Decrease / (increase) in short-term loans and advances	(34,322,456)	(4,440,430)
Decrease/(increase) in other current assets	23,307,382	34,683,095
Cash generated from operations	77,553,990	665,764
Direct taxes paid/ adjusted (net of refunds)	(62,547,890)	(6,298,903)
Net cash flow from/ (used in) operating activities (A)	15,006,100	(5,633,139)
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(721,993)	(1,954,517)
Proceeds from sale of fixed assets	-	-
Increase in Goodwill on Consolidation due to difference in exchange rate	(19,144,841)	(79,479,891)
Unpaid Dividend Account having with Banks	135,683	217,178
Redemption/maturity of bank deposits (having original maturity of more than three months)	19,149,617	(11,178,872)
Interest received	1,081,319	2,450,580
Net cash flow from/(used in) investing activities (B)	499,786	(89,945,522)
Cash flows from financing activities		
Proceeds from share application money	-	-
Increase in Exchange translation RESERVE	(14,491,883)	81,879,405
Proceeds from long-term borrowings	(33,500,000)	(30,000,000)
Repayment of short-term borrowings	8,280,760	38,339,278
Interest paid	(15,715,338)	(21,751,937)
Net cash flow from/(used in) in financing activities (C)	(55,426,460)	68,466,746
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(39,920,574)	(27,111,661)
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	49,077,466	76,189,127
Cash and cash equivalents at the end of the year	9,156,892	49,077,466
Components of cash and cash equivalents	-	-
Cash on hand	3,716	85,795
With banks- on current account	9,153,176	48,991,671
Total cash and cash equivalents (note 13)	9,156,892	49,077,466

Note:

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

As Per Our Report of Even Date

For SARATH & ASSOCIATES

Chartered Accountants

Firm Regn No:005120S

P. SARATH KUMAR

Partner

Membership No: 21755

Hyderabad

29.05.2017

For and on behalf of the Board

Bhargav Marepally
CEO & Managing Director

Sanjay Heda
Chief Financial Officer

Keerthy Jaya Tilak
Chairman

Esha Sinha
Company Secretary

GSS INFOTECH LIMITED

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
Note No - 1: Share Capital		
Authorised Share Capital:		
50,000,000 Equity shares of Rs.10/- each.	500,000,000	500,000,000
<u>Issued, Subscribed and Paid up Share Capital:</u>		
1,69,36,863 (Previous Year 1,69,36,863) Equity Shares of Rs.10/- each fully paid up	169,368,630	169,368,630
<i>(Out of the above 79,90,000 fully paid up equity shares of Rs 10/- each were issued as bonus shares by capitalisation of Retained Earnings and General Reserves)</i>	<u>169,368,630</u>	<u>169,368,630</u>
Note No-2: Reserves and Surplus		
Securities Premium Account		
Balance as per the last financial statements	2,052,380,129	2,052,380,129
Add: Additions during the year	-	-
Less: Amount utilised during the year	-	-
Closing balance	<u>2,052,380,129</u>	<u>2,052,380,129</u>
General Reserve		
Balance as per the last financial statements	24,001,603	24,001,603
Add: Transferred by appropriation from profits	-	-
Closing balance	<u>24,001,603</u>	<u>24,001,603</u>
Foreign exchange Translation Reserve	718,852,206	754,233,066
Surplus/ (Deficit) in the Statement of Profit and Loss Account		
Balance as per last financial statements	(1,341,544,764)	(1,378,549,229)
<i>Less: Appropriations</i>		
- Deferred Tax Effect on Depreciation of Shchedule II	-	-
- Adjusted on account of Depreciation of Schedule II	-	-
Profit for the year	(583,736,304)	37,004,466
Less: Appropriations		
- Proposed Dividend	-	-
- Tax on Proposed Dividend	-	-
Transfer to General Reserve	-	-
Goodwill adjustment as a result of internal restructuring		
Closing Balance	<u>(1,925,281,068)</u>	<u>(1,341,544,764)</u>
Total	<u>869,952,871</u>	<u>1,489,070,034</u>
Note No- 3: Deferred Tax Liability/ (Asset) Net		
Balance as per the last financial statements	(3,371,082)	(1,402,059)
Add: Adjustments for the year	1,248,906	(1,969,023)
Add: Deferred Tax Effect on Depreciation of Schedule II	-	-
	<u>(2,122,176)</u>	<u>(3,371,082)</u>

GSS INFOTECH LIMITED

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	31st March, 2017	31st March, 2016
	₹	₹
Note No- 4: Long term borrowings		
Secured Loans		
Term Loan	-	33,500,000
	<u>-</u>	<u>33,500,000</u>
Note No- 5: Short term borrowings		
Secured Loans		
Cash Credit from banks/ Institutions (Secured)	153,475,502	145,194,742
	<u>153,475,502</u>	<u>145,194,742</u>
Note No - 6: Trade Payables		
- Dues of Micro and Small Enterprises	-	-
- Others	59,258,369	98,340,543
	<u>59,258,369</u>	<u>98,340,543</u>
Note No - 7: Other Current Liabilities		
Current Maturity of Long Term Loans	28,951,700	30,000,000
Other Current Liabilities	34,527,758	63,538,664
Salary Payable	343,527	368,110
Due to Directors	602,768	728,048
Unclaimed Dividend	80,014	215,697
Acquisition Payment due	-	77,889,196
	<u>64,505,767</u>	<u>172,739,715</u>
Note No-8. Provisions:		
	<u>Long-term</u>	<u>Short-term</u>
	31st March, 2017	31st March, 2016
Provision for Employee Benefits		
Provision for Retirement Benefits	-	2,590,291
Other Provisions		
Provision for Income Tax	-	-
Proposed Dividend	-	-
Provision for Dividend Distribution Tax	-	-
Provision for Expenses	-	80,368,794
	<u>-</u>	<u>109,560,518</u>
	<u>-</u>	<u>82,959,085</u>
Note No-9. Fixed Assets:	31st March, 2017	31st March, 2016
Tangible		
(i) Gross Block	114,114,172	132,438,268
(ii) Depreciation	110,679,323	120,766,225
(iii) Net Block	<u>3,434,849</u>	<u>11,672,043</u>
In Tangible		
(i) Gross Block	903,106,693	1,409,599,885
(ii) Depreciation	-	-
(iii) Net Block	<u>903,106,693</u>	<u>1,409,599,885</u>
Total	<u>906,541,542</u>	<u>1,421,271,928</u>

GSS INFOTECH LIMITED

Note - 9: FIXED ASSETS

(Amount in ₹)

S.No.	Particulars	Gross Block Value			Accumulated Depreciation			Net Block Value	
		Asat 01.04.2016	Additions	Deletions	Asat 31.03.2017	Asat 01.04.2016	Additions	Asat 31.03.2017	Asat 31.03.2016
A	TANGIBLE ASSETS:								
	Computer Equipment	47,070,377	550,541	1,045,507	46,575,411	43,785,964	964,719	1,824,729	3,284,414
	Furniture And Fixtures	11,796,362	-	7,760,142	4,036,220	9,185,318	151,710	375,450	2,611,044
	Vehicles	12,187,568	-	1,241,990	10,945,578	10,962,908	664,404	10,447,422	1,224,659
	Plant and Machinery	10,049,871	171,452	6,213,269	4,008,055	7,909,775	415,080	416,851	2,140,097
	Total (A)	81,104,178	721,993	16,260,908	65,565,264	71,843,965	2,195,913	3,115,185	9,260,214
B	INTANGIBLE ASSETS:								
	Goodwill	1,409,599,885	19,144,841	525,638,032	903,106,693	-	-	903,106,693	1,409,599,885
	Software	9,478,754	-	2,785,182	6,693,572	9,136,757	20,793	6,373,910	341,997
	Copyrights	41,855,336	-	-	41,855,336	39,785,504	2,069,832	-	2,069,832
	Total (B)	1,460,933,975	19,144,841	528,423,214	951,655,601	48,922,261	2,090,625	903,426,355	1,412,011,714
	GRAND TOTAL	1,542,038,154	19,866,834	544,684,122	1,017,220,865	120,766,225	4,286,538	906,541,542	1,421,271,928
	Previous Year Total	1,460,603,745	81,434,408	-	1,542,038,153	107,620,137	13,146,088	1,421,271,928	1,352,983,608

GSS INFOTECH LIMITED

NOTES FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Year ended 31st March, 2017	Year ended 31st March, 2016
	₹	₹
Note - 14: Revenue from Operations		
Sale of services		
a) Revenue from Operations	1,548,621,869	2,137,270,879
	<u>1,548,621,869</u>	<u>2,137,270,879</u>
Note - 15: Other Income		
Interest Income (Gross)		
a) Interest on Fixed Deposits	1,081,319	2,450,580
Miscellaneous Income	7,603,730	20,178,844
	<u>8,685,049</u>	<u>22,629,424</u>
Note - 16: Direct Cost		
Software Expenses	185,052	29,325
Subcontractor Expenses	201,823,199	230,364,320
Hardware Expenses	107,172,565	515,562,633
	<u>309,180,815</u>	<u>745,956,278</u>
Note - 17: Employee benefit expense		
Salaries and Allowances	1,060,408,487	1,169,216,660
Contribution to PF and Others	4,586,107	6,559,723
Recruitment & Training	19,817,367	6,095,187
Employee Welfare Expenses	1,554,450	2,709,120
	<u>1,086,366,411</u>	<u>1,184,580,690</u>
Note - 18: Financial Costs		
Interest Expense	13,197,245	18,509,545
Other borrowing cost	2,518,092	3,242,393
	<u>15,715,338</u>	<u>21,751,937</u>

GSS INFOTECH LIMITED

NOTES FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Year ended 31st March, 2017	Year ended 31st March, 2016
	₹	₹
Note - 19: Other Expenses		
Directors' Sitting Fees	726,700	620,700
Printing & Stationery	97,449	184,939
Telephone Expenses	5,831,082	7,442,227
Internet and Web Expenses	3,484,369	3,930,495
Rent	22,666,722	32,938,594
Insurance	16,280,603	30,540,490
Rates and Taxes	1,266,988	734,238
License, Immigration and Permits	934,111	17,996,081
Local Conveyance and Vehicle Maintenance	3,548,585	9,110,683
Repairs and Maintenance:		
- Buildings	1,161,482	86,480
- Machinery	10,430	517,439
- Others	637,914	963,159
Travel Expenses	12,348,000	22,975,488
Utilities	7,682,200	10,422,338
Professional Fees	12,598,650	16,600,692
Auditor's Remuneration	1,553,848	1,496,962
Advertisement and Business Promotion	5,333,518	14,675,314
Bad Debts Written Off	49,067,883	100,698,950
Prior Period Items	-	17,807,934
Service Tax Expenses	3,761,734	-
Meeting Expenses	544,558	552,970
General Office Expenses	3,661,109	7,851,762
Profit / Loss on Sale on Assets	950,151	-
Exchange Rate Fluctuation - Loss	(20,889,231)	(145,016,968)
	133,258,855	153,130,965
Note - 20: Tax Expenses:		
Current Tax (MAT)	62,547,890	8,600,969
Current Tax Relating to Previous Years A/c	-	-
Less: MAT Credit Entitlements	-	(2,302,066)
<i>Net Current Tax</i>	62,547,890	6,298,903
Deferred Tax	1,248,906	(1,969,023)
	63,796,796	4,329,880

GSS INFOTECH LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIALS STATEMENTS

1. (A) COMPANY OVERVIEW:

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

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

GSS Infotech, with an ambitious inorganic growth strategy, has been very successful through a spate of acquisitions in the USA. The company has been successful in integrating all of its overseas acquisitions and creating a globally integrated Infrastructure Management Services practice. GSS is now well positioned to capitalize on the emerging technology trends in the cloud computing arena leveraging its unparalleled expertise in Infrastructure Virtualization, Remote Infrastructure Management, Cloud Consulting and Migration services. The company offers world class services propelled by over 550 consultants consisting of MCSE's, BS-25999 certified professionals, VMware VCP's, Remedy CA, CCNA, CCNP, CCSE, CCVP, CCIE, CISSP, BMC Control-M professionals with Consulting, Deployment and Management expertise.

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

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

S. No.	Name of the Entity	Country of Incorporation	Extent of Holding held by Parent Company	
			31.03.2017	31.03.2016
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	GSS Infotech CT Inc (formerly known as System Dynamix Corporation)	USA	100%	100%
2	Infovision Technologies Inc	USA	100%	100%
3	Infovista Technologies	USA	100%	100%
4	Technovant Inc	USA	100%	100%
5	*GSS Infotech NY Inc	USA	0%	100%
6	*Global Computronics Inc	USA	0%	100%

*GSS Infotech NY Inc. & GCI has been sold on July 1st 2016, at such terms and conditions agreed for, and would not form part of the financials of the Company with effect from July 1st 2016.

2. Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. The Company has prepared the financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, and also the guidelines issued by the Securities and Exchange Board of India (SEBI).

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

Principles of Consolidation

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

The consolidated financial statements have been prepared on the following basis:

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

2.1 Summary of significant accounting policies :

a. Use of Estimates

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

b. Revenue recognition

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

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

c. Expenditure and provisions

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

d. Fixed Assets, Intangible Assets and Capital work in progress:

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

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

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

e. Depreciation and amortization :

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

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

f. Impairment of tangible and intangible assets:

The Company assesses at each reporting date whether there is an indication that the assets are impaired. If any indication exists or when an annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss statement in the year in which an asset is identified as impaired.

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

g. Investments

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

h. Foreign Currency Transactions

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

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

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

Integral operations:

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

Non-integral operations:

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

i. Taxes on Income

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

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

j. Employee Benefits Short Term Benefits:

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

i) Long Term Benefits: Provident Fund:

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

ii) Retirement Benefits: Gratuity:

In accordance with Payment of Gratuity Act 1972, the company provides for Gratuity, a defined benefit plan covering eligible employees. The Gratuity plan provides a lump sum payment to eligible employees on retirement, death, incapacitation or termination of employment, of an amount based on the respective employee salary and the tenure of the employment with company. In this regard the Company is contributing its liability to the

Gratuity Fund maintained under a master policy with Life Insurance Corporation of India, as advised from time to time. The provision is made for difference if any, between the liabilities determined under actuarial valuation carried out under Projected Unit Credit Method and the value of funds at the balance sheet date, in accordance with Accounting Standard-15 "Employee Benefits", issued by ICAI.

iii) 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

iv) Terminal Benefits

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

k. Borrowing Costs:

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

l. Leases:

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

m. Proposed Dividend:

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

n. Earnings Per Share:

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

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

o. Provisions, Contingent Liabilities and Contingent Assets:

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

Contingent Liabilities, which are possible or present obligations that may but probably will not require outflow of resources, are not recognized but are disclosed in the Notes to Accounts to the financial statement.

Contingent Assets are neither recognized nor disclosed in the financial statements.

p. Cash and Cash Equivalents

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

2.2. NOTES TO ACCOUNTS:

1. Contingent Liabilities:

- i) Against Bank Guarantees issued by Banks towards financial and performance guarantees outstanding as at 31st March, 2017 amounts Rs.13,64,952/- (Previous Year: Rs. 70,99,015/-)

- ii) The following disputed Tax Liabilities are not provided for in the books of accounts: -
- Appeal pending before Income Tax Appellate Tribunal for the AY 2009-10, 2010-11 & 2011-12, involving Tax Amounts of Rs.28,28,435/-, Rs. 75,45,571/- & Rs. 1,04,15,056/- respectively.
 - Appeal pending before Income Tax Appellate Tribunal for the AY 2012-13 involving Tax amount of Rs. 1,45,39,953/-.
 - Appeal pending before Hon'ble Dispute Resolution Panel, Bangalore, for AY 2013-14 involving tax amount of Rs. 2,64,94,839/- & for AY 2014-15 involving tax amount of Rs. 2,01,99,151/- on account of disallowance of losses.

During the year the company had MAT Credit entitlement to the extent of Rs 8,44,15,714/- . Considering the above tax demands and also tax provisions restricting the life of MAT entitlement an amount of Rs 6,18,23,855/- is determined by the company as not reflective of the amount to be carried forward and accordingly the said amount is written off during the year, which is shown under Current Tax in the Statement of Profit and Loss.

Based on Expert opinion, the unutilized Minimum Alternate Tax Credit to the extent of Rs.2,25,91,589/- amply covers any further amount that may crystallize on account of the above Income tax liabilities, arises if any.

- There was a Service Tax demand amounting to Rs.85,19,526/- (for the years 2010-2012, 2012-13 & 2013-14) on the Company on account of the E-Procurement contract executed in Bangladesh for the Bangladesh government, treating as 'Import of Business Support Services', against which Company filed appeal before CESTAT, Bangalore.
- The Company had filed application for compounding before the Reserve Bank of India for obtaining permissions under the FEMA provisions relating to transfer of funds to the Wholly Owned Subsidiary Company by the Branch which was returned back on procedural aspects. The Company had compiled the necessary information and is in the process of re-submitting the same through a subject expert.

2. Details of Fees to Auditors:

Particulars	2016-17	2015-16
	₹	₹
As Auditors	12,00,000	12,00,000
For Certifications	2,00,000	-
For reimbursement of expenses	5,888	4,807
Total	14,05,888	12,04,807

3. Tax Expense:

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

4. Managerial Remuneration:

The Managerial Remuneration to Whole Time Directors for the year is Rs. 1,81,60,860/- (Previous year Rs. 2,29,11,000/-)

- As part of Annual Impairment analysis, As per the management's assessment, the carrying values of its assets as at the Balance sheet date are not higher than their corresponding recoverable amounts.

6. Leases:

The Company has operating lease for office premises, which is renewable on a periodical basis and cancellable at its option. Rental Expenses for operating lease recognized in Profit and Loss account is Rs. 22,666,722/-(Previous Year Rs. 32,938,594/-)

The future minimum lease payments are as given below:

Particulars	2016-17	2015-16
	₹	₹
Not later than one year	51,26,172	1,73,38,731
Later than one year and not later than five years	—NIL—	70,21,875
Later than five years	—NIL—	—NIL—

7. Employee Benefits:

Defined Contribution Schemes:

The Contributions to Employees Provident Funds and Miscellaneous Provisions Act, 1952 made and charged off during the year is Rs. 45,86,107/- (Previous Year: Rs. 65,59,723/-)

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	2016-17	2015-16
	₹	₹
Expenses recognized during the year	8,47,162	6,70,829
Value of obligation at the year end	13,33,540	15,22,393

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	2016-17	2015-16
	₹	₹
Expenses recognized during the year	6,73,644	12,20,718
Present value of obligation at the year end	12,56,751	6,73,107
Present value of Planned Assets at the year end	25,12,728	31,24,315
Liability at the year end	—	—

8. Segment Reporting Business Segments:

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

Geographical Segments:

Particulars	2016-17	2015-16
	₹	₹
Business from United States of America	1,43,78,84,341	2,01,29,51,786
Business from Middle East	-	-
Business from Singapore	-	-
Business from Bangladesh	2,66,80,830	2,21,77,013
Domestic	8,40,56,698	10,21,42,080
Total	1,54,86,21,869	2,13,72,70,879

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

9. Transactions with Related Parties:

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

A) List of Related Parties:

i) Key Management Personnel:

a) Mr. Bhargav Marepally

C.E.O. & Managing Director

B) Mr. Ramesh Yerramsetti

Director

C) Transactions with Related Parties:

Particulars	2016-17		2015-16	
	Amount	Outstanding As at 31.03.2017	Amount	Outstanding As at 31.03.2016
	₹	₹	₹	₹
Managerial remuneration to Key Management Personnel	1,81,60,860	-	2,29,11,000	-
Loan Received		6,02,768	-	7,28,048
Repayment of Loan Received	1,25,280		6,43,797	

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

Nature of Transaction	Name of the Party	2016 -17	2015 -16
Loan Received	Ramesh Yerramsetti	-	-
Repayment of Loan Received	Ramesh Yerramsetti	16,328	73,389
Loan Received	Bhargav Marepally	-	-
Repayment of Loan Received	Bhargav Marepally	1,08,952	5,70,408

10. Earnings Per Share (EPS):

The Numerator and Denominator used to calculate Earnings Per Share:

Particulars		2016-17	2015-16
		₹	₹
A. EARNINGS:			
	Profit attributable to Equity Shareholders	(58,37,36,304)	3,70,04,466
B. NO.OF SHARES:			
	Weighted average number of Equity Shares outstanding during the year (No s) – Basic	1,69,36,863	1,69,36,863
	Weighted Average number of Equity shares arising out of outstanding stock options that have diluting effect on Earnings Per Share	Nil	Nil
	Weighted average number of Equity Shares outstanding during the year – Diluted	1,69,36,863	1,69,36,863
C. EARNINGS PER SHARE:			
	Earnings per Share of Par Value Rs.10/- each – Basic	(34.47)	2.18
	Earnings per Share of Par Value Rs.10/- each – Diluted	(34.47)	2.18

11. The Audited financial Statements of Foreign Subsidiaries have been prepared in accordance with the generally accepted accounting principle of its country of incorporation. The difference in accounting policies of the company and its subsidiaries are not material.
12. The previous year's figures have been regrouped where necessary to correspond with current year's figures. The figures are rounded off to the nearest rupee.
13. The Notes referred in the financial statements form an integral part of Accounts.

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

P. SARATH KUMAR
Partner
Membership No:21755

Place: Hyderabad
Date: 29.05.2017

for GSS Infotech Limited

Bhargav Marepally
CEO & Managing Director

Sanjay Heda
Chief Financial Officer

Keerthy Jaya Tilak
Director

Esha Sinha
Company Secretary

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

Sr. No	Name of the Subsidiary/ Joint Venture Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit/(Loss) Before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	Proposed Dividend	% of Shareholding
1	GSS Infotech Inc* (Delaware)	USD	45.53	(37.21)	18.98	18.98	-	20.53	(6.20)	0.01	(6.21)	-	100%
2	GSS IT Solutions Private Limited	INR	1.00	(7.15)	13.47	13.47	-	-	(1.15)	-	(1.15)	-	100%
3	GSS Healthcare IT Solutions Private Limited	INR	1.00	(101.79)	52.38	52.38	-	1.75	(4.12)	(0.41)	(3.71)	-	100%

* Subsidiaries includes stepdown subsidiaries

STANDALONE FINANCIAL STATEMENTS & NOTES

INDEPENDENT AUDITORS' REPORT

To,
The Members of
GSS INFOTECH LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **GSS INFOTECH LIMITED** which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit and its Cash Flow for the year ended on that date.

Emphasis on Matter

Attention is drawn to 'Exceptional Items' mentioned in Point No.VI to the Standalone Statement of Profit & Loss amounting to Rs.43,24,48,508/-. Out of this, Rs.33,29,58,406/- is on account of diminution in the value of investments in one overseas step down subsidiary, which is not audited by us and such value is considered solely based on the Overseas Audited Financial Statements of the US subsidiary Company, and the same was considered and approved by the Company's Board.

Our Opinion is not modified in this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the Directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**";
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - h. The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8.11.2016 to 30.12.2016 and these are in accordance with the books of accounts maintained by the Company

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

P Sarath Kumar
 Partner
 M.No.:021755

Place: Hyderabad
 Date: 29.05.2017

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management during the year, which in our opinion, is reasonable having regard to the size of the company and nature of its business. There were no discrepancies noticed on such verification.
- (c) The Company does not have any immovable property. Accordingly the provisions of clause 3 (i)(c) of the order are not applicable to the company during the current year.
- 2) As per the information and explanations given to us, the company is a Service Company primarily rendering Information Technology Services, and as its business does not involve maintenance of inventories Viz. Finished, Stores, Spare Parts, Goods in Process and Raw materials, the provisions of Clause 3(ii) of the Order are not applicable to the Company for the current year.
- 3) (a) As per the information and explanations given to us, the Company had granted advances to three parties covered in the Register maintained under Section 189 of the Act, year end outstanding being Rs. 16,04,50,018/-.
- (b) As per the information and explanations given to us, in our opinion, the above loans are given to fully owned subsidiary companies and does not carry interest or do not specify any specific repayment schedule and hence is generally repayable on demand. Considering the principal business activities carried out by these fully owned subsidiaries, which are in line with Company’s own business, we are on the opinion that the terms and conditions on which these interest free loans have been granted to parties listed in the register maintained under Section 189 of the Companies Act, 2013 are, prima facie, not prejudicial to the interests of the Company.
- (c) As per the information and explanations given to us, these loans do not carry any specific repayment schedule and accordingly do not warrant any comments under Clauses 3 (iii) (b) of the Order for the current year.
- (d) As per the information and explanations given to us, as these loan do not carry any specific repayment schedule and consequently does not warrant any comments under Clause 3(iii)(c) relating to Overdues.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2016 with regard to the deposits accepted from the public are not applicable.
- 6) The maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues in respect of amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Value Added Tax and Cess with the appropriate authorities during the year and other material statutory dues applicable to the Company and in respect of this dues, there are no outstanding dues as on 31.03.2017 which are outstanding more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute, except as stated hereunder:-
 - i. Appeal pending before Income Tax Appellate Tribunal for the AY 2009-10, 2010-11 & 2011-12, involving Tax Amounts of Rs.28,28,435/-, Rs. 75,45,571/- & Rs. 1,04,15,056/- respectively.

- ii. Appeal pending before Income Tax Appellate Tribunal for the AY 2012-13 involving Tax amount of Rs. 1,45,39,953/-.
 - iii. Appeal pending before Hon'ble Dispute Resolution Panel, Bangalore, for AY 2013-14 involving tax amount of Rs. 2,64,94,839/- & for AY 2014-15 involving tax amount of Rs. 2,01,99,151/- on account of disallowance of losses.
 - iv. Service Tax demand amounting to Rs. 85,19,526/- for the years 2010-12, 2012-13 & 2013-14 on the Company on account of the E-Procurement contract executed in Bangladesh for the Bangladesh government, treating as 'Import of Business Support Services', against which Company filed appeal before CESTAT, Bangalore.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, Government. The Company has not issued any debentures.
 - 9) Based upon the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans.
 - 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
 - 11) Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration was paid or provided. Accordingly, the provisions of clause 3 (XI) of the order are not applicable to the company during the current year.
 - 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
 - 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
 - 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
 - 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
 - 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

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

P. Sarath Kumar
Partner
M.No.:021755

Place: Hyderabad
Date: 29.05.2017

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

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

We have audited the Internal Financial Controls over financial reporting of GSS INFOTECH LIMITED as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

P. Sarath Kumar
Partner
M.No:021755

Place: Hyderabad
Date: 29.05.2017

GSS INFOTECH LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note	As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES		₹	₹
(1) Shareholder's Funds			
(a) Share Capital	1	169,368,430	169,368,430
(b) Reserves and Surplus	2	880,793,381	1,407,716,531
(c) Money received against share warrants		-	-
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	-	33,500,000
(b) Deferred Tax Liabilities (net)	3	-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	7	-	-
(4) Current Liabilities			
(a) Short-Term Borrowings		-	-
(b) Trade Payables	5	9,705,053	2,802,038
(c) Other Current Liabilities	6	64,246,408	88,245,997
(d) Short-Term Provisions	7	6,074,860	15,854,681
Total Equity & Liabilities		1,130,188,132	1,717,487,677
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	8		
(i) Gross Block		84,982,036	100,284,174
(ii) Depreciation		83,091,296	94,695,341
(iii) Net Block		1,890,740	5,588,833
(b) Non-current investments	9	540,722,138	873,680,544
(c) Deferred tax assets (net)	3	2,053,852	3,343,508
(d) Long term loans and advances	10	203,907,901	353,730,655
(e) Other non-current assets	11	-	-
(2) Current Assets			
(a) Current investments			
(b) Inventories			
(c) Trade receivables	12	299,629,453	332,186,726
(d) Cash and Bank balances	13	6,974,282	62,816,029
(e) Short-term loans and advances	10	19,344,134	18,013,570
(f) Other current assets	11	55,665,632	68,127,812
Total Assets		1,130,188,132	1,717,487,677
Notes attached there to form an integral part of Balance Sheet			

As Per Our Report of Even Date

For and on behalf of the Board

For SARATH & ASSOCIATES

Chartered Accountants

Firm Regn No:005120S

P. Sarath Kumar

Partner

Membership No: 21755

Hyderabad

29.05.2017

Bhargav Marepally
CEO & Managing Director

Keerthy Jaya Tilak
Chairman

Sanjay Heda
Chief Financial Officer

Esha Sinha
Company Secretary

GSS INFOTECH LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Particulars	Note	Year ended 31st March, 2017	Year ended 31st March, 2016
			₹	₹
	Income:			
I	Revenue from operations	14	233,953,480	298,282,380
II	Other Income	15	7,812,879	22,236,711
III	Total Revenue (I +II)		241,766,359	320,519,091
IV	Expenses:			
	Direct cost	16	27,915,371	22,003,533
	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
	Employee benefit expense	17	145,127,800	186,409,887
	Financial costs	18	7,612,014	13,957,391
	Depreciation and amortization expense	8	2,769,394	10,683,096
	Other expenses	19	61,973,336	40,812,239
	Total Expenses		245,397,916	273,866,146
V	Profit before exceptional and extraordinary items and tax	(III-IV)	(3,631,557)	46,652,945
VI	Exceptional Items		432,448,508	-
VII	Profit before extraordinary items and tax	(V - VI)	(436,080,065)	46,652,945
VIII	Extraordinary Items		-	-
IX	Profit before tax	(VII-VIII)	(436,080,065)	46,652,945
X	Tax expense:	20		
	(1) Current tax		61,823,855	4,533,905
	(2) Deferred tax		1,289,656	(1,949,895)
	Total Tax Expense		63,113,511	2,584,010
XI	Profit (Loss) from the period from continuing operations	(IX-X)	(499,193,576)	44,068,935
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations	(XII - XIII)	-	-
XV	Profit/(Loss) for the period	(XI + XIV)	(499,193,576)	44,068,935
XVI	Earning per equity share:			
	(1) Basic		(29.47)	2.60
	(2) Diluted		(29.47)	2.60
Notes attached there to form an integral part of Profit & Loss Statement				

For and on behalf of the Board

As Per Our Report of Even Date

For SARATH & ASSOCIATES

Chartered Accountants

Firm Regn No:005120S

Bhargav Marepally

CEO & Managing Director

Keerthy Jaya Tilak

Chairman

P. Sarath Kumar

Partner

Membership No:21755

Sanjay Heda

Chief Financial Officer

Esha Sinha

Company Secretary

Hyderabad

29.05.2017

GSS INFOTECH LTD
CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

Particulars	31st March, 2017	31st March, 2016
Cash flow from operating activities		
Profit before tax from continuing operations	(436,080,065)	46,652,945
Profit before tax	(436,080,065)	46,652,945
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation	2,769,394	10,683,096
Impairment/other write off on tangible/intangible assets pertaining to continuing operation	950,151	-
Unrealized foreign exchange loss/gain	(21,176,045)	(140,980,280)
Advance/Bad Debt Written off	32,889,398	100,661,128
Written off Investments	332,958,406	-
Interest expense	7,612,014	13,957,391
Interest income	(1,081,319)	(2,450,580)
Operating profit before working capital changes	(81,158,065)	28,523,699
Movements in working capital:		
Increase/(decrease) in trade payables	6,903,015	(8,176,544)
Increase / (decrease) in long-term provisions	-	-
Increase / (decrease) in short-term provisions	(9,779,821)	(21,595,655)
Increase/(decrease) in other current liabilities	(23,999,589)	41,562,644
Increase/ (decrease) in other long-term liabilities	-	-
Decrease/(increase) in trade receivables	32,557,272	13,890,715
Decrease / (increase) in long-term loans and advances	116,933,356	(27,572,079)
Decrease / (increase) in short-term loans and advances	(1,330,565)	11,249,009
Decrease/(increase) in other current assets	12,462,180	(14,191,994)
Decrease / (increase) in other non-current assets	-	-
Cash generated from operations	52,587,784	23,689,795
Direct taxes paid (net of refunds)	(61,823,855)	(4,533,905)
Net cash flow from/ (used in) operating activities (A)	(9,236,071)	19,155,890
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(171,452)	(1,281,133)
Proceeds from sale of fixed assets	150,001	-
Proceeds of non-current investments	-	-
Investments in Subsidiaries of non-current investments	-	-
Unpaid Dividend Account having with Banks	135,683	217,178
Redemption/maturity of bank deposits (having original maturity of more than three months)	19,149,617	(11,178,872)
Purchase consideration for amalgamation	-	-
Interest received	1,081,319	2,450,580
Net cash flow from/(used in) investing activities (B)	20,345,168	(9,792,247)
Cash flows from financing activities		
Proceeds from issuance of share capital	-	-
Proceeds from share application money	-	-
Proceeds from issuance of preference share capital	-	-
Payment of dividend returned due to excess funded	31,080	-
Increase in Exchange translation RESERVE	(6,584,609)	23,898,140
Proceeds from long-term borrowings	(33,500,000)	(30,000,000)
Repayment of long-term borrowings	-	-
Proceeds from short-term borrowings	-	-
Repayment of short-term borrowings	-	-
Interest paid	(7,612,014)	(13,957,391)
Dividends paid on equity shares	-	-
Dividends paid on preference shares	-	-
Tax on equity dividend paid	-	-
Tax on preference dividend paid	-	-
Net cash flow from/(used in) financing activities (C)	(47,665,543)	(20,059,251)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(36,556,446)	(10,695,608)
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	42,775,705	53,471,313
Cash and cash equivalents at the end of the year	6,219,259	42,775,705
Components of cash and cash equivalents		
Cash on hand	382	12,953
Cheques/ drafts on hand	-	-
With banks- on current account	6,218,877	42,762,752
— on deposit account	-	-
— unpaid dividend accounts*	-	-
— unpaid matured deposits*	-	-
— unpaid matured debentures*	-	-
Total cash and cash equivalents (note 13)	6,219,259	42,775,705

Note:

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

As Per Our Report of Even Date

For SARATH & ASSOCIATES

Chartered Accountants

Firm Regn No:0051205

P. Sarath Kumar

Partner

Membership No: 21755

Hyderabad

29.05.2017

For and on behalf of the Board

Bhargav Marepally
CEO & Managing Director

Sanjay Heda
Chief Financial Officer

Keerthy Jaya Tilak
Chairman

Esha Sinha
Company Secretary

GSS INFOTECH LIMITED
NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
	₹	₹
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:		
1,69,36,843 (Previous Year 1,69,36,843) Equity Shares of Rs.10/- each fully paid up	169,368,430	169,368,430
<i>(Out of the above 79,90,000 fully paid up equity shares of Rs 10/- each were issued as bonus shares by capitalisation of Retained Earnings and General Reserves)</i>	169,368,430	169,368,430
a. Reconciliation of shares outstanding at the beginning and at the end of reporting period Equity shares		
	31st March, 2017	31st March, 2016
	No. of shares	No. of shares
At the beginning of the period	16,936,843	16,936,843
Issued during the period	-	-
Outstanding at the end of the period	16,936,843	16,936,843
b. 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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts and the distribution in proportion to the number of equity shares held by the shareholders.		
d. The Company has a 2013 RSU Plan which provides for the grant of restricted stock units (RSUs) to eligible employees of the Company. The Board of Directors recommended establishment of the 2013 Plan to the shareholders on May 30, 2013 and the shareholders approved the recommendation of the Board of Directors on July 19, 2013 . The maximum aggregate number of shares that may be awarded under the 2013 Plan is 20,00,000 (currently held by the GSS America ESOP Trust and the plan shall continue in effect for a term of 10 years from the date of initial grant under the plan. The RSUs will be issued at par value of the equity share. The 2013 Plan is administered by the compensation committee (now 'the Remuneration Committee') and through GSS America ESOP Trust ('the trust'). The committee comprises independent members of the Board of Directors.		
e. Details of shareholders having more than 5% of share holding		
	31st March, 2017	31st March, 2016
	No. of shares	No. of shares
Madanlal Saraswathi	2,741,837	2,741,837
Raghunadha Rao marepally	2,337,793	2,337,793
VISTRA ITCL (INDIA) LIMITED (IL and FS Company)	1,952,505	1,855,038
Madhukar Sheth	1,645,143	1,662,504
Javed Faizullah Tapia	1,648,828	1,648,828
Azim Faizullah Tapia	1,400,000	1,400,000
	11,726,116	11,646,000
	% of holding	% of holding
	16.19	16.19
	13.80	13.80
	11.53	10.95
	9.71	9.82
	9.74	9.74
	8.27	8.27
	69.24	68.77
Note No-2: Reserves and Surplus	31st March, 2017	31st March, 2016
Securities Premium Account		
Balance as per the last financial statements	2,052,380,129	2,052,380,129
Add: Additions during the year	-	-
Less: Amounts utilised during the year	-	-
Closing balance	2,052,380,129	2,052,380,129

GSS INFOTECH LIMITED
NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
	₹	₹
General Reserve		
Balance as per the last financial statements	24,001,603	24,001,603
Add: Transferred by appropriation from profits	31,080	-
Add: Additions for account reconciliation of Buyback	-	-
Closing balance	24,032,683	24,001,603
Foreign exchange Translation Reserve	52,799,732	80,560,386
Surplus/ (Deficit) in the Statement of Profit and Loss Account		
Balance as per last financial statements	(749,225,587)	(793,294,523)
Profit for the year	(499,193,576)	44,068,935
<i>Less: Appropriations</i>		
- Deferred Tax Effect on Depreciation of Schedule II	-	-
- Adjusted on account of Depreciation of Schedule II	-	-
- Proposed Dividend	-	-
- Tax on Proposed Dividend	-	-
Transfer to General Reserve	-	-
Closing Balance	(1,248,419,163)	(749,225,587)
Total	880,793,381	1,407,716,531
Note No- 3: Deferred Tax Liability/ (Asset) Net		
Balance as per the last financial statements	(33,43,508)	(1,393,613)
Add: Adjustments for the year	1,289,656	(1,949,895)
Add: Deferred Tax Effect on Depreciation of Shcedule II	-	-
	(2,053,852)	(3,343,508)
Note No- 4: Long term borrowings		
Secured Loans		
Term Loan	-	33,500,000
	-	33,500,000
Term Loan from banks is secured against the margin money deposits, Tangible assets.		
Note No - 5: Trade Payables		
- Dues of Micro and Small Enterprises	-	-
- Others	9,705,053	2,802,038
	9,705,053	2,802,038
Note No - 6: Other Current Liabilities		
Current Maturity of Long term Debt	28,951,700	30,000,000
Other Current Liabilities	34,527,658	57,193,653
Salary Payable	84,268	108,599
Due to Directors	602,768	728,048
Unclaimed Dividend	80,014	215,697
	64,246,408	88,245,997

GSS INFOTECH LIMITED
NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	AS AT 31st MARCH, 2017		AS AT 31st MARCH, 2016	
	₹		₹	
Note No-7. Provisions:	<u>Long-term</u>		<u>Short-term</u>	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Provision for Employee Benefits				
Provision for Leave benefits	-	-	2,590,291	2,195,500
Other Provisions				
Provision for Income Tax (Net of Tax Paid)	-	-	-	-
Proposed Dividend	-	-	-	-
Provision for Dividend Distribution Tax	-	-	-	-
Provision for Expenses	-	-	3,484,569	13,659,181
	<u>-</u>	<u>-</u>	<u>6,074,860</u>	<u>15,854,681</u>
Note No-8. Fixed Assets:				
	31st March, 2017		31st March, 2016	
Tangible				
(i) Gross Block	36,690,675		49,207,631	
(ii) Depreciation	35,107,853		45,998,090	
(iii) Net Block	<u>1,582,822</u>		<u>3,209,541</u>	
In Tangible				
(i) Gross Block	48,291,361		51,076,543	
(ii) Depreciation	47,983,443		48,697,251	
(iii) Net Block	<u>307,918</u>		<u>2,379,292</u>	
Total	<u>1,890,740</u>		<u>5,588,833</u>	
Note No-9. Non- Current Investments:				
Non—Trade -Unquoted - At Cost				
Investments in Equity Instruments in wholly owned Subsidiaries:				
	31st March, 2017		31st March, 2016	
GSS Infotech Inc (Delaware)				
1,500 (31-March-2015: 1,500) Equity Shares of \$1 each fully paid up in GSS Infotech Inc (Delaware)	2,222,779,820		2,222,779,820	
Less: Provision for Dimuniation in the Value of Investments	<u>1,682,257,482</u>	540,522,338	<u>1,349,299,076</u>	873,480,744
GSS Healthcare Solutions Private Ltd				
9,990 (31-March-2015: 9,990) Equity Shars of Rs/. 10/- each fully paid up in GSS Healthcare Solutions Ltd	99,900		99,900	
GSS IT Solutions Private Ltd				
9,990 (31-March-2015: 9,990) Equity Shars of Rs/. 10/- each fully paid up in GSS IT Solutions Ltd	99,900		99,900	
	<u>540,722,138</u>		<u>873,680,544</u>	

GSS INFOTECH LIMITED
NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	AS AT 31st MARCH, 2017		AS AT 31st MARCH, 2016	
	₹		₹	
Note No - 10: Loans and advances:				
<i>(Unsecured, Considered good unless otherwise stated)</i>				
	Non-current		Current	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Security deposits (Secured, considered good)	12,198,880	14,602,935	-	-
Loans and advances to Related Parties	160,450,018	166,047,486	-	-
Advances Recoverable in Cash or in Kind or for value to be received	8,667,414	88,664,790	13,599	16,713
Prepaid Expenses	-	-	1,629,310	2,209,304
Loan to Employees	-	-	766	-
Balances with Statutory/government authorities	22,591,589	84,415,444	17,700,460	15,787,553
	203,907,901	353,730,655	19,344,134	18,013,570
Note No - 11: Other Current assets:				
	Non-current		Current	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Advance Tax & TDS Recoverable	-	-	54,941,721	62,144,044
Accrued Income	-	-	723,911	5,983,768
	-	-	55,665,632	68,127,812
Note No-12. Trade Receivables:	31st March, 2017		31st March, 2016	
<i>(Unsecured, Considered Good)</i>				
Outstanding for a period exceeding Six Months	238,718,790		276,352,555	
Others	60,910,664		55,834,171	
	299,629,453		332,186,726	
Note No - 13: Cash and Bank balances				
	Non-current		Current	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Cash and cash Equivalents:				
On current accounts	-	-	6,218,877	42,762,752
Deposits with original maturity of less than 3 months	-	-	124,932	17,900,540
On unpaid dividend accounts	-	-	80,014	215,697
Cash on hand	-	-	382	12,953
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	550,077	1,924,087	-	-
	550,077	1,924,087	6,424,205	60,891,942

GSS INFOTECH LIMITED

Note No- 8: FIXED ASSETS

(Amount in ₹)

S.No.	Particulars	Gross Block Value			Accumulated Depreciation			Net Block Value	
		As at 01.04.2016	Additions	Deletions	As at 31.03.2017	As at 01.04.2016	Additions	Deletions	As at 31.03.2017
A.	TANGIBLE ASSETS:								
1	Computer Equipment	30,418,339	-	-	30,418,339	28,989,645	363,465	-	1,065,229
2	Furniture And Fixtures	6,295,651	-	6,295,651	-	5,676,258	-	5,676,258	-
3	Vehicles	6,396,342	-	1,241,990	5,154,352	6,051,019	62,696	1,179,890	220,527
4	Plant and Machinery	6,097,300	171,452	5,150,768	1,117,984	5,281,168	273,401	4,733,651	297,066
	Total (A)	49,207,631	171,452	12,688,409	36,690,675	45,998,091	699,562	11,589,799	1,582,822
B	INTANGIBLE ASSETS:								
5	Goodwill	-	-	-	-	-	-	-	-
6	Software	9,221,207	-	2,785,182	6,436,025	8,911,747	-	2,783,640	307,918
7	Copyrights	41,855,336	-	-	41,855,336	39,785,504	2,069,832	-	-
	Total (B)	51,076,543	-	2,785,182	48,291,361	48,697,251	2,069,832	2,783,640	307,918
	GRAND TOTAL	100,284,174	171,452	15,473,591	84,982,036	94,695,341	2,769,394	14,373,439	1,890,740
	Previous Year Total	99,003,041	1,281,133	-	100,284,174	84,012,245	10,683,096	-	5,588,833
									14,990,796

GSS INFOTECH LIMITED

NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
	₹	₹
<u>Note No-14: Revenue from Operations</u>		
Sale of services		
a) Export Sales	149,896,782	196,140,299
b) Domestic sales	84,056,698	102,142,080
Other operating revenues		
	233,953,480	298,282,380
<u>Note No-15: Other Income</u>		
Interest on Fixed Deposits	1,081,319	2,450,580
Miscellaneous Income	6,731,560	19,786,131
	7,812,879	22,236,711
<u>Note No-16: Direct Cost</u>		
Software Expenses	24,036	29,325
Subcontractor Expenses	27,891,335	21,974,208
	27,915,371	22,003,533
<u>Note No-17: Employee benefit expense</u>		
Salaries and Allowances	138,265,628	176,774,807
Contribution to PF and Others	4,584,907	6,027,289
Recruitment & Training Expenses	662,135	884,729
Employee Welfare Expenses	1,554,450	2,663,062
Relocation Expenses	60,680	60,000
	145,127,800	186,409,887
<u>Note No-18: Financial Costs</u>		
Interest Expenses	7,612,014	13,957,391
	7,612,014	13,957,391
<u>Note No-19: Other Expenses</u>		
Directors' Sitting Fees	726,700	620,700
Bank Service Charges	887,513	789,447
Printing and Stationery	97,389	184,399
Telephone Expenses	737,072	740,170
Internet and Web Expenses	3,227,280	3,292,906
Rent	11,253,103	17,597,192
Insurance	1,413,743	1,571,702
Rates and Taxes	600,287	727,808

GSS INFOTECH LIMITED

NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	AS AT 31st MARCH, 2017	AS AT 31st MARCH, 2016
	₹	₹
License, Immigration and Permits	785,776	4,325,807
Local Conveyance and Vehicle Maintenance	3,548,585	5,768,565
<u>Repairs and Maintenance:</u>		
- Buildings	1,161,482	86,480
- Machinery	10,430	517,439
- Others	401,355	827,329
Travel Expenses	2,124,893	2,382,754
Utilities	6,831,230	8,617,278
Professional Fees	7,638,943	6,450,016
Auditor's Remuneration	1,431,598	1,471,962
Advertisement and Business Promotion	541,614	1,802,012
Advance/Bad Debts Written Off	32,889,398	100,661,128
Prior Period Items*	-	18,811,571
Service Tax Expenses	3,761,734	-
Meeting Expenses	554,558	552,970
General Office Expenses	1,584,547	3,992,884
Profit or Sale on Assets	950,151	-
Loss on Exchange Rate Fluctuation	(21,176,045)	(140,980,280)
	61,973,336	40,812,239
<i>* Service tax Paid</i>		
<u>Note No-20: Tax Expenses:</u>		
Tax (MAT)	61,823,855	6,835,971
Current Tax Relating to Previous Years A/c	-	-
Less: MAT Credit Entitlements	-	(2,302,066)
Net Current Tax	61,823,855	4,533,905
Deferred Tax	1,289,656	(1,949,895)
Total Tax Expense	63,113,511	2,584,010

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

For and on behalf of the Board

P. SARATH KUMAR
 Partner
 Membership No:21755

Bhargav Marepally
 CEO & Managing Director

Keerthy Jaya Tilak
 Chairman

Place: Hyderabad
 Date: 29.05.2017

Sanjay Heda
 Chief Financial Officer

Esha Sinha
 Company Secretary

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1. Corporate information:

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

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

GSS Infotech, with an ambitious inorganic growth strategy, has been very successful through a spate of acquisitions in the USA. The company has been successful in integrating all of its overseas acquisitions and creating a globally integrated Infrastructure Management Services practice. GSS is now well positioned to capitalize on the emerging technology trends in the cloud computing arena leveraging its unparalleled expertise in Infrastructure Virtualization, Remote Infrastructure Management, Cloud Consulting and Migration services. The company offers world class services propelled by over 550 consultants consisting of MCSE's, BS-25999 certified professionals, VMware VCP's, Remedy CA, CCNA, CCNP, CCSE, CCVP, CCIE, CISSP, BMC Control-M professionals with Consulting, Deployment and Management expertise.

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

2. Basis of Preparation:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. The Company has prepared the financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and also the guidelines issued by the Securities and Exchange Board of India (SEBI).

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

2.1 Summary of significant accounting policies: Presentation and disclosure of financial statements

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

a) Use of Estimates:

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

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

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

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

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

Capital work in progress would comprise the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

c) Depreciation and amortization:

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

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

d) Impairment of tangible and intangible assets:

The Company assesses at each reporting date whether there is an indication that the assets are impaired. If any indication exists or when an annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss statement in the year in which an asset is identified as impaired.

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

e) Revenue recognition:

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

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

f) Expenditure and provisions:

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

g) Investments

Investments are classified into current investments and non-current Investments. Current investments are carried at the lower of cost or market value. Any reduction in carrying amount and any reversals of such reduction are charged or credited to the Statement of Profit and Loss. Non-Current investments are carried at cost less provision made to recognize any decline, other than temporary, in the value of such investments.

h) Foreign Currency Transactions:

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

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

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

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

The operations of foreign branches of the company which are integral in nature and the financial statements of these branches are translated using the same principles and procedures of the Head Office. The resulting net exchange difference on translation is recorded in the Statement of Profit and Loss.

i) Taxes on Income:

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

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

j) Employee Benefits Short Term Benefits:

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

i) Long Term Benefits: Provident Fund:

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

ii) Gratuity:

In accordance with Payment of Gratuity Act 1972, the company provides for Gratuity, a defined benefit plan covering eligible employees. The Gratuity plan provides a lump sum payment to eligible employees on retirement, death, incapacitation or termination of employment, of an amount based on the respective employee salary and the tenure of the employment with company. In this regard the Company is contributing its liability to the Gratuity Fund maintained under a master policy with Life Insurance Corporation of India, as advised from time to time. The provision is made for difference if any, between the liabilities determined under actuarial valuation carried out under Projected Unit Credit Method and the value of funds at the balance sheet date, in accordance with Accounting Standard-15 "Employee Benefits", issued by ICAI.

iii) 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.

iv) Terminal Benefits:

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

k) Borrowing Costs:

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

l) Leases:

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

m) Proposed Dividend:

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

n) Earnings Per Share

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

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

o) Provisions, Contingent Liabilities and Contingent Assets:

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

Contingent Liabilities, which are possible or present obligations that may but probably will not require outflow of resources, are not recognized but are disclosed in the Notes to Accounts to the financial statement.

Contingent Assets are neither recognized not disclosed in the financial statements.

p) Measurement of EBITDA

The Company has opted to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement the Company does not include depreciation and amortization expense, finance cost and tax expenses.

q) Cash and Cash Equivalents

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

2.2 NOTES TO ACCOUNTS:

1. Contingent Liabilities:

- i) Against Bank Guarantees issued by Banks towards financial and performance guarantees outstanding as at 31st March, 2017 amounts Rs.13,64,952/- (Previous Year: Rs.70,99,015/-)
- ii) The following disputed Tax Liabilities are not provided for in the books of accounts: -
 - a) Appeal pending before Income Tax Appellate Tribunal for the AY 2009-10, 2010-11 & 2011-12, involving Tax Amounts of Rs.28,28,435/-, Rs. 75,45,571/- & Rs. 1,04,15,056/- respectively.
 - b) Appeal pending before Income Tax Appellate Tribunal for the AY 2012-13 involving Tax amount of Rs. 1,45,39,953/-.
 - c) Appeal pending before Hon'ble Dispute Resolution Panel, Bangalore, for AY 2013-14 involving tax amount of Rs. 2,64,94,839/- & for AY 2014-15 involving tax amount of Rs. 2,01,99,151/- on account of disallowance of losses.

During the year the company had MAT Credit entitlement to the extent of Rs 8,44,15,714/-. Considering the above tax demands and also tax provisions restricting the life of MAT entitlement an amount of Rs 6,18,23,855/- is determined by the company as not reflective of the amount to be carried forward and accordingly the said amount is written off during the year, which is shown under Current Tax in the Statement of Profit and Loss.

Based on Expert opinion, the unutilized Minimum Alternate Tax Credit to the extent of Rs.2,25,91,589/- amply covers any further amount that may crystallize on account of the above Income tax liabilities arises if any.

- iii) There was a Service Tax demand amounting to Rs.85,19,526/- (for the years 2010-2012, 2012-13 & 2013-14) on the Company on account of the E-Procurement contract executed in Bangladesh for the Bangladesh government, treating as 'Import of Business Support Services', against which Company filed appeal before CESTAT, Bangalore.
- iv) The Company had filed application for compounding before the Reserve Bank of India for obtaining permissions under the FEMA provisions relating to transfer of funds to the Wholly Owned Subsidiary Company by the Branch which was returned back on procedural aspects. The Company had compiled the necessary information and is in the process of re-submitting the same through a subject expert.

2. Advances to Subsidiaries:

- (a) The Company has given advances to its wholly owned subsidiary viz., GSS Infotech CT Inc (Delaware), GSS Healthcare IT Solutions Private Limited and GSS IT Solutions Private Limited with no specific repayment schedule.
- (b) Information pursuant to clause 32 of Listing Agreement with Stock exchanges w.r.t. Loan and Advances in the nature of loans to wholly owned subsidiaries is as given below:

(Amount in ₹)

Particulars	Balance as on		Maximum Balance Outstanding during the year	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	₹	₹	₹	₹
GSS Infotech Inc.	14,37,78,485	14,93,85,953	15,22,91,242	14,93,85,953
GSS IT Solutions Private Limited	18,50,000	18,50,000	18,50,000	18,50,000
GSS Health Care IT Solutions Private Limited	1,48,21,533	1,48,11,533	1,48,21,533	11,52,64,590

3. Employee Stock Options:

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

4. Investments:

The Company has an investment in the form of 1500 Equity Shares (Previous year : 1,500 equity shares) in M/s GSS Infotech Inc (Delaware), which is a Wholly Owned Subsidiary Company, amounting to Rs.54,05,22,338/- (Previous Year : Rs.87,34,80,744/-). The Company evaluates the carrying cost of Investment based on Audited Financials of the US Subsidiary Company, which is done by the local Auditor in USA.

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

6. Details of Remuneration to Auditors:

Particulars	2016-17	2015-16
	₹	₹
For Statutory Audit	12,00,000	12,00,000
For Taxation matters For Certifications	2,00,000	-
For reimbursement of expenses	5,888	4,807
Total	14,05,888	12,04,807

7. Employee Benefits:

i) Defined Contribution Schemes:

The Contributions to Employees Provident Funds and Miscellaneous Provisions Act, 1952 made and charged off during the year is Rs. 45,84,907/- (Previous Year: Rs. 60,27,289/-)

ii) 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	2016-17	2015-16
	₹	₹
Expenses recognized during the year	8,47,162	6,26,694
Value of obligation at the year end	13,33,540	15,22,393

iii) 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	2016-17	2015-16
	₹	₹
Expenses recognized during the year	6,73,644	12,20,718
Present value of obligation at the year end	12,56,751	6,73,107
Present value of Planned Assets at the year end	25,12,728	31,24,315

8. Tax Expense:

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

Movement of provision for Deferred Tax for the year ended 31.03.2017 is as given below:

Particulars	Deferred Tax (Liability)/Asset in Rs.
Timing Difference on Account of WDV of assets	38,73,889
Timing Difference on Account of Provision of Leave Encashment	13,33,540
Timing Difference On Account Schedule II Depreciation as per Companies Act 2013	14,39,342
Timing difference (a)	66,46,741
Deferred Tax Asset as on 31.03.2017 @ 30.9% on (a)	20,53,852
Less: Deferred Tax Asset as on 31.03.2016	33,43,508
Asset written off During the year	12,89,656

9. The Bad Debts written off include amounts not recoverable from a Govt. of Gujarat Project undertaken by the Company amounting to Rs.2,12,25,559/- and receivable from CPTU amounting to Rs.1,12,18,027/- and other old Misc. write offs amounting to Rs.4,45,812/-.

Further, exceptional items include old advances not recoverable/adjustable amounting to Rs.8,00,00,000/- and reversal of lapsed advance tax of Bangladesh of Rs.1,94,90,102/-.

10. DUES OF MICRO AND SMALL ENTERPRISES:

The information as required to be disclosed under Schedule III of the Act, w.r.t. Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) is as given below and the information mentioned at Note no. 5- Trade Payables w.r.t. dues of Micro and Small Enterprises, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied on by the auditors:

Particulars	2016-17	2015-16
a. Principal amount remaining unpaid as on 31 st March	NIL	NIL
b. Interest due thereon as on 31 st March	NIL	NIL
c. Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year	NIL	NIL
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year but without adding the interest specified under the Act)	NIL	NIL
e. Interest accrued and remaining unpaid as at 31st March	NIL	NIL
f. Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act	NIL	NIL

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

12. 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.

13. Leases:

The Company has operating lease for office premises, which is renewable on a periodical basis and cancellable at its option. Rental expenses for operating lease recognized in Statement of Profit and Loss is Rs.11,253,103/- (Previous Year: Rs. 1,75,97,192/-)

The future minimum lease payments are as given below:

Particulars	2016-17	2015-16
	₹	₹
Not later than one year	16,86,825	1,31,47,625
Later than one year and not later than five years	—NIL—	70,21,875
Later than five years	—NIL—	—NIL—

14. Details of Balances with Non-Scheduled Banks:

Details of Balances with Non-Scheduled Banks:

Name of the Bank's	As at 2016-17	As at 2015-16	Maximum Balance outstanding during the year	
			2016-17	2015-16
	₹	₹	₹	₹
Harris Bank	589	33,379	51,09,140	37,48,907
First Niagara	5,922	87,136	81,21,772	83,18,456
Indian Bank, Singapore	1,83,428	1,94,162	1,83,428	1,94,162
SBI Bank, Bangladesh	18,02,190	62,81,775	71,14,300	84,78,626

15. Segment Reporting:

Business Segments:

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

Geographical Segments:

Particulars	2016-17	2015-16
	₹	₹
Business from United States of America	12,32,15,952	17,39,63,287
Business from Middle East	-	-
Business from Singapore	-	-
Business from Bangladesh	2,66,80,830	2,21,77,013
Domestic	8,40,56,698	10,21,42,080
Total	23,39,53,480	29,82,82,380

16. 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:

- GSS Infotech Inc (A Delaware Company)
- GSS IT Solutions Private Limited
- GSS Healthcare IT Solutions Private Limited

ii) Step down Subsidiaries:

- GSS Infotech CT Inc (Formerly known as System Dynamix Corporation)
- Infovision Technologies, Inc
- InfovistaTechnologies Inc
- Technovant Inc

iii) Key Management Personnel:

Mr. Bhargav Marepally

Chief Executive Officer And Managing Director

iv) Mr. Ramesh Yerramsetti

Director

B) Transactions with Related Parties:

Particulars	2016-17		2015-16	
	Amount During the year	Outstanding as at 31.03.2017	Amount During the year	Outstanding as at 31.03.2016
Managerial remuneration to Key Management Personnel	-	-	-	-
Investment in capital of Subsidiaries	-	54,07,22,138	-	87,36,80,544
Advances to Subsidiaries	(55,97,468)	16,04,50,018	(7,51,83,493)	16,60,47,486
Sales to Subsidiaries	6,25,35,473	26,31,45,653	7,29,00,085	25,61,25,786
Loan Received		6,02,768		7,28,048
Repayment of Loan Received	1,25,280		6,43,797	

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	2016-17	2015-16
		₹	₹
Advances to subsidiaries	GSS IT Solutions Pvt Ltd.	-	-
	GSS Healthcare IT Solutions Pvt Ltd	10,000	2,57,99,074
Amounts written off	GSS Healthcare IT Solutions Pvt Ltd	NIL	10,06,61,128
Sale of Stepdown Subsidiary	GSS Infotech Inc(Delaware)	33,29,58,406	NIL
Sales to subsidiaries	GSS Infotech Inc(Delaware)	58,27,289	3,47,71,293
	GSS Infotech CT Inc	5,58,64,171	2,85,74,695
	GSS Infotech NY Inc	8,44,013	95,54,096
Investment In Subsidiaries	GSS Healthcare IT Sol (P)Ltd	-	-
	GSS Infotech Inc(Delaware)	-	-
Repayment of Loan Received	Ramesh Yerramsetti	16,328	73,389
Repayment of Loan Received	Bhargav Marepally	1,08,952	5,70,408

17. EARNINGS PER SHARE (EPS):

The Numerator and denominator used to calculate Earnings Per Share:

Particulars	2016-17	2015-16
	₹	₹
A. EARNINGS:		
Profit attributable to Equity Shareholders	(49,91,93,576)	4,40,68,935
B. NO.OF SHARES:		
Weighted average number of Equity Shares outstanding during the year (Nos) – Basic	1,69,36,843	1,69,36,843
Weighted Average number of Equity shares arising out of outstanding stock options that have diluting effect on Earnings Per Share	-	-
Weighted average number of Equity Shares outstanding during the year – Diluted	1,69,36,843	1,69,36,843
C. EARNINGS PER SHARE:		
Earnings per Share of Par Value Rs.10/- each – Basic	(29.47)	2.60
Earnings per Share of Par Value Rs.10/- each – Diluted	(29.47)	2.60

18. Cash balance:

During the year, the Company had Specified Bank Notes (SBN) or other denomination notes as defined in the MCA notification G S R.308 dated March 31,2017 and the details of SBN held and transacted during the period from November 8, 2016 to December 30, 2016; the denomination wise SBN and other notes as per the notification is given below: —

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	46,500	144	46,644
(+) Permitted receipts	-	1,20,600	1,20,600
(-) Permitted payments	-	95,833	-
(-) Amount deposited in Banks	46,500	-	46,500
Closing cash in hand as on 30-12-2016	-	24,911	24,911

19. Income and expenditure in Foreign Currency :

Particulars	2016-17	2015-16
	₹	₹
1. Expenditure in Foreign Currency Towards:(On Accrual basis)		
Travelling Expenses	2,52,481	21,58,443
Foreign Branch Expenses incurred abroad	72,119,652	9,78,44,940
2. Earnings in Foreign Exchange: (On Accrual Basis)		
FOB Value of Exports	14,98,96,782	19,61,40,299
3. CIF Value of Imports:		
Capital goods	Nil	Nil
4. 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
5. The other particulars as required are not given as the same are not applicable to the Company for the Current Year.		

20. Rounding off & Regrouping:

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

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

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

P.SARATH KUMAR
Partner
Membership No:21755

Place: Hyderabad
Date:29.05.2017

for GSS Infotech Limited

Bhargav Marepally
CEO & Managing Director

Sanjay Heda
Chief Financial Officer

Keerthy Jaya Tilak
Director

Esha Sinha
Company Secretary



Form No. MGT-11
Proxy Form

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

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

CIN : L72200TG2003PLC041860

Address : Ground Floor, Wing-B, N heights, Plot No. 12, TSIC Software Units Layout, Madhapur,
Serilingampally Mandal, Rangareddy District, Hyderabad – 500081, Telangana, India

Name of the member(s) :

Registered Address :

E-mail ID :

Folio No/Client ID DP ID :

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

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

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf on Friday, the 30th Day of September, 2017 at 10.30 A.M. at Ellaa Suites, Lotus Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad - 500 032 and at any adjournment thereof in respect of such resolutions as indicated below:

Ordinary Business:

1. Adoption of Audited Standalone and Consolidated Financial Statements of the Company as on 31st March, 2017.
2. Appointment of Mr. Madhukar Chimanlal Sheth, Director who retires by rotation and offers himself for reappointment.
3. Appointment of Mr. Ramesh Yerramsetti, Director who retires by rotation and offers himself for reappointment.
4. Ratification of appointment of M/s. Sarath and Associates, Chartered Accountants, Hyderabad as the Statutory Auditors of the Company from Conclusion of this annual general meeting to the conclusion of the next annual general meeting of the company to be held in the Year 2018.

Special Business:

Ordinary Resolution:

5. Appointment of Mr. Padmarao G.S. Lakkaraju as an Independent Director of the Company for a period of 5 years.
6. Appointment of Mr. A Prabhakara Rao as an Independent Director of the Company for a period of 5 years.

Special Resolution

7. Approval of offer or invitation to subscribe to Non Convertible Debentures on Private placement.

Signed this _____ day of _____ 2017

Signature of shareholder:

Signature of Proxy holder(s) :

**Affix 1/-
revenue
stamp**

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. (i.e., by 10.30 a.m. on Thursday, 28th September, 2017)

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GSS INFOTECH LIMITED

CIN : L72200TG2003PLC041860

Ground Floor, Wing-B, N heights, Plot No. 12, TSIC Software Units Layout, Madhapur, Serilingampally Mandal,
Rangareddy District, Hyderabad – 500081, Telangana, India
Ph: +914044556600 Fax:+914040028703
Website: www.gssinfotech.com

**Attendance Slip for the
Annual General Meeting to be held on 30th September, 2017 at 10.30 A.M.**

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

Name of the Shareholder	
Name of Proxy	
Signature of the Member/Proxy	

I hereby record my presence at the AGM of the Company held on 30th September, 2017 at 10.30 A.M. at Ellaa Suites, Lotus Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad - 500 032.

Signature of the member or proxy attending the meeting :

If member, please sign here :

If proxy, please sign here :

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

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COURIER

If underlivered please return this copy to the following address:



GSS INFOTECH LIMITED

CIN : L72200TG2003PLC041860

Ground Floor, Wing-B, N heights, Plot No. 12, TSIIIC Software Units
Layout, Madhapur, Serilingampally Mandal, Rangareddy District,
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