



Integrating People, Process and Technology  
07.09.2022

To, Listing Department, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	To, The of Corporate Relations Department, BSE Limited, Phiroz Jeejeebhoy Towers, 25 <sup>th</sup> Floor, Dalal Street, Mumbai – 400001
Scrip Symbol: GSS	Scrip Code – 532951/GSS

Dear Sir,

Sub: Notice of 19<sup>th</sup> Annual General Meeting and Annual Report for the financial year 2021-22.

Further to our letter dated 12<sup>th</sup> August, 2022 we are hereby intimating the date of 19<sup>th</sup> Annual General Meeting (AGM) of the Company and pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, Please find enclosed Annual Report for the financial year 2021-22 along with Notice convening the 19<sup>th</sup> AGM of the Company to be held on Friday, the 30<sup>th</sup> day of September 2022 at 10.30 a.m. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") which is being sent to the shareholders of the Company through electronic mode.

The Annual Report containing the Notice is also uploaded on the Company's website [www.gssinfotech.com](http://www.gssinfotech.com). Further, e-voting facility for the AGM will be made available to all the members of the Company.

The date and time of remote e-voting facility are as under:

**Date and time of commencement of remote e-voting** - Tuesday, September 27, 2022 at 9.00 a.m.

**Date and time of end of remote e-voting** - Thursday, September 29, 2022 at 5.00 p.m.

**Cut-off date for determining the eligibility to vote by electronic means or in the AGM** - Friday, September 23<sup>rd</sup> 2022.

Please take the information on record.

Thanking you  
For GSS Infotech Ltd

  
R.K. Pooja  
Company Secretary & Compliance Officer



**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 | E-mail: [india@gssinfotech.com](mailto:india@gssinfotech.com) | [www.gssinfotech.com](http://www.gssinfotech.com)

CIN No: L72200TG2003PLC041860



# Annual Report 2021-2022



## 19TH EDITION



## Vision & Mission

- ❖ To be a preferred IT service provider to the Healthcare sector leveraging next-gen technologies.
- ❖ "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 with ISO 9001, 27001 certifications and SSAE18 SOC TYPE II
- ❖ Global Operations Command Centre (GOCC) and remote delivery centers in Hyderabad, India
- ❖ Best-in-class top tier technology alliances and domain intensive "Centre of Excellence"
- ❖ Highly capable global team



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## Corporate Information

<p><b>Board of Directors</b></p> <p>Mr. Bhargav Marepally (CEO &amp; Managing Director)</p> <p>Mrs. Nagajayanthi Das Juttur Raghavendra (Non-Executive, Independent Director)</p> <p>Mr. Prabhakara Rao Alokam (Non-Executive, Independent Director)</p> <p>Mr. Chaitanya Challa (Non- Executive, Independent Additional Director)</p> <p>Mr. Saikiran Satya Surya Raghavendra Gundu (Non-Executive Director)</p> <p>Mr. Rambabu Sampangi Kaipa (Non-Executive Director)</p> <p>Mr. Ravikumar Jatavallabha V. (Chief Financial Officer) (upto 31.05.2022)</p> <p>Ms. Amrita Singh (Company Secretary &amp; Compliance Officer) (upto 04.07.2022)</p> <p><b>Registered Office</b> Ground Floor, Wing-B, N Heights, Plot No. 12, TSIC Software Units Layout, Madhapur, Serilingampally Mandal, Ranga Reddy District, Hyderabad -500 081 CIN: L72200TG2003PLC041860</p>	<p><b>Statutory Auditors</b> M/s. Rambabu &amp; Co., Chartered Accountants, Pancom Chambers, 6-3-1090/1/A, Raj Bhavan Rd, Somajiguda, Hyderabad, Telangana – 500082</p> <p><b>Bankers</b> ICICI Bank Axis Bank</p> <p><b>Registrars &amp; Share Transfer Agent</b> M/s. Bigshare Services Private Limited, E-2 &amp; 3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri(E), Mumbai - 400072, Tel:+912240430200, Fax:+912228475207</p> <p><b>Secretarial Auditors</b> Ms. Neha Pamnani, Company Secretary in Practice, 8-3-318/6/10, Yellareddy Guda, Ameerpet, Hyderabad - 500 073, Telangana</p>
<h3>Board Committees</h3>	
<p><b>Audit Committee</b> Mr. Prabhakara Rao Alokam - Chairperson Mrs. Nagajayanthi Das Juttur Raghavendra - Member Mr. Bhargav Marepally - Member</p>	<p><b>Stakeholders Relationship Committee</b> Mrs. Nagajayanthi Das Juttur Raghavendra - Chairperson Mr. Bhargav Marepally - Member Mr. Chaitanya Challa – Member</p>
<p><b>Nomination and Remuneration Committee</b> Mrs. Nagajayanthi Das Juttur Raghavendra - Chairperson Mr. Prabhakara Rao Alokam - Member Mr. Chaitanya Challa - Member</p>	<p><b>Corporate Social Responsibility Committee</b> Mr. Rambabu Sampangi Kaipa - Chairperson Mr. Prabhakara Rao Alokam - Member Mrs. Nagajayanthi Das Juttur Raghavendra - Member</p>

## CHAIRMAN'S LETTER

Dear Stakeholders,

The industry has seen some unprecedented times leaving many experts guessing the future direction and trends. These times have forced us to modify our way of life which not only spun a rather hazy web of uncertainties but also took life back in time.

The effects of this are seen far, wide, and deep in all spheres be it industry, government, public life, society etc. Now that the effects of the pandemic are starting to slowly wade off and organizations looking at away back to normal, a great opportunity lies ahead of us to reinvent and flourish in an unknown yet rapidly changing scenario.

The focus now needs to be not just on opportunities that would transform and help us survive but also help us sustain growth and flourish in the long term.

It is no surprise that “Digital Transformation” is championing the change by touching all the sectors in more than one way. Being a part of this transformation and adopting new trends will enable businesses to make better decision, innovate processes and along the way create new revenue avenues, save costs, and expand markets. In what we call “Digital Technological Planes” we see AI & ML, Communication & Interaction devices take over everything from Retailing e-commerce, Payments, Education, Transportation, Services, Banking & Insurance, Healthcare etc.

Some of the globally emerged trends that I would like to highlight that GSS would see itself engage in a big way are

- Online commerce, Digital and contactless payments
- Online health, supply chain 4.0
- Quantum computing
- AI and Deep learning via digital persons
- AI driven Asset governance for global organizations

Our focus on distributed Technology models mitigates risks, while our deep knowledge of emerging technologies, spurs Sales Channel reinvention. And our strong partnerships bridge gaps in the new Tech ecosystem.

While tremendously profitable opportunities are being lassoed in by high tech, we believe that global tech hubs accelerate innovation. We are keeping a close watch on the emerging new trends and are poised to adapt and reimagine our plans in a way that will add value to our customers.

We are technology “agnostic,” with a large solution sport folio and our solutions are delivered in physical, virtual, and cloud-based environments through highly skilled technology specialists and advanced service delivery engineers. We are a leading sales channel partner for many original equipment manufacturers (“OEMs”), software vendors and cloud providers.

As we continue to adapt, learn, grow and change during the current scenario, we are confident that our expertise combined with our agility will translate into the numbers that are a true reflection of our potential to flourish.

Very Sincerely,

Sd/-

Chairman

## NOTICE OF 19TH ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting (AGM) of the members of GSS Infotech Limited will be held on Friday, the 30<sup>th</sup> day of September 2022, at 10.30 A.M through video conference to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a) The audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 and the reports of the Board of Directors and the report of the Auditors there on.
  - b) The audited consolidated financial statements of the company for the financial year ended 31<sup>st</sup> March, 2022 and the report of the Statutory Auditors there on.
2. To appoint a Director in the place of Mr. Saikiran Satya Surya Raghavendra Gundu (DIN:02224296) who retires by rotation, and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. **To regularize the appointment of Mr. Chaitanya Challa (DIN: 06934113), Non-Executive Additional Director in an Independent capacity for a period of five (5) years and in this regard to consider and if thought fit to pass the following resolution with or without modification(s) as an Ordinary resolution:**

**“RESOLVED THAT** Mr. Chaitanya Challa (DIN: 06934113) who was appointed as a Non-Executive Additional Director in an independent capacity with effect from 05<sup>th</sup> November, 2021 on the Board of the company in terms of Section 149, 152 and other applicable provisions and rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV of the act for the time being in force, Mr. Chaitanya Challa (DIN: 06934113), Director of the company in respect of whom the company has received a notice in writing, be and is hereby appointed as an Independent Director of the company to hold office as such for a period of 5 (five) consecutive years with effect from the date of meeting and that he is not liable to retire by rotation”.

4. **To regularize the appointment of Mr. Prabhakar Rao Alokam (DIN: 02263908), Non-Executive Independent Director for a further tenure of five (5) years and in this regard to consider and if thought fit to pass the following resolution with or without modification(s) as an Ordinary resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Prabhakara Rao Alokam (DIN: 02263908), was proposed to be re-appointed as an Independent Director of the Company for a further term of five years, by the Board of Directors in their meeting held on 23<sup>rd</sup> May, 2022. In terms of Section 149 of the Companies Act, 2013, and pursuant to the recommendation of the Nomination and Remuneration Committee, be and is hereby regularized as an Independent Director of the Company for a second term of five consecutive years subject to approval of the members, not liable to retire by rotation.”

**By Order of the Board of Directors  
For GSS Infotech Limited**

**Sd/-  
Bhargav Marepally  
CEO & Managing Director  
DIN:00505098**

**Place: Hyderabad  
Date: 12<sup>th</sup> August, 2022**

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### ITEM No 3:

On recommendation and approval of Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 05<sup>th</sup> November, 2021, appointed Mr. Chaitanya Challa as a Non-Executive Additional Director of the Company in an Independent capacity without any remuneration for a period of Five (5) years effective from 05<sup>th</sup> November, 2021 to 04<sup>th</sup> November, 2026, and the terms of his appointment, subject to approval of the Members of the company. The approval of the Members of the Company is now sought for the regularization and terms of his appointment, details of which are set out here under:

- a) The Appointment of Mr. Chaitanya Challa shall be governed by containing the terms and conditions of appointment which can be amended from time to time by the Board of Directors.
- b) The period of appointment is for five (5) years with effect from 05<sup>th</sup> November, 2021.
- c) There shall be no remuneration/sitting fees to be drawn by Mr. Chaitanya Challa in terms of the Companies Act, 2013 from the company and its subsidiaries in India.
- d) Mr. Chaitanya Challa is entitled to do all the activities and acts, as may be delegated to him from time to time apart from the general functions as an Independent Director of the Company is entitled to under law in India
- e) It is explicitly provided that for matters not provided in the appointment letter and for any matters containing ambiguity in interpretation with regard to appointment of Mr. Chaitanya Challa, the same shall be referred to the Board of Directors for necessary directions.

### ITEM No 4:

On recommendation and approval of Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 23<sup>rd</sup> May 2022, re-appointed Mr. Prabhakar Rao Alokam as an Independent Director of the Company without any remuneration for a further period of Five (5) years effective from 23<sup>rd</sup> May 2022 to 22<sup>nd</sup> May 2027, and the terms of his re-appointment, subject to approval of the Members of the company at the ensuing AGM. The approval of the Members of the Company is now sought for the regularization and terms of his re-appointment, details of which are set out here under:

- a) The re-appointment of Mr. Prabhakar Rao Alokam shall be governed by containing the terms and conditions of appointment which can be amended from time to time by the Board of Directors.
- b) The period of his second tenure as an Independent Director will be for five (5) years with effect from 23<sup>rd</sup> May 2022.
- c) There shall be no remuneration to be drawn by Mr. Prabhakar Rao Alokam in terms of the Companies Act, 2013 from the company and its subsidiaries in India.
- d) Mr. Prabhakar Rao Alokam is entitled to do all the activities and acts, as may be delegated to him from time to time apart from the general functions as an Independent Director of the Company is entitled to under law in India
- e) It is explicitly provided that for matters not provided in the appointment letter and for any matters containing ambiguity in interpretation with regard to appointment of Mr. Prabhakar Rao Alokam, the same shall be referred to the Board of Directors for necessary directions.

**Details of Directors seeking appointment / re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings)**

<b>Name of the Director</b>	Mr. Chaitanya Challa
<b>Date of first appointment on the Board</b>	05 <sup>th</sup> November, 2021
<b>Date of Birth</b>	12 <sup>th</sup> August, 1982
<b>Expertise in Specific Functional areas and Experience</b>	Mr. Chaitanya Challa has worked as Unit Chief Internal Medicine in Virinchi Hospitals from August 2018 to February 2020. He is currently working as a Service Consultant in Care Hospital Banjara Hills, Apollo Hospital Jubilee Hills, Global Hospital Lakdikapool, Omni Hospital Kukatpally as Unit Head of Internal Medicine, Diabetes, Obesity, Hypertension, Lifestyle Disorders & Critical Care. He has started Health At Homes, A Home-Based Health Care Company which provides Doctors At Home, Nurses At Home, Caretakers At Home, Pharmacy At Home, Vaccinations At Home, ECG At Home, X-Ray At Home, Ambulances Services for home, Air Ambulance Services, Lab Tests At Home and all other Medical Equipment Services at Home. He has also started a clinic by name Challa Clinics (A UNIT OF CHALLA HOSPITALS) which is a completely free of charge (only Consultations) Health Care Centre.
<b>Educational Qualification</b>	MBBS, MD
<b>Names of the listed entities in which the person also holds the directorship and the membership / chairmanships of committees of the Board</b>	He does not hold directorship in any other listed company.
<b>Details of Remuneration sought to be paid and the remuneration last drawn by such person</b>	Being a Non-Executive Independent Director, as per his terms and conditions of his appointment, he is entitled to sitting fess for each Meeting of Board / Committee attended by him. For details, please refer to the remuneration details provided in the Report on Corporate Governance.
<b>Shareholding in the Company as on 31.03.2022</b> <b>Relationship between Directors inter-se/ Manager and KMPs</b>	NIL  Mr. Chaitanya Challa does not have any relationship directly or indirectly with managerial personnel. He is not related to any Director of the Company.
<b>Number of Meetings of the Board attended during the year</b>	3 out of 7
For other details in respect of number of Board Meetings attended during the year, Chairmanship(s)/ Membership(s) of Committees of other Companies as on March 31, 2022 and remuneration, refer the Report on Corporate Governance.	



**Details of Directors seeking appointment / re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings)**

<b>Name of the Director</b>	Mr. Prabhakar Rao Alokam
<b>Date of first appointment on the Board</b>	08 <sup>th</sup> August, 2017
<b>Date of Birth</b>	15 <sup>th</sup> June, 1974
<b>Expertise in Specific Functional areas and Experience</b>	Mr. Prabhakar Rao is a Chartered Accountant by profession and entrepreneur by choice. He is a seasoned financial professional who brings in 20 years of financial and industrial expertise to the business. He has varied industry experience in IT/ITES, Agro based seed industry, bulk drug industry and large scale dairy industry. He is the promoter of Hyderabad based IT/ITES Company engaged in IT infrastructure management, security solutions and IOT Solutions. Also serving board of start-up company engaged in development of online platform for logistics and transport management.
<b>Educational Qualification</b>	CA
<b>Directorships in other Listed Companies</b>	He does not hold directorship in any other listed company.
<b>Membership/Chairmanships of committees of Other Boards (other than the Company)</b>	NIL
<b>Details of Remuneration sought to be paid and the remuneration last drawn by such person</b>	Being a Non-Executive Independent Director, as per his terms and conditions of his re-appointment, he is entitled to sitting fess for each Meeting of Board / Committee attended by him. For details, please refer to the remuneration details provided in the Report on Corporate Governance.
<b>Shareholding in the Company as on 31.03.2022</b>	NIL
<b>Relationship between Directors inter-se/ Manager and KMPs</b>	Mr. Prabhakar Rao does not have any relationship directly or indirectly with managerial personnel. He is not related to any Director of the Company.
<b>Number of Meetings of the Board attended during the year</b>	7 out of 7
For other details in respect of number of Board Meetings attended during the year, Chairmanship(s)/ Membership(s) of Committees of other Companies as on March 31, 2022 and remuneration, refer the Report on Corporate Governance.	

**Details of Directors seeking appointment / re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings)**

<b>Name of the Director</b>	Mr. Saikiran Satya Surya Raghavendra Gundu
<b>Date of first appointment on the Board</b>	13 <sup>th</sup> February, 2019
<b>Date of Birth</b>	14 <sup>th</sup> August, 1976
<b>Expertise in Specific Functional areas and Experience</b>	Mr. Saikiran Satya Surya Raghavendra Gundu has strong global experience in IT infrastructure and Automation and has rolled out many products and services to address key problems through automation. A post graduate in computer applications, he is passionate about solving business problems through automation. He combines business acumen with technical knowledge to create innovative solutions to address industry challenges.
<b>Educational Qualification</b>	MCA
<b>Names of the listed entities in which the person also holds the directorship and the membership / chairmanships of committees of the Board</b>	He does not hold directorship in any other listed company.
<b>Details of Remuneration sought to be paid and the remuneration last drawn by such person</b>	Being a Non-Executive Non-Independent Director, as per his terms and conditions of his appointment, he is entitled to sitting fees for each Meeting of Board / Committee attended by him. For details, please refer to the remuneration details provided in the Report on Corporate Governance.
<b>Shareholding in the Company as on 31.03.2022</b>	NIL
<b>Relationship between Directors inter-se/ Manager and KMPs</b>	Mr. Saikiran Gundu does not have any relationship directly or indirectly with managerial personnel. He is not related to any Director of the Company.
<b>Number of Meetings of the Board attended during the year</b>	7 out of 7
For other details in respect of number of Board Meetings attended during the year, Chairmanship(s)/ Membership(s) of Committees of other Companies as on March 31, 2022 and remuneration, refer the Report on Corporate Governance.	

## Notes:

1. The Ministry of Corporate Affairs ("MCA") has vide its circular dated January 13, 2021 and May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") and Circular No. SEBI/H/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by Securities and Exchange Board of India ('SEBI Circular') permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio- Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being proposed to be held pursuant to the said MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not attached to this Notice.
3. Institutional/Corporate Members (i.e., other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or Governing Body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and cast their votes through e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [company.secretary@gssinfotech.com](mailto:company.secretary@gssinfotech.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
4. A Statement as required under section 102 of the Companies Act, 2013, in respect of items of special business is annexed hereto and forms part of the Notice.
5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [company.secretary@gssinfotech.com](mailto:company.secretary@gssinfotech.com).
6. The Register of Members and Share Transfer Books of the Company will remain closed from 27th September 2022 to 30th September 2022 (both days inclusive).
7. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses, email id, ECS mandate etc. In case you are holding Company's shares in physical form, please inform Company's RTA viz. M/s. Bigshare Services Pvt. Ltd, E-2 & 3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri(E), Mumbai-400072 by enclosing a photocopy of blank cancelled cheque of your bank account.
8. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. M/s. Bigshare Services Pvt. Ltd, E-2 & 3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri(E), Mumbai-400072 are the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers, dematerialization and change in the address of the members may be communicated to the RTA.

9. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/Company.
10. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
11. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
12. Any claimant of shares transferred to IEPF shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as prescribed.
13. In case any dividend is paid or claimed for any year during the said period of seven consecutive years, the share has not been transferred to Investor Education and Protection Fund.
14. Members seeking any information or clarification on the accounts are requested to send their queries to the Company, in writing, from 27th September 2022 to 29th September 2022. Replies will be provided in respect of such written queries accordingly.
15. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide Circular ref.no. MRD/Dop/Cir-05/ 2009 dated May 20, 2009, made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details. Members holding shares in physical form can submit their PAN details to the Company / RTA.
16. Members may also note that the Notice of the 19<sup>th</sup> Annual General Meeting is available on the Company's website: [www.gssinfotech.com](http://www.gssinfotech.com). All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 shall be open for inspection in electronic mode by the Members by writing an e-mail to the Company Secretary at [company.secretary@gssinfotech.com](mailto:company.secretary@gssinfotech.com).

In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2021-22 will also be available on the Company's website at [www.gssinfotech.com](http://www.gssinfotech.com), on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com). To support 'Green Initiative', members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ their Depository Participants in respect of shares held in physical/electronic mode, respectively.

17. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
18. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.

19. Additional information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Secretarial Standards on general meetings, information in respect 19<sup>th</sup> Annual Report 2021-22 of the Directors seeking appointment/re-appointment at the Annual General Meeting is furnished in the annexure and forms part of the notice. The Directors have furnished the requisite consent / declaration for their appointment / re-appointment.
20. Retirement of Directors by rotation: Mr. Saikiran Satya Surya Raghavendra Gundu, Non-Executive, Non-Independent Director of the Company, retires by rotation at the ensuing AGM and, being eligible, offer himself for re-appointment. The Board of Directors recommend the re-appointment of Mr. Saikiran Satya Surya Raghavendra Gundu, Director, whose office is liable to retire by rotation.
21. The Company has an agreement with the CDSL to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the AGM.
22. Pursuant to the provisions of the circulars of MCA on the VC/OVAM, Members can attend the AGM through Video conference by following the same procedure as mentioned for e-voting. Physical attendance of the Members at the Meeting venue is not required.
23. The Members can join the AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
24. Up to 1000 members will be able to join on a first come first serviced basis to the AGM.
25. No restriction is applicable for joining into the AGM in respect of large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

#### **E-Voting:**

##### **CDSL e-Voting System - For Remote e-Voting and e-Voting during AGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-Voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM is being uploaded on the website of the Company at [www.gssinfotech.com](http://www.gssinfotech.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also hosted on the website of CDSL (agency for providing the e-Voting facility and e-voting system during the AGM) i.e., [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins on 27<sup>th</sup> September 2022 at 09.00 hrs and ends on 29<sup>th</sup> September, 2022 at 17.00 hrs. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 23<sup>rd</sup> September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Board of Directors have appointed Ms. Manjula Aleti, Practicing Company Secretary, to act as Scrutinizer to conduct and scrutinize the electronic voting process in connection with the ensuing Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder. Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on E-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



**Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the E-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the E-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Type of shareholders	Login Method
	<p>2) If the user is not registered for IDeAS e-Services, option to register is at available <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of E-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request <a href="mailto:atevoting@nsdl.co.in">atevoting@nsdl.co.in</a> or call at toll free no.:18001020990 and 1800224430.

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

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

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Share holders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/ RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction(v).</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Company, i.e., GSS Infotech Limited on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option. NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed.

If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY / DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to the Company Secretary at [company.secretary@gssinfotech.com](mailto:company.secretary@gssinfotech.com). and or to the **RTA (Bigshare Services Pvt. Ltd.)**
2. For Demat shareholders, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository  
For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to the Company Secretary at [company.secretary@gssinfotech.com](mailto:company.secretary@gssinfotech.com). **or to the RTA (Bigshare Services Pvt. Ltd.)**
4. The Company Secretary shall co-ordinate with CDSL and provide the login credentials to the above-mentioned shareholder.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM:**

1. The procedure for attending meeting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholder will be provided facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
4. Shareholders are advised to join the Meeting through Laptops / IPads for better experience.
5. Further, shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
6. Please note that participants connecting from mobile devices or Tablets or through Laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance, i.e., from 27<sup>th</sup> September, 2022 (9.00 a.m. IST) to 29<sup>th</sup> September, 2022 (5.00 p.m. IST), mentioning their name, demat account number/folio number, email id, mobile number at [company.secretary@gssinfotech.com](mailto:company.secretary@gssinfotech.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance, i.e., from 27<sup>th</sup> September, 2022 (9.00 a.m. IST) to 29<sup>th</sup> September, 2022 (5.00 p.m. IST), mentioning their name, demat account number/folio number, email id, mobile number at [company.secretary@gssinfotech.com](mailto:company.secretary@gssinfotech.com). These queries will be replied suitably by the Company vide email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time during the AGM.
9. Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.
10. Members who need assistance before or during the AGM, can contact [company.secretary@gssinfotech.com](mailto:company.secretary@gssinfotech.com) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Kindly quote your name, DP ID-Client ID / Folio no. and e-voting Event Number in all your communications.

#### **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM:**

1. The procedure for e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

#### **NOTE FOR NON-INDIVIDUAL SHAREHOLDERS AND CUSTODIANS**

1. Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
3. After receiving the login details a 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.
4. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

6. Alternatively, non-individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [company.secretary@gssinotech.com](mailto:company.secretary@gssinotech.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022- 23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**By Order of the Board of Directors  
For GSS Infotech Limited**

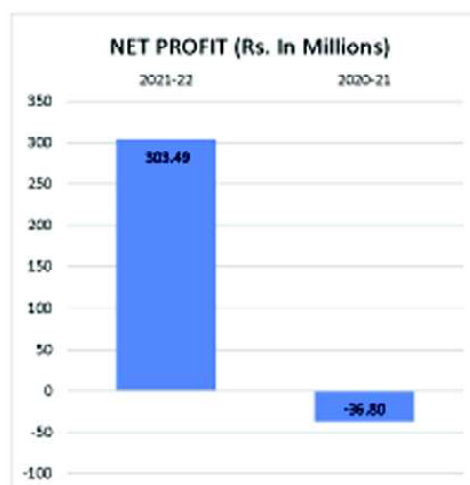
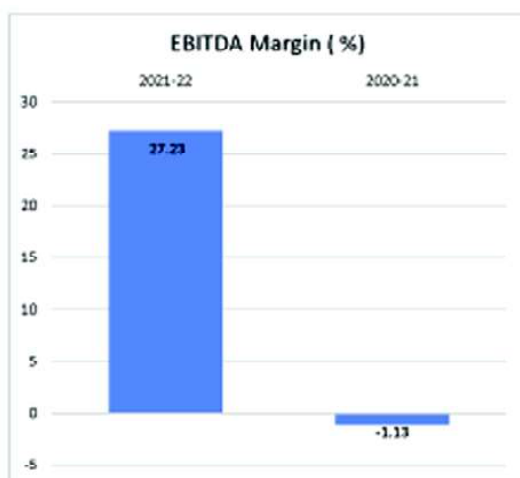
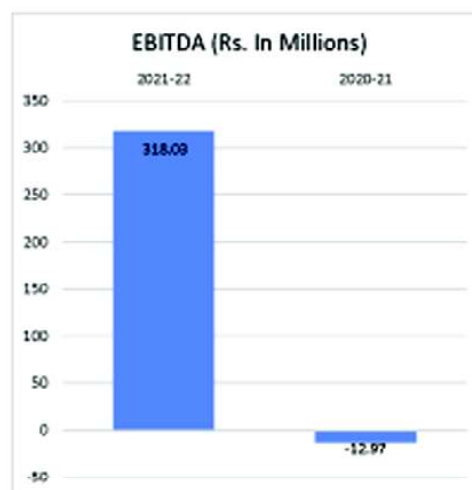
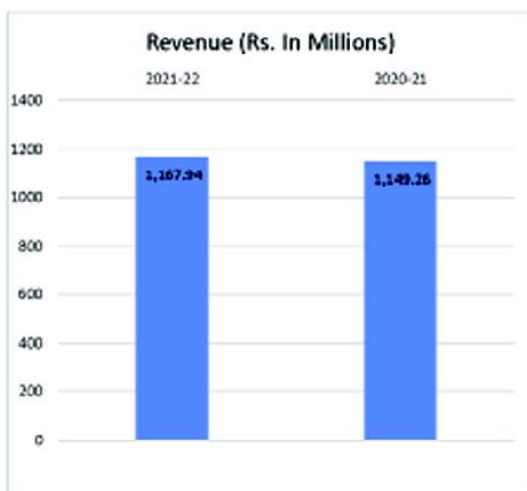
**Sd/-  
Bhargav Marepally  
CEO & Managing Director  
DIN:00505098**

**Place: Hyderabad  
Date: 12<sup>th</sup> August, 2022**



## KEY PERFORMANCE INDICATORS

### Consolidated Numbers



## BOARD'S REPORT

Dear Members,

We are delighted to present the report on our business and operations for the financial year ended 31<sup>st</sup> March 2022.

### FINANCIAL RESULTS

The Company's Financial results (standalone & consolidated) for the year ended 31<sup>st</sup> March 2022 is provided in the Annual Report.

(₹. In Lakhs)

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Net sales/income from operations	11,679.36	11,492.62	2,051.81	1,667.43
Less: Direct cost	1,022.72	1,140.67	579.53	648.27
Indirect Cost	10,338.97	10,678.50	1,390.21	1,389.98
<b>Profit / (Loss) from operations before other income, finance costs and exceptional items</b>	<b>317.67</b>	<b>(326.55)</b>	<b>82.07</b>	<b>(370.82)</b>
Other income	70.05	183.13	71.03	153.79
<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items</b>	<b>387.72</b>	<b>(143.42)</b>	<b>153.10</b>	<b>(217.03)</b>
Finance costs	57.91	62.66	3.30	5.47
Profit / (Loss) from ordinary activities after finance costs but before exceptional items	329.81	(206.08)	149.80	(222.50)
Exceptional items*	2,779.47	-	-	-
<b>Profit / (Loss) from ordinary activities before tax</b>	<b>3,109.28</b>	<b>(206.08)</b>	<b>149.80</b>	<b>(222.50)</b>
Tax expense	74.38	161.92	69.19	153.51
<b>Net Profit / (Loss) from ordinary activities after tax</b>	<b>3,034.90</b>	<b>(368.00)</b>	<b>80.61</b>	<b>(376.01)</b>
<b>Net Profit / (Loss) for the period</b>	<b>3,034.90</b>	<b>(368.00)</b>	<b>80.61</b>	<b>(376.01)</b>
<b>Other Comprehensive Income (net of tax)</b>	<b>404.27</b>	<b>(289.43)</b>	<b>2.45</b>	<b>4.57</b>
<b>Total Comprehensive Income</b>	<b>3,439.17</b>	<b>(657.43)</b>	<b>83.06</b>	<b>(371.44)</b>
Basic EPS	17.92	(2.17)	0.48	(2.22)
Diluted EPS	15.38	(2.17)	0.41	(2.22)

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 2021-22 and the date of this report.

### IMPACT OF COVID-19:

At GSS, as we continue in our endeavor to fight waves of the COVID-19 pandemic, our priority remains the safety and well being of our employees, and business continuity for the clients. Business continuity programs were tested and practiced and the processes were proven to be resilient. Considering employee safety as paramount, we implemented elaborate support measures for employees during the COVID-19 waves in India, and at our global locations.

At the onset of the pandemic, to ensure employee safety and business continuity, we were able to transit employees to a work from home. Further, based on client requirements and the COVID situation, WFH continued until September, 2021. From October 1<sup>st</sup> 2021, the hybrid model was adopted where employees were given an option to either WFH or to work from offices ensuring that all the safety precautions were undertaken like social distancing, vaccinations, etc.

## **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 lever age on our existing customer base to drive growth we will also be focusing one merging 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 2021-22, are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standards (Ind AS) 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 i.e. [www.gssinfotech.com](http://www.gssinfotech.com)

## **IV. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis forms an integral part of this Report and gives detail of the overall industry structure, developments, performance, and state of affairs of the Company's various businesses during the financial year ended 31<sup>st</sup> March 2022, is enclosed as Annexure [E] 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 [F] to this report.

## VI. DIVIDEND

The Board of Directors did not recommend dividend for the financial year ended 31<sup>st</sup> March, 2022.

## VII. PUBLIC DEPOSITS

During the financial year 2021-22, 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. Chaitanya Challa has been appointed as an Additional Independent Director of the Company with effect from 05<sup>th</sup> November 2021 by the board of directors in its meeting held on 05<sup>th</sup> November 2021, subject to the approval of the shareholders of the company in the ensuing AGM.

Mr. Prabhakar Rao Alokam, Non-Executive Independent Director is being re-appointed for a further tenure of five years. The Board approved his re-appointment in its meeting held on 23<sup>rd</sup> May, 2022.

Mr. Saikiran Satya Surya Raghavendra Gundu, Non-Executive, Non-Independent Director is liable to retire by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014) and being eligible has offered himself for re- appointment. Appropriate resolution for his re-appointment is being placed subject to the approval of the shareholders of the company in the ensuing AGM.

### Key Managerial Personnel:

- Mr. Bhargav Marepally is the Chief Executive Officer and Managing Director of the Company.
- Mr. Ravikumar Jatavallabha V. is the Chief Financial Officer of the Company during the FY 21-22. He has resigned from his office w.e.f 01<sup>st</sup> June, 2022
- Ms. Amrita Singh is the Company Secretary and Compliance Officer of the Company during the FY 21-22. She has resigned from the office w.e.f 04<sup>th</sup> July, 2022

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, CEO & Managing Director, Mr. Ravikumar Jatavallabha V., CFO and Ms. Amrita Singh, Company Secretary & Compliance Officer, are the Key Managerial Personnel of your Company during the FY 21-22 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 Of Directors for the financial year 2021-22.

## 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 of your Company is set out in Annexure [B] to this report and is also available on the website of your Company ([www.gssinfotech.com](http://www.gssinfotech.com)).

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

The details of the number of Board and Audit Committee meetings of your Company are set out in the Corporate Governance Report Annexure [F] 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. DIRECTOR'S RESPONSIBILITY STATEMENT**

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

- (a) In the preparation of the annual accounts for the financial year ended 31 March, 2022, the applicable Indian Accounting Standards (Ind AS) and Schedule III of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) for the time being in force) have been followed and there are no material departures from the same;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31<sup>st</sup> March 2022 and of the profit and loss of the Company for the financial year ended 31<sup>st</sup> March 2022;
- (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 AUDITORS' REPORT**

The Statutory Auditors of the Company, M/s. Rambabu & Co., Chartered Accountants (Firm Registration No. 002976S) were appointed by the members at the 16<sup>th</sup> AGM held on 30<sup>th</sup> September 2019, for a term of five (5) years till the conclusion of the 21<sup>st</sup> Annual General Meeting of your company to be held in 2024, in accordance with section 139 of the Companies Act, 2013.

The Auditors' Report issued by the Statutory Auditors for the financial year ended 31<sup>st</sup> March 2022 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 Ms. Neha Pamnani, Practicing Company Secretary (Membership No.: 44300 and CP No: 24045), Hyderabad, to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is annexed herewith as Annexure [C] to this Report. The Secretarial Audit report issued by the Secretarial Auditor for the financial year ended 31 March 2022 forms part of this report and does not contain any Audit Qualifications, for which the reply of the Directors is required. However, following observations were made by the secretarial auditors which are self-explanatory and does not require further explanation from directors:

**As per the notices issued by BSE and NSE to the company, the company did not furnish the prior intimation regarding the discussion happened in the meeting of the board of directors held on 14<sup>th</sup> July 2021 as required under Regulation 29 of SEBI LODR, 2015 and imposed the fines to the company. The Company has paid such fines to BSE and NSE. However, the company has clarified to the Stock Exchanges that there is no specific funding proposal that has been discussed and the entire discussion was generic in nature and thus prior intimation was not given. It was further informed to the stock exchanges that at the time of disclosure of outcome to stock exchanges, the company inadvertently articulated as approved wherein the same was discussed.**

Furthermore, the company has requested the Stock Exchanges for waiver of such fines.

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

The details forming part of the Annual Return in Form MGT-7 in accordance with Section 92(3) of the Companies Act, 2013 and subsequent amendments issued by the MCA vide Notification dated 05th March, 2021 is available on the company's website [www.gssinfotech.com](http://www.gssinfotech.com) and can be accessed through the link: [https://www.gssinfotech.com/wp-content/uploads/2022/09/MGT-9\\_21-22.pdf](https://www.gssinfotech.com/wp-content/uploads/2022/09/MGT-9_21-22.pdf)

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

During the financial year 2021-22, 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 2021-22, there were no transactions with related parties which qualify as material transactions under the Listing Agreement.

During the year under review, the wholly owned foreign subsidiary company GSS Infotech CT Inc on June 8, 2021 and again on December 13, 2021, received confirmations of full amount of forgiveness of loan including interest accrued thereon and accordingly the company recorded the total amount of \$3,729,325 as other income (classified as an 'Exceptional Item' in the financial results)

The details of the related party transactions as required under Indian Accounting Standard - 24 are set out in point 30 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 [D] to this Report.



## XVII. LOANS AND INVESTMENTS

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

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

#### (i) Investments in Equity Instruments in wholly owned Subsidiaries as at 31 March 2022:

(In Indian ₹.)

Particulars	31 March 2022	31 March 2021
GSS Infotech Inc (Delaware) 1,500 (31 March 2022: 1,500) equity shares of \$ 1 each fully paid up in GSS Infotech Inc (Delaware)	890,940,578	890,940,578
GSS Healthcare IT Solutions Private Limited 9,990 (31 <sup>st</sup> March, 2022: 9,990) Equity Shares of ₹. 10/- Each fully paid up in GSS Healthcare IT Solutions Private Limited.	99,900	99,900
GSS IT Solutions Private Limited 9,990 (31 <sup>st</sup> March, 2022: 9,990) Equity Shares of ₹. 10/- Each fully paid up in GSS IT Solutions Private Limited.	99,900	99,900

#### (ii) Investments in Debt Instruments by the Company as at 31 March 2022: Nil

### B. Details of Amounts advanced to Subsidiary Companies by the Company pursuant to clause 32 of the Listing Agreement as at 31 March, 2022:

(In Indian ₹.)

Name of Subsidiary	Balance asat 31.03.2022	Balance asat 31.03.2021
GSS Infotech Inc (Delaware)	0.00	0.00
GSS IT Solutions Pvt. Ltd	0.00	0.00
GSS Healthcare IT Solutions Pvt. Ltd	0.00	600.00

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.

**Other Advances** issued on account of Rs. 24.00 Cr. - paid to Polimeraaas Limited towards for acquisition of equity capital and Rs. 5.50 Cr. towards advance for operations.

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

## XVIII. EMPLOYEE STOCK OPTION SCHEME:

The Stock exchanges accorded in-principal approval for listing of 20,00,000 shares under the GSS Infotech Limited Restricted Employee Stock Option Plan 2013. However, no shares were granted to the eligible employees during the financial year ended 31 March 2022.

## **XIX. ISSUE OF SHARES, DEBENTURES, CONVERTIBLE SECURITIES, etc.**

The Board of Directors in the meeting held on 04<sup>th</sup> December, 2021 had considered and approved the issue of 28,00,000 nos. of share warrants as preferential allotment. The Board henceforth approved the conducting of EGM for taking approval of the shareholders. The Notice of the EGM was sent to all the shareholders and the same was approved by means of Special Resolution in the EGM dated 03rd January, 2022. The details of the Preferential Allotment are hosted on the company's website [www.gssinfotech.com](http://www.gssinfotech.com) for the information of the general public.

## **XX. 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 Annexure [F] report which forms part of this report.

## **XXI. 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 Indian Accounting Standards (Ind AS) prescribed in the Companies (Indian Accounting Standards) Rules, 2015 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 (GAAP) 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 Internal Auditors.

## **XXII. 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.

### XXIII. 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.

However, the Board of Directors in the meeting held on 24<sup>th</sup> December, 2021 had considered and approved the Draft Scheme of Merger of Polimeraas Agros Private Limited (formerly known as Polimeraas Agros LLP) with GSS Infotech Limited. The requisite Pre Listing - Approvals from the NSE and the BSE were filed subsequently. The company is awaiting the approvals of the Stock Exchanges for undertaking further course of action. The details of the Scheme are hosted on the company's website [www.gssinfotech.com](http://www.gssinfotech.com) for the information of the general public.

### XXIV. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors have constituted the CSR Committee at its meeting held on 29<sup>th</sup> May 2019 pursuant to the provisions of Section 135 of the Companies Act, 2013 and the rules thereunder as applicable to your Company.

Composition of the CSR Committee is:

Sr. No.	Particulars	Category	Designation
1	Mr. Rambabu Sampangi Kaipa	Non-Executive - Non-Independent Director	Chairman
2	Mrs. Nagajayanthi Das Juttur Raghavendra	Non-Executive - Independent Director	Member
3	Mr. Prabhakara Rao Alokam	Non-Executive - Independent Director	Member

**NOTE: The company does not fall into the limit as prescribed under the section 135 of the Companies Act, 2013. Hence the company has not spent on the CSR Activities.**

### XXV. 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.

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

#### i. Details of Conservation of Energy:

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

#### ii. Technology, absorption, adaptation, and innovation

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

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

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

### iii. Foreign Exchange Earnings and Outgo

#### a. Activities relating to Exports:

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

#### b. Total Foreign Exchange Earnings used and earned:

Particulars	2021-22 (₹)	2020-21 (₹)
Foreign Exchange expenditure (on Accrual basis)	38,344	5,976,600
Foreign Exchange earned (on Accrual basis)	181,997,373	146,167,322

## XXVII.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.

For GSS Infotech Limited

Place: Hyderabad

Date: 12<sup>th</sup> August, 2022

Sd/-

Bhargav Marepally

CEO & Managing Director

DIN: 00505098

Sd/-

Prabhakara Rao Alokam

Director

DIN: 02263908

## Annexure [A] to Board's Report

### FINANCIAL PERFORMANCE OF SUBSIDIARIES

#### Form AOC -1

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
	<b>Subsidiaries:</b>						
1	GSS Infotech Inc*, (A Delaware Company)	10,370.35	10,369.16	2,959.48	16.46	2,954.29	8.06
2	GSS IT Solutions Private Limited	-	-	-	-	-	-
3	GSS Healthcare IT Solutions Private Limited	-	-	-	-	-	-

## 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 2021-22 is as follows:**

Name of Director	Total Remuneration	Ratio of remuneration of director to the Median remuneration
Mr. Bhargav Marepally	Nil	Nil
Mrs. Nagajayanthi Das Juttur Raghavendra	1,85,000	0.89
Mr. A Prabhakara Rao	1,80,000	0.86
Mr. L.G.S. Padma Rao	85,000	0.41
Mr. Rambabu Sampangi Kaipa	1,40,000	0.67
Mr. Saikiran Surya Satya Raghavendra Gundu	1,20,000	0.57
Mr. Chaitanya Challa	Nil	Nil

**Notes:**

- The information provided above is on standalone basis.
- The aforesaid details are calculated on the basis of remuneration for the financial year 2021-22.
- The remuneration to Directors is only the sitting fees paid to them for the financial year 2021-22. The sitting fees for attending each of the Board and other Committee meetings is Rs. 20,000/- and Rs. 5,000/- respectively.
- Median remuneration of the Company for all its employees is Rs. 2,08,836/- for the financial year 2021-22.

**B. Details of percentage increase/(decrease) in the remuneration of each Director, CFO & Company Secretary in the financial year 2021-22:**

(Amount in ₹)

Name of the Director/ Chief Financial Officer/ Company Secretary	Designation	Remuneration		Increase/ (Decrease) (%)
		2021-22	2020-21	
Mr. Bhargav Marepally	Managing Director	Nil	Nil	Nil
Mrs. Nagajayanthi Das Juttur Raghavendra	Director	1,85,000	1,05,000	76.19%
Mr. A Prabhakara Rao	Director	1,80,000	1,05,000	71.43%
Mr. L.G.S. Padma Rao*	Director	85,000	85,000	0.00%
Mr. Rambabu Sampangi Kaipa	Director	1,40,000	80,000	75.00%
Mr. Saikiran Surya Satya Raghavendra Gundu	Director	1,20,000	20,000	500.00%
Mr. Chaitanya Challa	Director	Nil	Nil	Nil
Mr. Ravi Kumar Jatavallabha V.	CFO	35,14,968	35,58,600	(1.23)%
Ms. Amrita Singh	CS	6,85,153	619,352	10.62%

The information provided above is on Standalone basis.

1. The remuneration to Directors is only the sitting fees paid to them for the financial year 2021-22.
2. \*Percentage increase/(decrease) in remuneration not reported as they were holding the office for part of the financial year (up to 05.11.2021)

**C. Percentage increase/ (Decrease) in the median remuneration of all employees in the financial year 2021-22:**

(Amount in ₹)

Particulars	2021-22	2020-21	Increase/ (Decrease) (%)
Median remuneration of all employees per annum	2,08,836	5,40,800	(61.38) %

**D. Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2022:**

Executive/Manager cadre	13
Staff	91
Operators/Workmen	4
<b>Total</b>	<b>108</b>

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

(Amount in ₹)

Particulars	2021-22	2020-21	Increase/ (Decrease) (%)
Average Salary of all employees other than Key Managerial Personnel	4,15,249	5,10,979	(18.73)%
Salary of CEO & MD (Key Managerial Personnel)	Nil	Nil	-
Salary of CFO & CS (Key Managerial Personnel)	42,00,121	41,77,952	0.53%

The above information is being provided on Standalone Basis.

**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.



## Annexure [C] to Board's Report

Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2022

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

To,

The Members

**GSS INFOTECH LIMITED**

Grd Floor, Wing-B, N heights, Plot No. 12,

TSIIC Software Units Layout, Madhapur,

Serilingampally Hyderabad, Rangareddi,

Telangana - 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 (CIN L72200TG2003PLC041860) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2022 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 company for the financial year ended on 31<sup>st</sup> March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements), Regulations, 2018;
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;-; [Not Applicable as there was no reportable event during the period under review];
  - (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; [Not Applicable as the company is not registered as Registrar to Issue and Share Transfer Agent during the Financial Year under review];

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; [Not Applicable as there was no reportable event during the period under review];
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 [Not Applicable as there was no reportable event during the period under review];
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) The industry Specific Acts, Labour and other applicable laws as provided by the management of the company: I have also examined compliance with the applicable clauses of following:
  - i. Secretarial Standards issued by The Institute of Company Secretaries of India effective from 01<sup>st</sup> July 2015.
  - ii. The listing agreements entered into by the company with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended from time to time.

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:

**As per the notices issued by BSE and NSE to the company, the company did not furnish the prior intimation regarding the discussion happened in the meeting of the board of directors held on 14<sup>th</sup> July 2021 as required under Regulation 29 of SEBI LODR, 2015 and imposed the fines to the company. The Company has paid such fines to BSE and NSE. However, the company has clarified to the Stock Exchanges that there is no specific funding proposal that has been discussed and the entire discussion was generic in nature and thus prior intimation was not given. It was further informed to the stock exchanges that at the time of disclosure of outcome to stock exchanges, the company inadvertently articulated as approved wherein the same was discussed.**

***Furthermore, the company has requested the Stock Exchanges for waiver of such fines.***

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, the meetings held at shorter notice were in compliance with SS-1 Secretarial Standard on Meetings of the Board of Directors.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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. During the period under review the Company has complied with the provisions of the other Acts, Rules, Regulations, Guidelines, Standards, etc.

**Neha Pamnani**  
**Company Secretary in Practice**  
**M No: ACS- 44300**  
**CP: 24045**  
**PR: 1535/2021**  
**UDIN: A044300D000833462**

**Place: Hyderabad**  
**Date: 12<sup>th</sup> August, 2022**

***\*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,**  
Grd Floor, Wing-B, N heights, Plot No. 12,  
TSIIC Software Units Layout, Madhapur,  
Serilingampally, Hyderabad, Rangareddi,  
Telangana - 500081

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I 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 responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the further viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Neha Pamnani**  
**Company Secretary in Practice**  
**M No: ACS- 44300**  
**CP: 24045**  
**PR: 1535/2021**  
**UDIN: A044300D000833462**

**Place: Hyderabad**  
**Date: 12<sup>th</sup> August, 2022**

## Annexure [D] 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)	Duration of the contracts/arrangements/transactions	
c)	Salient terms of the contracts or arrangements or transactions including the value if any Date(s) of approval by the Board if any	
d)	Amount paid as advances if any	
e)	Duration of the contracts/arrangements/transactions	

**\*All the transactions are in the ordinary course of business as per under section 188(2) of the Companies Act, 2013 and hence not mentioned above.**

## Management Discussion and Analysis

GSS Infotech is a leading provider of consulting, technology, outsourcing and next-generation digital services. GSS Infotech is stronger, and our prospects are as promising as at any time in our 22-year history. In 2021-22, GSS Infotech's technology solutions and services helped many businesses, government, education, and healthcare customers throughout the globe.

### I. Industry structure and developments

#### Key Categories of Technology Industry



#### Trends to Watch out for:

- Cloud, Edge and 5G Form the Modern Economic Infrastructure
- IoT and AI Open New Possibilities in Ambient Computing
- Distributed Technology Models Challenge Existing Structures
- Business of Emerging Technology Prompts Sales Channels Reinvention
- Global Tech Hubs Put Spotlight on the Ingredients for Innovation

### II. Opportunities and threats

#### GSS Present and Evolving Technology Trends

GSS Infotech Limited is a leading provider of information technology services and solutions to small, medium and large business, government, Telecom, Cloud and healthcare customers across the globe. Our broad array of offerings ranges from software services to managed infra and IT solutions such as mobility, security, data center optimization, cloud computing, virtualization and collaboration. Our goal is to have our customers, regardless of their size, view us as a trusted adviser and extension of their IT resources. That is how GSS Infotech contributes to key business decisions for small as well as large enterprises.

We are keeping a close watch on the trends mentioned above and adopting to the trends that are resulting in adding value to our customers. We are technology “agnostic,” with a large solutions portfolio and our solutions

are delivered in physical, virtual and cloud-based environments through highly skilled technology specialists and advanced service delivery engineers. We are a leading sales channel partner for many original equipment manufacturers (“OEMs”), software vendors and cloud providers. The pace of innovation and disruption is accelerating.

### Artificial Intelligence

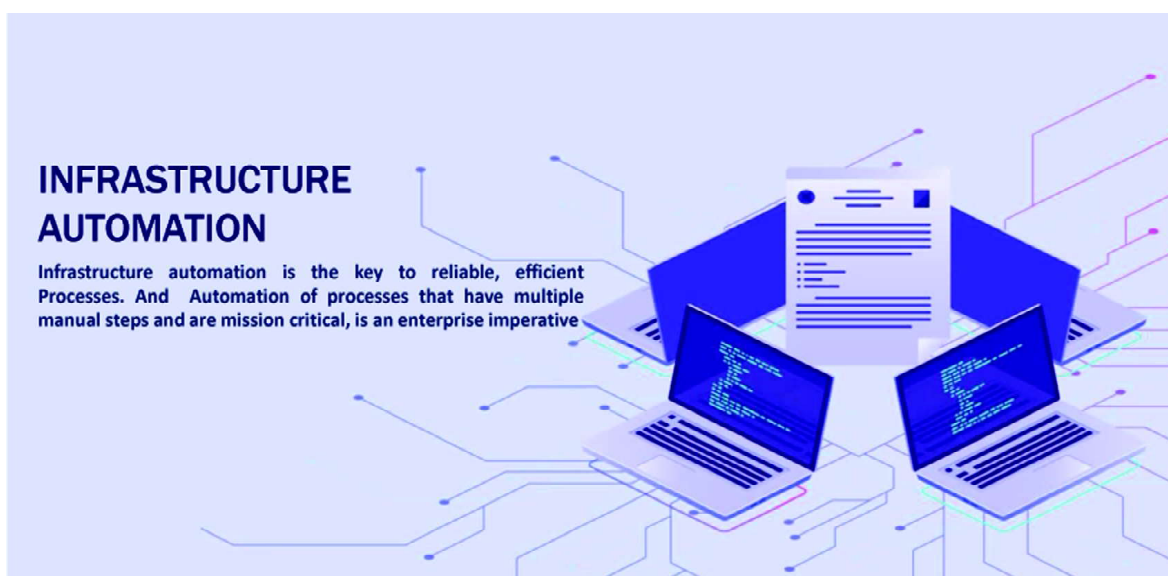
Artificial Intelligence and Application Security. A brief about these areas, their benefits and the domains that are widely adopting them are outlined below.

A combination of technologies that allows machines to learn from experience, add new inputs and perform tasks similar to humans. These technologies rely heavily on deep learning and natural language processing techniques to enable machines to learn to process large amounts of data and recognize patterns to perform the designated tasks. The best examples of such technologies are self-driving cars, computed simulated and self-learning games etc.

## III. Segment-wise and Product-wise performance

### a. Infrastructure Automation

GSS Infotech offers end to end automation and orchestration support for Infrastructure Management of Enterprises. We have skilled professionals who have the expertise in understanding complex systems and architecting automation solutions around it. Our orchestration solutions provide a seamless and uncomplicated way to achieve Software Defined Storage and Software Defined Networking capability thereby helping the Enterprises to integrate and utilize better both legacy and modern systems together.



We have the ability to develop independent automation/orchestration or utilize any third-party product already employed by the customer as a part of the development. We have deep experience in different storage, network, and virtualization platforms. Where required, we can help integrate customer owned products to be managed through standard management software like RedHat Cloud Forms etc. As a part of end-to-end offering, we can integrate our solutions into CI/CD/CT pipelines providing ultimate automated ability thereby reducing product roll out times.



## b. US Healthcare Domain

The new vision for healthcare for 2022 and beyond will not just focus on access, quality, and affordability but also on predictive, preventive, and outcome-based care models promoting social and financial inclusion. The future of healthcare is about creating cures for the chronic, degenerative diseases that are responsible for the majority of human suffering and death, as opposed to focusing on treatments that deal with the symptoms of such conditions. Some of the changing trends in healthcare, medical devices and life sciences business offerings to leads to an opportunity for integrators like GSS Infotech are as follows:

1. ***Continued focus on deliver home-based healthcare:*** An underappreciated driver of costs in US healthcare is the price of hospitalization. The hospital bed costs more than \$2000 a day, and in many areas of the country more than \$3000. This big price tag, combined with enabling technologies and evolving patient preferences, is creating pressure to healthcare delivery organizations and health plans to think differently about how and where care is delivered. Home based primary-care, urgent care, palliative care and hospital-at-home care will continue to grow in popularity for patients and also due to recent pandemic reasons with Covid-19.
2. ***Power shift from hospital systems back to physician groups:*** All around the country, physician groups who face acquisition by Integrated delivery health organizations are looking for an alternative. One of the most promising is being offered by Aledade, the venture-backed company that organizes private physician groups into accountable care organizations (ACOs). Likewise, within specific specialties, such as oncology and cardiology, private equity companies are beginning to roll up provider groups to drive performance, negotiate more favorable contracts, and leverage purchasing power. Companies like One Oncology-an emerging oncology roll-up-will grow in number as physicians seek ways to remain independent of hospital systems. Of course, as markets evolve, it remains a distinct possibility that even equity-backed physician groups will eventually end up acquired by large hospital systems.
3. ***Drug pricing will continue to be a front-page issue;*** at the same time, pharmaceutical innovation will also dominate headlines. We are entering a phase where drug prices will continue to draw negative attention, but that attention will be balanced by the breath-taking innovation coming from biotechnology and pharmaceutical companies. As these breakthroughs like these multiply, expect the national dialog to shift focus from the high cost of drugs to finding new and different ways to pay for them in order to expand access to the most innovative products.
4. ***Medicare-for-All will quickly morph into “Medicare Advantage-for-All.”*** Medicare Advantage has grown in popularity during the last ten years. Many Medicare beneficiaries believe that the quality and value of the care delivered in Medicare Advantage programs is superior to fee-for-service alternatives. Likewise, Medicare Advantage continues to get good reviews from clinicians and health care delivery organizations who feel appropriately compensated for delivering quality care to their patients. In the upcoming election year, look for candidates who want to expand access while promoting competition and remaining friendly to the private sector to discover “Medicare Advantage for All” as a compelling strategy/alternative to the more controversial “Medicare for All.”
5. ***Data Privacy is the key,*** companies that are transparent and ethical will come out ahead. Recent disclosures about biased algorithms and data privacy are just the first of many such revelations we can expect in the coming year. Potentially questionable uses and ownership of data will raise eyebrows and blood pressures-particularly as Americans who have used services for DNA testing come to terms with the fact that they may not have fully understood the privacy implications when they handed their genetic data over for analysis.
6. ***The public will begin to examine the behaviors and practices of “non-profit” health systems.*** Too many non-profit hospitals and health systems have operated for too long like for-profits-and people



and communities are beginning to take notice. Unsustainable rate increases; surprise billing; medical collections leading to bankruptcy, expect regulators to begin a robust conversation about what requirements need to be met in order to maintain non-profit status. In some cases, non-profit board members with a clear focus on the public good will question whether the for-profit management style is the best way to provide health care to their communities.

### c. Digital Transformation and Strategy

Companies across the globe are digitally transforming as they are challenged to improve business processes and develop new capabilities and business models. With the world slowly entering a new phase of rapid digitization on the back of 5G and affordable SaaS-based artificial intelligence (AI) solutions and getting more hands-on with managing big data collected via sensors on an internet of things (IoT) network, organizations need to shake out of inertia. We help clients tackle their biggest challenges by thinking and acting digitally, using tried and tested user centered design methods. The solutions we create, whether it's for a website, mobile app or campaign, are tailored to meet your users' needs and deliver on your business goals.

Successful projects and positive relationships grow from open and honest communication. Although every project is different, some common approaches govern how we work.

**Discovery:** This underpins everything that follows. GSS Infotech would want to research and learn as much as possible about your organization, your business goals and your users' needs.

**Plan and Prototype:** It's time to workshop ideas, sketch, create content models and develop prototypes. We do it carefully but quickly. We believe that prototypes are worth a thousand meetings.

**Test, refine and validate:** Putting prototypes in front of real users, with a defined test plan, is the fastest way to improve the quality of the solution and experience.

**Build. Iterate. Review. Improve.:** Once we're happy with our prototype, we'll turn it into a fully functional, production-ready digital service. We'll iterate with you, test and improve - until we get where need to be.

**Launch:** Our team can migrate data, arrange hosting and everything else associated with going live.

**Review and improve:** There is always a scope for improvement. Insights derived from real-world data can inform short-term improvements - or a longer-term next phase.

During the current year along with the current healthcare offerings mentioned above the company plans to offer Analytics, Blockchain and AI services and solutions to the Healthcare sector including population management. The company has concrete plans for Inorganic growth in which the company plans to acquire



companies in the “Revenue Cycle Management” space of the health care sector, introduce Analytics and AI solutions to build operational efficiencies and save costs to improve the bottom line on one hand and benefit from labour arbitrage opportunities on the other. Similarly, we also plan to introduce Blockchain for expanding the healthcare business models.

We are aligning our people, processes, and capabilities in line with the current plan. Specific and advanced training is being planned to strengthen the internal capability to gear up for execution. Parallely, the sales, solutioning and service definitions are being planned and delivery capabilities are being augmented.

We plan to incorporate cutting edge technologies such as Blockchain, Artificial Intelligence, Machine Learning into our offerings to develop contemporary and compelling solutions for the “Healthcare industry”.

The company envisions GSS Labs becoming a platform that brings together ideas, expertise, talent and opportunity. The goal of GSS Labs is to bring to market rapid and relevant innovation that has transformative impact for companies and consumers in the Healthcare domain. GSS Labs forms the bridge between what GSS today is and what it intends to be in the next leap of growth. This platform provides all the impetus required for the company to launch innovative solutions to the customers earlier than competition.

#### **d. AI Driven Digital Person – The Digital Brain**

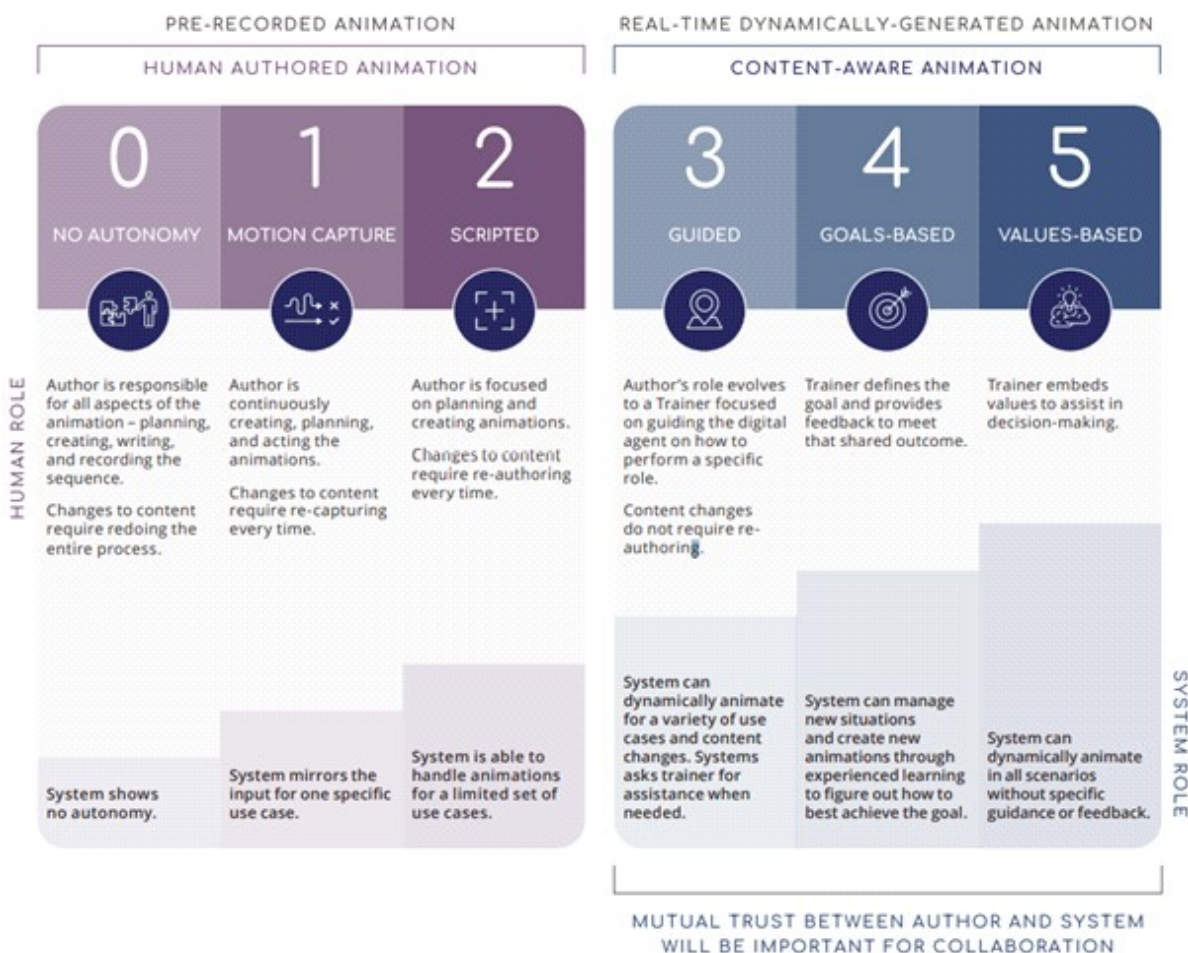
Human cooperation is one of the most important forces in history. As the world becomes more virtual, human cooperation with machines will undoubtedly unlock new innovations and milestones for humanity. In order to unlock that potential, machines need to upskill and have more natural interactions with humans at scale. The paradigm needs to flip so humans are no longer forced to do unnatural activities in order to work with machines. The system needs to be able to create 1:1 personalized interaction with humans at scale. This is the promise of Artificial Intelligence (AI). The current AI iteration has been impressive in its ability to showcase specific outcomes. There is a lot of promise that these advancements will further society in its pursuits. Machine learning algorithms have enabled computers to understand spoken language and recognize visually presented objects at near-human levels. Other models are demonstrating some idea of creativity and imagination by creating new content based on other works of art, literature, and music. However, what is happening with all this activity is that the original promise of AI is being diluted or misconstrued to focus on specific tasks rather than the more ambitious goals of creating a collaborative system that co-creates with humans.

GSS has partnered with Soul Machines which is focused on unlocking the human potential by evolving the relationship between machines and humans from transactional to interactional. Soul Machines has created a system that allows for hyper-real face-to-face communication and interaction, making the machine feel alive and personal. Soul Machines’ technology is rooted in neuroscience and is inspired by how humans naturally process information, learn, interact, and create memories. The human brain is naturally able to process multiple inputs (light, sound, touch, etc.), prioritize its attention, learn through experience, create and store memories, and coordinate actions and behaviors based on rewards and intricate emotional systems.

Soul Machines has created hyper-real technologies around Facial Animation & Body Movements to engender a natural interaction between people and Digital People. A face is central to life-like interactions because it provides context and feedback interactions through emotions and expression and is a basis of trust. Soul Machines has created facial animation technology that establishes a core relationship between people and Digital People. In addition, Soul Machines has pioneered real-time collaborative user experiences (CUE) through the use of body language and gestures to provide additional context to the content and drive mutual understanding. Soul Machines’ unique combination of biologically inspired R&D, architecture, and animation position it as the leader in the pursuit of Autonomous Animation and its human-machine collaborative

approach to AGI. This system will drive higher customer engagement, understanding, and connection between machines and humans.

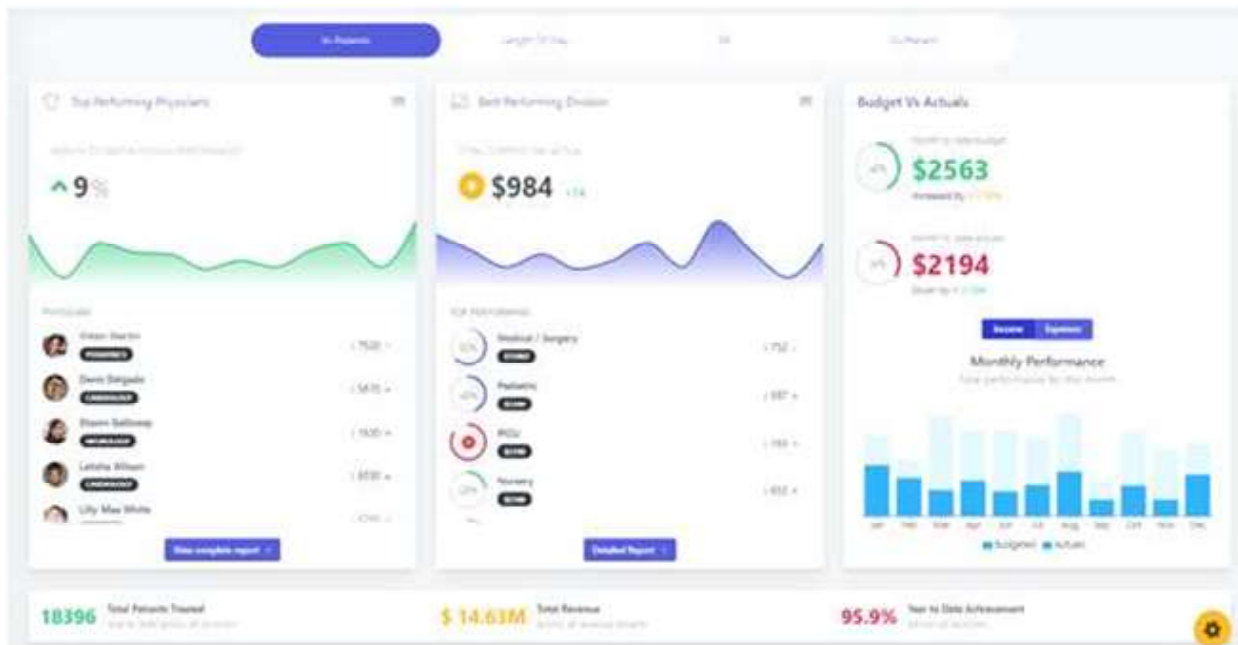
## Levels of Automation



### e. The TruVu Solution

GSS's TruVu is a one of its kind data visualization and simplification platform to consolidate data and cut through complexity. Leveraging the latest in technology, the platform empowers leaders at all levels to visualize, monitor, share, and report Key Performance Indicators without having to enter data in a new application or providing access to their applications.

TruVu is platform that runs on 95% automation leveraging RPA and leading Machine Learning techniques to analyze, summarize, predict and present complex data as simple Pivots, Table, Bar, Line, Area, Gauges, Pie, etc. for point-in- time and historic data. The platform is built for rapid deployment thus allowing users to start tracking KPIs and get alerted on thresholds immediately for proactive action and laser focused decisions.



### Key Insights

Average Admissions	Discharge rate	Average bed occupancy rate	Average length of stay	Covid testing	Result rate	Average ER response time
Average ICU turn around time	Physician to patient ratio	Average inventory usage	Critical device utilization	CFO data by division	Surgeries by division	Average revenue per division

### Key Features

95% Automation Through RPA	1 Week rapid deployment	100% Customizable	Cloud / On Premise Deployment	Data Sharing via JSON / iFrame	Zero Data Entry / User Training
SSO and Role based access control	Real time KPI alerting	Optimized Data Streaming	Build-in Predictive Analysis	Leading data security framework	Single pane of glass for all data



## f. Polimeraas Limited

### Acquisition

GSS Infotech board approved the acquisition of an Indian "farm to store" company Polimeraas. This is a strategic and most logical move based on the exponential growth the market has witnessed over last couple of years in the eCommerce space.

#### 01 Why Polimeraas

- Polimeraas stores are currently ideal dark stores for a hyper local rapid delivery fleet.
- GSS foresee significant opportunities to improve efficiency across the value chain by leveraging technology

#### 02 Tech Collaboration

- GSS Infotech has made a strategic investment in development of an integrated online commerce platform which can be leveraged for the online fulfillment for Polimeraas stores.

#### 03 Next Steps

- The company plans to expand its presence by 100+ brick and mortar stores
- Online fulfillment using Mobile and Web applications
- New business model around e-commerce based on Polimeraas data



## Polimeraas – Business Snapshot





Polimeraas is a fresh produce retailer with 100% brick and mortar presence (non-online) in South India:

50 operational stores in Hyderabad (12 in fit-out stage)

5 operational stores in Bangalore (8 in fit-out stage)<sup>1</sup>



- Stores are air-conditioned 1000-3000 sq ft spaces that target value-conscious consumers in dense neighborhoods
- Consignee sales agents run stores on Polimeraas brand following approval from Polimeraas management in exchange for monthly commissions: sales are billed directly to Polimeraas

- 185 Cr annual sales
- 25,000 daily unique customers
- 100 daily fresh produce tonnage
- 350 Rs average sale
- <5% wastage
- ~10% sustained month-on-month growth

## Value creation: Current Operations Provide Robust Base for Product and Service Range Expansion



### Service Additions for Farmer Partners

- Polimeraas' longstanding partnership with 30k+ farmers has developed trust between partners in a notoriously low trust environment
- Polimeraas can partner with agricultural input manufacturers to sell value-additive products for farmer such as better seeds and fertilizers
- Existing goodwill will enable Polimeraas to expand into becoming a trusted provider/distributor of microfinance and other credit services as well

### Customer Product Range Expansion

- Polimeraas' customer base is a crucial, sticky asset: they shop at an offline-only chain despite deep e-grocer penetration in Hyderabad and Bangalore
- Customer engagement can be enhanced by adding new SKUs including processed foods, other FMCG goods, and additional convenience items
- Existing brand reputation can be leveraged to develop margin-accretive private label products like Big Basket's Fresh

### Retail Network Expansion

- Polimeraas' supply chain already extends across 6 states, which allows for the seamless addition of new collection and retail nodes
- Despite the proliferation of e-grocers and hyperlocal players, tier 1 and 2 cities in South and Central India like Chennai and Pune remain under-penetrated



## Value creation: Current brick-and-mortar base is ripe for tech transformation



### Three Initiatives to consider

#### Develop cohesive online brand presence and hyperlocal delivery:

- Polimeraas today has no online presence: there is an opportunity and pressing need to develop robust online collaterals to enhance customer perception
- Polimeraas' retail stores and urban packing centers can also become ideal dark stores for a hyperlocal rapid delivery fleet – companies like Zepto and Swiggy Instamart are seeing enthusiastic investor interest in India on the back of such models

#### Leverage data analytics to drive supply chain efficiencies

- Site visits to Polimeraas retail, distribution, and collection locations show meaningful opportunities to increase efficiency across the value chain
- Commencing data collection and analysis will help Polimeraas optimize processes and build a logic-driven process to aid further expansion – this will reduce operations cost and accelerate Polimeraas' path to profitability

#### Create tech-enabled best-in-class retail experiences

- Polimeraas' brick-and-mortar popularity is an asset in a digital enabled world: tracking products with QR codes can build deeper trust with customers keen to see product life journeys, and AR/VR technology can be utilized to provide unique in-store experiences
- Creating comprehensive online records of store and SKU layouts will enable product assortment enhancement and store re-design to optimize customer flow

## Integrating Polimeraas Brick and Mortars with eCommerce

Leveraging investment made in cloud and eCommerce domain over the past few years – GSS Infotech is geared to integrate the recently acquired Brick and Mortar business with eCommerce to bring online brand presence and hyperlocal delivery

- Polimeraas do not has an online presence: there is an opportunity and pressing need to develop robust online collaterals to enhance customer perception
- Polimeraas' brick-and-mortar popularity is an asset in a digital enabled world: tracking products with QR codes can build deeper trust with customers keen to see product life journeys, and AR/VR technology can be utilized to provide unique in-store experiences
- Commencing data collection and analysis will help Fresh optimize processes and build a logic-driven process to aid further expansion – this will reduce operations cost and accelerate Fresh's path to profitability



Polimeraas is synonymous with superior quality and continues to strive for higher levels of customer trust and confidence, by taking feedback and giving our customers what they want. We have added the convenience of pre-cut fruits in our range. If it's a product category you're looking to shop from, we've made it convenient for you to access all products in a section easily

We are proud to be associated closely with the farmers from whom we source our fresh products. Most of our farm-fresh products are sourced directly from farmers, which not only ensures the best prices and freshest products for our customers but also helps the farmers get better prices. With more than 80 Organic Fruits and Vegetables and a wide range of organic staples, Polimeraas has the largest range in the organic products category.

#### IV. Outlook, risks and concerns

This section lists forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these statements as a result of certain factors. Our outlook, risks and concerns are as follows:

##### i. **Risks related to global COVID-19 health pandemic and post-pandemic resilience:**

The COVID-19 pandemic has impacted, and may further impact, all of our stakeholders – employees, clients, vendors, investors and the communities we operate in.

COVID-19 pandemic has heightened several other risks that are described in this section:

- a. Impact on profitability and cash flows as some clients may ask for price reductions, discounts or longer payment terms;
- b. Additional cost to ensure safety and hygienic workplaces for our employees and to convert them for a hybrid working model;
- c. Additional costs to procure and deploy hardware assets, technology infrastructure, information security infrastructure and data connectivity charges for remote working;

##### ii. **Some of the other key risks that the Company is facing are as follows:**

###### 1. **Risks related to the investments we make for our growth**

- a. Our business will suffer if we fail to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technology and in the industries on which we focus.
- b. We may engage in acquisitions, strategic investments, strategic partnerships or alliances or other ventures that may or may not be successful.
- c. Goodwill that we carry on our balance sheet could give rise to significant impairment charges in the future.

###### 2. **Risks related to our cost structure**

- a. Our expenses are difficult to predict and can vary significantly from period to period, which could cause fluctuations to our profitability.
- b. Any inability to manage our growth could disrupt our business, reduce our profitability and adversely impact our ability to implement our growth strategy.
- c. We are investing substantial cash in creating physical and technological infrastructure, and our profitability could be reduced if our business does not grow proportionately.



## **V. Internal control systems and their adequacy**

The CEO and CFO certification provided in Annexure G discusses the adequacy of our internal control systems and procedures.

## **VI. Financial Information**

### **a. Other Equity**

Other Equity comprises mainly Reserves and surplus and other comprehensive income. The movement in other equity is on account of profit earned during the year, and issue of Share warrants.

### **b. Other Advances**

The company has made an advance of Rs.24.00 crores to Polimeraas Limited towards acquisition of equity capital and Rs. 5.50 crores towards operations.

## **VII. Material developments in human resources / industrial relations, including number of people employed**

### **a. Human resources management**

- a. Ensure that our people are continuously learning and progressing in their careers and shaping our collective future.
- b. The future workplace looks headed to a hybrid remote model. Flexibility of location and time will be key to attract and retain talent. We have kept client and statutory requirements in mind while enabling working from any location within India.
- c. GSS is committed to providing a positive work environment free of discrimination and harassment. Equal opportunity and fair treatment are part of our Code of Conduct to which all employees subscribe.

### **b. Employee well-being**

- a. During the pandemic, Human Resource team was constantly in touch with employees, keeping an update on their health condition. GSS facilitated vaccination drive for its employees.
- b. We create opportunities for work-life balance and conduct several leisure events to cater to employees' interests, hobbies, and lifestyle.
- c. 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.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### GSS ADVANTAGE

**1. IT Industry Experts**

20+ Years in Enterprise IT |  
350+ Dedicated IT Consultants |  
150+ consultants in the US

**2. Service Delivery Expertise**

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

**3. Technology Practice Expertise**

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

**4. Quality Assurance**

SSAE 18 | ISO 27001 | ISO 20001 HIPAA |  
ITIL Certified Resources

**5. IT Adoption Commitment**

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

## Locations

APAC -India	North America	
	North Brunswick, NJ, USA	Glastonbury, CT, USA
	<p>2050, Brunswick Plaza -1, State Highway 27, Suite #201 North Brunswick NJ-08902. Tel: +1 732-798-3101 Fax: +1 866-726-0520</p>	<p>2842, Main Street, Suite#164, New London Turnpike, Glastonbury, CT, 06033, USA Tel: +1 860-633-7174 Fax: +1 860-633-7162</p> <p>15 New England Executive Park, Burlington, Massachusetts 01803</p>

## Annexure [F] to Board's Report

### Report on Corporate Governance

#### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

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

The Securities and Exchange Board of India ("SEBI") on 2<sup>nd</sup> September 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Obligations") with an aim to consolidate and stream-line 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 20<sup>th</sup> November 2015.

#### **GOVERNANCE FRAMEWORK**

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

##### **Board Structure:**

##### **Board Leadership:**

Your Company has a well-balanced Board of Directors with members from diverse backgrounds who have years of experience and expertise in various fields. There are 6 members on the Board. Out of 6 members on the Board, 3 are Independent Directors who are well known for their wealth of experience, high standards of governance and independence and 2 are Non-Executive, Non-Independent Directors well known for their wealth of experience. 1 out of 6 members is Promoter Director. The CEO & Managing Director is responsible for the overall management of the affairs of the Company under the supervision of the Board of Directors. The Board over the period of years has created a culture of leadership to provide long-term vision and policy approach to improve performance and quality of governance in your Company. It has played a primary role in providing strategic direction to the management coupled with giving responsibility and accountability to deliver value with highest level of transparency and integrity.

##### **Board Committees:**

Committees have been constituted by the Board with specific terms of reference and have an optimum representation of Board members. These Committee members meet at such frequency as is necessary to address the responsibilities and tasks assigned to them. Presently there are four (4) Committees of the Board viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility (CSR) Committee.

##### **Management Structure:**

##### **CEO & Managing Director:**

The CEO & Managing Director 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 CEO & Managing Director 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 Mr. Bhargav Marepally, CEO & Managing Director of the Company.

## BOARD OF DIRECTORS

### Composition:

- The Composition of the Board of GSS Infotech Limited comprises of 6 Directors as stated below:

1	Mr. Bhargav Marepally	Managing Director and Promoter
2	Mrs. Nagajayanthi Das Juttur Raghavendra	Non-executive, Woman Independent Director
3	Mr. Prabhakara Rao Alokam	Non-executive, Independent Director
4	Mr. Chaitanya Challa	Non-executive, Independent Director
5	Mr. Rambabu Sampangi Kaipa	Non-executive, Non-Independent Director
6	Mr. Saikiran Surya Satya Raghavendra Gundu	Non-executive, Non-Independent Director

- The Company have one-half of the composition of the Board as Independent Directors.
- As on March 31, 2022, the Composition of the Board was 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.
- The appointment was approved by the shareholders of your Company.

➤	Mrs. Nagajayanthi Das Juttur Raghavendra	- 30 <sup>th</sup> September, 2019
➤	Mr. Prabhakara Rao Alokam	- Re-appointment for a tenure of five years.
➤	Mr. Chaitanya Challa	- Regularization of appointment by the shareholders in the ensuing AGM. Appointed by the Board of Directors on 5 <sup>th</sup> November, 2021.

- 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: <https://www.gssinfotech.com/wp-content/uploads/2020/01/Sample-Letter-of-Appointment-to-Independent-Directors.pdf>

### Independent Director's Meeting:

During the year under review, the Independent Directors met on 24<sup>th</sup> December, 2021, 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 perform the duties effectively and reasonably.

Details of skills / expertise / competence of the Board of Directors:		
Name of the Director	Category	Skills/ Expertise/ Competence
Mr. Bhargav Marepally	CEO and Managing Director	He is the founder of GSS Infotech comes with over 20 years of experience in the IT Services Industry. He holds a double Master's degree from BITS Pilani. He is a member of many technology and management associations worldwide. He was also nominated for "The Entrepreneur of the Year" contest by Ernst & Young in 2005.
Mrs. Nagajayanthi Das	Non-Executive and Juttur Raghavendra	She is a Fellow Member of Institute of Company Secretaries of India, Independent Director and a Post-Graduate in Financial Management with rich experience in Corporate Finance, Secretarial and corporate compliance. After a brief stint as a Class 1 Gazette Officer with Cabinet Secretariat Government of India, New Delhi she ventured into corporate world and has been Company Secretary and Compliance Officer for reputed multinational companies in field of construction, fertilizer manufacturing, bioinformatics and economics and the pharmaceutical industry.
Mr. A Prabhakara Rao	Non-Executive and Independent Director	He is a Chartered Accountant by profession and entrepreneur by choice. He is a seasoned financial professional who brings in 20 years of financial and industrial expertise to the business. He has varied industry experience in IT/ITES, Agro-based seed industry, bulk drug industry and large- scale dairy industry. He is the promoter of Hyderabad based IT/ ITES Company engaged in IT infrastructure management, security solutions and IOT Solutions. Also serving board of start-up company engaged in development of online platform for logistics and transport management.
Mr. Chaitanya Challa	Non-Executive and Independent Director	He is a highly qualified doctor holding a MBBS from Sri Ramachandra university (Batch of 2000), MD from Sri Ramachandra University (Batch of 2008), PDCC Critical Care- from Nizams Institute of Medical Sciences (Batch of 2012) and FCCS from Fundamental Critical Care support. He has worked as Unit Chief Internal Medicine in Virinchi Hospital from August 2018 to February 2020. He is currently working as a Service Consultant in Care Hospital Banjara Hills, Apollo Hospital Jubilee Hills, Global Hospital Lakdikapool, Omni Hospital Kukatpally as Unit Head in of Internal Medicine, Diabetes, Obesity, Hypertension, Lifestyle Disorders & Critical Care. He has started Health At Homes, A Home-Based Health Care Company which provides Doctors At Home, Nurses At Home, Caretakers At Home, Pharmacy At Home, Vaccinations At Home, ECG At Home, X-Ray At Home, Ambulances Services for home, Air Ambulance Services, Lab Tests At Home and all other Medical Equipment Services at Home. He has also started a clinic by name Challa Clinics (A UNIT OF CHALLA HOSPITALS) which is a completely free of charge (only Consultations) Health Care Centre.

Name of the Director	Category	Skills/ Expertise/ Competence
Mr. Rambabu Sampangi Kaipa	Non-Executive and Non-Independent Director	A post-graduate in Computer Science from NIT, Warangal, he has spent 25 years with Infosys Limited, building their global delivery model working from the Chairman's office and spearheading their CSR initiatives "The Akshaya Patra Foundation. He has over 25 years of global experience in delivering IT services globally for large clients managing in excess of USD 150 Million in revenues.
Mr. Saikiran Surya Satya Gundu	Non-Executive and Non-Independent Director	A post-graduate in computer applications, he is passionate about solving business problems through automation. He combines business acumen with technical knowledge to create innovative solutions to address industry challenges. He has strong global experience in IT infrastructure and Automation and has rolled out many products and services to address key problems through automation.

#### 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 (*)
Mr. Bhargav Marepally	CEO and Managing Director	***	-
Mrs. Nagajayanthi Das Juttur Raghavendra	Non-Executive and Independent Director	***	-
Mr. A Prabhakara Rao Alokam	Non-Executive and Independent Director	***	-
Mr. Chaitanya Challa	Non-Executive and Independent Director	***	-
Mr. Rambabu Sampangi Kaipa	Non-Executive and Non-Independent Director	***	-
Mr. Saikiran Surya Satya Gundu	Non-Executive and Non-Independent Director	***	-

As on 31<sup>st</sup> March 2022, there are two changes in the nature of the Directorship of the Company during the FY 2021-22:-

1. Mr. G.S.Padmarao Lakkaraju who was acting as an Independent Director tendered his resignation on 05<sup>th</sup> November, 2021 which was accepted by the Board in its meeting held on 05<sup>th</sup> November, 2021.
2. Mr. Chaitanya Challa was appointed as an Additional Non-Executive Director in an independent capacity in a Board Meeting held on 05<sup>th</sup> November, 2021.

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

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

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



### Number of Board Meetings:

During the financial year ended 31<sup>st</sup> March 2022, seven (7) 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
09 <sup>th</sup> June, 2021	Results
14 <sup>th</sup> July, 2021	Appointment of MD
13 <sup>th</sup> August, 2021	Results
05 <sup>th</sup> November, 2021	Results
04 <sup>th</sup> December, 2021	Issue of Share Warrants
24 <sup>th</sup> December, 2021	Scheme of Merger
14 <sup>th</sup> February, 2022	Review & 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, the AGM and the EGM held during the year ended 31<sup>st</sup> March 2022 are as follows:

Name of the Director	Board Meeting details		Attendance at the Annual General Meeting held on 30 <sup>th</sup> , September 2021	Attendance at the Extra Ordinary General Meeting held on 3 <sup>rd</sup> January, 2022
	Held	Attended		
Mr. Bhargav Marepally	7	7	Attended	Attended
Mr. Chaitanya Challa	7	3	Not Applicable	Attended
Mrs. Nagajayanthi DasJuttur Raghavendra	7	7	Attended	Attended
Mr. A Prabhakara Rao Alokam	7	7	Attended	Attended
Mr. Padmarao G.S. Lakkaraju	7	7	Not Attended	Not Applicable
Mr. Rambabu Sampangi Kaipa	7	4	Attended	Attended
Mr. Saikiran Surya Satya Raghavendra Gundu	7	7	Attended	Not Attended

Shareholding of the Non-Executive Directors of the Company in GSS Infotech Limited as on 31<sup>st</sup> March 2022 is as follows:

Name of the Director	Nature of Directorship	No. of shares held	% to the paid-up share capital
Mrs. Nagajayanthi Das Juttur Raghavendra	Non-Executive and Independent Director	Nil	Nil
Mr. A Prabhakara Rao Alokam	Non-Executive and Independent Director	Nil	Nil
Mr. Padmarao G.S. Lakkaraju	Non-Executive and Independent Director	Nil	Nil
Mr. Rambabu Sampangi Kaipa	Non-Executive and Non- Independent Director	Nil	Nil
Mr. Saikiran Surya Satya Raghavendra Gundu	Non-Executive and Non- Independent Director	Nil	Nil
Mr. Chaitanya Challa	Non-Executive and Independent Director	Nil	Nil

Mr. Bhargav Marepally, CEO and Managing Director holds 4,992 equity shares of the Company as on 31<sup>st</sup> March 2022.

**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 videoconferencing. 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 videoconferencing.

**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:

<https://www.gssinfotech.com/wp-content/uploads/2020/01/familiarization-programme-and-meeting-of-independent-directors.pdf>

**Evaluation of Board Effectiveness:**

In terms of provisions of the Companies Act, 2013 read with Rules issued thereunder and Listing Regulations, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31<sup>st</sup> March 2022. 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 24<sup>th</sup> December, 2021, 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 four (4) Committees of the Board, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee and Corporate Social Responsibility (CSR) Committee.

### Audit Committee:

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

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

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended 31<sup>st</sup> March 2022, are detailed below:

Name of the Member	Nature of Membership	Category	Audit Committee Meeting Details	
			Held	Attended
Mr. Prabhakara Rao Alokam	Chairman	Non-Executive and Independent Director	5	5
Mr. Bhargav Marepally	Member	CEO and Managing Director	5	5
Mrs. Nagajayanthi Das Juttur Raghavendra Juttur Raghavendra	Member	Non-Executive and Independent Director	5	5

Date(s) on which Audit Committee meeting(s) were held.	Purpose
09 <sup>th</sup> June, 2021	Results
13 <sup>th</sup> August, 2021	Results
05 <sup>th</sup> November, 2021	Results
24 <sup>th</sup> December, 2021	Scheme of Merger
14 <sup>th</sup> February, 2022	Review & Results

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:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible.
2. Reviewing with the management the quarterly, half-yearly, nine-monthly, and annual financial statements, standalone as well as consolidated, before submission to the Board for approval.
3. Reviewing the Management Discussion and Analysis of the financial condition and results of operations.

4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as per Section 134(3)(c) of the Companies Act, 2013.
  - b. Changes in the accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings.
  - c. Compliance with listing and other legal requirements relating to financial statements.
  - d. Disclosure of any Related Party Transactions (RPTs); and
  - e. Qualifications in the draft audit report, if any.
5. Reviewing the financial statements of unlisted subsidiary companies (including joint ventures) and investments made by the unlisted subsidiary companies (including joint ventures).
6. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:
  - a. qualifications and experience of the individual/firm proposed to be considered for appointment as auditor;
  - b. whether such qualifications and experience are commensurate with the size and requirements of the company; and
  - c. giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.
7. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;
8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern;
9. Reviewing and approving quarterly and yearly management representation letters to the statutory auditor;
10. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
11. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor of the Company;
14. Formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
15. Evaluating the Internal Financial Controls and risk management policies/system of the Company;
16. Discussion with the internal auditors on internal audit reports relating to internal control weaknesses and any other significant findings and follow-up thereon;
17. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
18. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the company by its officers/ employees;

19. Approval or subsequent modification of transactions of the Company with related parties including appointment and revision in remuneration of related parties to an office or place of profit in the Company, its subsidiary company or associate company;
20. Reviewing the statements of significant related party transactions submitted by the management;
21. Reviewing and Scrutinizing the inter-corporate loans and investments;
22. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy. Overseeing the functioning of the same;
23. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
24. Approving the auditors (appointed under the Companies Act, 2013) to render any service other than consulting and specialized services;
25. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
26. Review the cost audit report submitted by the cost auditor on audit of cost records before submission to the Board for approval;
27. Appointing registered valuers and defining the terms and conditions for conducting the valuation of assets/ net-worth/ Liabilities of the Company. Reviewing the valuation report and follow-up thereon;
28. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
29. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
30. Review and approve policy formulated for determination of material subsidiaries;
31. Review and approve policy on materiality of related party transactions and also dealing with related party transactions.
32. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
33. Any other matter referred to by the Board of Directors.

The Company Secretary acts as the Secretary to the Committee.

### **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 2021-22. 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 committee was duly re-constituted on 05<sup>th</sup> November, 2021. Mr. Chaitanya Challa, Independent Director was appointed as a Member of the Committee in place of Mr. G.S.Padmarao Lakkaraju who had tabled his resignation in the Board of Directors meeting held on 05<sup>th</sup> November, 2021.

The Composition of The Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2022 is as follows:

Name of the Member	Membership	Category
Mrs. Nagajayanthi Das Juttur Raghavendra	Chairperson	Non-Executive and Independent Director
Mr. Chaitanya Challa	Member	Non-Executive and Independent Director
Mr. Prabhakara Rao Alokam	Member	Non-Executive and Independent Director

Dates(s) on which NRC meeting(s) were held.
14 <sup>th</sup> July, 2021.
15 <sup>th</sup> , November 2021.

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 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. **Performance evaluation criteria for Independent Directors:** The Company has laid down evaluation criteria separately for evaluating Independent Directors. The criteria for evaluation of Independent Directors includes parameters such as attendance, maintaining effective relationship with fellow Board members, providing quality and valuable contribution during meetings, successfully bringing their knowledge and experience for the benefit of the company. Based on such criteria, the evaluation is done in a structured manner through consultation and discussion.
9. **The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report.**

Regulation	Particulars of Regulations	Compliance Status(Yes/No/NA)
17	Board of Directors	Yes
17A	Maximum Number of Directorship	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholder Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	NA
24A	Secretarial Audit	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

10. **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 2021-22:**

During the financial year ended 31<sup>st</sup> March 2022, Mr. Bhargav Marepally, Managing Director, did not draw any remuneration from the Company.



### Details of remuneration/sitting fees paid to Directors during the year 2021-22:

During the financial year ended 31<sup>st</sup> March 2022, the Company paid Rs. 20,000/- (Rupees Twenty thousand only) as remuneration/sitting fees for attending each of the Board meeting and Rs. 5,000/- (Rupees Five thousand only) for other Committee meetings to the Non- Executive Directors of the Company.

Details of remuneration/sitting fees paid to the Directors of the Company for the financial year ended 31<sup>st</sup> March 2022 are as follows\*:

(Amount in ₹)

Name of the Director	Salary	Perquisites	Sitting fees	Commission	Total
Mr. Bhargav Marepally	-	-	-	-	-
Mrs. Nagajayanthi Das Juttur Raghavendra	-	-	1,85,000	-	1,85,000
Mr. Prabhakara Rao Alokam	-	-	1,80,000	-	1,80,000
Mr. LGS Padma Rao	-	-	85,000	-	85,000
Mr. Rambabu Sampangi Kaipa	-	-	1,40,000	-	1,40,000
Mr. Saikiran Surya Satya Raghavendra Gundu	-	-	1,20,000	-	1,20,000
Mr. Chaitanya Challa	-	-	-	-	-

\*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 was duly re-constituted on 05<sup>th</sup> November, 2021. Mr. Chaitanya Challa, Independent Director was appointed as a Member of the Committee in place of Mr. G.S.Padmarao Lakkaraju who had tabled his resignation in the Board of Directors meeting held on 05<sup>th</sup> November, 2021

The Committee had two (2) meetings on 04<sup>th</sup> December, 2021 and 05<sup>th</sup> February 2022. The terms of reference of the Committee included issue of 28,00,000 nos. of share warrants/preferential allotment and enquiring into and redressing the complaints of shareholders and investors and to resolve the grievance of the security holders of the Company respectively.

The Composition of the Stakeholder's Relationship Committee as on 31<sup>st</sup> March 2022 is as follows:

Name of the Member	Nature of Membership	Category
Mrs. Nagajayanthi Das Juttur Raghavendra	Chairperson	Non-Executive and Independent Director
Mr. Bhargav Marepally	Member	CEO and Managing Director
Mr. Chaitanya Challa	Member	Non-Executive and Independent Director

Details pertaining to the number of complaints received and responded and status thereof during the financial year ended 31<sup>st</sup> March 2022, is given below:

Details of Investor Complaints during FY 2021-22	Number
No. of complaints received during the year 2021-22	Nil
No. of complaints resolved during the year 2021-22	Nil
No. of complaints pending at the end of the year 2021-22	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: <https://www.gssinfotech.com/wp-content/uploads/2020/01/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: <https://www.gssinfotech.com/wp-content/uploads/2020/01/related-party-transanctions.pdf>

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

During the financial year ended 31<sup>st</sup> March 2022, the Company has entered into RPTs in the ordinary course of business and on arms’ length basis; and in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Regulation 23 of the Listing Regulations and the Policy of the Company on dealing with RPTs. During the financial year ended 31<sup>st</sup> March 2022, 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: NIL

There are no employees in the Company, who are relatives of Directors, holding office of place of profit in the Company as on 31<sup>st</sup> March 2022.

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

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

## **CEO AND CFO CERTIFICATION**

As required under Regulation 17 of the Listing Regulations, the CEO and CFO certificate for the financial year ended 31<sup>st</sup> March 2022, signed by Mr. Bhargav Marepally, CEO & Managing Director and Mr. P. S. Phaninder Nath, CFO is “Annexure - G” and forms part of this Report.

## GENERAL BODY MEETINGS

1 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
2020-21	Through Videoconferencing	30 <sup>th</sup> September, 2021	10:00 a.m.	1
2019-20	Through Videoconferencing	30 <sup>th</sup> September, 2020	10:00 a.m.	1
2018-19	Ellaa Suits, Lotus Hall, Hill Ridge Springs, No. 25, Kancha, Gachibowli, ISB Road, Hyderabad - 500032.	5 <sup>th</sup> September, 2019	10:00 a.m.	1

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.

2. Details of Extra Ordinary General Meeting of the Company held during the year are as under:

Financial Year	Location	Meeting Date	Time	No. of special resolutions set out at the EGM
2021-22	Through Videoconferencing	3 <sup>rd</sup> January, 2022	11:00 a.m.	6

### Statement on Declaration by Independent Directors

Mr. Chaitanya Challa, Mr. Prabhakara Rao Alokam and Mrs. Nagajayanthi Das Juttur Raghavendra are the Independent Directors on the Board of the Company as on 31<sup>st</sup> March 2022. All the Independent Directors have given their respective declarations under Section 149 (6) and (7) of the Companies Act, 2013 and the Rules made thereunder. The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures, and confirm that the Independent Directors fulfil the conditions of independence specified in the Listing Regulations.

Further, Annual Secretarial Compliance Report issued by the Practicing Company Secretary pursuant to Circular dated 08 February 2019 issued by SEBI is also attached to this Report as Annexure-H.

As required by SEBI (LODR) Regulations, 2015, a certificate from Practicing Company Secretary that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, is attached to this Report as Annexure-I. (Certificate of Non-Disqualification of Directors)

### Postal Ballot

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

## DISCLOSURES

- There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
- Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets:
  - The following observation was made by the secretarial auditor for FY 21-22 which is self-explanatory and does not require further explanation from directors: As per the notices issued by BSE and NSE to the

company, the company did not furnish the prior intimation regarding the discussion happened in the meeting of the board of directors held on 14<sup>th</sup> July 2021 as required under Regulation 29 of SEBI LODR, 2015 and imposed the fines to the company. The Company has paid such fines to BSE and NSE. However, the company has clarified to the Stock Exchanges that there is no specific funding proposal that has been discussed and the entire discussion was generic in nature and thus prior intimation was not given. It was further informed to the stock exchanges that at the time of disclosure of outcome to stock exchanges, the company inadvertently articulated as approved wherein the same was discussed.

Furthermore, the company has requested the Stock Exchanges for waiver of such fines.

### 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. **Where the board had not accepted any recommendation of any committee of the board, which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:**

There were no instances during the financial year 2021-22 wherein the Board had not accepted the recommendations made by any Committee of the Board.

### 5. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, prohibition, and redressal) Act, 2013:**

- a. Number of complaints filed during the financial year: Nil
- b. Number of complaints disposed of during the financial year: Nil
- c. Number of complaints pending as on end of the financial year: Nil

### 6. **Code of Conduct**

Your Company has adopted a Code of Conduct for all the employees including Board Members and Senior Management Personnel of the Company in accordance with the requirement under Regulation 17 of the Listing Regulations. The Code of Conduct has been posted on the website of the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31<sup>st</sup> March 2022. The declaration to this effect signed by Mr. Bhargav Marepally, CEO & Managing Director of the Company forms part of the report. The Code of Conduct can be accessed through the following link: <https://www.gssinfotech.com/wp-content/uploads/2020/01/code-of-conduct.pdf>

### 7. **Code of Conduct for Prevention of Insider Trading**

GSS's Code of Conduct for Prevention of Insider Trading covers all the Directors, senior management personnel, persons forming part of promoter(s)/promoter group(s) and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company. The Directors, their relatives, senior management personnel, persons forming part of promoter(s)/promoter group(s), designated employees etc. are restricted in purchasing, selling, and dealing in the shares of the Company while in possession of unpublished price sensitive information about the Company as well as during the periods when the trading window is closed. All the Directors, senior management personnel, persons forming part of promoter(s)/ promoter group(s) and other designated employees of the Company are restricted from entering into opposite transaction, i.e., buy or sell any number of shares during the next six months following

the prior transaction. The Board of Directors at its meeting held on 30<sup>th</sup> May 2015 approved and adopted the 'GSS Infotech Limited - Code of Conduct to Regulate, Monitor and Report Trading by Insiders' in line with SEBI (Prohibition of Insider Trading) Regulation, 2015. The Board at its aforesaid meeting also approved the 'GSS Infotech Limited - Code for Fair Disclosure' and the same can be accessed through the following link: <https://www.gssinfotech.com/wp-content/uploads/2020/01/sebi-insider-trading-and-code-for-upsi-30052015.pdf>

**8. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule-V**  
The Company has complied with the requirements of corporate governance report of sub-paras (2) to (10) of clause C of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Following is the status of the compliance with the non-mandatory requirements:

**1. The Board:**

The Chairman of the Company has a separate Chairman's Office at the Registered Office of the Company.

**2. Shareholder Rights:**

All the quarterly financial results are placed on the Company's Website: [www.gssinfotech.com](http://www.gssinfotech.com), apart from publishing the same in the Newspapers along with BSE and NSE.

**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. Reporting of Internal Auditor:**

M/s. Nalini & Murali Associates, Chartered Accountants, Hyderabad is 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.

5. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)- received Rs. 7.49 Cr. towards 25% value of 28,00,000 nos. of share warrants issued.

6. A certificate from a company secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been enclosed as separately to this report.

7. Where the board had not accepted any recommendation of any committee of the board, which is mandatorily required, in the relevant financial year: There are no such instances during the year and the Board considered and accepted the recommendations of all the Committees.

8. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

(Amount ₹.)

Particulars	31 <sup>st</sup> March 2022
Statutory audit fees	1,200,000
Other services	-
Out of pocket expenses	-
<b>Total</b>	<b>1,200,000</b>

## 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)/Digital Exchange Portal:

NEAPS/Digital Exchange Portal 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/Digital Exchange Portal.

### 5. BSE Corporate Compliance & Listing Centre:

BSE Listing Centre 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

The 19<sup>th</sup> Annual General Meeting of the company will be held on, Friday, 30<sup>th</sup> September 2022 at 10.30 A.M. through Video Conferencing ("VC")/ Other Audio-visual Means ("OAVM") details, please refer to the Notice of this AGM.

• Financial year	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023
Tentative Schedule for declaration of results during the financial year 2022-23	
First Quarter	12 <sup>th</sup> August 2022
Half Yearly	First/Second week of November 2022
Third Quarter and Nine Months	First/Second week of February 2023
Annual	Third/Fourth week of May 2023
Date of Book closure	27 <sup>th</sup> September 2022 to 30 <sup>th</sup> September 2022 (both days inclusive)
• 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 2022-23	

- Market Price Data**

The monthly high and low prices and volumes of the Company's shares at BSE and NSE for the financial year ended 31<sup>st</sup> March 2022 are as under:

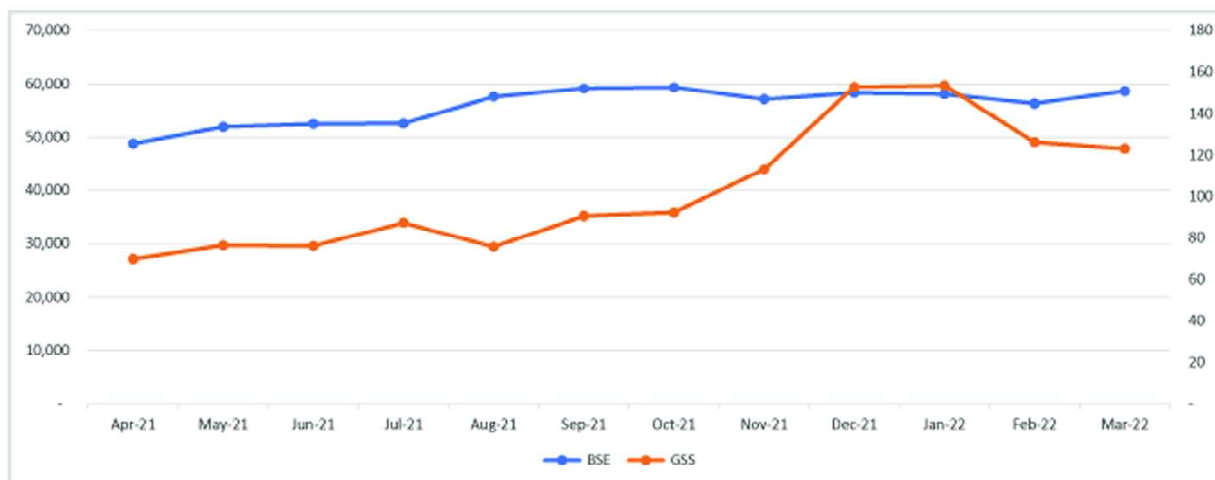
Month	BSE			NSE		
	High (in Rs.)	Low (in Rs.)	Volume	High (in Rs.)	Low (in Rs.)	Volume
<b>April 2021</b>	69.70	48.50	978,596	69.75	50.50	8,041,642
<b>May 2021</b>	76.30	59.55	396,755	76.40	60.00	5,064,231
<b>June 2021</b>	76.00	60.50	508,426	75.70	60.60	4,838,693
<b>July 2021</b>	87.35	65.05	756,987	87.40	65.55	7,866,172
<b>August 2021</b>	75.55	59.00	627,300	75.70	59.00	5,665,117
<b>September 2021</b>	90.60	71.15	783,760	90.90	67.25	7,327,977
<b>October 2021</b>	92.25	75.25	344,843	93.40	75.55	2,877,841
<b>November 2021</b>	113.00	78.15	566,495	114.20	78.30	5,735,531
<b>December 2021</b>	152.70	102.85	617,784	152.00	101.50	2,421,556
<b>January 2022</b>	153.45	111.35	433,340	152.75	112.05	926,590
<b>February 2022</b>	126.25	90.10	153,390	125.75	90.60	526,988
<b>March 2022</b>	123.00	92.90	1,66,072	123.25	92.55	1,072,892

*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.

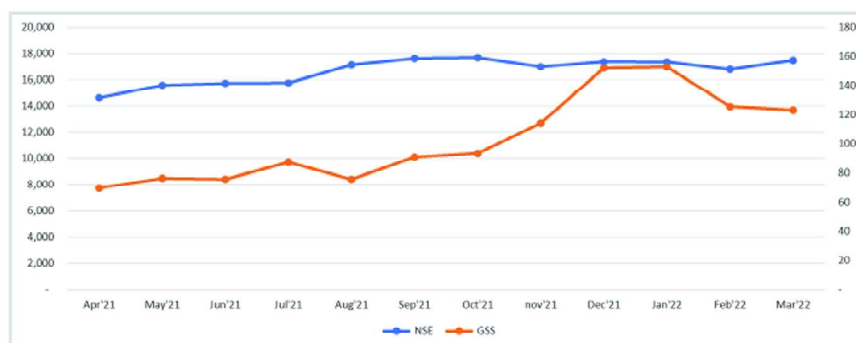
- Performance in comparison to broad-based Indices**

The Chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the financial year ended 31<sup>st</sup> March 2022 (based on month end closing):





The Chart below shows the comparison of your Company's share price movement on NSE vis-à-vis the movement of the NSE for the financial year ended 31<sup>st</sup> March 2022 (based on month end closing):



- Registrar and Transfer Agent - Bigshare Services Private Limited**

E-2 and 3, Ansa Industrial Estate, Saki-Vihar Road, Saki Naka, Andheri (E), Mumbai - 400072. India,  
Tel: 022 - 40430200, Fax: 022 - 28475207, Email: [prabhakar@bigshareonline.com](mailto:prabhakar@bigshareonline.com)

- 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, re-materialization, 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.

- Distribution of Shareholding**

Distribution of shareholding of shares of the Company as on 31<sup>st</sup> March 2022 is as follows:

No. of Equity Shares		Shareholders		Value of Shareholding	
From	TO	Number	% to total	Amount	% to total
1	5000	12,520	97.93	2,54,02,960	14.99
5001	10000	119	0.93	88,52,680	5.23
10001	20000	72	0.56	1,06,19,210	6.27
20001	30000	19	0.15	48,02,820	2.84
30001	40000	10	0.08	35,54,010	2.10
40001	50000	8	0.06	36,67,570	2.17
50001	100000	10	0.08	64,70,720	3.82
100001	999999999	26	0.21	10,59,98,460	62.58
Total		12,784	100.00	16,93,68,430	100.00

## Shareholding Pattern as on 31<sup>st</sup> March, 2022

Category of Shareholder		Total Number of Shares	% of total no. of shares
<b>(A)</b>	Shareholding of Promoter and Promoter Group		
	(a) Individuals/Hindu Undivided Family	3,325,328	19.63
	(b) Bodies Corporate	0	0
	(c) Trust	0	0
	<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>3,325,328</b>	<b>19.63</b>
<b>(B)</b>	Public shareholding		
	(1) Institutions		
	(a) Mutual Funds/ UTI	0	0
	(b) Financial Institutions/Banks	801,595	4.73
	(c) Venture Capital Funds	0	0
	(d) Foreign Institutional Investors/FPI's	34,161	0.20
	<b>Sub-Total (B)(1)</b>	<b>835,756</b>	<b>4.93</b>
	(2) Non-Institutions		
	(a) Bodies Corporate	1,645,503	9.72
	(b) Individuals		
	(i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	3,822,957	22.57
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	5,583,450	32.97
	(c) Individual (Non-Resident individuals)	231,586	1.37
	(d) Trust	0	0
	(e) Clearing Member	375,139	2.21
	(f) NBFCs registered with RBI	2,500	0.01
	(g) Overseas Corporate Bodies	0	0
	(h) IEPF	0	0
	(i) HUF	741,001	4.38
	(j) Others	23,623	0.14
	<b>Sub-Total(B)(2)</b>	<b>12,425,759</b>	<b>73.37</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>13,261,515</b>	<b>78.30</b>
<b>(C)</b>	Non-Promoter- Non-Public Shareholding	<b>350,000</b>	<b>2.07</b>
	<b>Total (A)+(B) +(C)</b>	<b>16,936,843</b>	<b>100.00</b>

Details of the Company's dematerialized shares as on 31<sup>st</sup> March 2022:

Number of shares	% of total shares	Number of shareholders	% of total shareholders
1,69,36,843	100	12,503	97.93

Break up of shares in physical and Demat form as on 31<sup>st</sup> March 2022:

Physical/Demat	No. of Shares	% of Shares
Physical segment	3,50,001	2.07
Demat segment		
a) NSDL	36,59,299	21.61
b) CDSL	1,29,27,543	76.32
<b>TOTAL</b>	<b>1,69,36,843</b>	<b>100</b>

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

- **Outstanding GDRs/ ADRs/Warrants/Convertible Instruments and their impact on equity:**  
The Company does not have any outstanding GDRs / ADRs/ Warrants/ Convertible Instruments as on 31<sup>st</sup> March 2022.
- **The Company does not have any plant locations.**
- **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, TSIC Software Units Layout,  
Madhapur, Serilingampally Mandal, Rangareddy District, Hyderabad - 500081,  
Telangana, India. Ph No. : 040 – 445556600  
Website: [www.gssinfotech.com](http://www.gssinfotech.com)  
Shareholders are requested to quote their folio no. / DP ID & Client ID, e-mail address, telephone number and full address while corresponding with the Company and its Registrar & Share Transfer Agent.
- **There are no Equity Shares in the Unclaimed Suspense Account of the Company.**
- **For any correspondence relating to Annual Report kindly write to:**  
The Company Secretary,  
GSS Infotech Limited  
Ground Floor, Wing-B, N Heights, Plot No. 12,  
TSIC Software Units Layout, Madhapur, Serilingampally, Mandal,  
Rangareddy District, Hyderabad - 500081,  
Telangana State, India  
Email: [company.secretary@gssinfotech.com](mailto:company.secretary@gssinfotech.com)
- **The Company didn't obtain any credit ratings.**

- **Secretarial Audit:**

- a) Ms. Neha Pamnani, Practising Company Secretary has conducted the Secretarial Audit of the Company for the year 2021-22. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, SEBI Listing Regulations and other laws applicable to the Company.

The Secretarial Audit Report forms part of the Directors' Report. Except the following:

- 1. The observations was made by the secretarial auditor which is self-explanatory and does not require further explanation from directors:

As per the notices issued by BSE and NSE to the company, the company did not furnish the prior intimation regarding the discussion happened in the meeting of the board of directors held on 14<sup>th</sup> July 2021 as required under Regulation 29 of SEBI LODR, 2015 and imposed the fines to the company. The Company has paid such fines to BSE and NSE. However, the company has clarified to the Stock Exchanges that there is no specific funding proposal that has been discussed and the entire discussion was generic in nature and thus prior intimation was not given. It was further informed to the stock exchanges that at the time of disclosure of outcome to stock exchanges, the company inadvertently articulated as approved wherein the same was discussed.

Furthermore, the company has requested the Stock Exchanges for waiver of such fines.

- b) Pursuant to Regulation 40(9) of the SEBI Listing Regulations, certificates have been issued on a half- yearly basis, by M/s Sunil Kacham & Associates, Practising Company Secretaries, certifying due compliance of share transfer formalities by the Company.
- c) M/s Sunil Kacham & Associates, Practising Company Secretaries carry out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

## **Annexure to Report on Corporate Governance for the financial year ended 31<sup>st</sup> March 2022**

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

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31<sup>st</sup> March 2022.

**For GSS Infotech Limited**

**Sd/-  
Bhargav Marepally  
CEO & Managing Director  
DIN:00505098**

**Place: Hyderabad  
Date: 12<sup>th</sup> August, 2022**

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

The Board of Directors

GSS Infotech Limited

We hereby certify that for the financial year ended 31<sup>st</sup> March 2022, on the basis of the review of the financial statements and the statement of cash flows 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 2021-22, which are fraudulent, illegal or violation 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 2021-22; and
- b) There have been no significant changes in accounting policies during the year 2021-22; and
- c) There has 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.

**For GSS Infotech Limited**

Sd/-  
**Bhargav Marepally**  
CEO & Managing Director  
(DIN: 00505098)

Sd/-  
**P. S. Phaninder Nath**  
Chief Financial Officer

Place: Hyderabad  
Date: 12<sup>th</sup> August, 2022

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

I have examined all the relevant records of **GSS INFOTECH LIMITED** ('the Company'), for the purpose of certifying compliance of the conditions of the Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') for the period from 01<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022. I have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review the procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations and information furnished to me, I certify that the Company has complied with all the conditions of Corporate Governance as stipulated in applicable provisions of Listing Regulations except in respect of matters specified below for the year ended on March 31, 2022.

**As per the notices issued by BSE and NSE to the company, the company did not furnish prior intimation regarding the discussion happened in the meeting of the board of directors held on 14<sup>th</sup> July 2021 as required under Regulation 29 of SEBI LODR, 2015 and imposed the fines to the company. The Company has paid such fines to BSE and NSE. However, the company has clarified to the Stock Exchanges that there is no specific funding proposal that has been discussed and the entire discussion was generic in nature and thus prior intimation was not given. It was further informed to the stock exchanges that at the time of disclosure of outcome to stock exchanges, the company inadvertently articulated as approved wherein the same was discussed.**

Furthermore, the company has requested the Stock Exchanges for waiver of such fines.

I 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.

**Neha Pamnani**  
**Company Secretary in Practice**  
**M No: ACS- 44300**  
**CP: 24045**  
**PR: 1535/2021**  
**UDIN: A044300D000833462**

**Place: Hyderabad**  
**Date: 12<sup>th</sup> August, 2022**



## Annual Secretarial Compliance Report of “GSS INFOTECH LIMITED”

For the year ended 31<sup>st</sup> March, 2022

I, undersigned have examined:

- (a) all the documents and records made available to me and explanation provided by “GSS INFOTECH LIMITED (CIN: L72200TG2003PLC041860)” (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31<sup>st</sup> March, 2022 (“Review Period”) in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, Circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, Circulars, Guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - ***Not Applicable to the listed entity during the period under review***
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008; ***Not Applicable to the listed entity during the period under review***
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013. ***Not Applicable to the listed entity during the period under review***
- (h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - ***Not Applicable to the listed entity during the period under review***
- (i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

- (k) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;- **Not Applicable to the listed entity during the period under review**

and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, except in respect of matters specified below:-

Sr. No	Regulation Name/SEBI Circular Name	Regulation Number/ circular dated	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations Details
1	Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015	Regulation 29(2)/29(3)	The listed entity shall give intimation to stock exchange about the meeting of the board of Directors at least two working days in a d v a n c e , excluding the date of the intimation and date of the meeting as per Regulation 29 of SEBI LODR, 2015	As per the notices issued by BSE and NSE to the company, the company did not furnish the prior intimation regarding the discussion happened in the meeting of the board of directors as required under Regulation 29 of SEBI LODR, 2015 and imposed the fines to the company.	The company has intimated to the Stock Exchanges that the board keeps reviewing the operational financial requirements from time to time. Similarly, during the Board of Directors meeting held on 14 <sup>th</sup> July, 2021, the board has discussed the operational requirements as a regular annual practice and there was no specific funding proposal that has been discussed and the entire discussion was generic in nature. It was further informed to the stock exchanges that at the time of disclosure of outcome to stock exchanges, the company inadvertently articulated as approved wherein the same was discussed. However, the company has paid such fines and requested the Stock Exchanges for waiver of such fines.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued there under insofar as it appears from my examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

Sr. No	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
1	BSE Limited	As per notice of BSE Limited, The company has not given the appropriate prior intimation to stock exchange about the discussion happened in the meeting of the Board of directors held on July 14, 2021.	BSE Limited vide its Notice SOP-CReview-Aug 2021 dated 16th August 2021 imposed fine of Rs 11,800/- including GST.	The Company has paid such fine. However, the company has clarified to the Stock Exchanges that there is no specific funding proposal that has been discussed and the entire discussion was generic in nature and thus prior intimation was not given. It was further informed to the stock exchanges that at the time of disclosure of outcome to stock exchanges, the company inadvertently articulated as approved wherein the same was discussed. Furthermore, the company has requested the Stock Exchanges for waiver of such fine.
2	National Stock Exchange of India Limited	As per notice of National Stock Exchange of India Limited, the company has not given the appropriate prior intimation to stock exchange about the discussion happened in the meeting of the Board of directors held on July 14, 2021.	The National Stock Exchange of India Limited vide its Notice no. NSE/LIST-SOP/COMB/FINES/0819 dated 16th August 2021 imposed fine of Rs 11,800/- including GST.	The Company has paid such fine. However, the company has clarified to the Stock Exchanges that there is no specific funding proposal that has been discussed and the entire discussion was generic in nature and thus prior intimation was not given. It was further informed to the stock exchanges that at the time of disclosure of outcome to stock exchanges, the company inadvertently articulated as approved wherein the same was discussed. Furthermore, the company has requested the Stock Exchanges for waiver of such fine.

The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Regulation Name/SEBI Circular Number	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 2021	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Regulation 33 of SEBI(LODR) Regulations, 2015 - September 2020 Revision of submitted Financial Results for the Quarter and Half Year ended September 30, 2020.	BSE informed to the Company that the Submitted results does not contain Complete Financial Results and enclosed Limited Review Report (LRR) is not as per the specified format by the SEBI (LODR) Regulations, 2015.	Such observations were mentioned in the secretarial compliance report for the year ended 2021	Notice of Non-compliance was served by BSE. BSE has levied fine of Rs.5,900 towards the non-compliance	The prescribed fines were paid by the Company to BSE.  This matter was closed.

**Neha Pamnani**  
**Company Secretary in Practice**  
**M No: ACS- 44300**  
**CP: 24045**  
**PR: 1535/2021**  
**UDIN: A044300D000833462**

**Place: Hyderabad**  
**Date: 12<sup>th</sup> August, 2022**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GSS INFOTECH LIMITED having CIN L72200TG2003PLC041860 and registered office at Grd Floor, Wing-B, N heights, Plot No. 12, TSIC Software Units Layout, Madhapur, Serilingampally Hyderabad, Rangareddi, Telangana – 500081, India (hereinafter referred to as ‘the Company’) produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company	Date of Cessation
1.	Mr. Bhargav Marepally	00505098	13/10/2003	-
2.	Mr. Saikiran Satya Surya Raghavendra Gundu	02224296	13/02/2019	-
3.	Mr. Prabhakara Rao Alokam	02263908	08/08/2017	-
4.	Ms. Nagajayanthi Raghavendra Das Juttur	05107482	30/09/2015	-
5.	Mr. Rambabu Kaipa Sampangi	08238968	13/02/2019	-
6.	Mr. Chaitanya Challa	06934113	05/11/2021	-
7.	Mr. Gowrisankara Padma Rao Lakkaraju	07926264	08/08/2017	05/11/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Neha Pamnani**  
**Company Secretary in Practice**  
**M No: ACS- 44300**  
**CP: 24045**  
**PR: 1535/2021**  
**UDIN: A044300D000833462**

**Place: Hyderabad**  
**Date: 12<sup>th</sup> August, 2022**

# **CONSOLIDATED FINANCIAL STATEMENTS & NOTES**

## **INDEPENDENT AUDITOR'S REPORT**

To  
The Board of Directors of  
GSS INFOTECH LIMITED

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of **GSS Infotech Limited** (hereinafter referred to as “the holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”) which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

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 Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### **Key Audit Matters**

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports 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, 2022 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 and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditors’ reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
  - iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) No dividend has been declared or paid during the year.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**Place: Hyderabad**  
**Date: 23.05.2022**

**For Rambabu & Co.,**  
**Chartered Accountants**  
**Reg. No. 002976S**

**Sd/-**  
**GVL Prasad**  
**Partner**  
**M. No. 026548**

**UDIN: 22026548AMYWVF6250**

## Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of GSS Infotech Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of GSS INFOTECH LIMITED (hereinafter referred to as the “Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

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

The respective Boards of Directors of the 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 respective Companies 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 (the “ICAI”). 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 the respective 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 Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, 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”) issued by the Institute of Chartered Accountants of India (“ICAI”) and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgment, 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

#### **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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**Place: Hyderabad**

**Date: 23.05.2022**

**UDIN: 22026548AMYWVF6250**

**For Rambabu & Co.,  
Chartered Accountants  
Reg. No. 002976S**

**Sd/-  
GVL Prasad  
Partner  
M. No. 026548**

# GSS INFOTECH LIMITED

## Consolidated Balance Sheet as at 31<sup>st</sup> March, 2022

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	4,641,238	1,856,278
Goodwill		1,184,293,206	1,148,206,708
Other intangible assets	5	61,560	217,302
Financial assets			
Other Financial Assets	6	1,084,462	1,051,418
Deferred tax assets (net)	7	1,890,896	2,960,644
Other non-current assets	8	3,500,000	3,500,000
		<b>1,195,471,362</b>	<b>1,157,792,349</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	9	240,709,726	271,035,163
Cash and cash equivalents	10	29,827,139	152,141,672
Other bank balances	11	32,093,523	32,090,855
Other Financial Assets	6	2,397,600	2,363,728
Current Tax Assets (Net)	12	53,127,822	51,209,509
Other current assets	8	476,659,930	75,917,847
		<b>834,815,740</b>	<b>584,758,773</b>
<b>Total assets</b>		<b>2,030,287,099</b>	<b>1,742,551,123</b>
<b>Equity and Liabilities</b>			
Equity share capital	13	169,368,630	169,368,630
Other equity	14	1,608,115,006	1,188,033,920
<b>Total equity</b>		<b>1,777,483,636</b>	<b>1,357,402,550</b>
<b>Non-current liabilities</b>			
Financial Liabilities	18	11,035,510	10,883,219
Borrowings	15	-	-
Provisions	16	191,059	599,925
		<b>11,226,569</b>	<b>11,483,144</b>
<b>Current liabilities</b>			
Financial Liabilities			
Trade payables	17	20,175,693	28,925,403
Other financial liabilities	18	218,861,118	342,098,087
Provisions	16	1,537,010	1,598,895
Other current liabilities	19	1,003,071	1,043,044
<b>Total liabilities</b>		<b>241,576,892</b>	<b>373,665,428</b>
<b>Total equity and liabilities</b>		<b>2,030,287,099</b>	<b>1,742,551,123</b>

Summary of significant accounting policies

3

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

**For RAMBABU & CO**

Chartered Accountants

ICAI Firm Registration Number: 0029765

**for and on behalf of the Board of GSS InfoTech Limited**

**CIN: L72200TG2003PLC041860**

**Sd/-**

**GVL Prasad**

Partner

Membership No.: 026548

**Sd/-**

**Bhargav Marepally**

CEO & Managing Director

DIN: 00505098

**Sd/-**

**A. Prabhakara Rao**

Director

DIN: 02263908

**Place: Hyderabad**

Date : 23-May-2022

**Sd/-**

**Ravi Kumar Jatavallabha V**

Chief Financial Officer

**Sd/-**

**Amrita Singh**

Company Secretary



# GSS INFOTECH LIMITED

## Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2022

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	20	1,167,936,079	1,149,261,904
Other income	21	7,004,705	18,312,517
<b>Total income</b>		<b>1,174,940,784</b>	<b>1,167,574,422</b>
<b>Expenses</b>			
Materials consumed	22	102,271,628	114,066,813
Employee benefits expense	23	930,011,959	965,637,049
Depreciation and amortisation expense	24	1,311,399	1,367,611
Finance costs	25	5,790,668	6,266,367
Other expenses	26	102,573,955	100,845,394
<b>Total expense</b>		<b>1,141,959,609</b>	<b>1,188,183,235</b>
<b>Profit before exceptional items and tax</b>		<b>32,981,175</b>	<b>(20,608,813)</b>
Exceptional Item Cancellation of Debt Income		277,946,592	-
<b>Profit before tax</b>		<b>310,927,768</b>	<b>(20,608,813)</b>
Tax expenses			
Current tax	27	6,368,026	17,833,902
Deferred tax charge	27	1,069,748	(1,641,980)
Total tax expense		7,437,774	16,191,922
<b>Profit after tax</b>		<b>303,489,993</b>	<b>(36,800,735)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Re-measurement gains/ (losses) on defined benefit plan and net of income tax		244,922	456,720
Exchange differences on translation of foreign operations		40,182,182	(29,399,341)
Income-tax effect		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>40,427,104</b>	<b>(28,942,621)</b>
<b>Total comprehensive income for the year</b>		<b>343,917,097</b>	<b>(65,743,356)</b>
<b>Earnings per equity share (nominal value of INR 10) in INR</b>			
Basic		17.92	(2.17)
Diluted		15.38	(2.17)

Summary of significant accounting policies

3

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

**For RAMBABU & CO**

Chartered Accountants

ICAI Firm Registration Number: 0029765

for and on behalf of the Board of GSS InfoTech Limited

CIN: L72200TG2003PLC041860

Sd/-

**GVL Prasad**

Partner

Membership No.: 026548

Sd/-

**Bhargav Marepally**

CEO & Managing Director

DIN: 00505098

Sd/-

**A. Prabhakara Rao**

Director

DIN: 02263908

Place: Hyderabad

Date : 23-May-2022

Sd/-

**Ravi Kumar Jatavallabha V**

Chief Financial Officer

Sd/-

**Amrita Singh**

Company Secretary

# GSS INFOTECH LIMITED

## Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2022

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Operating activities</b>		
<b>Profit/ (loss) before tax</b>	<b>310,927,768</b>	<b>(20,608,815)</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of tangible assets	1,311,400	1,367,613
Profit on sale of assets	-	-
Finance income (including fair value change in financial instruments)	(865,637)	(18,312,517)
Finance costs (including fair value change in financial instruments)	5,790,668	6,266,367
Advance/Bad Debt Written off	-	-
Written off Investments	-	-
Unrealized foreign exchange loss/gain	3,762,414	8,717,523
Re-measurement gains/ (losses) on defined benefit plan	244,922	456,720
<i>Working capital adjustments:</i>		
(Increase)/ decrease in trade receivables	30,325,437	34,134,424
(Increase)/ decrease in loans	(33,872)	2,118,240
(Increase)/ decrease in other assets	(400,742,083)	(2,194,092)
Increase/ (decrease) in trade payables	(8,749,710)	(25,817,260)
Increase/ (decrease) in provisions	793,240	(596,086)
Increase/ (decrease) in current tax asset	(1,918,314)	75,506,613
Increase/ (decrease) in other financial liabilities	(123,084,678)	103,455,977
Increase/ (decrease) in other current liabilities	(39,973)	(550,123)
	<b>(182,278,418)</b>	<b>163,944,585</b>
Income tax paid	(6,368,026)	(17,833,902)
<b>Net cash flows from operating activities</b>	<b>(188,646,444)</b>	<b>146,110,683</b>
<b>Investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(3,940,617)	(474,181)
Proceeds from sale of fixed assets	-	-
Other bank balances	(2,668)	(19,670,348)
Increase in Goodwill on Consolidation due to difference in exchange rate	(36,086,497)	31,787,015
Interest received (finance income)	865,637	18,312,517
<b>Net cash flows used in investing activities</b>	<b>(39,164,145)</b>	<b>29,955,003</b>
<b>Financing activities</b>		
Proceeds / (repayment) from long term borrowings, net	-	-
Proceeds / (repayment) from short term borrowings, net	(33,045)	(9,942)
Interest paid	(5,790,668)	(6,266,367)
Inflow of excess deposit in dividend unclaim account	36,419,768	(38,116,864)
Money received against Share Warrant	74,900,000	-
<b>Net cash flows from/ (used in) financing activities</b>	<b>105,496,056</b>	<b>(44,393,173)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(122,314,534)</b>	<b>131,672,515</b>
Cash and cash equivalents at the beginning of the year (refer note 10)	152,141,672	20,469,160
<b>Cash and cash equivalents at the end of the year (refer note 10)</b>	<b>29,827,139</b>	<b>152,141,674</b>

Summary of significant accounting policies

3

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

**For RAMBABU & CO**

Chartered Accountants

ICAI Firm Registration Number: 0029765

**for and on behalf of the Board of GSS InfoTech Limited**

**CIN: L72200TG2003PLC041860**

**Sd/-**

**GVL Prasad**

Partner

Membership No.: 026548

**Sd/-**

**Bhargav Marepally**

CEO & Managing Director

DIN: 00505098

**Sd/-**

**A. Prabhakara Rao**

Director

DIN: 02263908

**Place: Hyderabad**

Date : 23-May-2022

**Sd/-**

**Ravi Kumar Jatavallabha V**

Chief Financial Officer

**Sd/-**

**Amrita Singh**

Company Secretary

# GSS INFOTECH LIMITED

## Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022

(All amounts in Indian Rupees, except share data and where otherwise stated)

a. Equity Share Capital	No. of shares	Amount
Balance as at March 31, 2021	16,936,863	169,368,630
Balance as at March 31, 2022	16,936,863	169,368,630

### b. Other equity

Particulars	Reserves and Surplus			OCI	Money received against Share Warrant	Total
	Share Premium	General Reserve	Retained Earnings	Exchange differences on translation of foreign operations		
Balance as at 1 April 2020	2,052,380,129	24,001,603	(1,685,445,290)	862,840,836	0	1,253,777,278
Profit for the year			(36,800,736)			(36,800,736)
Other comprehensive income						-
Re-measurement gains/ (losses) on defined benefit plans, net of tax				456,720	0	456,720
Exchange differences on translation of foreign operations				(29,399,341)	0	(29,399,341)
Income-tax effect						-
Balance as at 31 March 2021	2,052,380,129	24,001,603	(1,722,246,026)	833,898,214	-	1,188,033,921

Particulars	Reserves and Surplus			OCI	Money received against Share Warrant	Total
	Share Premium	General Reserve	Retained Earnings	Exchange differences on translation of foreign operations		
Balance as at 1 April 2021	2,052,380,129	24,001,603	(1,722,246,026)	833,898,214		1,188,033,920
Profit for the year		1,263,991	303,489,993			304,753,983
Money received against Share Warrant					74,900,000	74,900,000
Other comprehensive income						-
Re-measurement gains/ (losses) on defined benefit plans, net of tax				244,921	0	244,921
Exchange differences on translation of foreign operations				40,182,181	0	40,182,181
Income-tax effect						-
Balance as at 31 March 2022	2,052,380,129	25,265,594	(1,418,756,033)	874,325,318	74,900,000	1,608,115,006

### Summary of significant accounting policies 3

Bad Debts Rs. 1,263,991/= which was adjusted through General Reserve at the time of adoption of IND AS, has now been reinstated in General Reserve on Recovery of Debt.  
During the year the company has issued 2,800,000 number of Fully convertible Equity Warrants on preferential basis to Promoters and Strategic Investors @107/- each, of which 25% received.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

**For RAMBABU & CO**

Chartered Accountants

ICAI Firm Registration Number: 002976S

**for and on behalf of the Board of GSS InfoTech Limited**

**CIN: L72200TG2003PLC041860**

Sd/-

**GVL Prasad**

Partner

Membership No.: 026548

Sd/-

**Bhargav Marepally**

CEO & Managing Director

DIN: 00505098

Sd/-

**A. Prabhakara Rao**

Director

DIN: 02263908

**Place: Hyderabad**

Date : 23-May-2022

Sd/-

**Ravi Kumar Jatavallabha V**

Chief Financial Officer

Sd/-

**Amrita Singh**

Company Secretary

# GSS INFOTECH LIMITED

## Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

### 1. General Information

GSS Infotech Limited ('the Company') was incorporated on 13<sup>th</sup> October, 2003 as a Listed Public limited company under the Companies Act, 1956. The Registered office of the Company is situated at Grd. Floor, Wing-B, N heights, Plot No. 12, TSIC Software Units Layout, Madhapur, Serilingampally Hyderabad Rangareddi, Telangana - 500081, India. The Company together with its subsidiaries (hereinafter collectively referred to as "the Group") is primarily engaged in the business of IT & ITES.

### 2. Basis of preparation of financial statements

#### 2.1 Statement of Compliance

The financial statements have been prepared in accordance of Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

The Group's financial statements up to and for the year ended March 31, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules 2006, notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Group's Board of Directors on May 23, 2022. Details of the accounting policies are included in Note 3.

#### 2.2 Group information

The consolidated financial statements of the Group include subsidiary listed in the table below:

Name of investee	Principal activities	Country of incorporation	Relationship	Percentage of ownership/ voting rights	
				31 March 2022	31 March 2021
GSS Infotech Inc (A Delaware Company)	IT and ITES	USA	Subsidiary	100%	100%
GSS IT Solutions Private Limited	IT and ITES	India	Subsidiary	100%	100%
GSS Healthcare IT Solutions Private Limited	IT and ITES	India	Subsidiary	100%	100%
GSS Infotech CT Inc (Formerly known as System Dynamix Corporation)	IT and ITES	USA	Step down Subsidiary	100%	100%
Infovision Technologies, Inc	IT and ITES	USA	Step down Subsidiary	100%	100%
InfovistaTechnologies Inc	IT and ITES	USA	Step down Subsidiary	100%	100%
Technovant Inc	IT and ITES	USA	Step down Subsidiary	100%	100%
Nexii Labs Inc	IT and ITES	USA	Step down Subsidiary	100%	100%

## **GSS INFOTECH LIMITED**

### **Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### **2.3 Basis of consolidation**

- (i) The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.
- (ii) Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.
- (iii) The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiary line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/ losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company.

The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

#### **2.4 Basis of measurement**

These financial statements have been prepared on the historical cost basis, except certain financial assets and liabilities are measured at fair value or amortised cost.

#### **2.5 Functional currency**

The financial statements are presented in Indian rupees, which is the functional currency of the Group. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All amounts are in Indian Rupees INR except share data, unless otherwise stated.

#### **2.6 Operating cycle**

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

##### **Assets:**

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;

## GSS INFOTECH LIMITED

### Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

#### **Liabilities:**

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Group's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

#### **2.7 Critical accounting judgements and key sources of estimation uncertainty Operating cycle**

In the application of the Group's accounting policies, which are described in note 3, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

##### **Provision and contingent liability**

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

##### **Useful lives of depreciable assets**

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2017 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

# GSS INFOTECH LIMITED

## Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

### 2.8 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## 3. Significant accounting policies

### 3.1 Revenue recognition

Revenue from operations

The company is primarily engaged in the business of IT & ITES and earns revenue from the same.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third-party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third-party hardware is recognised at the point in time when control is transferred to the customer.



## GSS INFOTECH LIMITED

### Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third-party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. Revenue from subsidiaries is recognised based on transaction price which is at arm's length. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues. The billing schedules agreed with customers include periodic performance-based payments and / or milestone-based progress payments. Invoices are payable within contractually agreed credit period. In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received. Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for. The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

#### Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

## GSS INFOTECH LIMITED

### Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.
- Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

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

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3.2 Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

## **GSS INFOTECH LIMITED**

### **Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### **3.3 Foreign currencies**

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

#### **3.4 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### **3.5 Taxation**

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

##### **Current tax**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

##### **Deferred tax**

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## **GSS INFOTECH LIMITED**

### **Notes forming part of the consolidated financial statements**

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#### **3.6 Earnings per share**

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

#### **3.7 Property, Plant and Equipment**

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

##### **Subsequent Costs**

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of Profit and Loss at the time of incurrence

#### **3.8 Depreciation**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Group, or the number of production or similar units expected to be obtained from the asset by the Group

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

## **GSS INFOTECH LIMITED**

### **Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### **3.9 Goodwill and other intangible assets**

Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents excess of the Group's share in the net worth of a subsidiary over the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

Goodwill on consolidation arising on acquisitions on or after the date of transition represents the excess of the cost of acquisition at each point of time of making the investment in the subsidiary, over the Group's share in the fair value of the net assets of a subsidiary.

Goodwill on consolidation is allocated to cash generating units or group of cash generating units that are expected to benefit from the synergies of the acquisition.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

##### **Amortisation**

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Computer software is amortised on straight line basis over a period of three years.

#### **3.10 Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

#### **3.11 Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

#### **3.12 Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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### **Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

### **3.13 Employee benefits**

#### **Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **Defined contribution plans**

The Group's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

#### **Defined benefit plans**

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments

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(All amounts in Indian Rupees, except share data and where otherwise stated)

and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

#### **Termination benefits**

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

#### **Other long-term employee benefits**

The Group's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

### **3.14 Provisions**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### **3.15 Contingent liabilities & contingent assets**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

### **3.16 Financial instruments**

#### **a. Recognition and Initial recognition**

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.



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### Notes forming part of the consolidated financial statements

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A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### b. Classification and Subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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### Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

**Financial assets:** Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**Financial assets:** Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Financial liabilities:** Classification, Subsequent measurement and gains and losses Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

# GSS INFOTECH LIMITED

## Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

### c. Derecognition

#### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit

### d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### e. Impairment

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost;

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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### **Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

#### **Measurement of expected credit losses**

Expected credit losses are a probabilityweighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### **Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

# GSS INFOTECH LIMITED

## Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

### 4 Property, Plant and Equipment

Particulars	Office Equipment	Furniture and fixtures	Computers	Vehicles	Total
<b>Cost</b>					
<b>At March 31, 2020</b>	<b>2,303,078</b>	<b>1,502,093</b>	<b>5,589,722</b>	<b>1,027,152</b>	<b>10,422,045</b>
Additions	2,000	141,031	331,150	-	474,181
Deletions	-	-	107,616	-	107,616
<b>At March 31, 2021</b>	<b>2,305,078</b>	<b>1,643,124</b>	<b>5,813,256</b>	<b>1,027,152</b>	<b>10,788,610</b>
Additions	101,900	-	40,500	3,798,217	3,940,617
Deletions	-	-	-	-	-
<b>At March 31, 2022</b>	<b>2,406,978</b>	<b>1,643,124</b>	<b>5,853,756</b>	<b>4,825,369</b>	<b>14,729,227</b>
<b>Accumulated depreciation</b>					
<b>At March 31, 2020</b>	<b>1,849,735</b>	<b>992,280</b>	<b>4,236,355</b>	<b>829,134</b>	<b>7,907,504</b>
Charge for the year	60,123	240,358	802,734	29,229	1,132,444
Less: Adjustments	-	-	107,616	-	107,616
<b>At March 31, 2021</b>	<b>1,909,858</b>	<b>1,232,638</b>	<b>4,931,473</b>	<b>858,363</b>	<b>8,932,332</b>
Charge for the year	251,453	119,307	308,943	475,954	1,155,657
Less: Adjustments	-	-	-	-	-
<b>At March 31, 2022</b>	<b>2,161,311</b>	<b>1,351,945</b>	<b>5,240,416</b>	<b>1,334,317</b>	<b>10,087,989</b>
<b>Carrying amount</b>					
At March 31, 2020	453,343	509,813	1,353,367	198,018	2,514,541
At March 31, 2021	395,220	410,486	881,783	168,789	1,856,278
<b>At March 31, 2022</b>	<b>245,667</b>	<b>291,179</b>	<b>613,340</b>	<b>3,491,052</b>	<b>4,641,238</b>

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### Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 5 Intangible assets

Particulars	Copy rights	Computer software	Total
<b>Cost</b>			
<b>At March 31, 2020</b>	-	<b>1,903,198</b>	<b>1,903,198</b>
Additions	-	-	-
Deletions	-	-	-
<b>At March 31, 2021</b>	-	<b>1,903,198</b>	<b>1,903,198</b>
Additions	-	-	-
Deletions	-	-	-
<b>At March 31, 2022</b>	-	<b>1,903,198</b>	<b>1,903,198</b>
<b>Accumulated depreciation</b>			
<b>At March 31, 2020</b>	-	<b>1,450,730</b>	<b>1,450,730</b>
Depreciation expense	-	235,167	235,167
Deletions	-	-	-
<b>At March 31, 2021</b>	-	<b>1,685,897</b>	<b>1,685,897</b>
Depreciation expense	-	155,742	155,742
Deletions	-	-	-
<b>At March 31, 2022</b>	-	<b>1,841,639</b>	<b>1,841,639</b>
<b>Carrying amount</b>			
At March 31, 2020	-	452,469	452,469
At March 31, 2021	-	217,302	217,302
<b>At March 31, 2022</b>	-	<b>61,560</b>	<b>61,560</b>

#### 6 Loans (Unsecured, considered good unless otherwise stated)

	31 March 2022	31 March 2021
<b>Non-current</b>		
Security deposits	1,084,462	1,051,418
	<u><b>1,084,462</b></u>	<u><b>1,051,418</b></u>
Note: These financial assets are carried at amortised cost		
<b>Current</b>		
Other Financial Assets	2,397,600	2,363,728
	<u><b>2,397,600</b></u>	<u><b>2,363,728</b></u>

# GSS INFOTECH LIMITED

## Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

### 7 Deferred Tax Assets (net)

	31 March 2022	31 March 2021
Deferred Tax Assets (net)	1,890,896	2,960,644
	<u>1,890,896</u>	<u>2,960,644</u>

### 8 Other assets

	31 March 2022	31 March 2021
<b>Non-current assets</b>		
<i>Unsecured, considered good</i>		
Advances other than capital advances		
Advance to ESOP Trust	3,500,000	3,500,000
Advance to vendors	-	-
	<u>3,500,000</u>	<u>3,500,000</u>
<b>Current assets</b>		
<i>Unsecured, considered good</i>		
Balance with Govt authorities	8,430,554	12,187,736
Advances other than capital advances		
Staff advances	-	116,970
Other advances	314,534,063	20,634,621
Prepaid expenses	86,930,506	23,517,577
Unbilled revenue	66,764,807	19,460,943
	<u>476,659,930</u>	<u>75,917,847</u>

Other advances include on account of Rs. 24.00 Cr paid to Polimeraas Limited towards advance for acquisition of equity capital and Rs. 5.50 Cr towards advance for operations.

### 9 Trade receivables

	31 March 2022	31 March 2021
Unsecured, considered good	256,166,248	272,879,100
	<u>256,166,248</u>	<u>272,879,100</u>
Less: Bad debts written off	14,625,395	698,377
	<u>241,540,853</u>	<u>272,180,723</u>
Less: Provision for doubtful receivables	831,127	1,145,560
<b>Total Trade Receivables</b>	<u>240,709,726</u>	<u>271,035,163</u>

The Company has written off debt on account of Rs. 14,625,395/= receivable from US client, Koreconx which was wound up.



# GSS INFOTECH LIMITED

## Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

### Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	211,005,311	751,655	28,952,760	0	0	240,709,726
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	0	0	0	0	0	0
(iii) Undisputed Trade Receivables — credit impaired	0	0	0	0	0	0
(iv) Disputed Trade Receivables — considered good	0	0	0	0	0	0
(v) Disputed Trade Receivables — which have significant increase in credit risk	0	0	0	0	0	0
(vi) Disputed Trade Receivables — credit impaired	0	0	0	0	0	0

Above trade receivable are inclusive of related party trade receivables for Rs.4,381,287/= & Rs.12,258,629/ = for 31 March, 2022 & 31 March, 2021 respectively.

### 10 Cash and cash equivalents

	31 March 2022	31 March 2021
Balances with banks:		
- On current accounts	29,819,278	152,131,282
Cash on hand	7,861	10,390
<b>Total Cash and cash equivalents</b>	<b>29,827,139</b>	<b>152,141,672</b>

### 11 Other bank balances

	31 March 2022	31 March 2021
<b>Other bank balances</b>		
Term deposits with Banks with original maturities of less than 1 year	32,093,523	32,090,855
<b>Total Other bank balances</b>	<b>32,093,523</b>	<b>32,090,855</b>

# GSS INFOTECH LIMITED

## Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

### 12 Current Tax Assets (Net)

	31 March 2022	31 March 2021
TDS Receivable	3,038,207	7,132,740
Advance Tax	5,223,099	2,550
MAT entitlement	44,866,516	44,074,218
	<u>53,127,822</u>	<u>51,209,509</u>

### 13 Share Capital

	31 March 2022	31 March 2021
<b>Authorised Share Capital</b>		
50,000,000 Equity shares of Rs.10/- each.	500,000,000	500,000,000
<b>Issued, subscribed and fully paid-up</b>		
16,936,843 (March 31, 2021: 16,936,843) Equity Shares, of Rs.10/- each	169,368,630	169,368,630
	<u>169,368,630</u>	<u>169,368,630</u>

#### (a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Particulars	31 March 2022		31 March 2021	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	16,936,863	169,368,630	16,936,863	169,368,630
Issued during the year	-	-	-	-
Outstanding at the end of the year	16,936,863	169,368,630	16,936,863	169,368,630

#### (b) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

## GSS INFOTECH LIMITED

### Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### (c) Shareholding of Promoters

Particulars	31 March 2022		31 March 2021	
	No. of equity shares held	Percentage	No. of equity shares held	Percentage
Jhansi Lakshmi Yarramsetti	29,198	0.17	29,198	0.17
Raghunadha Rao Marepally	3,291,129	19.43	3,006,129	17.75
Bhargav Marepally	4,992	0.03	4,992	0.03
Madhavi Latha Marepally	9	-	9	-
<b>Total</b>	<b>3,325,328</b>		<b>3,040,328</b>	

#### (d) Details of shareholders holding more than 5% shares in the Company

Particulars	31 March 2022		31 March 2021	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
1. Raghunadha Rao Marepally	3,291,129	19.43%	3,006,129	17.75%
2. Sapan Anil Shah	1,225,910	7.24%	-	0.00%
	<b>4,517,039</b>	<b>26.67%</b>	<b>3,006,129</b>	<b>17.75%</b>

#### 14 Other equity

	31 March 2022	31 March 2021
Share premium		
Opening balance	2,052,380,129	2,052,380,129
Add: Premium on fresh issue	-	-
Closing balance	<b>2,052,380,129</b>	<b>2,052,380,129</b>
General Reserve		
Opening balance	24,001,603	24,001,603
Add:	-	-
Closing balance	<b>24,001,603</b>	<b>24,001,603</b>
Retained earnings		
Opening balance	(796,623,173)	(822,604,456)
Profit/(loss) for the year	303,489,994	13,113,301
Other comprehensive income	40,427,104	12,867,982
Less: Transfers to general reserve		
Closing balance	<b>(452,706,074)</b>	<b>(796,623,173)</b>
<b>Total other equity</b>	<b>1,623,675,657</b>	<b>1,279,758,559</b>

Share premium consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued.

# GSS INFOTECH LIMITED

## Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

### 15 Borrowings

	31 March 2022	31 March 2021
<b>Non-current Borrowings</b>		
<b>Secured loans</b>		
Term loans		
- From banks		
<b>Total non-current borrowings</b>	<u>-</u>	<u>-</u>

### 16 Provisions

	31 March 2022	31 March 2021
<b>Non-Current</b>		
Provision for employee benefits		
- Gratuity (refer note 31)	191,059	599,925
	<u>191,059</u>	<u>599,925</u>
<b>Current</b>		
Provision for employee benefits		
- Gratuity (refer note 31)	-	-
- Compensated absences	1,537,010	1,598,896
	<u>1,537,010</u>	<u>1,598,896</u>

### 17 Trade payables

	31 March 2022	31 March 2021
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 33)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	20,175,693	28,925,403
	<u>20,175,693</u>	<u>28,925,403</u>

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0	0	0	0	0
(ii) Others	20,175,693	0	0	0	20,175,693
(iii) Disputed dues — MSME	0	0	0	0	0
(iv) Disputed dues - Others	0	0	0	0	0

## GSS INFOTECH LIMITED

### Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 18 Other financial liabilities

	31 March 2022	31 March 2021
<b>Non-Current</b>		
Financial Liabilities	11,035,510	10,883,219
	<b>11,035,510</b>	<b>10,883,219</b>
<b>Current</b>		
Current maturities of long-term debts	106,280,237	235,253,582
Capital creditors	-	-
Employee payables	723,842	336,615
Provision for expenses	93,464,588	91,104,706
Other liabilities	18,392,450	15,403,185
	<b>218,861,118</b>	<b>342,098,087</b>

#### 19 Other current liabilities

	31 March 2022	31 March 2021
Statutory Dues	1,003,071	1,043,044
	<b>1,003,071</b>	<b>1,043,044</b>

#### 20 Revenue from Operations

	31 March 2022	31 March 2021
Revenue from Operations	1,167,936,079	1,149,261,904
	<b>1,167,936,079</b>	<b>1,149,261,904</b>

#### 21 Other income

	31 March 2022	31 March 2021
Interest income	865,637	8,256,744
Miscellaneous income	6,139,068	10,055,773
	<b>7,004,705</b>	<b>18,312,517</b>

#### 22 Direct Cost

	31 March 2022	31 March 2021
Software Expenses	8,001	1,332
Subcontractor Expenses	102,263,627	114,065,481
Hardware Expenses	-	-
	<b>102,271,628</b>	<b>114,066,813</b>

## GSS INFOTECH LIMITED

### Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 23 Employee benefits expense

	31 March 2022	31 March 2021
Salaries, wages and bonus	892,491,486	939,167,218
Contribution to provident and other funds	1,948,023	2,056,851
Staff welfare expenses	35,572,450	24,412,980
	<b>930,011,959</b>	<b>965,637,049</b>

#### 24 Depreciation and amortisation expense

	31 March 2022	31 March 2021
Depreciation of tangible assets	1,155,657	1,132,444
Amortization of intangible assets	155,742	235,167
	<b>1,311,399</b>	<b>1,367,611</b>

#### 25 Finance costs

	31 March 2022	31 March 2021
Interest on term loans	4,297,772	4,388,703
Bank Charges	1,492,896	1,877,664
	<b>5,790,668</b>	<b>6,266,367</b>

#### 26 Other expenses

	31 March 2022	31 March 2021
Directors' Sitting Fees	710,000	395,000
Power and fuel	2,339,389	2,418,937
Auditor's Remuneration	1,200,000	1,200,000
Repairs and maintenance		
- Plant and equipments	684,580	1,148,846
- Others	1,498,148	580,433
Meeting Expenses	139,418	89,489
License, Immigration And Permits	372,449	330,023
Rent	22,546,552	26,346,458
Business promotion and advertisement expenses	6,478,014	8,172,131
Travelling and conveyance	14,145,280	7,308,778
Rates and taxes	1,961,365	919,824
Legal and professional charges	11,377,308	12,734,562
Printing and stationary	600,608	1,039,782
Communication expenses	6,103,835	4,290,891
Insurance	8,704,623	8,767,615
General Office Expenses	5,324,575	5,045,952
Bad debts written off	14,625,395	11,339,150
Loss on Exchange Rate Fluctuation	3,762,414	8,717,524
	<b>102,573,955</b>	<b>100,845,394</b>

## GSS INFOTECH LIMITED

### Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 27 Tax expenses

	31 March 2022	31 March 2021
Current income tax charge	6,368,026	17,833,902
Mat Credit entitlement	-	-
Deferred tax:		
Relating to originating and reversal of temporary differences	1,069,748	(1,641,980)
<b>Income tax expense recognised in the statement of profit or loss</b>	<b>7,437,774</b>	<b>16,191,922</b>

#### 28 Contingent liabilities and commitments

Particulars	As at 31 March 2022	As at 31 March 2021
i) Appeal is pending before Income Tax Appellate Tribunal, Hyderabad for AY 2013-14 ( Ref.28.1 )	NIL	20,929,300
ii) Appeal is pending before Hon'ble Dispute Resolution Panel, Bangalore for AY 2014-15 (Ref. 28.1)	NIL	67,960,990
iii) There was service tax demand (for the years 2011-12, 2012-13 & 2013-14) on the company on account of the -Procurement contract executed in Bangladesh for Bangladesh Government, treating of business support, against which company filed appeal before CESTAT, Bangalore	8,519,526	8,519,526
iv) Against bank guarantees issued by banks towards financial & performance guarantees outstanding	3,797,000	NIL
v) The company had filed application for compounding before the RBI for obtaining permissions under the FEMA provisions relating to the transfer of funds to WOS, 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.		
28.1 Consequential orders are pending before Assessing officer, pursuant to orders from Honorable Income tax Appellate Tribunal Hyderabad, for Asst Years 2013-14 and Asst Year 2014-15 involving tax amount of Rs. 20,929,300/- and 67,960,990/- respectively. These demands are however offset against brought forward losses and MAT Credit Entitlement of earlier years.		



## GSS INFOTECH LIMITED

### Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 29 Related party disclosures

- a) The following table provides the name of the related party and the nature of its relationship with the Company:

Name of the parties	Relationship
Key Management Personnel	
Bharghav Marepally	CEO & Managing Director

- b) Details of all transactions with related parties during the year:

Particulars	31 March 2022	31 March 2021
Mangerial remuneration to Key Management personnel	26,085,500	25,977,000
Repayment of loan taken	0	0

- c) Details of balances receivable from and payable to related parties are as follows:

Particulars	31 March 2022	31 March 2021
i) Repayment of Loan Received	-	-

- d) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

#### 30 Segment information

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating and geographical segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments and geographical segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis. The Company's sole operating segment is therefore 'Software services' but there are multiple geographical segments. Accordingly, the information as per these geographical segments is as under:

Particulars	2021-22	2020-21
Revenue from United States of America	1,092,283,575	1,083,372,310
Revenue from Bangladesh	52,468,896	45,313,581
Revenue from India	23,183,608	20,576,013
<b>Total</b>	<b>1,167,936,079</b>	<b>1,149,261,904</b>

# GSS INFOTECH LIMITED

## Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

### 31 Gratuity

The Company provides its employees with benefits under a defined benefit plan, referred to as the “Gratuity Plan”. The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of Rs. 2,000,000.

The following tables summarize the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet for the plan:

Reconciliation of opening and closing balances of the present value of the defined benefit obligations:

Particulars	31 March 22	31 March 21
<b>Opening balance</b>	<b>3,529,586</b>	3,444,651
Service cost	610,356	677,396
Past Service cost	-	-
Interest cost	240,012	234,236
Benefits paid	-	(357,253)
Actuarial gain	(604,155)	(469,444)
<b>Closing balance</b>	<b>3,775,799</b>	<b>3,529,586</b>
Present value of projected benefit obligation at the end of the year	3,775,799	3,529,586
Fair value of plan assets at the end of the year	3,584,740	2,929,661
Net liability recognised in the balance sheet	<b>191,059</b>	<b>599,925</b>
Long term provision	3,666,319	3,431,098
Short term provision	109,480	98,488
<b>Expenses recognised in statement of profit and loss</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Service cost	0	677,396
Interest cost	0	92,029
<b>Gratuity cost</b>	<b>0</b>	<b>769,425</b>
Re-measurement gains/ (losses) in OCI		
Actuarial gain / (loss) due to financial assumption changes	(604,155)	(469,444)
Return on plan assets greater (less) than discount rate	359,233	12,724
<b>Total expenses routed through OCI</b>	<b>(244,922)</b>	<b>(456,720)</b>
<b>Assumptions</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Discount rate	7.16% p.a.	6.80% p.a.
Future salary increases	4.00% p.a.	4.00% p.a.
Employee turnover	3.00% p.a.	3.00% p.a.

## GSS INFOTECH LIMITED

### Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

A quantitative sensitivity analysis for significant assumption and its impact on projected benefit obligation are as follows:

	31 March 2022	31 March 2021
Effect of + 1% change in rate of discounting	3,495,025	3,248,383
Effect of - 1% change in rate of discounting	4,102,750	3,857,951
Effect of + 1% change in rate of salary increase	4,375,077	4,135,289
Effect of - 1% change in rate of salary increase	3,278,847	3,030,836
Effect of + 1% change in rate of employee turnover	4,037,006	3,771,940
Effect of - 1% change in rate of employee turnover	3,493,178	3,259,806
The sensitivity analyses above have been determined based on a method that extrapolates the impact on projected benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.		

### 32 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2017 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

Particulars	31 March 2022	31 March 2021
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	NIL	NIL
b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
c) the amount of 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 this MSMED Act	NIL	NIL
d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	NIL	NIL

## GSS INFOTECH LIMITED

### Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 33 Leases

Where the Company is a lessee:

The company has operating lease for office premises, which is renewable on a periodical basis and cancellable at its option.

i) Amounts recognised in statement of profit and loss:

Particulars	31 March 2022	31 March 2021
Cancellable lease expense	17,806,424	21,122,389
Non - cancellable lease expense	4,740,128	5,224,069
<b>Total</b>	<b>22,546,552</b>	<b>26,346,458</b>

#### 34 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following table sets out the computation of basic and diluted earnings per share:

Particulars	31 March 2022	31 March 2021
Profit/(Loss) for the year	303,489,993	(36,800,735)
<b>Profit/(Loss) attributable to equity share holders</b>	<b>303,489,993</b>	<b>(36,800,735)</b>
<b>Shares</b>		
Weighted average number of equity shares outstanding during the year – basic	<b>16,936,863</b>	<b>16,936,863</b>
Weighted average number of equity shares outstanding during the year – diluted	<b>19,736,863</b>	<b>16,936,863</b>
<b>Earnings per share of par value ₹ 10 – basic (₹)</b>	<b>17.92</b>	<b>(2.17)</b>
<b>Earnings per share of par value ₹ 10 – diluted (₹)</b>	<b>15.38</b>	<b>(2.17)</b>

#### 35 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

##### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and

## GSS INFOTECH LIMITED

### Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2022 and March 31, 2021. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions. The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in interest rate	Effect on profit before tax
<b>March 31, 2022</b>		
INR	+1%	(1,062,802)
INR	-1%	1,062,802
<b>March 31, 2021</b>		
INR	+1%	(18,837,639)
INR	-1%	18,837,639

#### b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating

## GSS INFOTECH LIMITED

### Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to Rs. 256,166,248/= (March 31, 2021: 272,879,100). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	31 March 2022	31 March 2021
Opening balance	1,843,937	1,843,937
Credit loss provided/ (reversed)	13,612,585	-
Closing balance	15,456,522	1,843,937

No single customer accounted for more than 10% of the revenue as of March 31, 2022, March 31, 2021. There is no significant concentration of credit risk.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

#### c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
<b>Year ended March 31, 2022</b>						
Borrowings	106,280,237	-	-	-	-	106,280,237
Trade payables	13,129,701	7,045,992	-	-	-	20,175,693
<b>Year ended March 31, 2021</b>						
Borrowings	235,253,582	-	-	-	-	235,253,582
Trade payables	12,262,602	16,662,801	-	-	-	28,925,403

## GSS INFOTECH LIMITED

### Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 36 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2022, March 31, 2021 was as follows:

Particulars	31 March 2022	31 March 2021
Total equity attributable to the equity shareholders of the Company	1,777,483,636	1,357,402,550
As a percentage of total capital	<b>94.36%</b>	<b>85.23%</b>
Long term borrowings including current maturities	106,280,237	235,253,582
Short term borrowings	-	-
Total borrowings	<b>106,280,237</b>	<b>235,253,582</b>
As a percentage of total capital	<b>5.64%</b>	<b>14.77%</b>
Total capital (equity and borrowings)	<b>1,883,763,873</b>	<b>1,592,656,131</b>



## GSS INFOTECH LIMITED

### Notes forming part of the consolidated financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 37 Ratios

Ratios	Components of Numerator	Components of Denominator	For the Year ended March 31, 2022	For the Year ended March 31, 2021	% Change
Current Ratio	Current Assets	Current Liabilities	3.46	1.52	127%
Debt Equity Ratio	Borrowings including interest	Total Equity	0.07	0.18	(64%)
Debt Service Coverage Ratio	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Current portion of borrowings including interest	3.29	(0.24)	(1449%)
Return on Equity	Total Comprehensive Income	Equity Share Capital	2.03	(0.39)	(623%)
Inventory Turnover	Revenue from Operations	Average Inventory	NA	NA	NA
Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	4.56	3.99	14%
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	8.34	5.14	62%
Net Capital Turnover Ratio	Revenue from Operations	Working Capital (current assets minus current liabilities)	1.97	5.74	(66%)
Net Profit Ratio	Total Comprehensive Income	Revenue from Operations	0.29	(0.06)	(615%)
Return on Capital Employed	Total Comprehensive Income + Interest Expense on Borrowings + Tax Expenses	Total Equity + Borrowings + Deferred Tax Liability	0.19	(0.03)	(771%)
Return on Investment	Dividend	Share Price on last date of FY	NA	NA	NA

## **GSS INFOTECH LIMITED**

### **Notes forming part of the consolidated financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### **38 Prior year comparatives**

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

As per our report of even date

**For RAMBABU & CO**

*Chartered Accountants*

ICAI Firm Registration Number: 002976S

**for and on behalf of the Board of GSS InfoTech Limited**

**CIN: L72200TG2003PLC041860**

**Sd/-**

**GVL Prasad**

Partner

Membership No.: 026548

**Sd/-**

**Bhargav Marepally**

CEO & Managing Director

DIN: 00505098

**Sd/-**

**A. Prabhakara Rao**

Director

DIN: 02263908

**Place: Hyderabad**

Date : 23-May-2022

**Sd/-**

**Ravi Kumar Jatavallabha V**

Chief Financial Officer

**Sd/-**

**Amrita Singh**

Company Secretary

# **STANDALONE FINANCIAL STATEMENTS & NOTES**

## **INDEPENDENT AUDITOR'S REPORT**

**To the members of  
GSS INFOTECH LIMITED**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of GSS INFOTECH LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA's") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibilities for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company has not declared or paid dividend during the year.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**Place: Hyderabad**  
**Date: 23.05.2022**

**For Rambabu & Co.,**  
**Chartered Accountants**  
**Reg. No. 002976S**

**Sd/-**  
**GVL Prasad**  
**Partner**  
**M. No. 026548**

**UDIN : 22026548AMYWFU9366**



## Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of GSS INFOTECH LIMITED of even date)

### **Report on the Internal Financial Controls Over Financial Reporting 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 (the “Company”) as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Management of the Company 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 (the “ICAI”). 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 Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgment, 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, to the best of our information and according to the explanations given to us, 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, 2022, based on the criteria for internal financial control over financial reporting 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 ICAI.

**Place: Hyderabad**  
**Date: 23.05.2022**

**For Rambabu & Co.,**  
**Chartered Accountants**  
**Reg. No. 002976S**

**Sd/-**  
**GVL Prasad**  
**Partner**  
**M. No. 026548**

**UDIN : 22026548AMYWFU9366**

## Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of GSS INFOTECH Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
  - (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
  - (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned working capital limits in excess of R 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
  - (a) During the year the Company has granted loans or advances in the nature of loans to other Company.
    - (A) During the year no loan or advance in the nature of loan or stood guarantee or provided security to subsidiaries, Joint ventures or Associates.
    - (B) During the year the Company has granted an amount of Rs. 24.00 crores to M/s. Polimeraas Limited towards advance for acquisition of Equity Capital and an amount of Rs. 5.50 crores towards advance in the nature of loans.
  - (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the interest of the Company.
  - (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
  - (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
  - (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
  - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has made any preferential allotment convertible Equity Warrants and the complied with the requirements of section 42 and section 62 of the Companies Act and the funds received have been used for the purpose for which they have been raised.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

- (c) During the year the company has not received any whistle blower complaints (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and incurred a cash loss of Rs. 360.45 lakhs during the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**Place: Hyderabad**  
**Date: 23.05.2022**

**For Rambabu & Co.,**  
**Chartered Accountants**  
**Reg. No. 002976S**

**Sd/-**  
**GVL Prasad**  
**Partner**  
**M. No. 026548**

**UDIN : 22026548AMYWFU9366**

# GSS INFOTECH LIMITED

## Standalone Balance Sheet as at 31<sup>st</sup> March, 2022

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,792,284	1,203,182
Intangible assets	5	61,560	217,302
Financial assets			
Investments	6	891,140,378	891,140,378
Other Financial Assets	7	-	-
Deferred Tax Assets (net)	8	1,890,896	2,960,644
Other non-current assets	9	3,500,000	3,500,000
		<b>898,385,118</b>	<b>899,021,506</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	10	46,435,059	142,867,188
Cash and cash equivalents	11	10,382,368	27,410,115
Other bank balances	12	32,093,523	32,090,855
Other Financial Assets	7	2,397,600	2,364,328
Current Tax Assets (Net)	13	53,127,822	51,209,509
Other current assets	9	361,821,123	37,752,384
		<b>506,257,496</b>	<b>293,694,378</b>
<b>Total assets</b>		<b>1,404,642,613</b>	<b>1,192,715,885</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	14	169,368,430	169,368,430
Other equity	15	1,048,823,503	964,353,979
<b>Total equity</b>		<b>1,218,191,933</b>	<b>1,133,722,409</b>
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	16	-	-
Provisions	17	191,059	599,925
		<b>191,059</b>	<b>599,925</b>
<b>Current liabilities</b>			
Financial Liabilities			
Trade payables	18	12,961,132	8,363,692
Other financial liabilities	19	170,758,407	47,387,920
Provisions	17	1,537,010	1,598,894
Other current liabilities	20	1,003,072	1,043,044
<b>Total liabilities</b>		<b>186,259,621</b>	<b>58,393,550</b>
<b>Total equity and liabilities</b>		<b>1,404,642,613</b>	<b>1,192,715,885</b>

Summary of significant accounting policies

3

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

**For RAMBABU & CO**

Chartered Accountants

ICAI Firm Registration Number: 0029765

**for and on behalf of the Board of GSS InfoTech Limited**

**CIN: L72200TG2003PLC041860**

**Sd/-**

**GVL Prasad**

Partner

Membership No.: 026548

**Sd/-**

**Bhargav Marepally**

CEO & Managing Director

DIN: 00505098

**Sd/-**

**A. Prabhakara Rao**

Director

DIN: 02263908

**Place: Hyderabad**

Date : 23-May-2022

**Sd/-**

**Ravi Kumar Jatavallabha V**

Chief Financial Officer

**Sd/-**

**Amrita Singh**

Company Secretary

## GSS INFOTECH LIMITED

### Standalone Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2022

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	21	205,180,981	166,743,335
Other income	22	7,102,897	15,379,416
<b>Total income</b>		<b>212,283,877</b>	<b>182,122,751</b>
<b>Expenses</b>			
Direct Cost	23	57,953,183	64,827,261
Employee benefits expense	24	78,457,966	85,911,026
Depreciation and amortisation expense	25	1,109,041	1,099,317
Finance costs	26	329,557	546,900
Other expenses	27	59,454,399	51,987,747
<b>Total expense</b>		<b>197,304,146</b>	<b>204,372,251</b>
<b>Profit before exceptional items and tax</b>		<b>14,979,732</b>	<b>(22,249,500)</b>
Exceptional Item:		-	-
<b>Profit before tax</b>		<b>14,979,732</b>	<b>(22,249,500)</b>
<b>Tax expenses</b>			
Current tax	28	5,849,373	1,404,101
Prior Period Tax	28	-	15,589,333
Deferred tax charge	28	1,069,748	(1,641,980)
Total tax expense		6,919,121	15,351,454
<b>Profit for the year</b>		<b>8,060,611</b>	<b>(37,600,955)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Re-measurement gains/ (losses) on defined benefit plan and Net of Income Tax		244,922	456,720
<b>Other comprehensive income for the year, net of tax</b>		<b>244,922</b>	<b>456,720</b>
<b>Total comprehensive income for the year</b>		<b>8,305,533</b>	<b>(37,144,235)</b>
<b>Earnings per equity share (nominal value of INR 10) in INR</b>			
Basic		0.48	(2.22)
Diluted		0.41	(2.22)

Summary of significant accounting policies

3

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

**For RAMBABU & CO**

Chartered Accountants

ICAI Firm Registration Number: 0029765

**for and on behalf of the Board of GSS InfoTech Limited**

**CIN: L72200TG2003PLC041860**

**Sd/-**

**GVL Prasad**

Partner

Membership No.: 026548

**Sd/-**

**Bhargav Marepally**

CEO & Managing Director

DIN: 00505098

**Sd/-**

**A. Prabhakara Rao**

Director

DIN: 02263908

**Place: Hyderabad**

Date : 23-May-2022

**Sd/-**

**Ravi Kumar Jatavallabha V**

Chief Financial Officer

**Sd/-**

**Amrita Singh**

Company Secretary



# GSS INFOTECH LIMITED

## Standalone Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2022

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Operating activities</b>		
<b>Profit before tax</b>	<b>14,979,730</b>	<b>(22,249,500)</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of tangible assets	1,109,041	1,099,317
Profit on sale of assets	-	-
Finance income (including fair value change in financial instruments)	(865,637)	(8,256,744)
Finance costs (including fair value change in financial instruments)	-	-
Advance/Bad Debt Written off	14,625,395	698,377
Written off Investments	-	-
Unrealized foreign exchange loss/gain	(2,677)	(1,044,825)
Re-measurement gains/ (losses) on defined benefit plan	244,922	456,720
<i>Working capital adjustments:</i>		
(Increase)/ decrease in trade receivables	96,432,129	(32,210,437)
(Increase)/ decrease in loans	(14,658,667)	1,530,046
(Increase)/ decrease in other assets	(324,068,740)	6,105,470
Increase/ (decrease) in trade payables and other financial liabilities	4,597,440	(2,138,109)
Increase/ (decrease) in provisions	793,241	(596,086)
Increase/ (decrease) in current tax asset	(1,918,313)	75,506,613
Increase/ (decrease) in other financial liabilities	123,370,487	24,641,412
Increase/ (decrease) in other current liabilities	(39,972)	(550,123)
	<b>(85,401,620)</b>	<b>42,992,131</b>
Income tax paid	(5,849,372)	(16,993,434)
<b>Net cash flows from operating activities</b>	<b>(91,250,992)</b>	<b>25,998,696</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment (including capital work in progress)	(1,542,400)	(202,000)
Proceeds from sale of fixed assets	-	-
Other bank balances	(2,668)	(19,670,348)
Interest received (finance income)	865,637	8,256,744
Investment in Subsidiary	-	-
<b>Net cash flows used in investing activities</b>	<b>(679,431)</b>	<b>(11,615,604)</b>
<b>Financing activities</b>		
Proceeds / (repayment) from long term borrowings, net	-	-
Proceeds / (repayment) from short term borrowings, net	-	-
Interest paid	-	-
Unrealized foreign exchange loss/gain	2,677	1,044,826
Money received against Share Warrant	74,900,000	-
inflow of excess deposit in dividend unclaim account	-	-
<b>Net cash flows from/ (used in) financing activities</b>	<b>74,902,677</b>	<b>1,044,826</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(17,027,746)</b>	<b>15,427,918</b>
Cash and cash equivalents at the beginning of the year (refer note 11)	27,410,115	11,982,197
<b>Cash and cash equivalents at the end of the year (refer note 11)</b>	<b>10,382,368</b>	<b>27,410,115</b>

Summary of significant accounting policies

3

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

**For RAMBABU & CO**

Chartered Accountants

ICAI Firm Registration Number: 0029765

**for and on behalf of the Board of GSS InfoTech Limited**

**CIN: L72200TG2003PLC041860**

**Sd/-**

**GVL Prasad**

Partner

Membership No.: 026548

**Sd/-**

**Bhargav Marepally**

CEO & Managing Director

DIN: 00505098

**Sd/-**

**A. Prabhakara Rao**

Director

DIN: 02263908

**Place: Hyderabad**

Date : 23-May-2022

**Sd/-**

**Ravi Kumar Jatavallabha V**

Chief Financial Officer

**Sd/-**

**Amrita Singh**

Company Secretary

# GSS INFOTECH LIMITED

## Standalone Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022

(All amounts in Indian Rupees, except share data and where otherwise stated)

a. Equity Share Capital	No. of shares	Amount
Balance as at March 31, 2021	16,936,843	169,368,430
Balance as at March 31, 2022	16,936,843	169,368,430

### b. Other equity

Particulars	Reserves and Surplus			Money received against Share Warrant	Total
	Share Premium	General Reserve	Retained Earnings		
Balance as at 1 April, 2020	2,052,380,129	24,001,603	(1,074,883,519)	0	1,001,498,214
Profit for the year			(37,600,955)	0	(37,600,955)
Other comprehensive income					
Re-measurement gains/ (losses) on defined benefit plans			456,720	0	456,720
Income-tax effect					-
Balance as at 31 March, 2021	2,052,380,129	24,001,603	(1,112,027,753)	0	964,353,979

Particulars	Reserves and Surplus			Money received against Share Warrant	Total
	Share Premium	General Reserve	Retained Earnings		
Balance as at 1 April, 2021	2,052,380,129	24,001,603	(1,112,027,753)		964,353,979
Profit for the year		1,263,991	8,060,610		9,324,601
Money received against Share Warrant				74,900,000	74,900,000
Other comprehensive income					
Re-measurement gains/ (losses) on defined benefit plans			244,922		244,922
Income-tax effect					-
Balance as at 31 March, 2022	2,052,380,129	25,265,594	(1,103,722,221)	74,900,000	1,048,823,503

Summary of significant accounting policies

3

Bad Debts Rs. 1,263,991/= which was adjusted through General Reserve at the time of adoption of IND AS, has now been reinstated in General Reserve on Recovery of Debt.

During the year the company has issued 2,800,000 number of Fully convertible Equity Warrants on preferential basis to Promoters and Strategic Investors @107/- each, of which 25% received.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

**For RAMBABU & CO**

Chartered Accountants

ICAI Firm Registration Number: 0029765

**for and on behalf of the Board of GSS InfoTech Limited**

**CIN: L72200TG2003PLC041860**

**Sd/-**

**GVL Prasad**

Partner

Membership No.: 026548

**Sd/-**

**Bhargav Marepally**

CEO & Managing Director

DIN: 00505098

**Sd/-**

**A. Prabhakara Rao**

Director

DIN: 02263908

**Place: Hyderabad**

Date : 23-May-2022

**Sd/-**

**Ravi Kumar Jatavallabha V**

Chief Financial Officer

**Sd/-**

**Amrita Singh**

Company Secretary

# GSS INFOTECH LIMITED

## Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

### 1. General Information

GSS Infotech Limited ('the Company') was incorporated on 13th October, 2003 as a Listed Public limited company under the Companies Act, 1956. The Registered office of the Company is situated at Ground Floor, Wing-B, N heights, Plot No. 12, TSIIC Software Units Layout, Madhapur, Serilingampally, Hyderabad, Rangareddy, Telangana - 500081, India. The Company is primarily engaged in the business of IT & ITES

### 2 Basis of preparation of financial statements

#### 2.1 Statement of Compliance

The financial statements have been prepared in accordance of Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act. The financial statements were authorised for issue by the Company's Board of Directors on May 23, 2022. Details of the accounting policies are included in Note 3.

#### 2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis, except certain financial assets and liabilities are measured at fair value or amortised cost.

#### 2.3 Functional currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates. All amounts are in Indian Rupees INR except share data, unless otherwise stated.

#### 2.4 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

##### Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

##### Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;

## **GSS INFOTECH LIMITED**

### **Notes forming part of the standalone financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/liabilities respectively. All other assets/ liabilities are classified as non-current.

#### **2.5 Critical accounting judgements and key sources of estimation uncertainty Operating cycle**

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

##### ***Provision and contingent liability***

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

##### ***Useful lives of depreciable assets***

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2021 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

#### **2.6 Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### 3 Significant accounting policies

#### 3.1 Revenue recognition

##### Revenue from operations

The company is primarily engaged in the business of IT & ITES and earns revenue from the same. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.
- In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations.
- Revenue from the sale of distinct internally developed software and manufactured systems and third-party software is recognised upfront at the point in time when the system / software is delivered to the customer. In cases where implementation and / or customisation services rendered significantly modifies or customises the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.
- Revenue from the sale of distinct third-party hardware is recognised at the point in time when control is transferred to the customer.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third-party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

## **GSS INFOTECH LIMITED**

### **Notes forming part of the standalone financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues. The billing schedules agreed with customers include periodic performance-based payments and / or milestone-based progress payments. Invoices are payable within contractually agreed credit period. In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received. Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

#### Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

- The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgment to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.
- Contract fulfillment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalization. Such costs are amortised over the contractual period or useful life of licence whichever is less. The assessment of this criteria requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

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

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3.2 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### 3.3 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in



## **GSS INFOTECH LIMITED**

### **Notes forming part of the standalone financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

#### **3.4 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### **3.5 Taxation**

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

##### **Current tax**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

##### **Deferred tax**

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### **3.6 Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

## **GSS INFOTECH LIMITED**

### **Notes forming part of the standalone financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

#### **3.7 Property, plant and equipment**

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any.

Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

##### **Subsequent Costs**

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of Profit and Loss at the time of incurrence

#### **3.8 Depreciation**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

#### **3.9 Goodwill and other intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

## **GSS INFOTECH LIMITED**

### **Notes forming part of the standalone financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### **Amortisation**

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Computer software is amortised on straight line basis over a period of three years.

#### **3.10 Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

#### **3.11 Statement of Cash flow**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

#### **3.12 Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

## **GSS INFOTECH LIMITED**

### **Notes forming part of the standalone financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

#### **3.13 Employee benefits**

##### **Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### **Defined contribution plans**

The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

##### **Defined benefit plans**

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

##### **Termination benefits**

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

##### **Other long-term employee benefits**

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

# GSS INFOTECH LIMITED

## Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

### 3.14 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### 3.15 Contingent liabilities & contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

### 3.16 Financial instruments

#### a. Recognition and Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### b. Classification and Subsequent measurement

##### Financial Assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### **Financial Assets: Business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

#### **Financial Assets: Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

#### **Financial Assets:** Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

##### a) Financial Assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

##### b) Financial liabilities: Classification, Subsequent measurement and gains and losses. Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

##### c) De-recognition: Financial Assets: The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between



## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit.

- d) Offsetting: Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously
- e) Impairment: The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

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### **Notes forming part of the standalone financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

#### Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### Investment in Subsidiaries

Investment in subsidiaries is carried at cost, less any impairment in the value of investment, in these separate financial statements.

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 4 Property

Particulars	Office Equipment	Furniture and fixtures	Computers	Vehicles	Total
<b>Cost</b>					
<b>At March 31, 2020</b>	<b>2,041,615</b>	<b>969,206</b>	<b>3,799,330</b>	<b>147,815</b>	<b>6,957,966</b>
Additions	2,000	-	200,000	-	202,000
Deletions	-	-	-	-	-
<b>At March 31, 2021</b>	<b>2,043,615</b>	<b>969,206</b>	<b>3,999,330</b>	<b>147,815</b>	<b>7,159,966</b>
Additions	101,900	-	40,500	1,400,000	1,542,400
Deletions	-	-	-	-	-
<b>At March 31, 2022</b>	<b>2,145,515</b>	<b>969,206</b>	<b>4,039,830</b>	<b>1,547,815</b>	<b>8,702,366</b>
<b>Accumulated depreciation</b>					
<b>At March 31, 2020</b>	<b>1,588,267</b>	<b>668,667</b>	<b>2,773,004</b>	<b>62,696</b>	<b>5,092,633</b>
Charge for the year	60,123	182,688	621,339	-	864,150
Less: Adjustments	-	-	-	-	-
<b>At March 31, 2021</b>	<b>1,648,390</b>	<b>851,355</b>	<b>3,394,343</b>	<b>62,696</b>	<b>5,956,783</b>
Charge for the year	251,453	66,340	198,224	437,282	953,299
Less: Adjustments	-	-	-	-	-
<b>At March 31, 2022</b>	<b>1,899,843</b>	<b>917,695</b>	<b>3,592,567</b>	<b>499,978</b>	<b>6,910,082</b>
<b>Carrying amount</b>					
At March 31, 2020	453,348	300,539	1,026,326	85,119	1,865,333
At March 31, 2021	395,225	117,851	604,987	85,119	1,203,182
<b>At March 31, 2022</b>	<b>245,672</b>	<b>51,511</b>	<b>447,263</b>	<b>1,047,837</b>	<b>1,792,284</b>

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 5 Intangible assets

Particulars	Copy rights	Computer software	Total
<b>Cost</b>			
<b>At March 31, 2020</b>	<b>2,069,832</b>	<b>1,870,661</b>	<b>3,940,493</b>
Additions	-	-	-
Deletions	-	-	-
<b>At March 31, 2021</b>	<b>2,069,832</b>	<b>1,870,661</b>	<b>3,940,493</b>
Additions	-	-	-
Deletions	-	-	-
<b>At March 31, 2022</b>	<b>2,069,832</b>	<b>1,870,661</b>	<b>3,940,493</b>
<b>Accumulated depreciation</b>			
<b>At March 31, 2020</b>	<b>2,069,832</b>	<b>1,418,193</b>	<b>3,488,025</b>
Depreciation expense		235,167	235,167
Deletions	-	-	-
<b>At March 31, 2021</b>	<b>2,069,832</b>	<b>1,653,360</b>	<b>3,723,192</b>
Depreciation expense		155,742	155,742
Deletions	-	-	-
<b>At March 31, 2022</b>	<b>2,069,832</b>	<b>1,809,102</b>	<b>3,878,934</b>
<b>Carrying amount</b>			
At March 31, 2020	-	-	452,469
At March 31, 2021	-	217,302	217,302
<b>At March 31, 2022</b>	-	<b>61,560</b>	<b>61,560</b>

#### 6 Investments

##### Non-current investments

##### Investments carried at cost

##### Unquoted equity shares

##### Investments in subsidiaries

	31 March 2022	31 March 2021
1,500 (31-March-2021: 1,500) Equity Shares of \$1 each fully paid up in GSS Infotech Inc (Delaware)	890,940,578	890,940,578
9,990 (31-March-2021: 9,990) Equity Shares of Rs. 10/- each fully paid up in GSS Healthcare IT Solutions Private Ltd	99,900	99,900
9,990(31-March-2021: 9,990) Equity Shares of Rs. 10/- each fully paid up in GSS IT Solutions Private Ltd	99,900	99,900
<b>Total investments carried at cost</b>	<b>891,140,378</b>	<b>891,140,378</b>

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 7 Loans (Unsecured, considered good unless otherwise stated)

	31 March 2022	31 March 2021
<b>Non-current</b>		
Security deposits	-	-
	-	-
Note: These financial assets are carried at amortised cost		
<b>Current</b>		
Other Financial Assets	2,397,600	2,363,728
Loans and advances to related parties	-	600
	<u>2,397,600</u>	<u>2,364,328</u>

#### 8 Deferred Tax Assets (net)

	31 March 2022	31 March 2021
Deferred Tax Assets (net)	1,890,896	2,960,644
	<u>1,890,896</u>	<u>2,960,644</u>

#### Significant items of Deferred Tax Asset

Particulars	31 March 2022	31 March 2021
WDV as per Income Tax Act	6,504,111	9,863,812
WDV as per Companies Act	1,680,208	1,420,489
<b>Timing Difference</b>		
Difference in WDV as per IT and Books	4,823,903	8,443,323
Provision for Leave Encashment	1,537,010	1,598,894
Provision for Gratuity	435,981	599,925
<b>Total Timing Difference (Deferred Tax Asset)</b>	<b>6,796,894</b>	<b>10,642,142</b>
<b>Tax rate</b>	<b>27.82%</b>	<b>27.82%</b>
<b>Deferred Income Tax @ 27.82%</b>	<b>1,890,896</b>	<b>2,960,644</b>

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 9 Other assets

Non-current assets	31 March 2022	31 March 2021
<i>Unsecured, considered good</i>		
Advances other than capital advances		
Advance to ESOP Trust	3,500,000	3,500,000
Advance to vendors	-	-
	<b>3,500,000</b>	<b>3,500,000</b>

During earlier years the company has allotted 350,000 equity shares of the Company valued at Rs. 3,500,000/= to ESOP Trust established by the Company

#### **Current assets**

<i>Unsecured, considered good</i>		
Balance with Govt. authorities	8,430,554	12,187,736
Advances other than capital advances		
Staff advances	-	116,970
Other advances	314,534,062	20,634,621
Prepaid expenses	2,414,108	1,449,643
Unbilled revenue	36,442,399	3,363,414
	<b>361,821,123</b>	<b>37,752,384</b>

Other advances include on account of Rs. 24.00 Cr paid to Polimeraas Limited towards advance for acquisition of equity capital and Rs. 5.50 Cr. towards advance for operations.

#### 10 Trade receivables

	31 March 2022	31 March 2021
Unsecured, considered good	61,891,580	144,711,125
	<b>61,891,580</b>	<b>144,711,125</b>
Less: Bad debts written off	14,625,395	698,377
	<b>47,266,185</b>	<b>144,012,748</b>
Less Provision for doubtful debts	831,127	1,145,560
<b>Total Trade receivables</b>	<b>46,435,059</b>	<b>142,867,188</b>

The Company has written off debt on account of Rs. 14,625,395/= receivable from US client, Koreconx which was wound up.

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	17,482,299	0	28,952,760	0	0	46,435,059
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	0	0	0	0	0	0
(iii) Undisputed Trade Receivables — credit impaired	0	0	0	0	0	0
(iv) Disputed Trade Receivables — considered good	0	0	0	0	0	0
(v) Disputed Trade Receivables — which have significant increase in credit risk	0	0	0	0	0	0
(vi) Disputed Trade Receivables — credit impaired	0	0	0	0	0	0

#### 11 Cash and cash equivalents

	31 March 2022	31 March 2021
Balances with banks:		
- On current accounts	10,374,549	27,399,767
Cash on hand	7,819	10,348
<b>Total Cash and cash equivalents</b>	<b>10,382,368</b>	<b>27,410,115</b>

#### 12 Other bank balances

	31 March 2022	31 March 2021
Term deposits with Banks with original maturities of less than 1 year*	32,093,523	32,090,855
<b>Total Other bank balances</b>	<b>32,093,523</b>	<b>32,090,855</b>

\*Represents margin money deposits against bank guarantees, letter of credit.

#### 13 Current Tax Assets (Net)

	31 March 2022	31 March 2021
TDS Receivable	3,038,207	7,132,740
Advance Tax	5,223,099	2,550
MAT entitlement	44,866,516	44,074,219
	<b>53,127,822</b>	<b>51,209,509</b>



# GSS INFOTECH LIMITED

## Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

### 14 Share Capital

	31 March 2022	31 March 2021
<b>Authorised Share Capital</b>		
50,000,000 (March 31, 2021: 50,000,000) equity shares of Rs.10 each	500,000,000	500,000,000
<b>Issued, subscribed and fully paid-up</b>		
16,936,843 (March 31, 2021: 16,936,843) equity shares of Rs.10/- each fully paid-up	169,368,430	169,368,430
	<u>169,368,430</u>	<u>169,368,430</u>

#### (a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Particulars	31 March 2022		31 March 2021	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	16,936,843	169,368,430	16,936,843	169,368,430
Issued during the year	-	-	-	-
Outstanding at the end of the year	16,936,843	169,368,430	16,936,843	169,368,430

#### (b) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Details of shareholders holding more than 5% shares in the Company

Particulars	31 March 2022		31 March 2021	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
1. Raghunadha Rao Marepally	3,291,129	19.43%	3,006,129	17.75%
2. Sapan Anil Shah	1,225,910	7.24%	-	0.00%
	<b>4,517,039</b>	<b>26.67%</b>	<b>3,006,129</b>	<b>17.75%</b>

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 15 Other equity

	31 March 2022	31 March 2021
Share premium		
Opening balance	2,052,380,129	2,052,380,129
Closing balance	<u>2,052,380,129</u>	<u>2,052,380,129</u>
General Reserve		
Opening balance	24,001,603	24,001,603
Closing balance	<u>24,001,603</u>	<u>24,001,603</u>
Retained earnings		
Opening balance	(1,112,027,753)	(1,074,883,518)
Profit/(loss) for the year	8,060,610	(37,600,955)
Other comprehensive income	244,922	456,720
Closing balance	<u>(1,103,722,221)</u>	<u>(1,112,027,753)</u>
<b>Total other equity</b>	<u><b>972,659,511</b></u>	<u><b>964,353,980</b></u>

Share premium consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued.

#### 16 Borrowings

	31 March 2022	31 March 2021
<b>Non-current Borrowings</b>		
<b>Secured loans</b>		
Term loans		
- From banks		
<b>Total non-current borrowings</b>	<u>-</u>	<u>-</u>

#### 17 Provisions

	31 March 2022	31 March 2021
<b>Non-Current</b>		
Provision for employee benefits		
- Gratuity (refer note 33)	191,059	599,925
- Compensated absences	-	-
	<u>191,059</u>	<u>599,925</u>
<b>Current</b>		
Provision for employee benefits		
- Gratuity (refer note 33)	-	-
- Compensated absences	1,537,010	1,598,894
	<u>1,537,010</u>	<u>1,598,894</u>

# GSS INFOTECH LIMITED

## Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

### 18 Trade payables

	31 March 2022	31 March 2021
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	12,961,132	8,363,692
	<b>12,961,132</b>	<b>8,363,692</b>

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0	0	0	0	0
(ii) Others	12,961,131	0	0	0	12,961,131
(iii) Disputed dues — MSME	0	0	0	0	0
(iv) Disputed dues - Others	0	0	0	0	0

### 19 Other financial liabilities

	31 March 2022	31 March 2021
Current maturities of long-term debts	-	-
Employee payables	723,842	336,615
Provision for expenses	30,745,779	31,648,120
Other liabilities	139,288,786	15,403,185
Current maturities of long-term debts	<b>170,758,407</b>	<b>47,387,920</b>

Other Liabilities includes trade advance received Rs. 120,896,936 / = from GSS Infotech CT Inc, Wholly Owned Subsidiary of the Company.

### 20 Other current liabilities

	31 March 2022	31 March 2021
Statutory Dues	1,003,072	1,043,044
	<b>1,003,072</b>	<b>1,043,044</b>

### 21 Revenue from operations

	31 March 2022	31 March 2021
Revenue from Export services	181,997,373	146,167,322
Revenue from Domestic services	23,183,608	20,576,013
	<b>205,180,981</b>	<b>166,743,335</b>

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 22 Other income

	31 March 2022	31 March 2021
Interest income	865,637	8,256,744
Miscellaneous income	6,237,260	7,122,671
	<b>7,102,897</b>	<b>15,379,416</b>

#### 23 Direct Cost

	31 March 2022	31 March 2021
Software Expenses	8,001	1,332
Subcontractor Expenses	57,945,182	64,825,929
	<b>57,953,183</b>	<b>64,827,261</b>

#### 24 Employee benefits expense

	31 March 2022	31 March 2021
Salaries, wages and bonus	75,706,707	82,451,102
Contribution to provident and other funds	1,948,023	2,056,851
Staff welfare expenses	803,236	1,403,073
	<b>78,457,966</b>	<b>85,911,026</b>

#### 25 Depreciation and amortisation expense

	31 March 2022	31 March 2021
Depreciation of tangible assets	953,299	864,150
Amortization of intangible assets	155,742	235,167
	<b>1,109,041</b>	<b>1,099,317</b>

#### 26 Finance costs

	31 March 2022	31 March 2021
Interest on term loans	-	-
Bank Charges	329,557	546,900
	<b>329,557</b>	<b>546,900</b>

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 27 Other expenses

	31 March 2022	31 March 2021
Directors' Sitting Fees	710,000	395,000
Power and fuel	1,662,657	1,625,896
Auditor's Remuneration	1,200,000	1,200,000
Repairs and maintenance		
- Plant and equipments	684,580	1,148,846
- Others	1,498,148	580,433
Meeting Expenses	139,418	89,489
License, Immigration and Permits	372,449	330,023
Rent	12,133,220	16,305,160
Business promotion and advertisement expenses	4,912,959	5,573,837
Travelling and conveyance	6,065,781	3,931,694
Rates and taxes	1,029,442	257,778
Legal and professional charges	5,694,097	6,615,615
Printing and stationary	53,111	20,964
Communication expenses	883,083	1,078,724
Insurance	1,988,576	1,345,318
General Office Expenses	2,039,069	2,073,070
Bad debt written off	14,625,395	698,377
Loss on Exchange Rate Fluctuation	3,762,414	8,717,523
	<b>59,454,399</b>	<b>51,987,747</b>

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 28 Tax expenses

	31 March 2022	31 March 2021
Earlier year income tax:	-	15,589,333
Current income tax charge	5,849,373	1,404,101
Mat Credit entitlement	-	-
Deferred tax:		
Relating to originating and reversal of temporary differences	1,069,748	(1,641,980)
<b>Income tax expense recognised in the statement of profit or loss</b>	<b>6,919,121</b>	<b>15,351,454</b>

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in the statement of profit and loss is as follows:

Income Tax Reconciliation	31 March 2022	31 March 2021
Profit / (Loss) before tax as per Profit & Loss A/c	(14,979,732)	(22,249,500)
Indian statutory income tax rate	27.82%	27.82%
<b>Expected income tax expense</b>	<b>0</b>	<b>0</b>
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense under U/s 115JB		
Profit/ (Loss) before tax as per Profit & Loss A/c	(14,979,732)	(22,249,500)
Loss or unabsorbed depreciation, whichever is less	1,099,317	15,255,726
Adjusted Book Profit (MAT) U/s 115JB	(13,880,415)	(6,993,774)
Income Tax Rate on Book Profits	16.69	16.69
<b>Income Tax</b>	<b>(2,316,641)</b>	<b>(1,167,261)</b>
of Which MAT credit entitlement	0	0
Foreign Tax Credit on Bangladesh Profits	(2,316,641)	(1,167,261)
Taxes paid at Foreign Destinations (Bangladesh)	5,849,373	1,404,101
Deferred Tax asset	1,069,748	(1,641,980)
Tax relating to previous years	0	15,589,333
<b>Total Income Tax expenses</b>	<b>6,919,121</b>	<b>15,351,454</b>

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 29 Contingent liabilities and commitments

Particulars		As at 31 March 2022	As at 31 March 2021
i)	Appeal is pending before Income Tax Appellate Tribunal, Hyderabad for AY 2013-14 (Ref.29.1)	NIL	20,929,300
ii)	Appeal is pending before Hon'ble Dispute Resolution Panel, Bangalore for AY 2014-15 (Ref. 29.1)	NIL	67,960,990
iii)	There was service tax demand (for the years 2011-12, 2012-13 & 2013-14) on the company on account of the e-Procurement contract executed in Bangladesh for Bangladesh Government, treating of business support, against which company filed appeal before CESTAT, Bangalore	8,519,526	8,519,526
iv)	Against bank guarantees issued by banks towards financial & performance guarantees outstanding	3,797,000	NIL
v)	The company had filed application for compounding before the RBI for obtaining permissions under the FEMA provisions relating to the transfer of funds to WOS, 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.		
29.1	Consequential orders are pending before Assessing officer, pursuant to orders from Honorable Income tax Appellate Tribunal Hyderabad, for Asst Years 2013-14 and Asst Year 2014-15 involving tax amount of Rs. 20,929,300/- and 67,960,990/- respectively. These demands are however offset against brought forward losses and MAT Credit Entitlement of earlier years.		

#### 30 Related party disclosures

- a) The following table provides the name of the related party and the nature of its relationship with the Company:

Name of the parties	Relationship
GSS Infotech Inc (A delaware Company)	Wholly owned Subsidiary
GSS IT Solutions Private Limited	Wholly owned Subsidiary
GSS Healthcare IT Solutions Private Limited	Wholly owned Subsidiary
GSS Infotech CT Inc (Formerly known as System Dynamix Corporation)	Step down Subsidiary
Infovision Technologies, Inc	Step down Subsidiary
Infovista Technologies Inc	Step down Subsidiary
Technovant Inc	Step down Subsidiary
Mr. Bhargav Marepally	Chief Executive Officer and Managing Director



## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

b) Details of all transactions with related parties during the year:

Particulars		31 March 2022	31 March 2021
i	<b>Managerial Remuneration to Key Management Personnel</b>	-	-
ii	Investment in Capital of Subsidiaries	-	-
	GSS Infotech INC (a Delaware Company)		
iii	Advances to Subsidiaries	-	-
	GSS IT Solutions Pvt Ltd	-	-
	GSS Healthcare IT Solutions Pvt Ltd	-	-
iv	Payment received from Subsidiaries as Advances	120,896,936	-
	GSS Healthcare IT Solutions Pvt Ltd		
v	Sales to Subsidiaries	-	-
	Gss Infotech CT Inc	58,583,369	17,292,801
	Nexii Labs Inc	-	1,492,357
vi	Loan Received		
vii	RePayment against Loans	-	-
	Mr. Ramesh Yerramsetti	-	-
	Mr. Bhargav Marepally		
viii	Amounts Writtenoff	-	-
	GSS IT Solutions Pvt Ltd	-	-
	GSS Healthcare IT Solutions Pvt Ltd	-	-

c) Details of balances receivable from and payable to related parties are as follows:

Particulars		As at 31 March 2022	As at 31 March 2021
i)	<b>Investment in Capital of Subsidiaries</b>		
	GSS Infotech INC (a Delaware Company)	890,940,578	890,940,578
	GSS IT Solutions Pvt Ltd	99,900	99,900
	GSS Healthcare IT Solutions Pvt Ltd	99,900	99,900
ii)	<b>Advances Receivable from Subsidiaries</b>		
	GSS Infotech INC (a Delaware Company)	-	-
	GSS IT Solutions Pvt Ltd	-	-
	GSS Healthcare IT Solutions Pvt Ltd	-	600

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

d) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

### 31 Segment information

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating and geographical segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments and geographical segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis. The Company's sole operating segment is therefore 'Software services' but there are multiple geographical segments. Accordingly, the information as per these geographical segments is as under:

Particulars	2021-22	2020-21
Business from United States of America	129,528,477	100,853,741
Business from Bangladesh	52,468,896	45,313,581
Domestic	23,183,608	20,576,013
<b>Total</b>	<b>205,180,981</b>	<b>166,743,335</b>

### 32 Auditors' remuneration includes

Particulars	31 March 2022	31 March 2021
Statutory audit fee	1,200,000	1,200,000
Other services	-	-
Out of pocket expenses	-	-
<b>Total</b>	<b>1,200,000</b>	<b>1,200,000</b>

### 33 Gratuity

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of Rs. 2,000,000.

The following tables summarize the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet for the plan:

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

Reconciliation of opening and closing balances of the present value of the defined benefit obligations:

Particulars	31 March 2022	31 March 2021
<b>Opening balance</b>	<b>3,529,586</b>	3,444,651
Service cost	610,356	677,396
Past Service cost	-	-
Interest cost	240,012	234,236
Benefits paid	-	(357,253)
Actuarial gain	(604,155)	(469,444)
<b>Closing balance</b>	<b>3,775,799</b>	<b>3,529,586</b>
Present value of projected benefit obligation at the end of the year	3,775,799	3,529,586
Fair value of plan assets at the end of the year	3,584,740	2,929,661
Net liability recognised in the balance sheet	<b>191,059</b>	<b>599,925</b>
Long term provision	3,666,319	3,431,098
Short term provision	109,480	98,488
<b>Expenses recognised in statement of profit and loss</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Service cost	0	677,396
Interest cost	0	92,029
<b>Gratuity cost</b>	<b>0</b>	<b>769,425</b>
Re-measurement gains/ (losses) in OCI		
Actuarial gain / (loss) due to financial assumption changes	(604,155)	(469,444)
Return on plan assets greater (less) than discount rate	359,233	12,724
<b>Total expenses routed through OCI</b>	<b>(244,922)</b>	<b>(456,720)</b>
<b>Assumptions</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Discount rate	7.16% p.a.	6.80% p.a.
Future salary increases	4.00% p.a.	4.00% p.a.
Employee turnover	3.00% p.a.	3.00% p.a.

A quantitative sensitivity analysis for significant assumption and its impact on projected benefit obligation are as follows:

	31 March 2022	31 March 2021
Effect of + 1% change in rate of discounting	3,495,025	3,248,383
Effect of - 1% change in rate of discounting	4,102,750	3,857,951
Effect of + 1% change in rate of salary increase	4,375,077	4,135,289
Effect of - 1% change in rate of salary increase	3,278,847	3,030,836
Effect of + 1% change in rate of employee turnover	4,037,006	3,771,940
Effect of - 1% change in rate of employee turnover	3,493,178	3,259,806

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 34 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2017 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

		31 March 2022	31 March 2021
a)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	NIL	NIL
b)	the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
c)	the amount of 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 this MSMED Act	NIL	NIL
d)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
e)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	NIL	NIL

#### 35 Leases

##### Where the Company is a lessee:

The company has operating lease for office premises, which is renewable on a periodical basis and cancellable at its option.

i) Amounts recognised in statement of profit and loss:

Particulars	31 March 2022	31 March 2021
Cancellable lease expense	7,393,092	11,081,091
Non - cancellable lease expense	4,740,128	5,224,069
<b>Total</b>	<b>12,133,220</b>	<b>16,305,160</b>

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 36 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following table sets out the computation of basic and diluted earnings per share:

Particulars	31 March 2022	31 March 2021
Profit / (Loss) for the year	8,060,611	(37,600,955)
Less: Preference dividend for the year	-	-
Less: Tax on preference dividend	-	-
<b>Profit attributable to equity share holders</b>	<b>8,060,611</b>	<b>(37,600,955)</b>
<b>Shares</b>		
Weighted average number of equity shares outstanding during the year – basic	<b>16,936,843</b>	<b>16,936,843</b>
Weighted average number of equity shares outstanding during the year – diluted	<b>19,736,843</b>	<b>16,936,843</b>
<b>Earnings per share of par value ₹ 10 – basic (₹)</b>	<b>0.48</b>	<b>(2.22)</b>
<b>Earnings per share of par value ₹ 10 – diluted (₹)</b>	<b>0.41</b>	<b>(2.22)</b>

#### 37 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

##### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2022 and March 31, 2021. The sensitivity analysis have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in interest rate	Effect on profit before tax
<b>March 31, 2022</b>		
INR	+1%	-
INR	-1%	-
<b>March 31, 2021</b>		
INR	+1%	-
INR	-1%	-

#### b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to Rs.61,891,580 (March 31,2021 : 144,711,126). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	31 March 2022	31 March 2021
Opening balance	1,843,937	1,843,937
Credit loss provided/ (reversed)	13,612,585	-
<b>Closing balance</b>	<b>15,456,522</b>	<b>1,843,937</b>

No single customer accounted for more than 10% of the revenue as of March 31, 2022 and March 31, 2021. There is no significant concentration of credit risk.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

#### c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
<b>Year ended March 31, 2022</b>						
Borrowings	-	-	-	-	-	-
Trade payables	5,915,139	7,045,992	-	-	-	12,961,131
<b>Year ended March 31, 2021</b>						
Borrowings	-	-	-	-	-	-
Trade payables	10,461,274	(2,097,582)	-	-	-	8,363,692



## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 38 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprises of issued share capital and all other equity reserves.

The capital structure as of March 31, 2022 and March 31, 2021 was as follows:

Particulars	31 March 2022	31 March 2021
Total equity attributable to the equity shareholders of the Company	1,218,191,933	1,133,722,409
As a percentage of total capital	100.00%	100.00%
Long term borrowings including current maturities	-	-
Short term borrowings	-	-
Total borrowings	-	-
As a percentage of total capital	0.00%	0.00%
Total capital (equity and borrowings)	<b>1,218,191,933</b>	<b>1,133,722,409</b>

## GSS INFOTECH LIMITED

### Notes forming part of the standalone financial statements

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### 39 Ratios

Ratios	Components of Numerator	Components of Denominator	For the Year ended March 31, 2022	For the Year ended March 31, 2021	% Change
Current Ratio	Current Assets	Current Liabilities	2.72	5.03	(46%)
Debt Equity Ratio	Borrowings including interest	Total Equity	NA	NA	NA
Debt Service Coverage Ratio	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Current portion of borrowings including interest	NA	NA	NA
Return on Equity	Total Comprehensive Income	Equity Share Capital	0.05	(0.22)	(122%)
Inventory Turnover	Revenue from Operations	Average Inventory	NA	NA	NA
Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	2.17	1.32	65%
Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	11.01	12.38	(11%)
Net Capital Turnover Ratio	Revenue from Operations	Working Capital (current assets minus current liabilities)	0.64	0.71	(10%)
Net Profit Ratio	Total Comprehensive Income	Revenue from Operations	0.04	(0.22)	(118%)
Return on Capital Employed	Total Comprehensive Income + Interest Expense on Borrowings + Tax Expenses	Total Equity + Borrowings + Deferred Tax Liability	0.01	(0.02)	(165%)
Return on Investment	Dividend	Share Price on last date of FY	NA	NA	NA

## **GSS INFOTECH LIMITED**

### **Notes forming part of the standalone financial statements**

(All amounts in Indian Rupees, except share data and where otherwise stated)

#### **40 Prior year comparatives**

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

As per our report of even date

**For RAMBABU & CO**

*Chartered Accountants*

ICAI Firm Registration Number: 002976S

**for and on behalf of the Board of GSS InfoTech Limited**

**CIN: L72200TG2003PLC041860**

**Sd/-**

**GVL Prasad**

Partner

Membership No.: 026548

**Sd/-**

**Bhargav Marepally**

CEO & Managing Director

DIN: 00505098

**Sd/-**

**A. Prabhakara Rao**

Director

DIN: 02263908

**Place: Hyderabad**

Date : 23-May-2022

**Sd/-**

**Ravi Kumar Jatavallabha V**

Chief Financial Officer

**Sd/-**

**Amrita Singh**

Company Secretary



## **GSS INFOTECH LIMITED**

CIN : L72200TG2003PLC041860

Ground Floor, Wing-B, N heights, Plot No. 12,  
TSIIC Software Units Layout, Madhapur, Serilingampally,  
Hyderabad, Rangareddi, Telangana, 500081, INDIA.