Transforming gss Infotech

15th Annual Report 2017-18

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 SSAE16 SOC TYPE II
- Global Operations Command Center (GOCC) and remote delivery center in Hyderabad, India
- Best-in-class top tier technology alliances and domain intensive Centers of Excellence
- Highly capable global team

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Corporate Information

Board of Directors

Mr. Bhargav Marepally
CEO & Managing Director

Mrs. Nagajayanthi Das Juttur Ragavendra
Non-Executive, Independent Director

Mr. Prabhakara Rao Alokam
Non-Executive, Independent Director

Mr. Gowrisankara Padma Rao Lakkaraju
Non-Executive, Independent Director

Mr. Sanjay Heda
Chief Financial Officer

Mr. Mohammad Anwar ul haq Abdul Mannan
Company Secretary & Compliance Officer

Bankers
Axis Bank Limited
Bank of India

Committees of Board of Directors

Audit Committee
Mr. Prabhakara Rao Alokam
Mrs. Nagajayanthi Das Juttur Ragavendra
Mr. Bhargav Marepally

Nomination and Remuneration Committee
Mrs. Nagajayanthi Das Juttur Ragavendra
Mr. Prabhakara Rao Alokam
Mr. Gowrisankara Padma Rao Lakkaraju

Stakeholders Relationship Committee
Mrs. Nagajayanthi Das Juttur Ragavendra
Mr. Bhargav Marepally

Statutory Auditors
M/s. Sarath & Associates
Chartered Accountants, 4th floor, Mass heights,
H.No. 8-2-577/B, Road No.8, Banjara Hills,
Hyderabad - 500034. Telangana State

Registered Office
CIN: L72200TG2003PLC041860
Ground Floor, Wing-B,
N heights, Plot No. 12,
TSIIC software units lay out,Madhapur,
Serilingampally Mandal,
Ranga Reddy District
Hyderabad -500 081

Registrar and Share Transfer Agents
Bigshare Services Private Limited
E-2 & 3, Ansa Industrial Estate, Saki Vihar
Road,Saki Naka, Andheri(E), Mumbai–400072,
India
Tel:+912240430200, Fax:+912228475207

Notice of Annual General Meeting (AGM)

Notice is hereby given that the 15th Annual General Meeting (AGM) of the members of GSS Infotech Limited will be held on Wednesday, the 5th Day of September, 2018, at 10.00 A.M at Ellaa Suites, Lotus Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad - 500 032 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:

   a) The audited financial statement of the Company for the financial year ended 31st March, 2018 and the reports of the Board of Directors and the report of the Auditors thereon.

   b) The audited consolidated financial statement of the company for the financial year ended 31st March, 2018 and the report of the Auditors thereon.

2. To appoint a Director in the place of Mr. Bhargav Marepally (DIN: 00505098), who retires by rotation, and being eligible, offers himself for Re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Bhargav Marepally (DIN: 00505098), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Managing Director of the Company, liable to retire by rotation."

3. To ratify the appointment of M/s. Sarath and Associates, Chartered Accountants (Firm Registration Number 005120S), as Statutory Auditors and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Sarath and Associates, Chartered Accountants (Firm Registration Number 005120S) as Statutory Auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company to be held in the year 2019."

Special Business:

4. Approval for removing the name of Indian Subsidiary GSS IT Solutions Private Limited from the register of companies, ROC, Andhra Pradesh & Telangana and in this regard to consider and if thought fit, to pass, the following resolution as **Special Resolution**:

   "RESOLVED THAT pursuant to Section 180(1)(a) and all other applicable provisions, if any, of Companies Act, 2013 and rules made thereunder, Regulation 24 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments thereof for the time being in force), as may be amended from time to time and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the members of the Company be and is hereby accorded to the Board for filing of an application under section 248(2) of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof for the time being in force) in the prescribed manner to the Registrar of Companies for removing the name of GSS IT Solutions Pvt. Ltd. (Wholly owned Indian Subsidiary of the Company) from the register of companies, ROC, Andhra Pradesh & Telangana.

   RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, things, matters and take all such steps as may be deemed necessary, proper or expedient in the interest of the Company, and executing all necessary deeds and documents, for the purpose of giving effect to this resolution. The Board shall also settle any questions, difficulties, doubts that may arise in this regard, as it may in its absolute discretion deem fit, and also delegate power from time to time, to any Committee of the Board or individuals."

5. **Raising of funds upto USD 30 Million through Issue of equity shares and/or equity shares through depository receipts and/or convertible securities and/or Preference Shares or warrants and/or Debt or any alternative investment structure and/or a combination of all in any Proportion**

   To consider, and if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION:

   "RESOLVED THAT pursuant to the provisions of Sections 23, 41, 42, 62(1)(c), 179 and other applicable provisions, if any, of the Companies Act, 2013, ("Companies Act"), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the

Companies (Share Capital and Debentures) Rules, 2014, the Companies (Issue of Global Depository Receipts) Rules, 2014, and other applicable rules made thereunder (including any amendment(s), statutory modification(s) or re-enactment thereof), the provisions of the Foreign Exchange Management Act, 1999 and rules and regulations framed there under as amended, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, the Foreign Exchange Management (Transfer or Issue of Foreign Security) Regulations, 2004, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Depository Receipts Scheme, 2014, as amended, the current Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("GOI") and amended from time to time, the rules, regulations, guidelines, notifications and circulars, if any, prescribed by the GOI, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), the listing agreement entered into by the Company with the stock exchanges on which the equity shares of the Company ("Equity Shares") are listed, and subject to other applicable rules, regulations and guidelines issued by Ministry of Corporate Affairs ("MCA"), the Registrar of Companies, Securities and Exchange Board of India ("SEBI"), Reserve Bank of India ("RBI"), GOI, BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") and / or any other competent authorities, whether in India or abroad (herein referred to as "Applicable Regulatory Authorities"), from time to time and to the extent applicable, and subject to such approvals, permissions, consents and sanctions as may be necessary or required from the Applicable Regulatory Authorities in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and / or sanctions, which may be agreed to by the Board of Directors ("Board", which term shall include any committee thereof which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this Resolution) and in accordance with and subject to the provisions of the Memorandum of Association and the Articles of Association of the Company, consent, authority and approval of the members of the Company be and is hereby accorded to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), with or without green shoe option, such number of Equity Shares, and/ or Equity Shares through depository receipts, and/ or securities convertible into Equity Shares at the option of the Company and/ or the holders of such securities, and/ or securities linked to Equity Shares, and/ or any instrument or securities representing Equity Shares and/ or convertible securities linked to Equity Shares (all of which are hereinafter collectively referred to as "Securities") and/or Preference Shares or any combination of Securities in one or more tranches, whether Rupee denominated or denominated in one or more foreign currency(ies), in the course of international and/or domestic offering(s) in one or more foreign markets and/or domestic market, of private offerings and/or a preferential issue and/or qualified institutions placement or any combination thereof, through issue of placement document or other permissible/requisite offer document to any eligible person, including qualified institutional buyers in accordance with Chapter VIII of the SEBI ICDR Regulations, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign portfolio investors, qualified foreign investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, stabilizing agents, pension funds and/or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the "Investors") as may be decided by the Board in its discretion and permitted under applicable laws and regulations, of an aggregate amount not exceeding upto USD 30 Million convertible at prevailing market price or an equivalent amount thereof (inclusive of such premium as may be fixed on such Securities) by offering the Securities at such time or times, at such price or prices, at a discount or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) as the Board in its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT if any issue of Securities is made by way of a Qualified Institutions Placement ("QIP") in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning of the SEBI ICDR Regulations),

(a) the allotment of the Eligible Securities, or any combination of Eligible Securities as may be decided by the Board shall be completed within 12 months from the date of passing of the special resolution by the shareholders of the Company or such other time as may be allowed under the SEBI ICDR Regulations from time to time;

(b) the Equity Shares issued shall rank pari passu in all respects including entitlement to dividend with the existing Equity Shares of the Company as may be provided under the terms of issue and in accordance with the placement document(s);

(c) the Eligible Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the SEBI ICDR Regulations;

(d) the total amount raised in such manner through the QIP, together with other QIP(s) made in the same financial year, if any, shall not, exceed five times the net worth of the Company as per the audited balance sheet of the previous financial year;

(e) the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the issue of Equity Shares and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations;

(f) in the event the convertible securities are issued to Qualified Institutional Buyers ("QIB") under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations;

(g) the allotment to each QIB in the proposed QIP will not exceed 5% of the post issue paid-up capital of the Company or such other limit as may be permitted under applicable law;

(h) the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI ICDR Regulations;

RESOLVED FURTHER THAT the issue to the holders of the Securities, which are convertible into or exchangeable with Equity Shares at a later date shall be, inter alia, subject to the following terms and conditions:

(a) in the event the Company is making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;

(b) in the event the Company is making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders;

(c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, if and as required, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted; and

(d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or re-classification of the Securities into other securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolution the Equity Shares that may be issued by the Company (including issuance of the Equity Shares pursuant to conversion of any Securities, as the case may be in accordance with the terms of the offering) shall rank pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as American Depository Receipts ("ADRs") or Global Depository Receipts ("GDRs"), the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board decides to open the issue of such Securities in accordance with the Depository Receipt Scheme, 2014, and such other notifications, clarifications, circulars, guidelines, rules and regulations issued by relevant authorities (in each case including any statutory modifications, amendments or re-enactments thereof).

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize all the terms and conditions and the structure of the proposed Securities, take such steps and to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings and accept any alterations or modification(s) as it may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of the Securities (including in relation to the issue of such Securities in one or more tranches from time to time) and the utilization of the issue proceeds in such manner as may be determined by the Board, subject however, to applicable laws, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as it may deem fit or as the Board may suo moto decide in its absolute discretion in the best interests of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to negotiate, modify, sign, execute, register, deliver including sign any declarations required in connection with the private placement offer letter, information memorandum, draft prospectus, prospectus, the draft offer document, abridged prospectus, offer letter, offer document, offer circular or placement document for issue of the Securities, term sheet, issue agreement, registrar agreement, escrow agreement, underwriting agreement, placement agreement, consortium agreement, trustee agreement, trust deed, subscription agreement, purchase agreement, agency agreement, agreements with the depositories, security documents, and other necessary agreements, memorandum of understanding, deeds, general undertaking/indemnity, certificates, consents, communications, affidavits, applications (including those to be filed with the regulatory authorities, if any) (the "Transaction Documents") (whether before or after execution of the Transaction Documents) together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Transaction Documents (the "Ancillary Documents") as may be necessary or required for the aforesaid purpose including to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched by it under or in connection with the documents to which it is a party as well as to accept and execute any amendments to the Transaction Documents and the Ancillary Documents and further to do all such other acts, deeds mentioned herein as they may deem necessary in connection with the issue of the Securities in one or more tranches from time to time and matters connected therewith.

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint lead managers, underwriters, depositories, custodians, registrars, bankers, lawyers, advisors and all such agencies as are or may be required to be appointed, involved or concerned in the issue and allotment of securities and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any Director(s) or Officer(s) of the Company in such manner as it may deem fit in its absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purpose of the issue and allotment of securities and settle any questions or difficulties that may arise in connection with the aforesaid resolutions."

6. **Investment(s), Loans, Guarantees and security in excess of limits specified under section 186 of Companies Act, 2013**
To consider and approve, the following resolution with or without modification, as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Boards and its Powers) Rules, 2014 and other applicable Rules, if any, made thereunder (including any statutory modification thereof for the time being in force and as may be enacted from time to time), and in terms of Memorandum of Association and Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose or any person(s) authorized by the Board) for making investment(s) in excess of limits specified under section 186 of Companies Act, 2013 from time to time in acquisition of securities of any body corporate or for giving loans, guarantees or providing securities to any body corporate or other person / entity whether in India or outside India, either directly or through its one or more subsidiaries / step down subsidiaries, as may be considered appropriate for an amount not exceeding Rs.200 crore (Rupees Two Hundred crore only), notwithstanding that such investment and acquisition together with the Company’s existing investments in all other bodies corporate, loans and guarantees given and securities provided shall be in excess of the limits prescribed under section 186(3), of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company be and is hereby authorized to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as they may in their absolute discretion deem fit to give effect to this resolution.”

By Order of the Board of Directors

Bhargav Marepally
CEO & Managing Director
DIN: 00505098

Date: 01st August, 2018
Place: Hyderabad

Map for the venue of Annual General Meeting

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

ITEM No 4:

There are no operations in the Wholly owned Indian Subsidiary GSS IT Solutions Pvt. Ltd. for more than two financial years. The Company wishes to make an application to the Registrar of Companies, Andhra Pradesh and Telangana under the provisions of section 248 (2) of Companies Act 2013 for striking off the name of the Wholly owned Indian Subsidiary Company GSS IT Solutions Pvt. Ltd. from the Register of Companies and pursuant to the provisions of Section 180(1)(a) of Companies Act, 2013 and Regulation 24 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution.

ITEM No 5:

It is important that the Company has adequate capital to support its growth plans through both Organic (Internal) and Inorganic (Mergers & Acquisitions) routes or ways. The Company proposes to raise additional capital up to an aggregate sum of USD 30 Million convertible at the prevailing market rate. The proposed issue of capital is subject to the approvals of the Reserve Bank of India and the applicable regulations issued by the Securities and Exchange Board of India and any other government / regulatory approvals as may be required in this regard.

Pursuant to Section 62 of the Companies Act, 2013 and the listing requirements of the stock exchanges, whenever it is proposed to increase the subscribed capital of a company by a further issue and allotment of shares, such shares need to be offered to the existing shareholders in the manner prescribed in the said section unless the shareholders decide otherwise in a general meeting by way of a special resolution.

In order to enable the Company to access the capital market through a public issue or on a private placement basis, the approval of the Members is hereby sought for the proposal to create, offer, issue and allot, with or without a green shoe option, such number of equity shares of the Company of face value of Rs. 10/- (Rupees ten) each (the “Equity Shares”), Global Depository Receipts, American Depository Receipts, any other financial instruments convertible into Equity Shares (including warrants, or otherwise) and/or any security convertible into Equity Shares and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (all of which are hereinafter collectively referred to as “Securities”) or any combination of Securities to any categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the “Investors”) as may be decided by the board of directors of the Company (the “Board”, including its duly authorized committee thereof) in its discretion and permitted under applicable laws and regulations, of an aggregate amount not exceeding USD 30 Million Convertible at prevailing market rate or equivalent thereof, in one or more foreign currency(ies).

Additional Information in relation to Item No. 5:

In case of a Qualified Institutions Placement (“QIP”), the price at which Securities shall be allotted to Qualified Institutional Buyers (“QIB”) shall not be less than the price determined in accordance with the pricing formula in terms of the SEBI ICDR Regulations. In case of issuance of ADRs or GDRs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board decides to open the issue of such Securities in accordance with the Depository Receipt Scheme, 2014 and other applicable pricing provisions issued by the Ministry of Finance.

Subject to applicable laws, the purpose and objects for issuance of Securities is as follows: Given the market opportunity, in the light of continued economic growth and it is important that the Company has adequate capital to support its growth plans. The proposed issue of additional capital will strengthen the Company’s capital adequacy ratio.

The proceeds of the proposed issue shall be utilized for any of the aforesaid purposes to the extent permitted by law. The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue, allotment and conversion would be subject to the availability of regulatory approvals, if any.

The promoters will not subscribe to the offer, if made under Chapter VIII of SEBI ICDR Regulations. The above proposal is in the interest of the Company and the Board of the Company thus recommends resolution at Item No. 5 for approval of the Members of the Company as a Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

ITEM No 6:

GSS Infotech Limited (the company), being a holding company / ultimate parent company, intends to make investments, acquire by way of subscription, in Cash or SWAP or a Combination, purchase or otherwise, the securities of any other body corporate, provide securities / give guarantees to lenders / regulatory authorities / others either directly or through/for and on behalf of one or more of its subsidiaries / step down subsidiaries, from time to time, for bidding / acquiring / implementation of various projects viz., existing / under development / upcoming projects in IT Sector, Healthcare or in the same line of business

It is pertinent to note that, the Company, being the ultimate parent / holding company, is required to invest in equity, provide guarantees in the form of equity support / corporate guarantees / sponsor / shortfall undertakings, to name a few, apart from providing the security in the form of share pledge etc., to each of its Wholly owned subsidiary which are implementing the projects.

Normally, some of these guarantees stands cancelled automatically if the company is not shortlisted after the bids are opened and in the event, we are selected as a successful bidder then these guarantees would remain valid for a longer time or proportionately gets reduced to the extent of the loans repaid, from time to time, as the case may be.

Since, the investments to be made, the guarantees to be given and securities to be provided, together with the existing limits already utilized are likely to exceed the present overall limits, the company proposes to obtain the prior approval of shareholders by means of a special resolution. In order to make investment(s) in excess of limits specified under section 186 of Companies Act, 2013, the Company requires approval from the shareholders in a general meeting.

Your Directors recommend the approval of proposed resolution in the best interest of the company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, whether directly or indirectly, in the resolution mentioned at item No. 6 of the Notice.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/ HERSELF. A Proxy need not be a member of the Company. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the AGM i.e. by 10.00 a.m. on Monday, 03rd September, 2018. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person shall not act as a proxy for more than 50 (fifty) members and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. However, a single person may act as a proxy for a member holding more than 10% (ten percent) of the total share capital of the Company provided that such person shall not act as a proxy for any other person.

2. Relevant documents referred to in the accompanying Notice and the statement pursuant to Section 102(1) of the Companies Act, 2013 are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public Holidays up to the date of the AGM.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 29th August, 2018 to 5th September, 2018 (both days inclusive).

4. Members holding shares in electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.

5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall where the AGM is proposed to be held. The Members are requested to fill the details i.e. folio number in case of physical shares and DP ID and Client ID numbers for identification.

6. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the AGM, to the Company's Registrar and Transfer Agent or to the Company's Registered office by 10.00 a.m. on Monday, 03rd September, 2018.

7. In terms of Section 125 of the Companies Act, 2013 and Sections 205A and 205C of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) for the time being in force), (including any statutory modification(s) or re-enactment(s) for the time being in force), the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF) and unpaid/ unclaimed dividend for the Fy 2009 -10 has been transferred by the company to the Investor Education and Protection Fund (IEPF). The Company is in process of transfering the shares to IEPF u/s 124(6).

8. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit PAN to their Depository Participant(s) with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer agent or at the Company's registered office.

9. Electronic copy of the Annual Report containing the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form are being sent to the members who have registered their email ids with the Company/Depository Participant(s). For members who have not registered their email ids, physical copies of the aforementioned documents are being sent in the permitted mode.

10. Members, who have not registered their email address so far, are requested to register their email ids for receiving all communications including Annual Report, Notices, etc., from the Company electronically.

11. As a measure of austerity, copies of the Annual Report will not be distributed at the AGM. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.

12. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013 read with the Rules issued thereunder. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled to the Company's Registrar and Share Transfer agent i.e. Bigshare Services Private Limited. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.

13. Members who wish to obtain any information on any item of business of this meeting are requested to forward the same before 29th August, 2018, to the Company Secretary at the Registered Office of the Company, email: company.secretary@gssinfotech.com, so that the same may be attended appropriately. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered Office of the Company on all working days i.e. Monday to Friday up to 4th September, 2018.

14. E-Voting:

In compliance with the provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 '(Amended Rules 2015') and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, E-voting facility is being provided to Members to exercise their right to vote on the resolutions proposed to be passed at the 15th AGM by electronic means. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on the 2nd September, 2018 at 9:00 A.M. and will end on 4th September, 2018 at 5:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the record date i.e. 29th August, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. In addition, the facility for voting through ballot paper shall also be made available at the venue of AGM and the Members attending the 15th AGM who have not cast their vote by e-voting shall be eligible to cast their vote at the 15th Annual General Meeting venue.

EVSN (E-VOTING SEQUENCE NUMBER)	COMMENCEMENT OF E-VOTING	END OF E-VOTING
180804003	2nd September, 2018 at 9:00 A.M.	4th September, 2018 at 5:00 P.M.

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

i. Log on to the e-voting website www.evotingindia.com

ii. Click on "Shareholders" tab.

iii. Now Enter your User ID

   a) For CDSL: 16 digits' beneficiary ID,

   b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

iv. Next enter the Image Verification as displayed and Click on Login.

v. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

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

vii. After entering these details appropriately, click on “SUBMIT” tab.

viii. Members holding shares in physical form will then directly reach GSS Infotech Limited selection screen. However, members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x. Select the “EVSN” (EVSN 180804003) of GSS Infotech Limited. Members can cast their vote online from 2nd September, 2018 at 9.00 A.M. to 4th, September, 2018 at 5.00 P.M. e-Voting shall not be allowed beyond the said time.

xi. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting.

xii. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO Implies that you dissent to the Resolution

xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

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

xv. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xvi. For Non – Individual Shareholders and Custodians

a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.

b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

c. After receiving the login details compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

d. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xvii. In case of any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

xviii. Members are advised to cast their vote only through e-voting or through Poll at the AGM. In case you cast your votes through both the modes, votes cast through e-voting shall only be considered and votes cast at the meeting through Poll would be rejected.

In case of members receiving the physical copy:

a. Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.

b. The voting period begins on 2nd September, 2018 at 09:00 A.M. and ends on 4th September, 2018 at 05:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the record date i.e. 29th August, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

c. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and evoting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

15. Ms. Manjula Aleti, Practicing Company Secretary (Membership No. 31661, COP 13279) has been appointed as the Scrutinizer to scrutinize the e-voting and also the polling process in a fair and transparent manner.

16. The Scrutinizer shall within a period not exceeding one (1) working day from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make Scrutinizer's Report of the votes cast in favour or against and submit her report to the Chairman of the Company.

17. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto. As per the requirements of Section 102(1) read with Section 110 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information to enable the shareholders to consider and approve the Ordinary and Special Resolutions set out at items no. 4, 5 and 6 of the Notice for the Annual General Meeting of the Company.

By Order of the Board of Directors

Bhargav Marepally
CEO & Managing Director
DIN: 00505098

Date: 01st August, 2018
Place: Hyderabad

BOARD'S REPORT

Dear Members,

We are delighted to present the report on our business and operations for the financial year ended 31st March 2018

FINANCIAL RESULTS

The Company's Financial results (standalone & consolidated) for the year ended 31st March 2018 is provided in the Annual Report.

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Net sales/income from operations	14,177.47	15,486.22	2,275.13	2,339.53
Less: Direct cost	1,713.41	3,091.81	319.40	279.15
Indirect Cost	11,742.60	12,235.03	1,609.99	2,085.75
Profit / (Loss) from operations before other income, finance costs and exceptional items	***721.46***	***159.38***	***345.74***	***(25.37)***
Other income	7.85	106.40	0.99	97.67
Profit / (Loss) from ordinary activities before finance costs and exceptional items	***729.31***	***265.78***	***346.73***	***72.30***
Finance costs	106.60	157.15	28.31	85.00
Profit / (Loss) from ordinary activities after finance costs but before exceptional items	622.71	108.63	318.42	(12.70)
Exceptional items*	-	5,284.38	-	4,324.49
Profit / (Loss) from ordinary activities before tax	***622.71***	***(5,175.75)***	***318.42***	***(4,337.19)***
Tax expense	(109.37)	637.97	(129.12)	631.14
Net Profit / (Loss) from ordinary activities after tax	***732.08***	***(5,813.72)***	***447.54***	***(4,968.33)***
Net Profit / (Loss) for the period	***732.08***	***(5,813.72)***	***447.54***	***(4,968.33)***

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

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year ended 2017-18 and the date of this report.

I. STATE OF COMPANY'S AFFAIRS

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

II. CONSOLIDATED ACCOUNTS

The consolidated financial statements of your Company for the financial year 2017-18, 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 of your Company 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 31st March, 2018, is enclosed as Annexure [F] to this report.

V. CORPORATE GOVERNANCE REPORT

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

VI. DIVIDEND

The Board of Directors did not recommend dividend for the financial year ended 31st March, 2018.

VII. PUBLIC DEPOSITS

During the financial year 2017-18, 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. Bhargav Marepally, Managing 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 have offered himself for re-appointment. Appropriate resolution for his re-appointment is being placed for your approval at the ensuing AGM. Your Directors recommend the re-appointment of Mr. Bhargav Marepally (DIN 00505098), as Managing Director of your Company.

Mr. Mark Agnelo Silgardo has resigned as Non-Executive Director of the Company with effect from 17th January, 2018.

Mr. Madhukar Chimanal Sheth has resigned as Non-Executive Director of the Company with effect from 14th February, 2018.

Mr. Sanjay Heda has resigned as Chief Financial Officer of the Company with effect from 01st June, 2018.

Mr. Vishnubhatla Ravikumar Jatavallabha appointed as Chief Financial Officer of the Company with effect from 04th June, 2018.

Mrs. Esha Sinha has resigned as Company Secretary and Compliance Officer of the Company with effect from 13th November, 2017.

Mr. Mohammad Anwar ul Haq Abdul Mannan appointed as Company Secretary and Compliance Officer of the Company with effect from 15th November, 2018.

Key Managerial Personnel:

- Mr. Bhargav Marepally is the Chief Executive Officer and Managing Director of the Company.
- Mr. Vishnubhatla Ravikumar Jatavallabha is the Chief Financial Officer of the Company.
- Mr. Mohammad Anwar ul haq Abdul Mannan is the Company Secretary and Compliance Officer of the Company.

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

Mr. Bhargav Marepally, CEO & Managing Director, Mr. Vishnubhatla Ravikumar Jatavallabha, CFO and Mr. Mohammad Anwar ul haq Abdul Mannan, Company Secretary & compliance officer, are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

Annual Evaluation of Board's Performance:

In terms of the provisions of the Companies Act, 2013 read with Rules issued thereunder and the Listing Regulations, the Board of Directors on recommendation of the Nomination and Remuneration Committee, have annually evaluated the effectiveness of the Board/Director(s) for the financial year 2017-18.

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).

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 [G] which forms an integral part of this Report.

XI. DECLARATION OF INDEPENDENCE

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

XII. DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) In the preparation of the annual accounts for the financial year ended 31st March, 2018, 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 31st March, 2018 and of the profit and loss of the Company for the financial year ended 31st March, 2018;

(c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the Provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) for the time being in force) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The annual accounts have been prepared on a 'going concern' basis;

(e) Proper Internal Financial Controls laid down by the Directors were followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and

(f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

XIII. AUDITORS AND AUDITOR'S REPORT

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

The Auditors' Report issued by the Statutory Auditors for the financial year ended 31st March 2018 forms part of this Report and does not contain any Audit qualification, for which the reply of Directors is required.

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

XIV. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. Sunil Kumar Kacham from M/s. SUNIL KACHAM AND ASSOCIATES, Practicing Company Secretaries (Membership No.: 46155, and CP No: 16820), 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 31st March, 2018 forms part of this report and does not contain any Audit Qualifications, for which the reply of the Directors is required.

XV. EXTRACT OF ANNUAL RETURN

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

XVI. RELATED PARTY TRANSACTIONS

During the financial year 2017-18, 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 2017-18, there were no transactions with related parties which qualify as material transactions under the Listing Agreement.

The details of the related party transactions as required under 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 [E] to this Report.

XVII. LOANS AND INVESTMENTS

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

A. Details of investments made by the Company.

(i) Investments in Equity Instruments in wholly owned Subsidiaries as at 31st March, 2018:

(In Indian ₹)

Particulars	31st March 2018	31st March 2017
GSS Infotech Inc (Delaware) GSS Infotech Inc (Delaware) 1,500 (31-March-2017: 1,500) equity shares of $ 1 each fully paid up in GSS Infotech Inc (Delaware)	736,185,789	540,522,338
GSS Healthcare IT Solutions Private Limited 9,990 (31- March-2017: 9,990) Equity Shares of Rs. 10/- Each fully paid up in GSS Healthcare IT Solutions Private Limited.	99,900	99,900
GSS IT Solutions Private Limited 9,990 (31- March-2017: 9,990) Equity Shares of Rs. 10/- Each fully paid up in GSS IT Solutions Private Limited.	99,900	99,900

(ii) Investments in Debt Instruments by the Company as at 31st March, 2018: Nil

B. **Details of Amounts advanced to Subsidiary Companies by the Company pursuant to clause 32 of the Listing Agreement as at 31st March 2018:**

(In Indian ₹)

Name of Subsidiary	Balance as at 31.03.2018	Balance as at 31.03.2017
GSS Infotech Inc (Delaware)	14,42,21,972	14,37,78,485
GSS IT Solutions Pvt. Ltd	0.00	18,50,000
GSS Healthcare IT Solutions Pvt. Ltd	0.00	1,48,21,533

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

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

XVIII. EMPLOYEE STOCK OPTION SCHEME:

The Stock exchanges accorded in-principal approval for listing of 20,00,000 shares under the GSS Infotech Limited Restricted Employee Stock Option Plan 2013. However, no shares were granted to the eligible employees during the financial year ended 31st March, 2018.

XIX. VIGIL MECHANISM

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

XX. INTERNAL FINANCIAL CONTROLS

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

Your Company has adopted accounting policies which are in line with the 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 Auditors.

XXI. RISK MANAGEMENT

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

XXII. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

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

XXIII. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

i. Details of 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	2017-18 (₹)	2016-17 (₹)
Foreign Exchange expenditure (on Accrual basis)	45,739,897	7,23,72,133
Foreign Exchange earned (on Accrual basis)	13,67,94,306	14,98,96,782

XXVI. APPRECIATION

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

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

Place: Hyderabad	**Bhargav Marepally**	**Prabhakara Rao Alokam**
Date: 01st August, 2018	**CEO & Managing Director**	**Director**
	DIN: 00505098	**DIN: 02263908**

Annexure [A] to Board's Report

FINANCIAL PERFORMANCE OF SUBSIDIARIES

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

Amount in ₹ (Lakhs)

Sr. No	Name of the Subsidiary/ Joint Venture Company	Turnover		Profit/(Loss) Before Tax		Profit/(Loss) After Tax	
		Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
	Subsidiaries:						
1	GSS Infotech Inc*, (A Delaware Company)	12,452.13	13,770.46	310.66	(4,157.23)	308.44	(4,164.47)
2	GSS IT Solutions Private Limited	-	-	(0.23)	(1.15)	(13.66)	(1.15)
3	GSS Healthcare IT Solutions Private Limited	-	-	4.70	(4.12)	0.59	(3.71)

Note: The Figure for GSS IT Solutions & GSS Healthcare were interchanged in previous Annual Report, which is appropriately presented.

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 2017-18 is as follows:

(Amount in ₹)

Name of Director	Total Remuneration	Ratio of remuneration of director to the Median remuneration
Mr. Bhargav Marepally	Nil	Nil
Mr. Ramesh Yerramsetti	40,000	0.10
Mr. Madhukar Chimanlal Sheth	85,000	0.21
Mr. Mark Silgardo	Nil	Nil
Mr. Patri VenkataRamakrishna Prasad	40,000	0.10
Mr. Keerthy Jaya Tilak	65,000	0.16
Mrs. Nagajayanthi Das Juttur Ragavendra	120,000	0.30
Mr. A Prabhakara Rao	50,000	0.13
Mr. L.G.S.Padma Rao	45,000	0.11

Notes:

1. The information provided above is on **standalone** basis.
2. The aforesaid details are calculated on the basis of remuneration for the financial year 2017-18.
3. The remuneration to Directors is only the sitting fees paid to them for the financial year 2017-18. The sitting fees for attending each of the Board and other Committee meetings is Rs. 20,000/- and Rs. 5,000/- respectively.
4. Median remuneration of the Company for all its employees is Rs. 4,00,000 for the financial year 2017-18.

B. Details of percentage increase/(decrease) in the remuneration of each Director, CFO & Company Secretary in the financial year 2017-18

(Amount in ₹)

Name of the Director/ Chief Financial Officer/ Company Secretary	Designation	Remuneration		Increase/ (Decrease) (%)
		2017-18	2016-17	
Mr. Bhargav Marepally	Managing Director	Nil	Nil	Nil
Mr. Ramesh Yerramsetti	Director	40,000	80,000	-100%
Mr. Madhukar Chimanlal Sheth	Director	85000	120000	-41%
Mr. Mark Silgardo	Director	Nil	Nil	Nil
Mr. Patri VenkataRamakrishna Prasad	Director	40,000	80,000	-100%
Mr. Keerthy Jaya Tilak	Director	65000	210000	-223%
Mrs. Nagajayanthi Das Juttur Ragavendra	Director	120000	210000	-75%
Mr. A Prabhakara Rao	Director	50000	Nil	*
Mr. L.G.S.Padma Rao	Director	45000	Nil	*
Mr. Sanjay Heda	CFO	3,144,042	2,745,832	13%
Ms. Esha Sinha* (Resigned on 13.11.2017)	CS	232958	2,48,909	* *
Mr. Mohammad Anwar ul haq* (Appointed on 15.11.2017)	CS	186927	Nil	*

1. The information provided above is on **Standalone** basis.
2. *Percentage increase/(decrease) in remuneration not reported as they were holding the office of Directorship/CS for part of the financial year 2016-17 or 2017-18.
3. The remuneration to Directors is only the sitting fees paid to them for the financial year 2017-18.

C. Percentage increase/ (Decrease) in the median remuneration of all employees in the financial year 2017-18:

(Amount in ₹)

	2017-18	2016-17	Increase/ (Decrease) (%)
Median remuneration of all employees per annum	4,00,000	3,84,000	4.17

D. Number of permanent employees on the rolls of the Company as on 31st March 2018:

Executive/Manager cadre	13
Staff	146
Operators/Workmen	4
Total	**163**

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 ₹)

	2017-18	2016-17	Increase/(Decrease) (%)
Average Salary of all employees other than Key Managerial Personnel	6,44,638	2,98,561	116
Salary of CEO & MD (Key Managerial Personnel)	Nil	Nil	Nil
Salary of CFO & CS* (Key Managerial Personnel)	35,63,927	31,59,604	*

The above information is being provided on **Standalone** Basis.

*The CS was employed for part of the financial year of 2017-18 or 2016-17. Therefore, the Increase/ decrease have not been reported.

F. Affirmation:

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

Annexure [C] to Board's Report

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

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

To,

The Members

GSS Infotech Limited

Ground Floor, Wing-B,

N heights, Plot No. 12,

TSIIC Software Units Layout,

Madhapur, Serilingampally Mandal,

Rangareddy District,

Hyderabad – 500081.

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

Based on our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by GSS Infotech Limited for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment (Foreign Direct Investment and External Commercial Borrowings are not Applicable to the Company during the Audit Period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.: -

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

  (b) 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, 2009 - not applicable during the audit period.

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 - not applicable during the audit period.

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - not applicable during the audit period.

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - not applicable during the audit period and

(h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; - not applicable during the audit period

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

a) Contract Labour (Regulation and Abolition) Act, 1970.

b) Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

c) Employees State Insurance Act, 1948.

d) Payments of Wages Act, 1936.

e) Payment of Bonus Act, 1965.

f) Shops and Commercial Establishment Act.

g) Labour Welfare Fund Act.

h) The Professional Tax Act.

i) Minimum Wages Act, 1948.

j) The Workmen's Compensation Act, 1923.

k) Payment of Gratuity Act, 1972.

l) The Equal Remuneration Act, 1976.

m) The Maternity Benefit Act, 1961.

n) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. I have also examined compliance with the applicable clauses of the following:

   (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

   (ii) Listing Agreement entered into by the Company with Stock Exchanges and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015

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

We further report that:

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

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

We 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.

For **Sunil Kacham & Associates**

Sunil Kumar Kacham
Practicing Company Secretary
ACS No: 46155
CP. No: 16820

Place: Hyderabad
Date: 16th July, 2018

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

'Annexure A'

To,

The Members

GSS Infotech Limited

Ground Floor, Wing-B,

N heights, Plot No. 12,

TSIIC Software Units Layout,

Madhapur, Serilingampally Mandal,

Rangareddy District,

Hyderabad – 500081.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on the secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Sunil Kacham & Associates**

Sunil Kumar Kacham
Practicing Company Secretary
ACS No: 46155
CP. No: 16820

Place: Hyderabad
Date: 16th July, 2018

Annexure [D] to Board's Report

Extract of Annual Return as at 31st March, 2018, Form No. MGT-9

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

I. REGISTRATION AND OTHER DETAILS

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

v) Address of the Registered Office and Contact Details:

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

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

Details of the Stock Exchanges where shares are listed:

Sr. No.	Stock Exchange	Name Code
1.	BSE Limited (BSE)	532951
2.	The National Stock Exchange of India Limited (NSE)	GSS

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

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

[No.of Companies for which information is being filled–7]

Sr. No.	Name and address of the Company	Company Identification Number / Global Location Number	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section of Companies Act, 2013
1	GSS IT Solutions Private Limited Ground Floor, Wing-B, N heights, Plot No. 12, TSIIC Software Units Layout, Madhapur, Serilingampally Mandal, Rangareddy District Hyderabad – 500081 Telangana State, India	CIN:U72400TG2009PTC064514	Subsidiary	100	2(87)
2	GSS Healthcare IT Solutions Private Limited Ground Floor, Wing-B, N heights, Plot No. 12, TSIIC Software Units Layout, Madhapur, Serilingampally Mandal, Rangareddy District Hyderabad – 500081 Telangana State, India	CIN:U72200TG2013PTC089229	Subsidiary	100	2(87)
3	GSS Infotech Inc (Delaware) 2050 Brunswick Plaza, Route 27, Ste#201, North Brunswick, NJ 08902	Federal Id: 27-2907139	Subsidiary	100	2 (87)
4	GSS Infotech CT Inc (Formerly System Dynamix Corporation) 2842 Main Street Ste#164, Glastonbury, CT 06033	Federal Id: 06-1432821	Subsidiary	100	2 (87)
5	Technovant Inc 2050 Brunswick Plaza, Route 27, Ste#201, North Brunswick, NJ 08902	Federal Id: 20-0398637	Subsidiary	100	2 (87)
6	Infovision Technologies Inc 2050 Brunswick Plaza, Route 27, Ste#201, North Brunswick, NJ 08902	Federal Id: 20-3731391	Subsidiary	100	2 (87)
7	Infovista Technologies Inc 2050 Brunswick Plaza, Route 27, Ste#201, North Brunswick, NJ 08902	Federal Id: 20-8455186	Subsidiary	100	2 (87)

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

A. Category-wise Shareholding:

Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2017)				No. of shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1) Indian									
a. Individuals/ HUF	2,910,681	-	2,910,681	17.19	2,171,992	-	2,171,992	12.82	(4.37)
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	-	-	-	-	-	-	-	-	-
e. Banks/FI	-	-	-	-	-	-	-	-	-
f. Any other (specify)	-	-	-	-	-	-	-	-	-
i. Trusts	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	**2,910,681**	**-**	**2,910,681**	**17.19**	**2,171,992**	**-**	**2,171,992**	**12.82**	**(4.37)**
2) Foreign									
a. NRI Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Banks/ FI	-	-	-	-	-	-	-	-	-
e. Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter(s) (A)=(A) (1) + (A) (2)	**2,910,681**	**-**	**2,910,681**	**17.19**	**2,171,992**	**-**	**2,171,992**	**12.82**	**(4.37)**
B. Public Shareholding									
1) Institutions									
a. Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b. Banks/ FI	801,595	-	801,595	4.73	801,595	-	801,595	4.73	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital	1,952,505	-	1,952,505	11.53	-	-	-	-	(11.53)
Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs/FPI	-	-	-	-	2,537,073	-	2,537,073	14.98	14.98
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	**2,754,100**	**-**	**2,754,100**	**16.26**	**3,338,668**	**-**	**3,338,668**	**19.71**	**3.45**
2) Non-Institutions									
a. Body Corporates									
i. Indian	887,010	-	887,010	5.24	4,370,537		4,370,537	25.80	20.56
ii. Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2017)				No. of shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b. Individuals									
i. Individual Shareholders holding nominal share capital upto Rs. 1 lakh	2,477,167	1	2,477,168	14.63	3,300,292	1	3,300,293	19.49	4.86
ii. Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	7,435,808	-	7,435,808	43.90	2,309,428	-	2,309,428	13.64	(30.26)
c. Others (specify)									
i. Non-Resident Indian	93,634	-	93,634	0.55	102,222	-	102,222	0.60	0.05
ii. Overseas Corporate Bodies	-	-	-	-		-	-	-	
iii. Foreign Nationals	-	-	-	-	-	-	-	-	-
iv. Clearing Members	13,327	-	13,327	0.08	991,203	-	991,203	5.85	5.77
v. Trust	-	350,000	350,000	2.07	-	350,000	350,000	2.07	-
vi. Foreign Bodies	-	-	-	-	-	-	-	-	-
vii. Corporate Body NBFC registered with RBI	15,115	-	15,115	0.09	2,500	-	2,500	0.01	(0.08)
Sub-Total (B) (2)	**10,922,061**	**35,0001**	**11,272,062**	**66.56**	**11,076,182**	**35,0001**	**11,426,183**	**67.46**	**(11.80)**
Total Public Shareholding (B)= (B) (1) + (B)(2)	**13,676,161**	**350,001**	**14,026,162**	**82.90**	**14,414,850**	**350001**	**14,764,851**	**87.18**	**4.28)**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**16,586,842**	**350,001**	**16,936,843**	**100.00**	**16,586,842**	**350,001**	**16,936,843**	**100.00**	**0.00**

B. Shareholding of Promoters:

Sr. No.	Shareholder's Name	No. of shares held at the beginning of the year (As on 01.04.2017)			No. of shares held at the end of the year (As on 31.03.2018)			% change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares*	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares*	
1.	Mr. Venkata Rameshbabu Yerramsetti	-	-	-	-	-	-	-
2.	Mr. Bhargav Marepally	4,992	0.03	0.00	4,992	0.03	0.00	-
3.	Mrs. Usha Yerramsetti	-	-	-	-	-	-	-
4.	Mrs. Jhansi Laxmi Yerramsetti	47,498	0.28	-	29,198	0.17	-	(0.11)
5.	Mr. Raghunadha Rao Marepally	2,337,793	13.80	0.00	2,137,793	12.62	-	(1.18)
6.	Mrs. Madhavi Latha Marepally	9	0.00	0.00	9	0.00	0.00	-
7.	Mrs. Nanditha Marepally	-	-	-	-	-	-	-
8.	Mrs. Vidyavathi Marepally	-	-	-	-	-	-	-
9.	Mrs. G. Vijayakumari	306,906	1.81	0.00	-	-	-	(1.81)
10.	Mr. Sivaranga Rao Yarramsetty	213,483	1.26	0.00	-	-	0.00	(1.26)
	TOTAL	**2,910,681**	**17.18**	**0.00**	**2,171,992**	**12.82**	**0.00**	**(4.36)**

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

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

C. Change in Promoters' shareholding:

Sr. No.	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.2018)	
		No. of Shares at the beginning (01.04.2017)/ end of the year (31.03.2018)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	Mr. Venkata Rameshbabu Yerramsetti	-	-	01.04.2017	-	-	-	-
		-	-	31.03.2018	-	-	-	-
2.	Mr. Bhargav Marepally	4,992	0.03	01.04.2017	-	-	-	-
		4,992	0.03	31.03.2018	-	-	-	-

Sr. No.	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.2018)	
		No. of Shares at the beginning (01.04.2017)/ end of the year (31.03.2018)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
3.	Mrs. Usha Yerramsetti	-	-	01.04.2017	-	-	-	-
		-	-	31.03.2018	-	-	-	-
4.	Mrs. Jhansi Laxmi Yerramsetti	47,498	-	01.04.2017	(18,300)	Sale	29,198	0.17
		29,198	0.17	31.03.2018				
5.	Mr. Raghunadha Rao Marepally	2,337,793	13.80	01.04.2017	(200,000)	Sale	2,137,793	12.62
		2,137,793	12.62	31.03.2018	-	-	-	-
6.	Mrs. Madhavi Latha Marepally	9	0.00	01.04.2017	-	-	-	-
		9	0.00	31.03.2018	-	-	-	-
7.	Mrs. Nanditha Marepally	-	-	01.04.2017	-	-	-	-
		-	-	31.03.2018	-	-	-	-
8.	Mrs. Vidyavati Marepally	-	-	01.04.2017	-	-	-	-
		-	-	31.03.2018	-	-	-	-
9.	Mrs. G. Vijayakumari	306,906	1.81	01.04.2017	(306,906)	Sale	-	-
		-	-	31.03.2018	-	-	-	-
10.	Sivaranga Rao Yarramsetty	213,483	1.26	01.04.2017	(213,483)	Sale	-	-
		-	-	31.03.2018				

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

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

Sr. No.	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.2018)	
	For each of the top Ten Shareholders	No. of Shares at the beginning (01.04.2017)/ end of the year (31.03.2018)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1.	IL and FS Trust Company Limited	1,952,505	11.52	01.04.2017	-	-	-	-
				21.11.2017	(1,952,505)	Sale	-	-
		-	-	31.03.2018	-	-	-	-
2.	Mr. Madhukar Chimanlal Sheth	1,645,143	9.71	01.04.2017	-	-	-	-
				24.04.2017	(1,645,143)	Sale	-	-
		-	-	31.03.2018	-	-	-	-

Sr. No.	Shareholder's Name	Shareholding		Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.2018)	
	For each of the top Ten Shareholders	No. of Shares at the beginning (01.04.2017)/ end of the year (31.03.2018)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
3.	Mr. Javed Faizullah Tapia	1,648,828	9.74	01.04.2017	-	-	-	-
				16.06.2017	(600,000)	Sale	1,048,828	6.19
				11.06.2017	(169,000)	Sale	879,828	5.19
				06.09.2017	(238,283)	Sale	641,545	3.79
				06.10.2017	(641,545)	Sale	-	-
		-	-	31.03.2018	-	-	-	-
4.	Mr. Azim Faizullah Tapia	1,400,000	8.27	01.04.2017	-	-	-	-
				16.06.2017	(600,000)	Sale	800,000	4.72
				13.07.2017	(328,250)	Sale	471,750	2.79
				06.09.2017	(334,098)	Sale	137,652	0.82
				06.10.2017	(137,652)	Sale	-	-
		-	-	31.03.2018	-	-	-	-
5.	Mr. Madanlal Saraswathi	2,741,837	16.19	01.04.2017	-	-	-	-
				24.11.2017	(13,225)	Sale	2,728,612	16.11
				08.12.2017	(52,760)	Sale	2,675,852	15.80
				05.01.2018	(2,675,752)	Sale	100	-
		100	-	31.03.2018				
6.	ASPIRE EMERGING FUND	-	-	01.04.2017	-	-	-	-
				26.01.2018	800,000	Purchase	800,000	4.72
				29.01.2018	800,000	Purchase	1,600,000	9.45
		1,600,000	9.45	31.03.2018	-	-	-	-
7.	Raisonneur Capital Ltd	-	-	01.04.2017	-	-	-	-
				02.02.2017	550,000	Purchase	550,000	3.24
				16.02.2018	250,000	Purchase	800,000	4.72
		800,000	4.72	31.03.2018	-	-	-	-
8.	Margi Jigneshabhai Shah	-	-	01.04.2017	514,165	Purchase	514,165	3.04
		514,165	3.04	31.03.2018	-	-	-	-
9.	United India Insurance Company Limited	407,603	2.41	01.04.2017	-	-	-	-
		407,603	2.41	31.03.2018	-	-	-	-
10.	General Insurance Corporation of India	393,992	2.32	01.04.2017	-	-	-	-
		393,992	2.32	31.03.2018	-	-	-	-

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

E. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors and Key Managerial Personnel	Shareholding		Date*	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.17 to 31.03.18)	
		No. of shares at the beginning of the year (01.04.17)/end of the year (31.03.18)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Mr. Venkata Rameshbabu Yerramsetti	-	-	01.04.2017	-	-	-	-
		-	-	31.03.2018	-	-	-	-
2.	Mr. Bhargav Marepally	4,992	0.03	01.04.2017	-	-	-	-
		4,992	0.03	31.03.2018	-	-	-	-
3.	Mr. Madhukar Chimanlal Sheth	1,645,143	9.71	01.04.2017	-	-	-	-
				24.04.2017	(1,645,143)	Sale	-	-
		-	-	31.03.2018				
4.	Mr. Mark Silgardo	Nil	Nil	01.04.2017	-	-	-	-
		Nil	Nil	31.03.2018	-	-	-	-
5.	Mr. Patri VenkataRamakrishna Prasad	Nil	Nil	01.04.2017	-	-	-	-
		Nil	Nil	31.03.2018	-	-	-	-
6.	Mr. Keerthy Jaya Tilak	Nil	Nil	01.04.2017	-	-	-	-
		Nil	Nil	31.03.2018	-	-	-	-
7.	Mrs. Nagajayanthi Das Juttur	Nil	Nil	01.04.2017	-	-	-	-
	Ragavendra	Nil	Nil	31.03.2018	-	-	-	-
8.	Mr. Prabhakara Rao Alokam	Nil	Nil	01.04.2017	-	-	-	-
		Nil	Nil	31.03.2018	-	-	-	-
9.	Mr. L.G. Padmarao	Nil	Nil	01.04.2017	-	-	-	-
		Nil	Nil	31.03.2018	-	-	-	-

Key Managerial Personnel

1.	Mr. Sanjay Heda	Nil	Nil	01.04.2017	-	-	-	-
		Nil	Nil	31.03.2018	-	-	-	-
2.	Ms. Esha Sinha (CS)	Nil	Nil	01.04.2017	-	-	-	-
		Nil	Nil	31.03.2018	-	-	-	-
3.	Mohammad Anwar ul haq	Nil	Nil	01.04.2017	-	-	-	-
	Abdul Mannan	Nil	Nil	31.03.2018	-	-	-	-

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

V. INDEBTEDNESS

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

Particulars	Secured Loans (excluding deposits)	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year (As at 01.04.2017)				
i) Principal Amount	28,951,700	-	-	28,951,700
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**28,951,700**	**-**	**-**	**28,951,700**
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	(28,951,700)	-	-	(28,951,700)
Net Change	**(28,951,700)**	**-**	**-**	**(28,951,700)**
Indebtedness at the end of the financial year (As at 31.03.2018)				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(Amount in ₹)

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

* The Information provided is on **standalone** basis

B. Remuneration to other Directors:

(Amount in ₹)

1.	**Independent Directors:**				
	Name of Director	**Fee for attending Board/ committee meetings**	**Commission**	**Others**	**Total**
	Mr. Keerthy Jaya Tilak	65,000	-	-	65,000
	Mrs. Nagajayanthi Das Juttur Ragavendra	1,20,000	-	-	1,20,000
	Mr. Prabhakara Rao Alokam	50,000	-	-	50,000
	Mr. LGS Padmarao	45,000	-	-	45,000
	Total (1)	**2,80,000**	**-**	**-**	**2,80,000**
2.	**Non-Executive/Promoter Directors:**				
	Mr. Bhargav Marepally	-	-	-	-
	Mr. Ramesh Yerramsetti	40,000	-	-	40,000
	Mr. Mark Silgardo	-	-	-	-
	Mr. Patri VenkataRamakrishna Prasad	40,000	-	-	40,000
	Mr. Madhukar Sheth	85,000	-	-	85,000
	Total (2)	**1,65,000**	**-**	**-**	**1,65,000**
	Total (1+2)	**4,45,000**	**-**	**-**	**4,45,000**

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

(Amount in ₹)

Sr.No.	**Particulars of Remuneration**	**Key Managerial Personnel CFO & Company Secretary**
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	35,63,927 - -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit	-
5.	Others - Contribution to Provident and other funds	-
	Total	**35,63,927**

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

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

Annexure [E] to Board's Report

FORM AOC – 2

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

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

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

Annexure [F] to Board's Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Global IT Industry is rapidly evolving and seems to be on the cusp of a profound change.

The Global IT Industry spend crossed USD 4.5 Trillion in 2017, will cross 4.8 Trillion by 2018 and is expected to grow by 5.1% over the next two years. USA constitutes 31% of the total spend while Asia-pacific constitutes about 33%.

A verticalized view of the spend reveals that software and IT services make up about 48%, devices and Infrastructure make up 17%, telecom services make up 23% and a sizable 12% comes from various emerging technology services. IT services alone constitutes about 31% of the total software and IT services spend which continues to grow since the emerging technologies are increasingly being offered as "as-a-service" solution. These emerging technologies that appear to be small at this point in time are slated to grow and drive the services market going forward. They seem to not fit into the traditional services portfolio but span into multiple categories, which is the case with many emerging "as-a-service solutions" .

Emerging technologies are transforming the way traditional services are being offered and are expected to revolutionize the way businesses take decisions in the next decade. These emerging technologies are Blockchain, Analytics, Artificial Intelligence & Machine Learning

GSS Present and Evolving Technology Trends

GSS Infotech, a leading player in providing IT services has pioneered adopting new technologies and crafting new service offerings, over the years, to the customers. We have always made early strides in creating new competencies which, help our customers take transformative stance towards adopting these new technologies and in the process we created competitive edge to them. We have exhibited consistency in building and maintaining the right combination of capability, process, people and frameworks that allow our customers to always choose us over the other players.

With the present capabilities the company has managed to increase its EBITDA contribution to 5.6% compared to that of last year which stood at 1.97%. Similarly, the earnings per share has been a healthy Rs 4.33 per share compared to the previous year. We made this turnaround by bringing in efficiencies in operations and optimizing costs.

The technology landscape is changing faster than ever and with the recent disruptive technologies taking their space, the industry is looking for service providers who can help them adopt and implement these technologies. These new areas that are emerging are Blockchain, Data Analytics, Artificial Intelligence and related Security. A brief about these areas, their benefits and the domains that are widely adopting them are outlined below.

Blockchain

A revolutionary technology that enables businesses to be more secure, incorruptible, transparent, non-manipulative and accountable in their transactions or documents that is enabled by the idea or concept of distributed or decentralization of data. Most often referred to as web 3.0, blockchain is the network of nodes behaving as a peer-to-peer network in which each node acts as a validating and storage agent, by virtue of which the core activities/transaction of an organization become most secure, transparent, efficient and permanent.

The applicability of this technology is far and wide and is being implemented in a variety of verticals looking at a valuable set of advantages like the following:

a) Disintermediation

b) Empowered users

c) High quality data – complete, consistent, accurate, incorruptible and widely available data

d) Reliability, longevity and durability from malicious attacks

e) Process integrity

f) Transparency & immutability

g) Simplification of transaction ecosystem,

h) Faster transactions at the Lower cost

This being a nascent technology, also believed to have a very long future makes it mandatory for every company to evolve and adopt this technology. The domains that are rapidly implementing this technology are, Banking & Financial Services, Digital Assets, Healthcare, Pharmaceuticals, Insurance, Online businesses, Manufacturing, Supply chain Processes Information Exchanges etc.

Analytics

Technology and tools used by businesses for measurement of performance and decision making based of statistically scientific results that are derived by applying methods and techniques on the vast business data. Also popularly referred to as Data Science, analytics uses sophisticated tools, technologies and applications to generate such accurate analysis of data of the past and predicts the future that helps businesses craft focused strategies to enhance performance.

Some of the benefits of Analytics are as follows:

a) Smart decision making

b) Business alignment

c) Optimization and improving operational efficiency

d) Agility

e) Mitigating risk

f) Proactivity and business anticipation

Businesses across the world are increasingly looking to use analytics tools and techniques to better understand themselves, their markets and customers so as to improve their offerings to their markets. This gives a great opportunity for technology service providers to handhold companies in this journey by offering a range of capabilities to suit the client's needs.

Domains that are fast adopting analytics are:

a) Health care

b) Retail and consumer oriented businesses

c) BFSI

Artificial Intelligence

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 so as to perform the designated tasks. The best examples of such technologies are self-driving cars, computed simulated and self-learning games etc.

Some of the benefits of AI are as follows:

a) AI automates repetitive learning through large data

b) Saves time and money on routine processes and tasks

c) Increases productivity and efficiency

d) Faster and accurate business decisions based on outputs on cognitive technologies

e) Avoids human error

f) AI can bring incredible accuracy by anticipating outcomes

g) AI elevates the speed of execution of programmes

h) Creates personalized experience in customer facing taks

There are multiple ways businesses can benefit adopting AI related technologies. Domains such as

- **Health Care:** AI applications can provide personalized medicine, X-ray readings, Personal health care assistants diagnostic data.

- **Retail:** AI provides virtual shopping capabilities that offer personalized recommendations and discuss purchase options with the consumer. Customer service is a key area where AI is being used for enhanced customer experience in a timely and accurate manner

- **Manufacturing:** one of the most important areas in the future is manufacturing where processes are going to be automated in manufacturing most complicated machines that involve accuracy, timeliness, handling multiple complex tasks simultaneously.

- **Banking and Financial services:** AI is used for AML, Fraud detection, algorithmic trading, credit, customer services, loan and deposit processing and all banking processes that can be subjected to intelligent automation.

- **Sports:** AI is used to capture, simulate, evolve and present the most complex scenarios and bring out best strategies for effective results.

Importantly, AI is used extensively in sales, customer experience, customer assistance, computer based personalized interaction in customer communications like chatbots, perform consistently all tasks that can be automated in various fields.

While these technologies are being increasing gaining importance and ground in the businesses and in multiple geographies, USA leads the pact in embracing them all in every day walk of life. The geographies that are adopting these Technologies are actively looking to make investments in acquiring or developing and implementing them in their business processes.

While USA is far ahead, China has also began to invest in adopting these technologies in their businesses and their large production centers to bring in efficiencies. Economies that have a large manufacturing base, a large customer facing business models both online and offline are rapidly implementing AI in the form of chatbots and voice assistants.

While the combined global market for these technologies is about USD 55.8 Billion, Blockchain constitutes about USD 5.6 Billion, Analytics constitutes USD 30 Billion and AI constitutes USD 20 Billion. It is growing at an average rate of 31% and is expected to reach USD 213 Billion by 2022.

Similarly, the combined US market for these technologies is about USD 22.8 Billion, Blockchain constitutes about USD 3.5 Billion, Analytics constitutes USD 12 Billion and AI constitutes USD 7.35 Billion. It is growing at an average rate of 32% and is expected to reach USD 66 Billion by 2022.

Given the primary focus for GSS is Healthcare Sector in the US geography, it is important to understand the sector in the geography a little deeper. The combined US healthcare market for Blockchain, AI and Analytics is USD 7.9 Billion. Blockchain constitutes about USD 0.57 Billion, Analytics constitutes USD 6.4 Billion and AI constitutes USD 1.4 Billion. Which is growing at an average rate of 42% and is expected to reach USD 32 Billion by 2022.

Outline of US Healthcare domain

Health care sector stakeholders around the globe are looking for innovative, cost-effective ways to deliver patient-centered, technology enabled “smart” health care. Over the past decade, the North American healthcare IT market has evolved from basic EMR/EHR solutions to the development of specialized hospital information management systems, population health management solutions, and healthcare information exchange systems. 2018 will be a tipping point for mainstream adoption of popular digital health tech/solutions (e.g., artificial intelligence, mHealth/wearables, telehealth, Big Data analytics, and robotics) and the transition of noble technologies from research/proof-of-concept to actionable healthcare and clinical applications (e.g., blockchain and cancer immunotherapy products). The US healthcare IT market held the largest market share of the North American market, in 2017. The global Healthcare IT or Healthcare Information Technology market is estimated to reach USD 297 Billion by 2022, with a CAGR of 13.2%. North American IT Market is estimated to reach USD 100 Billion by 2020. It is projected that healthcare spending will, on average rise 5.5 % annually from 2017 to 2026 and will comprise 19.7 % of the U.S. economy in 2026, up from 17.9 percent in 2016. By 2026, health spending is projected to reach USD 5.7 Trillion creating a huge opportunity for the services providers.

GSS Transformation and Strategy

Given the new and emerging landscape, we are transforming ourselves and aligning our strategy and direction in line with the evolving service needs by creating new competencies, unique value proposition, scale and delivery frameworks. These areas have been selected after careful consideration of IT market in US and India. GSS transformation is marked by a renewed and exclusive focus on the healthcare market in the US geography.

GSS's future growth is based on a two prong strategy of having organic and inorganic growth paths separately and simultaneously. Exclusive focus on Healthcare domain emerges as a common point for both the strategies.

Currently GSS provides comprehensive Revenue Cycle Management (RCM) support for medical practices and Hospitals. Our professional and highly skilled team uses state of the art billing systems, which are integrated with EHR systems and provide sophisticated automation and workflows designed to increase reimbursements and dramatically reduce denials. GSS offers a whole gamut of healthcare IT services and solutions, helping clients effectively address their operational challenges and grow their businesses stronger. Some of our services include Medical Billing, Practice Management, Consulting and Professional Services. GSS combines the above mentioned healthcare specific services with domain agnostic services like Infrastructure Management, Service Desk, security management and outsourced product development.

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 labor arbitrage opportunities on the other. Similarly, we also 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. Parallelly, 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".

A step towards this objective, the company announced its plans to launch "GSS Labs", a platform that will incubate innovative applications of cutting edge technologies targeting white space opportunities in the Healthcare IT products and solutions space.

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.

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 16 | SEI CMM Level 5 |
   ISO 27001 | ISO 20001 HIPPAA |
   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

<table>
<tr><th>APAC -India</th><th colspan="2">North America</th></tr>
<tr><td>Hyderabad -Global HQ
Ground Floor, Wing-B, N heights,
Plot No. 12,
TSIIC Software Units Layout, Madhapur,
Serilingampally Mandal,
Rangareddy District
Hyderabad, Telangana –500081
Tel: +91 40 44556600</td><td>North Brunswick, NJ, USA
2050, Brunswick Plaza -1,
State Highway 27, Suite #201
North Brunswick
NJ-08902.
Tel: +1 732-798-3101
Fax: +1 866-726-0520</td><td>Glastonbury, CT, USA
2842, Main Street,
Suite#164, New London Turnpike,
Glastonbury, CT, 06033, USA
Tel: +1 860-633-7174
Fax: +1 860-633-7162</td></tr>
</table>

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

GOVERNANCE FRAMEWORK

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

Board Structure:

Board Leadership: Your Company has a well-balanced Board of Directors with members from diverse backgrounds who have years of experience and expertise in various fields. Out of 4 members on the Board, 3 are Independent Directors who are well known for their wealth of experience, high standards of governance and independence. 1 out of 4 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.

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

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

Mr. Ramesh Yerramsetti has resigned from the Board of Directors of the Company with effect from 29th September,2017

Mr. Padmarao G.S. Lakkaraju and Mr. A Prabhakara Rao have been appointed as Non-Executive Independent Directors of the Company with effect from 30th September, 2017 for a term of 5 years.

Mr. Mark Agnelo Silgardo has resigned from the Board of Directors of the Company with effect from 17th January, 2018.

Mr. Madhukar Chimanlal Sheth has resigned from the Board of Directors of the Company with effect from 14th February, 2018

Board Committees:

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

Management Structure:

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 4 Directors as stated below:

1	Mr. Bhargav Marepally	Managing Director and Promoter
2	Mrs. Nagajayanthi Das Juttur Ragavendra	Non-executive, Woman Independent Director
3	Mr. Prabhakara Rao Alokam	Non-executive, Independent Director
4	Mr. L.G.S. Padmarao	Non-executive, Independent Director

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

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

***Mr. Ramesh Yerramsetti has resigned from the Board of Directors of the Company with effect from 29th September, 2017

****Mr. Mark Agnelo Silgardo has resigned from the Board of Directors of the Company with effect from 17th January, 2018.

*****Mr. Madhukar Chimanlal Sheth has resigned from the Board of Directors of the Company with effect from 14th February, 2018

- The Company have two-third of the composition of the Board as Independent Directors.
- As on March 31, 2018, 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.

As on 31st March, 2018:

- Mr. Patri Venkataramakrishna Prasad has resigned from the Board of Directors of the Company with effect from 08th August, 2017.
- Mr. Keerthy Jaya Tilak has resigned as Chairman and Independent Director of the Company with effect from 10th August, 2017.
- Mr. Ramesh Yerramsetti has resigned from the Board of Directors of the Company with effect from 29th September,2017
- Mr. Padmarao G.S. Lakkaraju has been appointed as Non-Executive Independent Director of the Company with effect from 30th September, 2017 for a term of 5 years.
- Mr. A Prabhakara Rao has been appointed as Non-Executive Independent Director of the Company with effect from 30th September, 2017 for a term of 5 years.
- Mr. Mark Agnelo Silgardo has resigned from the Board of Directors of the Company with effect from 17th January, 2018.
- Mr. Madhukar Chimanlal Sheth has resigned from the Board of Directors of the Company with effect from 14th February, 2018
- The Composition of the Board is in order as required under Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013.

Independent Directors:

- The Independent Directors of your company have been appointed for a tenure of 5 (five) years
- Their appointment was approved by the shareholders of your Company at their AGM's held on 30th September, 2015 for Mrs. Nagajayanthi Das Juttur Ragavendra and 30th September,2017 for Mr. Padmarao G.S. Lakkaraju and A Prabhakara Rao.
- The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship in more than the prescribed limit in the Listing Regulations. Your Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013. A sample letter of appointment is available on the website of your Company and can be assessed through the link: http://www.gssinfotech.com/about/compliance-under-clause-49.html

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

  Mr. Padmarao G.S. Lakkaraju and Mr. A Prabhakara Rao have been appointed as Independent Director of the Company with effect from 30th September, 2017 for a term of 5 years.

Independent Director's Meeting:

During the year under review, the Independent Directors met on 10th February, 2018, without the attendance of Non-Independent Directors and members of the management, inter alia, to discuss on the following:

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

Directorship and Membership on Committees:

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

Name of the Director(s)	Nature of Directorship	Relationship with each other	Directorship in other Companies (*)	As on 31st March, 2018	
Mr. Bhargav Marepally	CEO and Managing Director	***	-	Mr. Bhargav Marepally	CEO and Managing Director
Mrs. Nagajayanthi Das Juttur Ragavendra	Non-Executive and Independent Director	***	-	Mrs. Nagajayanthi Das Juttur Ragavendra	Non-Executive and Independent Director
Mr. A Prabhakara Rao	Non-Executive and Independent Director	***	-	Mr. A Prabhakara Rao	Non-Executive and Independent Director
Mr. Padmarao G.S. Lakkaraju	Non-Executive and Independent Director	***	-	Mr. Padmarao G.S. Lakkaraju	Non-Executive and Independent Director

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

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

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

Number of Board Meetings:

During the financial year ended 31st March, 2018, Four (4) meetings of the Board of Directors were held and the maximum time gap between two (2) meetings did not exceed one hundred and twenty days. The dates of the Board meetings are as under:

Date(s) on which Board meeting(s) were held	Purpose
29th May, 2017	Results
08th August, 2017	Results
13th November, 2017	Results
13th February, 2018	Results

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

Details of their attendance at Board Meetings and at the AGM held during the year ended 31st March, 2018 are as follows:

Name of the Director	Board Meeting details		Attendance
	Held	Attended	
Mr. Bhargav Marepally	4	3	Mr. Bhargav Marepally
Mr. Ramesh Yerramsetti	4	2	Mr. Ramesh Yerramsetti
Mr. Patri VenkataRamakrishna Prasad	4	2	Mr. Patri VenkataRamakrishna Prasad
Mr. Mark Silgardo	4	2	Mr. Mark Silgardo
Mr. Madhukar Chimanlal Sheth	4	4	Mr. Madhukar Chimanlal Sheth
Mr. Keerthy Jaya Tilak	4	2	Mr. Keerthy Jaya Tilak
Mrs. Nagajayanthi Das Juttur Ragavendra	4	4	Mrs. Nagajayanthi Das Juttur Ragavendra
Mr. A Prabhakara Rao	4	3	Mr. A Prabhakara Rao
Mr. Padmarao G.S. Lakkaraju	4	3	Mr. Padmarao G.S. Lakkaraju

Shareholding of the Non-Executive Directors of the Company in GSS Infotech Limited as on 31st March, 2018 is as follows:

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

Mr. Bhargav Marepally, CEO and Managing Director holds 4,992 equity shares of the Company as on 31st March 2018.

Board Procedures:

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

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

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

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

Familiarization Programme:

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

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

The familiarization programme for Independent Directors in terms of provisions of Listing Regulations for the financial year ending is uploaded on the website of the Company and can be accessed through the following link:
http://www.gssinfotech.com/images/downloads/compliance-under-clause/familiarization-programme-and-meeting-of-independent-directors.pdf

Evaluation of Board Effectiveness:

In terms of provisions of the Companies Act, 2013 read with Rules issued thereunder and Listing Regulations, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31st March, 2018. 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 via-a-vis their responsibilities.

The Board of Directors at its meeting held on 01st August, 2018, has noted the overall feedback on the performance of the Directors and the Board as a whole and its Committees.

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

COMMITTEES OF THE BOARD:

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

Audit Committee:

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

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

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended 31st March, 2018, are detailed below:

Name of the Member	Nature of Membership	Audit Committee Meeting Details	
		Held	Attended
Mr. Prabhakara Rao Alokam	Chairman	4	3
Mr. Bhargav Marepally	Member	4	4
Mrs. Nagajayanthi Das Juttur Ragavendra	Member	4	4

Date(s) on which Audit Committee meeting(s) were held.	Purpose
29th May, 2017	Results
08th August, 2017	Results
13th November, 2017	Results
13th February, 2018	Results

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

Mr. Prabhakara Rao Alokam was appointed as a member of the Audit Committee on 8th August, 2017, the Audit Committee was reconstituted and he was elected as the chairman of the Audit Committee on 13th November, 2017.

The Chairman of the Audit Committee was not present at the last AGM held on 30th September, 2017:

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 and
32. 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 2017-18. The composition of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations.

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company as on 31st March, 2018 is detailed below:

Name of the Member	Membership
Mrs. Nagajayanthi Das Juttur Ragavendra	Chairperson
Mr. Padmarao G.S. Lakkaraju	Member

Date(s) on which NRC meeting(s) were held.
30th May, 2017
13th August, 2017

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

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

Mr. Prabhakara Rao Alokam & Mr. Padmarao G.S. Lakkaraju have been appointed as Non-Executive and Independent Director's of the Company with effect from 30th September, 2017 for a term of 5 years.

Mr. Madhukar Chimanlal Sheth has resigned from the Board of Directors of the Company with effect from 14th February, 2018.

The Nomination and Remuneration Committee was reconstituted on 28th May, 2018 with the following Composition:

Name of the Member	Membership
Mrs. Nagajayanthi Das Juttur Ragavendra	Chairperson
Mr. Padmarao G.S. Lakkaraju	Member
Mr. Prabhakara Rao Alokam	Member

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

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

Nomination and Remuneration Policy of the Company:

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

1. **Formulate the criteria for appointment as a Director:** The Committee shall formulate criteria, and review them on an ongoing basis, for determining qualifications, skills, expertise, qualities, positive attributes required to be a Director of the Company.

2. **Identify persons who are qualified to be Directors:** The Committee shall identify persons who are qualified to become Directors and who satisfy the criteria laid down. The process of identification shall include ascertaining, meeting, screening and reviewing candidates for appointment as Directors, whether Independent, Non-Executive or Executive.

3. **Nominate candidates for Directorships subject to the approval of Board:** The Committee recommends to the Board the appointment of potential candidates as Non-Executive Director or Independent Director or Executive Director, as the case may be.

4. **Approve the candidates required for senior management positions:** The Committee shall lay down criteria including qualifications, skills, expertise and qualities required for senior management positions like Managing Director & CEO, CFO and Company Secretary and members of the Executive Council of the Company.

5. **Evaluate the performance of the Board:** The Committee shall determine a process for evaluating the performance of every Director, Committees of the Board and the Board. The Committee may seek the support and guidance of external experts and agencies for this purpose.

6. **Evaluate the performance of the Managing Director or Whole-time Director and determine the Executive Compensation.** The Committee shall evaluate the performance of the Managing Director by setting his Key Performance Objectives at the beginning of each financial year. The Committee shall also approve his/her/their compensation package(s) in accordance with applicable laws, in line with the Company's objectives, shareholders' interests, comparable with industry standards and which shall have an adequate balance between fixed and variable component.

7. **Review performance and compensation of senior management:** The Committee shall review the performance of the senior management of the Company. The Committee shall ensure that the remuneration to the Key Managerial Persons and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

8. **Recommend to the Board, commission to the Non-Executive Directors:** The Committee shall recommend the commission payable to the Non-Executive Directors, including Independent Directors, to the Board of Directors of the Company after considering their contribution to the decision making at meetings of the Board/Committees, participation and time spent as well as providing strategic inputs and supporting the highest level of corporate governance and Board effectiveness. It shall be within the overall limits fixed by the shareholders of the Company.

Remuneration to the Managing Director during the year 2017-18:

During the financial year ended 31st March, 2018, Mr. Bhargav Marepally, Managing Director, did not draw any remuneration from the Company.

Details of remuneration paid to Directors during the year 2017-18:

During the financial year ended 31st March, 2018, the Company paid Rs. 20,000/- (Rupees Twenty thousand only) as sitting fees for attending each of the Board meeting and Rs. 5,000/- for other Committee meetings to the Non-Executive Directors (except Mr. Mark Silgardo - Nominee Director) of the Company.

Details of remuneration paid to the Directors of the Company for the financial year ended 31st March, 2018 are as follows*:

(Amount in ₹)

Name of the Director	Salary	Perquisites	Sitting fees	Commission	Total
Mr. Keerthy Jaya Tilak	-	-	65,000	-	65,000
Mrs. Nagajayanthi Das Juttur Ragavendra	-	-	1,20,000	-	1,20,000
Mr. Prabhakara Rao Alokam	-	-	50,000	-	50,000
Mr. LGS Padmarao	-	-	45,000	-	45,000
Mr. Bhargav Marepally	-	-	-	-	-
Mr. Ramesh Yerramsetti	-	-	40,000	-	40,000
Mr. Mark Silgardo	-	-	-	-	-
Mr. Patri VenkataRamakrishna Prasad	-	-	40,000	-	40,000
Mr. Madhukar Chimanlal Sheth	-	-	85,000	-	85,000

*The information is provided on **Standalone** basis

Stakeholders Relationship Committee

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

The Committee had a meeting on 13th February 2018. The terms of reference of the Committee includes enquiring into and redressing the complaints of shareholders and investors and to resolve the grievance of the security holders of the Company.

The Composition of the Stakeholder's Relationship Committee as on 31st March, 2018 is as follows:

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

Mr. Madhukar Chimanlal Sheth has resigned from the Board of Directors of the Company with effect from 14th February, 2018

The Stakeholders Relationship Committee was reconstituted on 28th May, 2018 with the following composition:

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

Details pertaining to the number of complaints received and responded and status thereof during the financial year ended 31st March, 2018, is given below:

Details of Investor Complaints during FY 2017-18	Number
No. of complaints received during the year 2017-18	Nil
No. of complaints resolved during the year 2017-18	Nil
No. of complaints pending at the end of the year 2017-18	Nil

SUBSIDIARY COMPANIES

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

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

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

RELATED PARTY TRANSACTIONS

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

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

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

During the financial year ended 31st March, 2018, the Company has entered into RPTs in the ordinary course of business and on arms' length basis; and in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Regulation 23 of the Listing Regulations and the Policy of the Company on dealing with RPTs. During the financial year ended 31st March, 2018, there are no transactions with related parties which qualify as a material transaction in terms of the applicable provisions of Listing Regulations. The details of the RPTs are set out in the Notes to Financial Statements forming part of this Annual Report.

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

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

There are no employees in the Company, who are relatives of Directors, holding office of place of profit in the Company as on 31st March, 2018:

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

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

CEO AND CFO CERTIFICATION

As required under Regulation 17 of the Listing Regulations, the CEO and CFO certificate for the financial year ended 31st March, 2018, signed by Mr. Bhargav Marepally, CEO & Managing Director and Mr. Sanjay Heda, CFO is annexed and forms part of this Report.

GENERAL BODY MEETINGS

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

Financial Year	Location	Meeting Date	Time	No. of special resolutions set out at the AGM
2016-17	Ellaa Suits, Jasmine Banquet Hall, Hill ridge Springs, No.25, Kancha, Gachibowli, ISB Road, Hyderabad – 500032.	30th September, 2017	10:30 a.m.	2
2015-16	Ellaa Suits, Jasmine Banquet Hall, Hill ridge Springs, No.25, Kancha, Gachibowli, ISB Road, Hyderabad – 500032.	30th September, 2016	10:30 a.m.	2
2014-15	Ellaa Suits, Jasmine Banquet Hall, Hill ridge Springs, No.25, Kancha, Gachibowli, ISB Road, Hyderabad – 500032.	30th September2015	10.00 a.m.	3

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

Postal Ballot

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

DISCLOSURES

1. There are no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

2. Your Company has complied with all the requirements of the Stock Exchange(s) and the Securities Exchange Board of India (SEBI) on matters related to Capital Markets.

3. **Vigil Mechanism and Whistle Blower Policy:**

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

   - Your Company prohibits any kind of discrimination, harassment, victimization or any other unfair practice being adopted against an employee. In accordance with Regulation 22 of the Listing Regulation, your Company has adopted a Whistle Blower Policy with an objective to provide its employees and a mechanism whereby concerns can be raised in line with the Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication.

   - No personnel were denied access to the Audit Committee of the Company

4. **Code of Conduct**

   Your Company has adopted a Code of Conduct for all the employees including Board Members and Senior Management Personnel of the Company in accordance with the requirement under Regulation 17 of the Listing Regulations. The Code of Conduct has been posted on the website of the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2018. 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:

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

5. **Code of Conduct for Prevention of Insider Trading**

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

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

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

1. **The Board:**

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

2. **Shareholder Rights:**

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

3. **Audit qualifications:**

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

4. **Separate posts of Chairman and CEO:**

   The Chairman of the Board was a Non-Executive Director.

   Mr. Keerthy Jaya Tilak has resigned as Chairman and Independent Director of the Company with effect from 10th August, 2018.

5. **Reporting of Internal Auditor:**

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

MEANS OF COMMUNICATION

1. **Publication of quarterly financial results:**

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

2. **Website and News Releases:**

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

3. **Stock Exchange:**

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

4. **NEAPS (NSE Electronic Application Processing System):**

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

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

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

6. **Reminders to Investors:**

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

GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting

Date	-	5th September, 2018
Time	-	10.00 A.M
Venue	-	Ellaa Suites, Lotus Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad - 500 032

(ii) Financial Calendar

Financial year	-	1st April 2018 to 31st March 2019
Tentative Schedule for declaration of results during the financial year 2018-19		
First Quarter	-	First week of Aug 2018
Second Quarter and Half Yearly	-	First week of Nov 2018
Third Quarter and Nine Months	-	First week of Feb 2019
Fourth Quarter and Annual	-	Second week of May 2019

(iii) Date of Book closure - **29th August 2018 to 5th September 2018 (both day inclusive)**

(iv) Listing on Stock Exchanges

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

The Company has paid the listing fees to the above Stock Exchange(s) for the financial year 2018-19.

(v) Market Price Data

The monthly high and low prices and volumes of the Company's shares at BSE and NSE for the financial year ended 31st March, 2018 are as under:

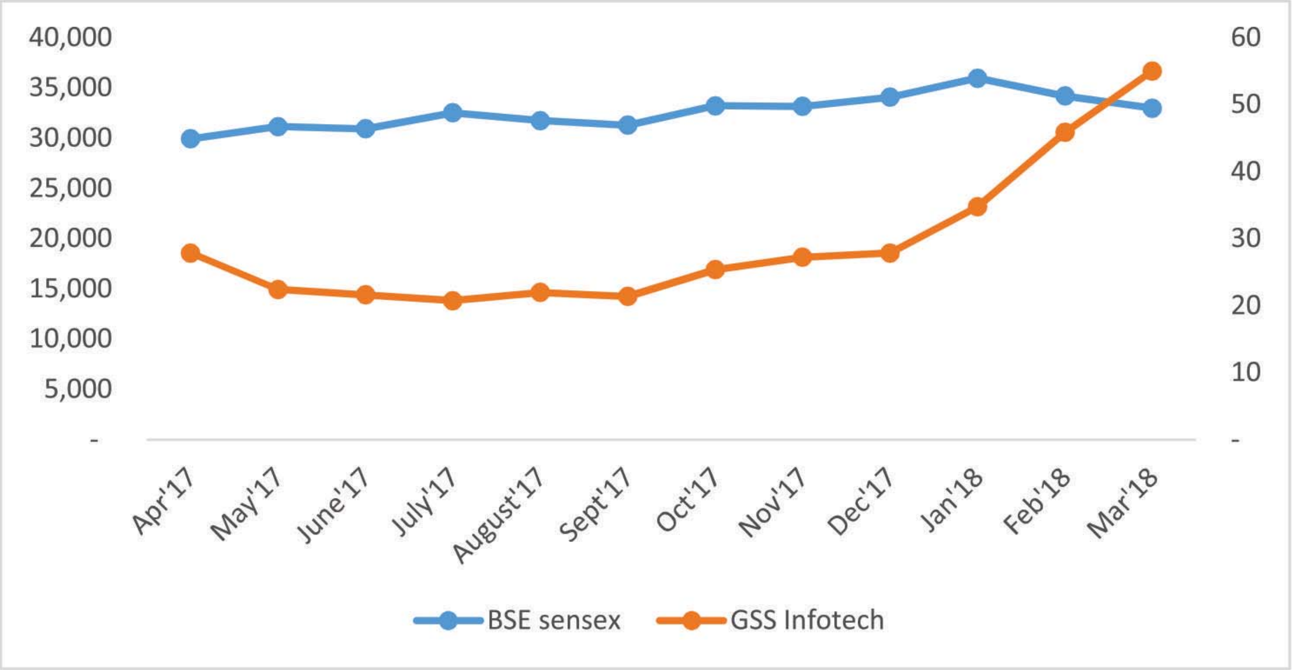
Month	BSE			NSE		
	High (in ₹)	Low (in ₹)	Volume (No. of Shares)	High (in ₹)	Low (in ₹)	Volume (No. of Shares)
April-17	32.70	22.90	25,88,021	32.90	22.00	1,02,44,338
May-17	31.75	22.25	3,01,861	28.15	22.20	8,35,791
June-17	29.00	20.80	17,51,965	29.00	20.75	37,14,913
July-17	23.45	20.50	4,24,633	22.60	20.35	4,67,842
August-17	23.45	19.00	1,24,115	23.95	18.75	3,48,000
September-17	22.80	20.50	4,45,108	22.50	20.60	6,40,549
October-17	26.30	21.20	6,78,387	26.25	21.00	21,88,924
November-17	29.75	22.80	50,24,129	29.95	23.00	49,13,938
December-17	31.00	25.00	23,91,994	31.40	25.05	28,75,815
January-18	40.05	27.05	46,01,031	40.25	27.50	1,71,07,189
February-18	54.75	30.00	59,45,055	54.80	29.55	2,10,58,758
March-18	69.60	43.75	73,57,197	69.50	43.65	3,64,18,894

Source: BSE and NSE website

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

(vi) Performance in comparison to broad-based Indices

The Chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the financial year ended 31st March, 2018 (based on month end closing):



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

(viii) Share Transfer System

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

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

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

(ix) Distribution of Shareholding

Distribution of shareholding of shares of the Company as on 31st March, 2018 is as follows:

No. of Equity Shares		Shareholders		Shareholding	
		Number	% to total	Number	% to total
1	5000	10,204	88.65	87,07,100	5.14
5001	10000	531	4.61	44,01,200	2.60
10001	20000	293	2.54	46,20,780	2.73
20001	30000	138	1.19	35,99,990	2.13
30001	40000	67	0.58	24,21,540	1.43
40001	50000	60	0.52	28,76,290	1.70
50001	100000	108	0.94	79,67,210	4.70
100001	9999999999	110	0.96	13,47,74,320	79.55

Shareholding Pattern as on 31st March, 2018:

Category of Shareholder	Total Number of Shares	% of total no. of shares
(A) Shareholding of Promoter and Promoter Group		
(a) Individuals/Hindu Undivided Family	21,71,992	12.82
(b) Bodies Corporate	Nil	Nil
(c) Trust	Nil	Nil
Total Shareholding of Promoter and Promoter Group (A)	**21,71,992**	**12.82**
(B) Public shareholding		
(1) Institutions		
(a) Mutual Funds/ UTI	Nil	Nil
(b) Financial Institutions/ Banks	8,01,595	4.73
(c) Venture Capital Funds	Nil	Nil
(d) Foreign Institutional Investors/FPI's	25,37,073	14.98
Sub-Total (B)(1)	**33,38,668**	**19.71**
(2) Non-Institutions		
(a) Bodies Corporate	43,70,537	25.80
(b) Individuals		
(i) Individual shareholders holding nominal share capital up to Rs. 2 lakhs	33,00,293	19.49
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	23,09,428	13.64
(c) Individual (Non-Resident individuals)	1,02,222	0.60
(d) Trust 350000	2.07	
(e) Clearing Member	9,91,203	5.85
(f) NBFCs registered with RBI	2,500	0.01
(g) Overseas Corporate Bodies	-	-
Sub-Total(B)(2)	**1,14,26,183**	**67.46**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**1,47,64,851**	**87.18**
Total (A)+(B)	**1,69,36,843**	**100.00**

Details of the Company's dematerialized shares as on 31st March, 2018:

Number of shares	% of total shares	Number of shareholders	% of total shareholders
16936843	97.93	11,232	99.98

Break up of shares in physical and Demat form as on 31st March, 2018:

Physical/Demat	No. of Shares	% of Shares
Physical segment	3,50,001	2.06
Demat segment		
a) NSDL	69,77,899	39.87
b) CDSL	96,08,943	54.91
TOTAL	**1,69,36,843**	**96.84**

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

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

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March 2018.

(xi) The Company does not have plant locations.

(xii) Address for Correspondence

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

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

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

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

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

(xiv) 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,
TSIIC Software Units Layout, Madhapur,
Serilingampally Mandal, Rangareddy District,
Hyderabad - 500081, Telangana State, India
Email: company.secretary@gssinfotech.com

Annexure to Report on Corporate Governance for the financial year ended 31st March, 2018

Declaration of Compliance with the Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2018.

Place: Hyderabad
Date: 01st August, 2018

Bhargav Marepally
CEO & Managing Director
DIN: 00505098

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

The Board of Directors

GSS Infotech Limited

We hereby certify that for the financial year ended 31st March, 2018, 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 2017-18, which are fraudulent, illegal or violative of the Company's code of conduct.

4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies, if any.

We further certify that –

a) There have been no significant changes in internal control over financial reporting during the year 2017-18; and

b) There have been no significant changes in accounting policies during the year 2017-18; and

c) There have been no materially significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

Bhargav Marepally
CEO & Managing Director
DIN: 00505098

Sanjay Heda
Chief Financial Officer

Place: Hyderabad
Date: 28th May, 2018

CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF GSS INFOTECH LIMITED

We have examined the compliance of conditions of Corporate Governance by GSS Infotech Limited ('the Company'), for the year ended 31st March, 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st April, 2017 to 31st March, 2018.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and Clause 49 of the listing agreement for the financial year ended 31st March, 2018.

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

For **Sunil Kacham & Associates**

Sunil Kumar Kacham
Practicing Company Secretary
ACS No: 46155
CP. No: 16820

Place: Hyderabad
Date: 16th July, 2018

CONSOLIDATED FINANCIAL STATEMENTS & NOTES

INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors of

M/s GSS Infotech Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **M/s GSS Infotech Limited** (herein after referred to as 'the Company'**)** and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit & Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This respective Board of Director's 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 of 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 Consolidated Ind AS 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 consolidated financial statements by the Director's of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Other Matter

1. We did not audit the financial statements/information of One US Subsidiary (Including its step down subsidiaries) included in the consolidated financial results, whose consolidated financial statements reflect total assets of Rs. 1,24,18,42,912/- as at 31st March 2018 as well as total revenue of Rs. 1,24,52,13,186/- as at 31st March 2018. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial results, is so far as it relates to the amounts and disclosure included in respect of the subsidiary is based solely on the report of such other auditors.

2. Attention is bought to Note No. 28 to the Consolidated Financial Statements that the US subsidiary company had extended to the in-line credit to ATEC Subsidiary which was later divested. Our opinion is not modified in respect of these matters.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of the Company as at 31st March, 2018, and its consolidated profit, consolidated total comprehensive income**,** its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of audit of aforesaid consolidated Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of 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 & Loss (including the Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of these consolidated financial statements.

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rules of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors of the Company and report of the statutory auditors of its Subsidiary companies incorporated in India, none of the directors of the Group Companies incorporated in India are disqualified as on 31st March, 2018 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 auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operative effectiveness of the internal financial controls over financial reporting, of those companies, for the reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

  i. The Group does not have any pending litigations which would impact its financial position.

  ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

  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. .

For and on behalf of
Sarath & Associates
Chartered Accountants
F. Reg. No. 005120S

P. Sarath Kumar
Partner
M. No. : 021755

Place : Hyderabad
Date : 28.05.2018

"Annexure A" to the Independent Auditors' Report

(Referred to in paragraph (f) under 'Report on Other Legal & Regulatory Requirements' section of our report to the members of GSS Infotech Limited of even date)

Report on 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 Consolidated financial statements of the Company as of and for the year ended March 31st.2018, We have audited the internal financial controls over financial reporting of GSS Infotech Limited (herein after referred to as 'the Company') and its subsidiary Companies incorporated in India.

Management's Responsibility for Internal Financial Controls

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 Ind AS 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 Ind AS 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 Subsidiaries have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial control system over financial reporting were operating effectively as at March 31st, 2018, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of the internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
Sarath & Associates
Chartered Accountants
F. Reg. No. 005120S

P. Sarath Kumar
Partner
M. No. : 021755

Place : Hyderabad
Date : 28.05.2018

GSS INFOTECH LIMITED

Consolidated Balance Sheet as at 31st March, 2018

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

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	4	2,046,071	3,115,184	9,260,213
Goodwill		905,892,340	903,106,694	1,409,599,885
Other intangible assets	5	-	319,662	2,411,829
Financial assets				
Loans	6	913,622	911,152	8,882,584
Deferred tax assets (net)	7	990,090	2,759,568	4,008,474
Other non-current assets	8	3,500,000	3,500,000	83,497,376
		913,342,123	**913,712,260**	**1,517,660,361**
Current assets				
Financial assets				
Trade receivables	9	261,380,914	285,399,745	396,982,392
Cash and cash equivalents	10	34,892,238	9,156,892	49,077,466
Other bank balances	11	1,693,323	755,023	20,040,323
Loans	6	2,047,089	11,725,599	6,878,733
Current Tax Assets (Net)	12	106,201,981	78,875,925	147,902,102
Other current assets	8	97,570,377	87,291,345	68,824,870
		503,785,922	**473,204,529**	**689,705,887**
Total assets		**1,417,128,045**	**1,386,916,788**	**2,207,366,248**
Equity and Liabilities				
Equity share capital	13	169,368,630	169,368,630	169,368,630
Other equity	14	935,929,384	859,711,878	1,476,466,854
Total equity		**1,105,298,014**	**1,029,080,508**	**1,645,835,484**
Non-current liabilities				
Financial Liabilities				
Borrowings	15	-	-	33,500,000
Provisions	16	391,374	789,954	612,528
		391,374	**789,954**	**34,112,528**
Current liabilities				
Financial Liabilities				
Trade payables	17	47,414,764	59,258,369	98,340,543
Other financial liabilities	18	260,579,035	293,858,272	424,945,467
Provisions	16	1,456,418	1,391,857	1,582,972
Other current liabilities	19	1,988,440	2,537,828	2,549,254
Total liabilities		**311,438,657**	**357,046,326**	**527,418,236**
Total equity and liabilities		**1,417,128,045**	**1,386,916,788**	**2,207,366,248**

Summary of significant accounting policies 3

The accompanying notes form an integral part of these consolidated financial statements.

As Per Our Report of Even Date
For SARATH & ASSOCIATES
Chartered Accountants
ICAI Firm Registration Number: 005120S

P. Sarath Kumar
Partner
Membership No: 21755

Place: Hyderabad
Date : 28-May-2018

For and on behalf of the Board of GSS Infotech Limited
CIN: L72200TG2003PLC041860

Bhargav Marepally
CEO & Managing Director
DIN: 00505098

A. Prabhakara Rao
Director
DIN: 02263908

Sanjay Heda
Chief Financial Officer

Mohammad Anwar ul haq
Company Secretary

GSS INFOTECH LIMITED

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

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

Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	20	1,417,747,406	1,548,621,869
Other income	21	784,547	10,639,011
Total income		**1,418,531,953**	**1,559,260,881**
Expenses			
Direct Cost	22	171,341,045	309,180,815
Employee benefits expense	23	1,088,845,595	1,085,957,931
Depreciation and amortisation expense	24	2,319,794	4,286,538
Finance costs	25	10,660,292	15,715,338
Other expenses	26	83,094,331	133,258,855
Total expense		**1,356,261,057**	**1,548,399,477**
Profit before exceptional items and tax		**62,270,896**	**10,861,404**
Exceptional Item		-	528,438,470
Profit before tax		**62,270,896**	**(517,577,066)**
Tax expenses			
Current tax	27	(12,706,483)	62,547,890
Deferred tax charge	27	1,769,478	1,248,906
Total tax expense		(10,937,005)	63,796,796
Profit for the Year		**73,207,901**	**(581,373,863)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/ (losses) on defined benefit plan		254,418	-
Exchange differences on translation of foreign operations		2,755,186	(35,380,860)
Income-tax effect		-	-
Other comprehensive income for the year, net of tax		**3,009,604**	**(35,380,860)**
Total comprehensive income for the year		**76,217,505**	**(616,754,722)**
Earnings per equity share face value of Rs. 10 each			
Basic		4.32	(34.33)
Diluted		4.32	(34.33)

Summary of significant accounting policies 3

The accompanying notes form an integral part of these consolidated financial statements.

As Per Our Report of Even Date
For SARATH & ASSOCIATES
Chartered Accountants
ICAI Firm Registration Number: 005120S

P. Sarath Kumar
Partner
Membership No: 21755

Place: Hyderabad
Date : 28-May-2018

For and on behalf of the Board of GSS Infotech Limited
CIN: L72200TG2003PLC041860

Bhargav Marepally
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A. Prabhakara Rao
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DIN: 02263908

Sanjay Heda
Chief Financial Officer

Mohammad Anwar ul haq
Company Secretary

GSS INFOTECH LTD

Statement of Cash Flows for the year ended 31st March, 2018

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Operating activities		
Profit/ (loss) before tax	**62,270,896**	**(517,577,066)**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible assets	2,319,794	4,286,538
Profit on sale of assets	(30,459)	(950,151)
Finance income (including fair value change in financial instruments)	(69,251)	(1,081,319)
Finance costs (including fair value change in financial instruments)	10,660,292	15,715,338
Advance/Bad Debt Written off	2,107,282	49,067,883
Written of Investments	-	530,310,683
Unrealized foreign exchange loss/(gain)	2,770,806	(20,889,231)
Re-measurement gains/ (losses) on defined benefit plan	254,418	-
Working capital adjustments:		
(Increase)/ decrease in trade receivables	21,911,549	62,514,765
(Increase)/ decrease in loans	9,678,510	(4,846,866)
(Increase)/ decrease in other assets	(10,279,033)	61,530,902
Increase/ (decrease) in trade payables	(11,843,605)	(39,082,174)
Increase/ (decrease) in provisions	(334,019)	(13,689)
(Increase)/ decrease in current tax asset	(27,326,057)	69,026,177
Increase/ (decrease) in other financial liabilities	(33,279,237)	(131,087,196)
Increase/ (decrease) in other current liabilities	(549,388)	(11,426)
	28,262,500	**76,913,166**
Income tax paid	12,706,483	(62,547,890)
Net cash flows from operating activities	**40,968,983**	**14,365,276**
Investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,066,427)	228,158
Proceeds from sale of fixed assets	135,408	-
Other bank balances	(938,300)	19,285,300
Increase in Goodwill on Consolidation due to difference in exchange rate	(24,095,843)	(19,144,841)
Interest received (finance income)	69,251	1,081,319
Net cash flows used in investing activities	**(25,895,911)**	**1,449,937**
Financing activities		
Proceeds / (repayment) from long term borrowings, net	-	(33,500,000)
Proceeds / (repayment) from short term borrowings, net	(2,471)	7,971,433
Interest paid	(10,660,292)	(15,715,338)
Unrealized foreign exchange loss/(gain)	21,325,036	(14,491,883)
inflow of excess deposit in dividend unclaim account	-	-
Net cash flows from/ (used in) financing activities	**10,662,273**	**(55,735,788)**
Net increase / (decrease) in cash and cash equivalents	25,735,345	(39,920,574)
Cash and cash equivalents at the beginning of the year (refer note 10)	9,156,892	49,077,466
Cash and cash equivalents at the end of the year (refer note 10)	**34,892,238**	**9,156,892**

Summary of significant accounting policies 3

The Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 on 'Statement of Cash Flows', as notified under Section 133 of the Companies Act 2013, read with the relevant rules thereunder.

The accompanying notes form an integral part of these consolidated financial statements.

As Per Our Report of Even Date
For SARATH & ASSOCIATES
Chartered Accountants
ICAI Firm Registration Number: 005120S

P. Sarath Kumar
Partner
Membership No: 21755

Place: Hyderabad
Date : 28-May-2018

For and on behalf of the Board of GSS Infotech Limited
CIN: L72200TG2003PLC041860

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Chief Financial Officer

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Company Secretary

GSS INFOTECH LIMITED

Consolidated Statement of Changes in Equity for the year ended March 31, 2018

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

a. Equity Share Capital

	No. of shares	Amount
Balance as at April 1, 2016	16,936,863	169,368,630
Balance as at March 31, 2017	16,936,863	169,368,630
Balance as at March 31, 2018	16,936,863	169,368,630

b. Other equity

Particulars	Reserves and Surplus				Total
	Share Premium	General Reserve	Retained Earnings	O C I	
At April 1, 2016	2,052,380,129	24,001,603	(1,354,148,198)	754,233,066	1,476,466,600
Loss for the year			(581,373,863)		(581,373,863)
Other comprehensive income					
Re-measurement gains/ (losses) on defined benefit plans					-
Exchange differences on translation of foreign operations				(35,380,860)	(35,380,860)
Income-tax effect				-	-
At March 31, 2017	2,052,380,129	24,001,603	(1,935,522,061)	718,852,206	859,711,878
Profit for the year			73,207,901		73,207,901
Other comprehensive income					
Re-measurement gains/ (losses) on defined benefit plans, net of tax				254,418	254,418
Exchange differences on translation of foreign operations				2,755,186	2,755,186
Income-tax effect					-
Balance as of March 31, 2018	2,052,380,129	24,001,603	(1,862,314,159)	721,861,810	935,929,384

Summary of significant accounting policies 3

The accompanying notes form an integral part of these consolidated financial statements.

As Per Our Report of Even Date
For SARATH & ASSOCIATES
Chartered Accountants
ICAI Firm Registration Number: 005120S

P. Sarath Kumar
Partner
Membership No: 21755

Place: Hyderabad
Date : 28-May-2018

For and on behalf of the Board of GSS Infotech Limited
CIN: L72200TG2003PLC041860

Bhargav Marepally
CEO & Managing Director
DIN: 00505098

A. Prabhakara Rao
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DIN: 02263908

Sanjay Heda
Chief Financial Officer

Mohammad Anwar ul haq
Company Secretary

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 13th October, 2003 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 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, 2017 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.

As these are the first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance of the Group is provided in Note 37.

The financial statements were authorised for issue by the Group's Board of Directors on May 28, 2018.

Details of the accounting policies are included in Note 3.

2.2 Group information

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

Name of investee	Principal activities	Country of incorporation	Relationship	Percentage of ownership/ voting rights		
				31/Mar/18	31/Mar/17	31/Mar/16
GSS Infotech Inc (A Delaware Company)	IT and ITES	USA	Subsidiary	100%	100%	100%
GSS IT Solutions Private Limited	IT and ITES	India	Subsidiary	100%	100%	100%
GSS Healthcare IT Solutions Private Limited	IT and ITES	India	Subsidiary	100%	100%	100%
GSS Infotech CT Inc (Formerly known as System Dynamix Corporation)	IT and ITES	USA	Step down Subsidiary	100%	100%	100%
Infovision Technologies, Inc	IT and ITES	USA	Step down Subsidiary	100%	100%	100%
InfovistaTechnologies Inc	IT and ITES	USA	Step down Subsidiary	100%	100%	100%
Technovant Inc	IT and ITES	USA	Step down Subsidiary	100%	100%	100%

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

The Consolidated financial statements have been prepared on the historical cost basis except certain financial assets and liabilities that 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;

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, 2018 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.

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

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

Profit on sale of investments is recorded on transfer of title from the 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

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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet.

Lease payments under operating lease are generally recognised as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor’s expected inflationary cost increases.

Further, at the inception of above arrangement, the Group determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Group separates a payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group’s incremental borrowing rate.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

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.

3.8 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a Written Down Value (WDV) 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.

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 Statement of Cash flows

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.

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.

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

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 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.

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.

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.

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.

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.

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

4 Property, Plant and Equipment

Particulars	Plant and Equipment	Furniture and Fixtures	Computers	Vehicles	Total
Cost					
At April 1, 2016 (Refer note a)	2,140,096	2,611,044	3,284,413	1,224,660	9,260,213
Additions	171,452	-	550,541	-	721,993
Deletions	1,479,618	2,083,884	1,045,507	62,100	4,671,109
At March 31, 2017	831,930	527,160	2,789,447	1,162,560	5,311,097
Additions	863,211	5,727	166,833	-	1,035,771
Deletions	-	-	-	135,408	135,408
At March 31, 2018	1,695,141	532,887	2,956,280	1,027,152	6,211,460
Accumulated depreciation					
At April 1, 2016	-	-	-	-	-
Charge for the year	415,080	151,710	964,719	664,404	2,195,913
Less: Adjustments	-	-	-	-	-
At March 31, 2017	415,080	151,710	964,719	664,404	2,195,913
Charge for the year	678,205	68,993	1,181,056	71,878	2,000,132
Less: Adjustments	-	-	30,656	-	30,656
At March 31, 2018	1,093,285	220,703	2,115,119	736,282	4,165,389
Carrying amount					
At April 1, 2016	2,140,096	2,611,044	3,284,413	1,224,660	9,260,213
At March 31, 2017	416,850	375,450	1,824,728	498,156	3,115,184
At March 31, 2018	**601,856**	**312,184**	**841,161**	**290,870**	**2,046,071**

Note

a) For Property, Plant and Equipment existing as on the date of transition to Ind AS, i.e., April 1, 2016, the Company has used Indian GAAP carrying value as deemed costs.

5 Intangible assets

Particulars	Copy rights	Computer softwares	Total
Cost			
At April 1, 2016 (Refer note a)	2,069,832	341,997	2,411,829
Additions	-	-	-
Deletions	-	1,542	1,542

GSS INFOTECH LIMITED
Notes forming part of the Consolidated Financial Statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

	Copy rights	Computer softwares	Total
At March 31, 2017	-	340,455	340,455
Additions	-	-	-
Deletions	-	-	-
At March 31, 2018	-	340,455	340,455
Accumulated depreciation			
At April 1, 2016	-	-	-
Depreciation expense	2,069,832	20,793	2,090,625
Deletions	-	-	-
At March 31, 2017	-	20,793	20,793
Depreciation expense	-	319,662	319,662
Deletions	-	-	-
At March 31, 2018	-	340,455	340,455
Carrying amount			
At April 1, 2016	2,069,832	341,997	2,411,829
At March 31, 2017	-	319,662	319,662
At March 31, 2018	**-**	**-**	**-**

Note

a) For intangible assets existing as on the date of transition to Ind AS, i.e., April 1, 2016, the Company has used Indian GAAP carrying value as deemed costs.

6 Loans (Unsecured, considered good unless otherwise stated)

	31 March 2018	31 March 2017	1 April 2016
Non-current			
Security deposits	913,622	911,152	8,882,584
	913,622	**911,152**	**8,882,584**

Note: These financial assets are carried at amortised cost

	31 March 2018	31 March 2017	1 April 2016
Current			
Security deposits	2,047,089	11,725,599	6,878,733
	2,047,089	**11,725,599**	**6,878,733**

7 Deferred Tax Assets (net)

	31 March 2018	31 March 2017	1 April 2016
Deferred Tax Assets (net)	990,090	2,759,568	4,008,474
	990,090	**2,759,568**	**4,008,474**

GSS INFOTECH LIMITED

Notes forming part of the Consolidated Financial Statements

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

8 Other assets

	31 March 2018	31 March 2017	1 April 2016
Non-current assets			
Unsecured, considered good			
Advances other than capital advances			
Advance to ESOP Trust	3,500,000	3,500,000	3,500,000
Advance to vendors	-	-	79,997,376
	3,500,000	**3,500,000**	**83,497,376**
Current assets			
Unsecured, considered good			
Balance with Govt authorities	16,100,636	11,598,397	9,685,490
Advances other than capital advances			
Staff advances	-	766	-
Other advances	478,273	249,285	3,008,915
Prepaid expenses	77,489,197	71,875,881	39,463,984
Unbilled revenue	3,502,272	3,567,016	16,666,481
	97,570,377	**87,291,345**	**68,824,870**

9 Trade receivables

	31 March 2018	31 March 2017	1 April 2016
Unsecured,considered good	263,224,851	287,243,682	398,826,329
	263,224,851	**287,243,682**	**398,826,329**
Less: Provision for doubtful receivables	(1,843,937)	(1,843,937)	(1,843,937)
Total Trade receivables	**261,380,914**	**285,399,745**	**396,982,392**

10 Cash and cash equivalents

	31 March 2018	31 March 2017	1 April 2016
Balances with banks:			
- On current accounts	34,875,657	9,153,176	48,991,671
Cash on hand	16,581	3,716	85,795
Total Cash and cash equivalents	**34,892,238**	**9,156,892**	**49,077,466**

11 Other bank balances

	31 March 2018	31 March 2017	1 April 2016
Other bank balances			
Term deposits with Banks with original maturities of less than 1 year*	1,693,323	755,023	20,040,323
Total Other bank balances	**1,693,323**	**755,023**	**20,040,323**

*Represents margin money deposits against bank guarantees, letter of credit and term loans.

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 2018	31 March 2017	1 April 2016
TDS Receivable	50,966,133	52,398,997	43,333,830
Advance Tax	6,317,245	2,542,724	18,810,214
MAT entitlement	55,368,100	23,934,203	85,758,058
Less: Provision for Income tax	(6,449,497)	-	-
	106,201,981	**78,875,925**	**147,902,102**

13 Share Capital

	31 March 2018	31 March 2017	1 April 2016
Authorised Share Capital			
50,000,000 Equity shares of Rs.10/- each.	500,000,000	500,000,000	500,000,000
Issued, subscribed and fully paid-up			
1,69,36,863 (March 31, 2017: 1,69,36,863, April 1, 2016: 1,69,36,863)			
Equity Shares, of Rs.10/- each	169,368,630	169,368,630	169,368,630
	169,368,630	169,368,630	169,368,630

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

Particulars	31 March 2018		31 March 2017	
	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 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.

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

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

Particulars	31 March 2018		31 March 2017	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
1. Marepally Raghunadha Rao	2,137,793	12.62%	2,337,793	13.80%
2. Aspire Emerging Fund	1,600,000	9.45%	-	0.00%
3. Shriram Insight Share Brokers Ltd.	1,540,737	9.10%	-	0.00%
4. Madanlal Saraswathi	-	0.00%	2,741,837	16.19%
5. Vistra ITCL(India) Ltd (IL&FS company)	-	0.00%	1,952,505	11.53%
6. Madhukar Sheth	-	0.00%	1,645,143	9.71%
7. Javed Faizullah Tapia	-	0.00%	1,648,828	9.74%
8. Azim Faizullah Tapia	-	0.00%	1,400,000	8.27%
	5,278,530	**31.17%**	**11,726,106**	**69.24%**

14 Other equity

	31 March 2018	31 March 2017
Share premium		
Opening balance	2,052,380,129	2,052,380,129
Add: Premium on fresh issue	-	-
Closing balance	**2,052,380,129**	**2,052,380,129**
General Reserve		
Opening balance	24,001,603	24,001,603
Add: Transfers during the year	-	-
Closing balance	**24,001,603**	**24,001,603**
Retained earnings		
Opening balance	(1,216,669,854)	(599,915,132)
Profit/(loss) for the year	73,207,901	(581,373,863)
Other comprehensive income	3,009,604	(35,380,860)
Less: Transfers to general reserve		
Closing balance	**(1,140,452,349)**	**(1,216,669,854)**
Total other equity	**935,929,384**	**859,711,878**

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 2018	31 March 2017	1 April 2016
Non-current Borrowings			
Secured loans			
Term loans			
- From banks	-	-	33,500,000
Total non-current borrowings	**-**	**-**	**33,500,000**

16 Provisions

	31 March 2018	31 March 2017	1 April 2016
Non-Current			
Provision for employee benefits			
- Gratuity (refer note 31)	391,374	789,954	612,528
	391,374	**789,954**	**612,528**
Current			
Provision for employee benefits			
- Gratuity (refer note 31)	62,994	58,317	60,579
- Compensated absences	1,393,424	1,333,540	1,522,393
	1,456,418	**1,391,857**	**1,582,972**

17 Trade payables

	31 March 2018	31 March 2017	1 April 2016
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises (refer note 32)	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	47,414,764	59,258,369	98,340,543
	47,414,764	**59,258,369**	**98,340,543**

18 Other financial liabilities

	31 March 2018	31 March 2017	1 April 2016
Current maturities of long-term debts	153,408,547	182,427,202	175,194,742
Capital creditors	-	-	77,889,196
Employee payables	15,968	343,527	367,858
Provision for expenses	75,802,690	80,368,794	109,560,516
Other liabilities	31,351,830	30,718,749	61,933,155
	260,579,035	**293,858,272**	**424,945,467**

19 Other current liabilities

	31 March 2018	31 March 2017	1 April 2016
Statutory Dues	1,988,440	2,537,828	2,549,254
	1,988,440	**2,537,828**	**2,549,254**

GSS INFOTECH LIMITED

Notes forming part of the Consolidated Financial Statements

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

20 Revenue from operations

	31 March 2018	31 March 2017
Revenue from Operations	1,417,747,406	1,548,621,869
	1,417,747,406	**1,548,621,869**

21 Other income

	31 March 2018	31 March 2017
Interest income	69,251	1,081,319
Miscellaneous income	715,296	9,557,692
	784,547	**10,639,011**

22 Direct Cost

	31 March 2018	31 March 2017
Software Expenses	36,983	185,052
Subcontractor Expenses	171,304,062	201,823,199
Hardware Expenses	-	107,172,565
	171,341,045	**309,180,815**

23 Employee benefits expense

	31 March 2018	31 March 2017
Salaries, wages and bonus	1,054,891,955	1,060,000,007
Contribution to provident and other funds	3,436,707	4,586,107
Staff welfare expenses	30,516,933	21,371,817
	1,088,845,595	**1,085,957,931**

24 Depreciation and amortisation expense

	31 March 2018	31 March 2017
Depreciation of tangible assets	2,000,132	2,195,913
Amortization of intangible assets	319,662	2,090,625
	2,319,794	**4,286,538**

25 Finance costs

	31 March 2018	31 March 2017
Interest on term loans	8,215,937	13,197,245
Bank Charges	2,444,356	2,518,092
	10,660,292	**15,715,338**

GSS INFOTECH LIMITED
Notes forming part of the Consolidated Financial Statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

26 Other expenses

	31 March 2018	31 March 2017
Directors' Sitting Fees	466,200	726,700
Power and fuel	4,702,299	7,682,200
Auditor's Remuneration	1,245,691	1,553,848
Repairs and maintenance		
- Plant and equipments	29,572	10,430
- Others	484,832	1,799,396
Meeting Expenses	407,344	544,558
License, Immigration And Permits	871,718	934,112
Rent	16,399,291	22,666,722
Business promotion and advertisement expenses	1,412,914	5,333,518
Service Tax Expenses	1,961,400	3,761,734
Travelling and conveyance	15,818,288	15,896,585
Rates and taxes	1,283,129	1,266,988
Legal and professional charges	12,870,925	12,598,650
Printing and stationary	44,281	97,449
Communication expenses	5,356,380	9,315,450
Insurance	11,620,378	16,280,603
General Office Expenses	3,241,601	3,661,109
Profit / (Loss) on sale on Assets	-	950,151
Advances /Bad debts written off	2,107,282	49,067,883
Loss/(gain) on Exchange Rate Fluctuation	2,770,806	(20,889,231)
	83,094,331	**133,258,855**

27 Tax expenses

	31 March 2018	31 March 2017
Current income tax:		
Current income tax charge	(12,706,483)	62,547,890
Deferred tax:		
Relating to originating and reversal of temporary differences	1,769,478	1,248,906
Income tax expense recognised in the statement of profit & loss	**(10,937,005)**	**63,796,796**

28 Contingent liabilities and commitments

	Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16
i)	Appeal is pending before Income Tax Appellate Tribunal, Hyderabad for AY 2013-14	20,929,300*	-	-
ii)	Appeal is pending before Hon'ble Dispute Resolution Panel, Bangalore for AY 2014-15	28,226,934*	-	-
iii)	Further for Assessment year 2015-16 tax liability is arising on account of disallowance of losses for earlier years and the said tax liability may not crystallize in case of favorable Consequential and appellate orders for earlier Asst Years 2012-13 and 2013-14.	30,633,747*	-	-
iv)	Appeal pending before Hon'ble Dispute Resolution Panel, Bangalore on account of dissallowance of carried forward losses for earlier assessment years	-	-	23,782,029
v)	Against Bank Guarantees issued by banks towards financial & performance guarantees outstanding	1,620,000	1,364,952	7,099,015
vi)	There was service tax demand (for the years 2010-12, 2012-13 & 2013-14) on the company on account of the e-Procurement contract executed in Bangladesh for Bangladesh Government, teating of business support, against which company filed appeal before CESTAT, Bangalore	8,519,526	8,519,526	10,218,344
vii)	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.			
viii)	As reported in the US Subsidiary Financial Statements , the US Subsidiary company extended the guarantee to the bank loan at Rs. 6,50,40,000/- to the Company's ATEC Subsidiary which was divested on June 30,2016. Management believes that the chances that the Company would have to perform under guarantees are remote.			

* Further the company has unutilized Minimum Alternate Tax Credit Entitlement as on 31.03.2018 to the extent of Rs 553.68 lakhs, Based on Expert opinion, the unutilized MAT Credit amounts and the expected favorable appellate orders adequately cover any amount that may crystallize on account of the above Income tax liabilities.

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**
Ramesh Yerramsetti (Partly during the year)	**Director**

(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-Mar-18	31-Mar-17
Mangerial remuneration to Key Management personnel	16,260,000	18,160,860
Repayment of loan taken	602,768	125,280

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

	Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16
i)	**Repayment of Loan Received**			
	Ramesh Yerramsetti	-	16,328	73,389
	Bhargav Marepally	-	108,952	570,408

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	2017-18	2016-17
Revenue from United States of America	1,280,786,781	1,437,884,341
Revenue from Bangladesh	46,242,362	26,680,830
Revenue from India	90,718,263	84,056,698
	1,417,747,406	1,548,621,869

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 ₹ 1,000,000.

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:

GSS INFOTECH LIMITED

Notes forming part of the Consolidated Financial Statements

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

Particulars	31-Mar-18	31-Mar-17
Opening balance	**2,512,728**	-
Service cost	970,670	796,449
Past Service cost	-	1,716,279
Interest cost	186,444	-
Benefits paid	(705,602)	-
Actuarial gain	(267,908)	-
Closing balance	**2,696,332**	**2,512,728**
Present value of projected benefit obligation at the end of the year	2,696,332	2,512,728
Fair value of plan assets at the end of the year	2,241,964	2,484,671
Net liability recognised in the balance sheet	**454,368**	**28,057**
Long term provision	2,633,338	2,454,411
Short term provision	62,994	58,317
Expenses recognised in statement of profit and loss	**31-Mar-18**	**31-Mar-17**
Service cost	970,670	2,512,728
Interest cost	2,081	-
Gratuity cost	**972,751**	**2,512,728**
Re-measurement gains/ (losses) in OCI		
Actuarial gain / (loss) due to financial assumption changes	(267,908)	-
Return on plan assets greater (less) than discount rate	13,490	-
Total expenses routed through OCI	**(254,418)**	**-**

	Assumptions	31-Mar-18	31-Mar-17
	Discount rate	7.75% p.a.	7.42% 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-Mar-18	31-Mar-17
	Effect of + 1% change in rate of discounting	2,467,340	2,290,173
	Effect of - 1% change in rate of discounting	2,963,866	2,773,575
	Effect of + 1% change in rate of salary increase	3,251,477	3,051,140
	Effect of - 1% change in rate of salary increase	2,246,072	2,077,849
	Effect of + 1% change in rate of employee turnover	2,949,961	2,747,097
	Effect of - 1% change in rate of employee turnover	2,413,164	2,248,211

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.

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

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, 2018 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-Mar-18	31-Mar-17	01-Apr-16
a)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	NIL	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	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	NIL
d)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	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	NIL

33 Leases

Where the Company is a lessee:

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

i) Future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Not later than 1 year	3,523,805	5,126,172	17,338,731
Later than 1 year and not later than 5 years	8,662,500	-	7,021,875
Later than 5 years	-	-	-

ii) Amounts recognised in statement of profit and loss:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Cancellable lease expense	4,050,000	-	-
Non - cancellable lease expense	5,096,088	22,666,722	32,938,594
Total	**9,146,088**	**22,666,722**	**32,938,594**

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

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-Mar-18	31-Mar-17
Profit / (Loss) for the year	73,207,901	(581,373,863)
Loss attributable to equity share holders	**73,207,901**	**(581,373,863)**
Shares		
Weighted average number of equity shares outstanding during the year – basic and diluted	**16,936,863**	**16,936,863**
Earnings per share of par value 10 – basic and diluted	**4.32**	**(34.33)**

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 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, 2018 and March 31, 2017. 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, 2018 and March 31, 2017.

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 obligationswith 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.

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

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
March 31, 2018		
INR	+1%	(1,534,085)
INR	–1%	1,534,085
March 31, 2017		
INR	+1%	(1,824,272)
INR	–1%	1,824,272

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.

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. 263,224,851 (March 31,2017 : 287,243,682; April 1, 2016: 398,826,329). 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-Mar-18	31-Mar-17	01-Apr-16
Opening balance	1,843,937	1,843,937	1,843,937
Credit loss provided/ (reversed)	-	-	-
Closing balance	1,843,937	1,843,937	1,843,937

No single customer accounted for more than 10% of the revenue as of March 31, 2018, March 31, 2017 and April 1, 2016. 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 throughthe use of bank deposits and loans.

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

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
Year ended March 31, 2018						
Borrowings	153,408,547	-	-	-	-	153,408,547
Trade payables	41,962,858	5,451,906	-	-	-	47,414,764
Year ended March 31, 2017						
Borrowings	153,475,502	9,000,000	19,951,700	-	-	182,427,202
Trade payables	51,315,602	7,942,767	-	-	-	59,258,369
As at April 1, 2016						
Borrowings	111,694,742	7,500,000	27,000,000	29,000,000	-	175,194,742
Trade payables	94,702,622	3,637,921	-	-	-	98,340,543

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, 2018, March 31, 2017 and April 1, 2016 was as follows:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Total equity attributable to the equity shareholders of the Company	1,105,298,014	1,029,080,508	1,645,835,484
As a percentage of total capital	**87.81%**	**84.94%**	**88.75%**
Long term borrowings including current maturities	153,408,547	182,427,202	208,694,742
Short term borrowings	-	-	-
Total borrowings	**153,408,547**	**182,427,202**	**208,694,742**
As a percentage of total capital	**12.19%**	**15.06%**	**11.25%**
Total capital (equity and borrowings)	**1,258,706,561**	**1,211,507,710**	**1,854,530,226**

37 Explanation on transition to Ind AS

As stated in Note 2.1, these are the first Consolidated financial statements prepared in accordance with Ind AS. For the year ended March 31, 2017, the Company had prepared its Consolidated financial statements in accordance with Companies (Accounting Standards) Rules, 2006 notified under section 133 of the Act and other relevant provision of the Act ('Previous GAAP'). For the purpose of transition from Previous GAAP to Ind AS, the Company has followed the guidance prescribed under Ind AS 101-first time adoption of Indian Accounting Standards ("Ind AS-101"), with effect from April 1, 2016 ('transition date').

The accounting policies set out in Note 3 have been applied in preparing these Consolidated financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening Consolidated Ind AS balance sheet on the date of transition i.e. April 1, 2016

In preparing its Consolidated Ind AS balance sheet as at April 1, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported previously in Consolidated financial statement prepared in accordance with the Previous GAAP. This note explains how the transition from Previous GAAP to Ind AS has affected the Company's financial position and financial performance.

A. Mandatory exceptions to retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards".:

1) **Estimates**:

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the Previous GAAP unless there is objective evidence that those estimates were in error.As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under Previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the Consolidated financial statements that were not required under the Previous GAAP are listed below:

– Impairment of financial assets based on the expected credit loss model.

– Determination of the discounted value for financial instruments carried at amortised cost.

2) **Classification and measurement of financial assets:**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

B. Optional exemptions from retrospective application

Ind AS 101 "First time Adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Company has accordingly on transition to Ind AS availed the following key exemptions:

1) **Property, plant and equipment**:

The Company has elected to treat carrying values of Previous GAAP as deemed cost for all items of its property, plant and equipment.

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

2) **Business combination:**

Ind AS 101, provides the option to apply Ind AS 103, Business Combinations (“Ind AS 103”) prospectively from the transition date or from a specific date prior to the transition date.The Company has elected to apply Ind AS 103 from transition date. Accordingly, business combinations occurring prior to the transition date have not been restated.

C. The following reconciliation provide the effect of transition to Ind AS from Previous GAAP in accordance with Ind AS 101:

(i) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

Particulars	As at March 31, 2017	As at April 1, 2016
Equity as reported under previous GAAP	1,039,321,501	1,658,438,664
Impact on account of credit loss on debtors	(1,843,938)	(1,843,938)
Prior period items	(9,034,447)	(11,396,634)
Taxes on above	637,392	637,392
Equity reported under Ind AS	**1,029,080,508**	**1,645,835,484**

(ii) Effect of Ind AS Adoption on the statement of profit and loss for the year ended March 31, 2017

Particulars	Year ended March 31, 2017
Net Profit under previous GAAP	(583,736,304)
Prior period items	2,362,442
Net Profit under Ind AS	**(581,373,862)**
Other comprehensive income	
Exchange differences on translation of foreign operations	(35,380,860)
Total comprehensive income under Ind AS	**(616,754,722)**

38 Standards issued but not effective

The standards issued, but not effective up to the date of issuance of the financial statements is disclosed below:

Ind AS 115 - Revenue from contracts with customers

In March 2018, the Ministry of Corporate Affairs has notified Ind AS 115, ‘Revenue from Contracts with Customers’, which is effective for accounting periods beginning on or after 1 April 2018. This comprehensive new standard will supersede existing revenue recognition guidance, and requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

Ind AS 115 is effective for annual reporting periods beginning on or after April 1, 2018. The Company intends to adopt Ind AS 115 effective April 1, 2018, using the modified retrospective method. The adoption of Ind AS 115 is not expected to have a significant impact on the Company’s recognition of revenues.

Other amendments to Indian Accounting Standards

The Ministry of Corporate Affairs (MCA), on 28 March 2018, issued certain amendments to Ind AS. The amendments relate to the following standards:

Ind AS 21, The Effects of Changes in Foreign Exchange Rates - The amendment lays down the principle regarding advance payment or receipt of consideration denominated or priced in foreign currency and recognition of non-monetary prepayment asset or deferred income liability.

Ind AS 12, Income Taxes - The amendment explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps and the carrying amount of an asset is relevant only to determining temporary differences.

Ind AS 28, Investments in Associates and Joint Ventures - The amendment clarifies when a venture capital, mutual fund, unit trust or similar entities elect to initially recognize the investments in associates and joint ventures.

Ind AS 112, Disclosure of Interests in Other Entities – The amendment clarifies that disclosure requirements for interests in other entities also apply to interests that are classified as Held for sale or discontinued operations in accordance with Ind AS 105.

Ind AS 40, Investment Property - The amendment clarifies when a property should be transferred to / from investment property.

The amendments are effective 1 April 2018. The Company believes that the aforementioned amendments will not materially impact the financial position, performance or the cash flows of the Company.

39 Previous year comparitives

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 SARATH & ASSOCIATES
Chartered Accountants
ICAI Firm Registration Number: 005120S

P. Sarath Kumar
Partner
Membership No: 21755

Place: Hyderabad
Date : 28-May-2018

For and on behalf of the Board of GSS Infotech Limited
CIN: L72200TG2003PLC041860

Bhargav Marepally
CEO & Managing Director
DIN: 00505098

A. Prabhakara Rao
Director
DIN: 02263908

Sanjay Heda
Chief Financial Officer

Mohammad Anwar ul haq
Company Secretary

STANDALONE FINANCIAL STATEMENTS & NOTES

INDEPENDENT AUDITOR'S REPORT

To
The Members of
M/s GSS Infotech Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **M/s GSS Infotech Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order issued under Section 143(11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31st, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 & Loss (including the Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rules of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of the written representations received from the directors as on March 31st, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2018 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 operative 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

For and on behalf of
Sarath & Associates
Chartered Accountants
F. Reg. No. 005120S

P. Sarath Kumar
Partner
M. No. : 021755

Place : Hyderabad
Date : 28.05.2018

"Annexure A" to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal & Regulatory Requirements' section of our report to the members of GSS Infotech Limited of even date)

Report on 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 31st, 2018 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing 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 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 exits, 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 Ind AS 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 controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 Ind AS 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 Ind AS 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 has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial control system over financial reporting were operating effectively as at March 31st, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of the internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
Sarath & Associates
Chartered Accountants
F. Reg. No. 005120S

P. Sarath Kumar
Partner
M. No. : 021755

Place : Hyderabad
Date : 28.05.2018

"Annexure B" to the Independent Auditors' Report

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

i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Company has a program of verification to cover all the items of Fixed Assets in a phased manner, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The company does not own any permanent immovable property which require having title deeds.

ii) (a) The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.

iii) (a) According to the information and explanation given to us, the company has granted unsecured loans to a two parties covered in the register maintained under Section 189 of the Companies Act 2013, year end outstanding being Rs 14,42,21,972.

(b) As per the information and explanations given to us, in our opinion, the above loans are given to fully owned subsidiary companies and does not carry interest or do not specify any specific repayment schedule and hence is generally repayable on demand. Considering the principal business activities carried out by these fully owned subsidiaries, which are in line with Company's own business, we are on the opinion that the terms and conditions on which these interest free loans have been granted to parties listed in the register maintained under Section 189 of the Companies Act, 2013 are, prima facie, not prejudicial to the interests of the Company.

(c) As per the information and explanations given to us, these loans do not carry any specific repayment schedule and accordingly do not warrant any comments under Clauses 3 (iii) (b) & (c) of the Order for the current year.

iv) In our opinion, and according to the information and explanation given to us, the company has complied with the provisions of section 185 and I86 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

v) The Company has not accepted any deposits from the public and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of clause 3(v) of the Order is not applicable to the Company.

vi) The maintenance of Cost Records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records of the Company, the company has generally been depositing the amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, Cess with the appropriate authorities during the year.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute except as stated below.

i. Appeal pending before Income Tax Appellate Tribunal for the AY 2013-14 involving Tax amount of Rs. 2,09,29,300.

ii. Tax Liability of Rs. 3,06,33,747/- for A.Y. 2015-16 is arising on account of disallowances of losses of earlier years may not crystalize in case of favorable Consequential Appellate orders for A.Y. 2012-13 and A.Y. 2013-14

iii. Appeal pending before Hon'ble Dispute Resolution Panel, Bangalore, for AY 2014-15 involving tax amount of Rs. 2,82,26,934 on account of disallowance of losses.

iv. Service Tax demand amounting to Rs. 85,19,526 for the years 2010-12, 2012-13 & 2013-14 on the Company on account of the E-Procurement contract executed in Bangladesh for the Bangladesh government, treating as 'Import of Business Support Services', against which Company filed appeal before CESTAT, Bangalore.

viii) In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence, reporting under clause 3(viii) of the Order is not applicable to the Company.

ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company for the current year

x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

xi) Based upon the audit procedures performed and the information and explanations given by the management, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) In our opinion, the Company is not a Nidhi Company. Hence, reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.

xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

xvi) In our opinion, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of
Sarath & Associates
Chartered Accountants
F. Reg. No. 005120S

P. Sarath Kumar
Partner
M. No. : 021755

Place : Hyderabad
Date : 28.05.2018

GSS INFOTECH LIMITED
Balance Sheet as at 31st March, 2018

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

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	4	1,088,058	1,582,822	3,209,542
Intangible assets	5	-	307,918	2,379,292
Financial assets				
Investments	6	736,385,589	540,722,138	873,680,544
Loans	7	110,183	110,183	7,610,183
Deferred Tax Assets (net)	8	990,090	2,691,244	3,980,900
Other non-current assets	9	3,500,000	3,500,000	83,497,376
		742,073,920	**548,914,305**	**974,357,837**
Current assets				
Financial assets				
Trade receivables	10	92,844,422	297,785,516	330,342,789
Cash and cash equivalents	11	10,308,010	6,219,259	42,775,705
Other bank balances	12	1,693,323	755,023	20,040,323
Loans	7	146,269,061	155,791,588	156,539,076
Current Tax Assets (Net)	13	106,201,981	77,533,311	146,559,488
Other current assets	9	19,013,700	14,215,268	17,898,596
		376,330,497	**552,299,965**	**714,155,977**
Total assets		**1,118,404,417**	**1,101,214,270**	**1,688,513,814**
Equity and Liabilities				
Equity				
Equity share capital	14	169,368,430	169,368,430	169,368,430
Other equity	15	899,190,708	854,181,961	1,378,742,668
Total equity		**1,068,559,138**	**1,023,550,391**	**1,548,111,098**
Non-current liabilities				
Financial Liabilities				
Borrowings	16	-	-	33,500,000
Provisions	17	391,374	789,954	612,528
		391,374	**789,954**	**34,112,528**
Current liabilities				
Financial Liabilities				
Trade payables	18	10,378,090	9,705,053	2,802,038
Other financial liabilities	19	35,631,032	63,239,286	99,358,728
Provisions	17	1,456,418	1,391,857	1,582,972
Other current liabilities	20	1,988,364	2,537,729	2,546,450
Total liabilities		**49,453,904**	**76,873,925**	**106,290,188**
Total equity and liabilities		**1,118,404,417**	**1,101,214,270**	**1,688,513,814**

Summary of significant accounting policies 3

The accompanying notes form an integral part of these standalone financial statements.

As Per Our Report of Even Date
For SARATH & ASSOCIATES
Chartered Accountants
ICAI Firm Registration Number: 005120S

P. Sarath Kumar
Partner
Membership No: 21755

Place: Hyderabad
Date : 28-May-2018

For and on behalf of the Board of GSS Infotech Limited
CIN: L72200TG2003PLC041860

Bhargav Marepally
CEO & Managing Director
DIN: 00505098

A. Prabhakara Rao
Director
DIN: 02263908

Sanjay Heda
Chief Financial Officer

Mohammad Anwar ul haq
Company Secretary

GSS INFOTECH LIMITED

Statement of Profit & Loss for the year ended 31st March, 2018

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

Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	21	227,512,569	233,953,480
Other income	22	99,251	9,766,841
Total income		**227,611,820**	**243,720,321**
Expenses			
Direct Cost	23	31,940,271	27,915,371
Employee benefits expense	24	117,301,420	144,719,320
Depreciation and amortisation expense	25	1,530,485	2,769,394
Finance costs	26	2,831,270	8,499,527
Other expenses	27	42,167,299	61,085,824
Total expense		**195,770,745**	**244,989,435**
Profit before exceptional items and tax		**31,841,075**	**(1,269,114)**
Exceptional Item		-	432,448,508
Profit before tax		**31,841,075**	**(433,717,622)**
Tax expenses			
Current tax	28	(14,613,500)	61,823,855
Deferred tax charge	28	1,701,154	1,289,656
Total tax expense		(12,912,346)	63,113,511
Profit for the year		**44,753,421**	**(496,831,133)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/ (losses) on defined benefit plan		254,418	-
Income-tax effect		-	-
Other comprehensive income for the year, net of tax		**254,418**	**-**
Total comprehensive income for the year		**45,007,839**	**(496,831,133)**
Earnings per equity share face value of Rs 10 each			
Basic		2.64	(29.33)
Diluted		2.64	(29.33)

Summary of significant accounting policies 3

The accompanying notes form an integral part of these standalone financial statements.

As Per Our Report of Even Date
For SARATH & ASSOCIATES
Chartered Accountants
ICAI Firm Registration Number: 005120S

P. Sarath Kumar
Partner
Membership No: 21755

Place: Hyderabad
Date : 28-May-2018

For and on behalf of the Board of GSS Infotech Limited
CIN: L72200TG2003PLC041860

Bhargav Marepally
CEO & Managing Director
DIN: 00505098

A. Prabhakara Rao
Director
DIN: 02263908

Sanjay Heda
Chief Financial Officer

Mohammad Anwar ul haq
Company Secretary

GSS Infotech

GSS INFOTECH LTD

Statement of Cash Flows for year ended 31st March, 2018

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Operating activities		
Profit before tax	**31,841,075**	**(433,717,622)**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible assets	1,530,485	2,769,394
Profit on sale of assets	-	950,151
Finance income (including fair value change in financial instruments)	(69,251)	(1,081,319)
Finance costs (including fair value change in financial instruments)	2,831,270	8,499,527
Advance/Bad Debt Written off	1,388,471	32,889,398
Written of Investments	-	332,958,406
Unrealized foreign exchange loss/(gain)	2,773,603	(21,176,045)
Re-measurement gains/ (losses) on defined benefit plan	254,418	-
Working capital adjustments:		
(Increase)/ decrease in trade receivables	204,941,094	32,557,273
(Increase)/ decrease in loans	8,134,056	15,203,846
(Increase)/ decrease in other assets	(4,798,431)	120,063,449
Increase/ (decrease) in trade payables and other financial liabilities	673,037	6,903,015
Increase/ (decrease) in provisions	(334,019)	(13,689)
(Increase) / decrease in current tax asset	(28,668,671)	(7,202,323)
Increase/ (decrease) in other financial liabilities	(27,608,254)	(36,119,442)
Increase/ (decrease) in other current liabilities	(549,365)	(8,721)
	192,339,518	**(53,475,299)**
Income tax paid	14,613,500	(61,823,855)
Net cash flows from operating activities	**206,953,018**	**(8,348,556)**
Investing activities		
Purchase of Property, Plant and Equipment (including capital work in progress)	(863,211)	(171,452)
Proceeds from sale of fixed assets	135,408	150,001
Other bank balances	(938,300)	19,285,300
Interest received (finance income)	69,251	1,081,319
Investment in Subsidiary	(195,663,451)	-
Net cash flows used in investing activities	**(197,260,303)**	**20,345,168**
Financing activities		
Proceeds / (repayment) from long term borrowings, net	-	(33,500,000)
Proceeds / (repayment) from short term borrowings, net	-	-
Interest paid	(2,831,270)	(8,499,527)
Unrealized foreign exchange loss/gain	(2,773,602)	(6,584,611)
inflow of excess deposit in dividend unclaim account	908	31,080
Net cash flows from/ (used in) financing activities	**(5,603,964)**	**(48,553,058)**
Net increase / (decrease) in cash and cash equivalents	4,088,751	(36,556,446)
Cash and cash equivalents at the beginning of the year (refer note 11)	6,219,959	42,775,705
Cash and cash equivalents at the end of the year (refer note 11)	**10,308,010**	**6,219,259**

Summary of significant accounting policies 3

The Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 on 'Statement of Cash Flows', as notified under Section 133 of the Companies Act 2013, read with the relevant rules thereunder.

The accompanying notes form an integral part of these standalone financial statements.

As Per Our Report of Even Date
For SARATH & ASSOCIATES
Chartered Accountants
ICAI Firm Registration Number: 005120S

P. Sarath Kumar
Partner
Membership No: 21755

Place: Hyderabad
Date : 28-May-2018

For and on behalf of the Board of GSS Infotech Limited
CIN: L72200TG2003PLC041860

Bhargav Marepally
CEO & Managing Director
DIN: 00505098

A. Prabhakara Rao
Director
DIN: 02263908

Sanjay Heda
Chief Financial Officer

Mohammad Anwar ul haq
Company Secretary

GSS INFOTECH LIMITED

Statement of Changes in Equity for the year ended March 31, 2018

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

a. Equity Share Capital

	No. of shares	Amount
Balance as at April 1, 2016	16,936,843	169,368,430
Balance as at March 31, 2017	16,936,843	169,368,430
Balance as at March 31, 2018	16,936,843	169,368,430

b. Other equity

Particulars	Reserves and Surplus				
	Share Premium	General Reserve	Retained Earnings	OCI	Total
At April 1, 2016	2,052,380,129	24,001,603	(697,639,064)		1,378,742,668
Loss for the year			(524,591,787)		(524,591,787)
Excess dividend of prior years reversed			31,080		31,080
Other comprehensive income					-
Re-measurement gains/(losses) on defined benefit plans				-	-
Income-tax effect				-	-
At March 31, 2017	2,052,380,129	24,001,603	(1,222,199,772)		854,181,961
Profit for the year			44,753,421		44,753,421
Excess dividend of prior years reversed			908		908
Other comprehensive income					-
Re-measurement gains/(losses) on defined benefit plans, net of tax				254,418	254,418
Income-tax effect				-	-
Balance as of March 31, 2018	2,052,380,129	24,001,603	(1,177,445,442)	254,418	899,190,708

Summary of significant accounting policies 3

The accompanying notes form an integral part of these standalone financial statements.

As Per Our Report of Even Date
For SARATH & ASSOCIATES
Chartered Accountants
ICAI Firm Registration Number: 005120S

P. Sarath Kumar
Partner
Membership No: 21755

Place: Hyderabad
Date : 28-May-2018

For and on behalf of the Board of GSS Infotech Limited
CIN: L72200TG2003PLC041860

Bhargav Marepally
CEO & Managing Director
DIN: 00505098

A. Prabhakara Rao
Director
DIN: 02263908

Sanjay Heda
Chief Financial Officer

Mohammad Anwar ul haq
Company Secretary

1 Company Information

GSS Infotech Limited ('the Company') was incorporated on 13th October, 2003 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 Rangareddi,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 Company's financial statements up to and for the year ended March 31, 2017 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.

As these are the first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance of the Company is provided in Note 39.

The financial statements were authorised for issue by the Company's Board of Directors on May 28, 2018.

Details of the accounting policies are included in Note 3.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except certain financial assets and liabilities that 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.

<u>Assets:</u>

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;

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

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. 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, 2018 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.

– 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.

Current - non-current classification

All assets and liabilities are classified into current and non-current.

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

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting period; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

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

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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 liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at 1 April 2016 for the purposes of the transition to Ind AS.

Notes forming part of the standalone financial statements

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

3.1 Revenue recognition

Revenue from operations

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

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

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company 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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet.

Lease payments under operating lease are generally recognised as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Further, at the inception of above arrangement, the Company determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates a payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 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.

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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the Previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment. Refer to Note 39.

3.8 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a Written Down Value (WDV) 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.

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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the Previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment. Refer to Note 39.

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 flows

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.

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.

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

– 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;

– 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 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.

b) Financial liabilities: Classification, Subsequent measurement and gains and lossesFinancial 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) Derecognition

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 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.

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 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 financial statements

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

4 Property, Plant and Equipment

Particulars	Plant and Equipment	Furniture and Fixtures	Computers	Vehicles	Total
Cost					
At April 1, 2016	816,132	619,393	1,428,694	345,323	3,209,542
(Refer note a)					
Additions	171,452	-	-	-	171,452
Deletions	417,117	619,393	-	62,100	1,098,610
At March 31, 2017	570,467	-	1,428,694	283,223	2,282,384
Additions	863,211	-	-	-	863,211
Deletions	-	-	-	135,408	135,408
At March 31, 2018	1,433,678	-	1,428,694	147,815	3,010,187
Accumulated depreciation					
At April 1, 2016	-	-	-	-	-
Charge for the year	273,401	-	363,465	62,696	699,562
Less: Adjustments	-	-	-	-	-
At March 31, 2017	273,401	-	363,465	62,696	699,562
Charge for the year	558,416	-	664,151	-	1,222,567
Less: Adjustments	-	-	-	-	-
At March 31, 2018	831,817	-	1,027,616	62,696	1,922,129
Carrying amount					
At April 1, 2016	816,132	619,393	1,428,694	345,323	3,209,542
At March 31, 2017	297,066	-	1,065,229	220,527	1,582,822
At March 31, 2018	601,861	-	401,078	85,119	1,088,058

Note

a) For property, Plant and Equipment existing as on the date of transition to Ind AS, i.e., April 1, 2016, the Company has used Indian GAAP carrying value as deemed costs.

b) Charge on Property, Plant and Equipment

Property, Plant and Equipment with a carrying amount of INR Nil (March 31, 2017 - INR 15,82,822) are subject to a first charge to secure the Company's bank loans.

5 Intangible assets

Particulars	Copy rights	Computer softwares	Total
Cost			
At April 1, 2016	2,069,832	309,460	2,379,292
(refer note a)			
Additions	-	-	-
Deletions	-	1,542	1,542

Notes forming part of the financial statements

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

	Copy rights	Computer softwares	Total
At March 31, 2017	2,069,832	307,918	2,377,750
Additions	-	-	-
Deletions	-	-	-
At March 31, 2018	2,069,832	307,918	2,377,750
Accumulated depreciation			
At April 1, 2016	**-**	**-**	**-**
Depreciation expense	2,069,832	-	2,069,832
Deletions	-	-	-
At March 31, 2017	2,069,832	-	2,069,832
Depreciation expense	-	307,918	307,918
Deletions	-	-	-
At March 31, 2018	2,069,832	307,918	2,377,750
Carrying amount			
At April 1, 2016	2,069,832	309,460	2,379,292
At March 31, 2017	-	307,918	307,918
At March 31, 2018	**-**	**-**	**-**

Note

a) For intangible assets existing as on the date of transition to Ind AS, i.e., April 1, 2016, the Company has used Indian GAAP carrying value as deemed costs.

6 Investments

	31 March 2018	31 March 2017	1 April 2016
Non-current investments			
Investments carried at cost			
Unquoted equity shares			
Investments in subsidiaries			
1,500 (31-March-2017: 1,500; 1-April-2016: 1,500) Equity Shares of $1 each fully paid up in GSS Infotech Inc (Delaware)	736,185,789	540,522,338	873,480,744
9,990 (31-March-2017: 9,990; 1-April-2016: 9,990) Equity Shares of Rs. 10/- each fully paid up in GSS Healthcare IT Solutions Private Ltd	99,900	99,900	99,900
9,990 (31-March-2017: 9,990; 1-April-2016: 9,990) Equity Shares of Rs. 10/- each fully paid up in GSS IT Solutions Private Ltd	99,900	99,900	99,900
Total investments carried at cost	**736,385,589**	**540,722,138**	**873,680,544**

GSS INFOTECH LIMITED

Notes forming part of the financial statements

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

7 Loans (Unsecured, considered good unless otherwise stated)

	31 March 2018	31 March 2017	1 April 2016
Non-current			
Security deposits	110,183	110,183	7,610,183
	110,183	**110,183**	**7,610,183**

Note: These financial assets are carried at amortised cost

	31 March 2018	31 March 2017	1 April 2016
Current			
Security deposits	2,047,089	11,712,000	6,862,020
Loans and advances to related parties	144,221,972	144,079,588	149,677,056
	146,269,061	**155,791,588**	**156,539,076**

8 Deferred Tax Assets (net)

	31 March 2018	31 March 2017	1 April 2016
Deferred Tax Assets (net)	990,090	2,691,244	3,980,900
	990,090	**2,691,244**	**3,980,900**

9 Other assets

	31 March 2018	31 March 2017	1 April 2016
Non-current assets			
Unsecured, considered good			
Advances other than capital advances			
Advance to ESOP Trust	3,500,000	3,500,000	3,500,000
Advance to vendors	-	-	79,997,376
	3,500,000	**3,500,000**	**83,497,376**
Current assets			
Unsecured, considered good			
Balance with Govt authorities	16,100,636	11,598,397	9,685,490
Advances other than capital advances			
Staff advances	-	766	-
Other advances	478,273	262,884	20,033
Prepaid expenses	1,467,388	1,629,310	2,209,304
Unbilled revenue	967,403	723,912	5,983,769
	19,013,700	**14,215,268**	**17,898,596**

10 Trade receivables

	31 March 2018	31 March 2017	1 April 2016
Unsecured, considered good	94,688,359	299,629,453	332,186,726
	94,688,359	**299,629,453**	**332,186,726**
Less: Provision for doubtful debts	(1,843,937)	(1,843,937)	(1,843,937)
Total Trade receivables	**92,844,422**	**297,785,516**	**330,342,789**

GSS INFOTECH LIMITED
Notes forming part of the financial statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

11 Cash and cash equivalents

	31 March 2018	31 March 2017	1 April 2016
Balances with banks:			
- On current accounts	10,292,410	6,218,877	42,762,752
Cash on hand	15,600	382	12,953
Total Cash and cash equivalents	**10,308,010**	**6,219,259**	**42,775,705**

12 Other bank balances

	31 March 2018	31 March 2017	1 April 2016
Term deposits with Banks with original maturities of less than 1 year*	1,693,323	755,023	20,040,323
Total Other bank balances	**1,693,323**	**755,023**	**20,040,323**

*Represents margin money deposits against bank guarantees, letter of credit and term loans.

13 Current Tax Assets (Net)

	31 March 2018	31 March 2017	1 April 2016
TDS Receivable	50,966,133	52,398,997	43,333,830
Advance Tax	6,317,245	2,542,724	18,810,214
MAT entitlement	55,368,100	22,591,589	84,415,444
Less: Provision for Income tax	(6,449,497)	-	-
	106,201,981	**77,533,311**	**146,559,488**

14 Share Capital

	31 March 2018	31 March 2017	1 April 2016
Authorised Share Capital			
50,000,000 (March 31, 2017: 50,000,000; April 1, 2016: 50,000,000) equity shares of Rs.10 each	500,000,000	500,000,000	500,000,000
Issued, subscribed and fully paid-up			
1,69,36,843 (March 31, 2017: 1,69,36,843; April 1, 2016: 1,69,36,843) equity shares of Rs.10/- each fully paid-up	169,368,430	169,368,430	169,368,430
	169,368,430	169,368,430	169,368,430

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

Particulars	31 March 2018		31 March 2017	
	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

GSS INFOTECH LIMITED

Notes forming part of the financial statements

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

(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 2018		31 March 2017	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
1. Marepally Raghunadha Rao	2,137,793	12.62%	2,337,793	13.80%
2. Aspire Emerging Fund	1,600,000	9.45%	-	0.00%
3. Shriram Insight Share Brokers Ltd.	1,540,737	9.10%	-	0.00%
4. Madanlal Saraswathi	-	0.00%	2,741,837	16.19%
5. Vistra ITCL(India) Ltd (IL&FS company)	-	0.00%	1,952,505	11.53%
6. Madhukar Sheth	-	0.00%	1,645,143	9.71%
7. Javed Faizullah Tapia	-	0.00%	1,648,828	9.74%
8. Azim Faizullah Tapia	-	0.00%	1,400,000	8.27%
	5,278,530	**31.17%**	**11,726,106**	**69.24%**

15 Other equity

	31 March 2018	31 March 2017
Share premium		
Opening balance	2,052,380,129	2,052,380,129
Add: Premium on fresh issue	-	-
Closing balance	**2,052,380,129**	**2,052,380,129**
General Reserve		
Opening balance	24,001,603	24,001,603
Add: Transfers during the year	-	-
Closing balance	**24,001,603**	**24,001,603**
Retained earnings		
Opening balance	(1,222,199,772)	(697,639,064)
Profit/(loss) for the year	44,753,421	(524,591,787)
Excess dividend of prior years reversed	908	31,080
Other comprehensive income	254,418	-
Closing balance	**(1,177,191,024)**	**(1,222,199,772)**
Total other equity	**899,190,708**	**854,181,961**

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

16 Borrowings

	31 March 2018	31 March 2017	1 April 2016
Non-current Borrowings			
Secured loans			
Term loans			
- From banks	-	-	33,500,000
Total non-current borrowings	**-**	**-**	**33,500,000**

17 Provisions

	31 March 2018	31 March 2017	1 April 2016
Non-Current			
Provision for employee benefits			
- Gratuity (refer note 33)	391,374	789,954	612,528
- Compensated absences	-	-	-
	391,374	**789,954**	**612,528**
Current			
Provision for employee benefits			
- Gratuity (refer note 33)	62,994	58,317	60,579
- Compensated absences	1,393,424	1,333,540	1,522,393
	1,456,418	**1,391,857**	**1,582,972**

18 Trade payables

	31 March 2018	31 March 2017	1 April 2016
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises (refer note 34)	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	10,378,090	9,705,053	2,802,038
	10,378,090	**9,705,053**	**2,802,038**

19 Other financial liabilities

	31 March 2018	31 March 2017	1 April 2016
Current maturities of long-term debts	-	28,951,700	30,000,000
Employee payables	15,968	84,268	108,599
Provision for expenses	4,263,234	3,484,569	13,659,181
Other liabilities	31,351,830	30,718,749	55,590,948
	35,631,032	**63,239,286**	**99,358,728**

20 Other current liabilities

	31 March 2018	31 March 2017	1 April 2016
Statutory Dues	1,988,364	2,537,729	2,546,450
	1,988,364	**2,537,729**	**2,546,450**

GSS INFOTECH LIMITED
Notes forming part of the financial statements
(All amounts in Indian Rupees, except share data and where otherwise stated)

21 Revenue from operations

	31 March 2018	31 March 2017
Revenue from Export services	136,794,306	149,896,782
Revenue from Domestic services	90,718,263	84,056,698
	227,512,569	**233,953,480**

22 Other income

	31 March 2018	31 March 2017
Interest income	69,251	1,081,319
Miscellaneous income	30,000	8,685,522
	99,251	**9,766,841**

23 Direct Cost

	31 March 2018	31 March 2017
Software Expenses	36,983	24,036
Subcontractor Expenses	31,903,288	27,891,335
	31,940,271	**27,915,371**

24 Employee benefits expense

	31 March 2018	31 March 2017
Salaries, wages and bonus	112,433,418	137,857,148
Contribution to provident and other funds	3,435,807	4,584,907
Staff welfare expenses	1,432,195	2,277,265
	117,301,420	**144,719,320**

25 Depreciation and amortisation expense

	31 March 2018	31 March 2017
Depreciation of tangible assets	1,222,567	699,562
Amortization of intangible assets	307,918	2,069,832
	1,530,485	**2,769,394**

26 Finance costs

	31 March 2018	31 March 2017
Interest on term loans	1,836,869	7,612,014
Bank Charges	994,401	887,513
	2,831,270	**8,499,527**

GSS INFOTECH LIMITED

Notes forming part of the financial statements

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

27 Other expenses

	31 March 2018	31 March 2017
Directors' Sitting Fees	466,200	726,700
Power and fuel	4,073,203	6,831,230
Auditor's Remuneration	1,210,691	1,431,598
Repairs and maintenance		
- Plant and equipments	29,572	10,430
- Others	398,469	1,562,837
Meeting Expenses	407,344	544,558
License, Immigration And Permits	870,236	785,776
Rent	9,146,088	11,253,103
Business promotion and advertisement expenses	514,094	541,614
Service Tax Expenses	1,961,400	3,761,734
Travelling and conveyance	5,858,701	5,673,478
Rates and taxes	387,636	600,287
Legal and professional charges	7,723,055	7,638,943
Printing and stationary	44,281	97,389
Communication expenses	2,030,695	3,964,352
Insurance	1,498,699	1,413,743
General Office Expenses	1,384,861	1,584,547
Profit / (Loss) on sale on Assets	-	950,151
Advances written off	1,388,471	32,889,398
(Gain)/Loss on Exchange Rate Fluctuation	2,773,603	(21,176,045)
	42,167,299	**61,085,824**

28 Tax expenses

	31 March 2018	31 March 2017
Current income tax:		
Current income tax charge (MAT Entitlement)	(14,613,500)	61,823,855
Deferred tax:		
Relating to originating and reversal of temporary differences	1,701,154	1,289,656
Income tax expense recognised in the statement of profit & loss	**(12,912,346)**	**63,113,511**

Notes forming part of the financial statements

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

29 Contingent liabilities and commitments

	Particulars	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16
i)	Appeal is pending before Income Tax Appellate Tribunal, Hyderabad for AY 2013-14	20,929,300*	-	-
ii)	Appeal is pending before Hon'ble Dispute Resolution Panel, Bangalore for AY 2014-15	28,226,934*	-	-
iii)	Further for Assessment year 2015-16 tax liability is arising on account of disallowance of losses for earlier years and the said tax liability may not crystallize in case of favorable Consequential and appellate orders for earlier Asst Years 2012-13 and 2013-14.	30,633,747*	-	-
iv)	Appeal pending before Hon'ble Dispute Resolution Panel, Bangalore on account of dissallowance of carried forward losses for earlier assessment years	-	-	23,782,029
v)	Against Bank Guarantees issued by banks towards financial & performance guarantees outstanding	1,620,000	1,364,952	7,099,015
vi)	There was service tax demand (for the years 2010-12, 2012-13 & 2013-14) on the company on account of the e-Procurement contract executed in Bangladesh for Bangladesh Government, teating of business support, against which company filed appeal before CESTAT, Bangalore	8,519,526	8,519,526	10,218,344
vii)	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.			
	* Further the company has unutilized Minimum Alternate Tax Credit Entitlement as on 31.03.2018 to the extent of Rs 553.68 lakhs, Based on Expert opinion, the unutilized MAT Credit amounts and the expected favorable appellate orders adequately cover any amount that may crystallize on account of the above Income tax liabilities.			

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 Overseas 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 Overseas Subsidiary
Infovision Technologies, Inc	Step down Overseas Subsidiary
Infovista Technologies Inc	Step down Overseas Subsidiary
Technovant Inc	Step down Overseas Subsidiary
Mr. Bhargav Marepally	Chief Executive Officer and Managing Director
Mr. Ramesh Yerramsetti	Director till September 29, 2017

Notes forming part of the 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-Mar-18	31-Mar-17
i			
	Managerial Remuneration to Key Management Personnel	-	-
ii			
	Investment in Capital of Subsidiaries		
	GSS Infotech INC (a Delaware Company)	195,663,451	-
iii			
	Advances to Subsidiaries		
	GSS IT Solutions Pvt Ltd	2,800	-
	GSS Healthcare IT Solutions Pvt Ltd		10,000
iv			
	Payment received from Subsidiaries against Advances		
	GSS Healthcare IT Solutions Pvt Ltd	303,903	
v			
	Sales to Subsidiaries		
	GSS Infotech CT Inc	54,978,348	62,535,473
vi			
	Loan Received	-	-
vii			
	RePayment against Loans		
	Mr. Ramesh Yerramsetti (Partly during the year, Related Party)	602,768	16,328
	Mr. Bhargav Marepally	-	108,952
viii			
	Amounts Writtenoff		
	GSS IT Solutions Pvt Ltd	1,852,800	-
	GSS Healthcare IT Solutions Pvt Ltd	14,517,630	-

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

Particulars		As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16
i)	**Investment in Capital of Subsidiaries**			
	GSS Infotech INC (a Delaware Company)	736,185,789	540,522,338	873,480,744
	GSS IT Solutions Pvt Ltd	99,900	99,900	99,900
	GSS Healthcare IT Solutions Pvt Ltd	99,900	99,900	99,900
ii)	**Advances Receivable from Subsidiaries**			
	GSS Infotech INC (a Delaware Company)	144,221,972	143,778,485	149,385,953
	GSS IT Solutions Pvt Ltd	-	1,850,000	1,850,000
	GSS Healthcare IT Solutions Pvt Ltd	-	14,821,533	14,811,533

(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	2017-18	2016-17
Business from United States of America	90,551,944	123,215,952
Business from Bangladesh	46,242,362	26,680,830
Domestic	90,718,263	84,056,698
TOTAL:	**227,512,569**	**233,953,480**

32 Auditors’ remuneration includes

Particulars	31-Mar-18	31-Mar-17	31-Mar-16
Statutory audit fee	1,200,000	1,200,000	1,200,000
Other services	-	200,000	-
Out of pocket expenses	8,513	5,888	4,807
Total	**1,208,513**	**1,405,888**	**1,204,807**

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 1,000,000.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-Mar-18	31-Mar-17
Opening balance	**2,512,728**	-
Service cost	970,670	796,449
Past Service cost	-	1,716,279
Interest cost	186,444	-
Benefits paid	(705,602)	-
Actuarial gain	(267,908)	-

Notes forming part of the financial statements

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

Particulars	31-Mar-18	31-Mar-17
Closing balance	**2,696,332**	**2,512,728**
Present value of projected benefit obligation at the end of the year	2,696,332	2,512,728
Fair value of plan assets at the end of the year	2,241,964	2,484,671
Net liability recognised in the balance sheet	**454,368**	**28,057**
Long term provision	2,633,338	2,454,411
Short term provision	62,994	58,317
Expenses recognised in statement of profit and loss	**31-Mar-18**	**31-Mar-17**
Service cost	970,670	2,512,728
Interest cost	2,081	
Gratuity cost	**972,751**	**2,512,728**
Re-measurement gains/ (losses) in OCI		
Actuarial gain / (loss) due to financial assumption changes	(267,908)	-
Return on plan assets greater (less) than discount rate	13,490	-
Total expenses routed through OCI	**(254,418)**	**-**

Assumptions	31-Mar-18	31-Mar-17
Discount rate	7.75% p.a.	7.42% 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-Mar-18	31-Mar-17
Effect of + 1% change in rate of discounting	2,467,340	2,290,173
Effect of - 1% change in rate of discounting	2,963,866	2,773,575
Effect of + 1% change in rate of salary increase	3,251,477	3,051,140
Effect of - 1% change in rate of salary increase	2,246,072	2,077,849
Effect of + 1% change in rate of employee turnover	2,949,961	2,747,097
Effect of - 1% change in rate of employee turnover	2,413,164	2,248,211

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.

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, 2018 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.

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

Particulars		31-Mar-18	31-Mar-17	01-Apr-16
a)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.	NIL	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	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	NIL
d)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL	NIL
	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.			

35 Leases

Where the Company is a lessee:

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

i) Future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Not later than 1 year	-	1,686,825	13,147,625
Later than 1 year and not later than 5 years	8,662,500	-	7,021,875
Later than 5 years	-	-	-

ii) Amounts recognised in statement of profit and loss:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Cancellable lease expense	4,050,000	-	-
Non - cancellable lease expense	5,096,088	11,253,103	17,597,192
Total	**9,146,088**	**11,253,103**	**17,597,192**

(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-Mar-18**	**31-Mar-17**
Profit / (Loss) for the year	44,753,421	(496,831,133)
Less: Preference dividend for the year	-	-
Less: Tax on preference dividend	-	-
Loss attributable to equity share holders	**44,753,421**	**(496,831,133)**
Shares		
Weighted average number of equity shares outstanding during the year – basic and diluted	**16,936,843**	**16,936,843**
Earnings per share of par value 10 – basic and diluted	**2.64**	**(29.33)**

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, 2018 and March 31, 2017. 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, 2018 and March 31, 2017.

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 obligationswith 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.

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

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
March 31, 2018		
INR	+1%	-
INR	–1%	-
March 31, 2017		
INR	+1%	(289,517)
INR	–1%	289,517

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.

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. 92,844,422 (March 31,2017 : 297,785,516 ; April 1, 2016: 330,342,789). 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-Mar-18	31-Mar-17	01-Apr-16
Opening balance	1,843,937	1,843,937	1,843,937
Credit loss provided/ (reversed)	-	-	-
Closing balance	1,843,937	1,843,937	1,843,937

No single customer accounted for more than 10% of the revenue as of March 31, 2018, March 31, 2017 and April 1, 2016. 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.

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

c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility throughthe 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
Year ended March 31, 2018						
Borrowings	-	-	-	-	-	**-**
Trade payables	4,926,184	5,451,906	-	-	-	**10,378,090**
Year ended March 31, 2017						
Borrowings	-	9,000,000	19,951,700	-	-	**28,951,700**
Trade payables	7,589,999	2,115,054	-	-	-	**9,705,053**
As at April 1, 2016						
Borrowings	-	7,500,000	27,000,000	29,000,000	-	**63,500,000**
Trade payables	2,740,338	61,700	-	-	-	**2,802,038**

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 comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2018, March 31, 2017 and April 1, 2016 was as follows:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Total equity attributable to the equity shareholders of the Company	1,068,559,138	1,023,550,391	1,548,111,098
As a percentage of total capital	100.00%	97.25%	96.06%
Long term borrowings including current maturities	-	28,951,700	63,500,000
Short term borrowings	-	-	-
Total borrowings	-	28,951,700	63,500,000
As a percentage of total capital	0.00%	2.75%	3.94%
Total capital (equity and borrowings)	**1,068,559,138**	**1,052,502,091**	**1,611,611,098**

39 Explanation on transition to Ind AS

As stated in Note 2.1, these are the first standalone financial statements prepared in accordance with Ind AS. For the year ended March 31, 2017, the Company had prepared its standalone financial statements in accordance with Companies (Accounting Standards) Rules, 2006 notified under section 133 of the Act and other relevant provision of the Act ('Previous GAAP'). For the purpose of transition from Previous GAAP to Ind AS, the Company has followed the guidance prescribed under Ind AS 101-First Time Adoption of Indian Accounting Standards ("Ind AS-101"), with effect from April 1, 2016 ('transition date').

The accounting policies set out in Note 3 have been applied in preparing these standalone financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening standalone Ind AS Balance Sheet on the date of transition i.e. April 1, 2016

In preparing its Standalone Ind AS Balance Sheet as at April 1, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported previously in Standalone financial statement prepared in accordance with the Previous GAAP. This note explains how the transition from Previous GAAP to Ind AS has affected the Company's financial position and financial performance.

A. Mandatory exceptions to retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards".:

1) **Estimates:**

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the Previous GAAP unless there is objective evidence that those estimates were in error.As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under Previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the standalone financial statements that were not required under the Previous GAAP are listed below:– Impairment of financial assets based on the expected credit loss model.– Determination of the discounted value for financial instruments carried at amortised cost.

2) **Classification and measurement of financial assets:**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

B. Optional exemptions from retrospective application

Ind AS 101 "First time Adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Company has accordingly on transition to Ind AS availed the following key exemptions:

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

1) **Property, plant and equipment**:

The Company has elected to treat carrying values of Previous GAAP as deemed cost for all items of its property, plant and equipment.

2) **Business combination:**

Ind AS 101, provides the option to apply Ind AS 103, Business Combinations ("Ind AS 103") prospectively from the transition date or from a specific date prior to the transition date.The Company has elected to apply Ind AS 103 from transition date. Accordingly, business combinations occurring prior to the transition date have not been restated.

The following reconciliation provide the effect of transition to Ind AS from Previous GAAP in accordance with Ind AS 101:

(i) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

Particulars	As at March 31, 2017	As at April 1, 2016
Equity as reported under previous GAAP	1,050,161,811	1,577,084,961
Impact on account of credit loss on debtors and other finacial assets	(18,214,365)	(18,214,365)
Prior period items	(9,034,447)	(11,396,890)
Taxes on above	637,392	637,392
Equity reported under Ind AS	**1,023,550,391**	**1,548,111,098**

(ii) Effect of Ind AS Adoption on the statement of profit and loss for the year ended March 31, 2017

Particulars	Year ended March 31, 2017
Net Profit under previous GAAP	(499,193,576)
Prior period items	2,362,442
Net Profit under Ind AS	**(496,831,134)**
Other comprehensive income	
Actuarial gains/(losses) on post- employment benefit obligations	-
Total comprehensive income under Ind AS	**(496,831,134)**

40 Standards issued but not effective

The standards issued, but not effective up to the date of issuance of the financial statements is disclosed below:

Ind AS 115 - Revenue from contracts with customers

In March 2018, the Ministry of Corporate Affairs has notified Ind AS 115, 'Revenue from Contracts with Customers', which is effective for accounting periods beginning on or after 1 April 2018. This comprehensive new standard will supersede existing revenue recognition guidance, and requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

Ind AS 115 is effective for annual reporting periods beginning on or after April 1, 2018. The Company intends to adopt Ind AS 115 effective April 1, 2018, using the modified retrospective method. The adoption of Ind AS 115 is not expected to have a significant impact on the Company's recognition of revenues.

Other amendments to Indian Accounting Standards

The Ministry of Corporate Affairs (MCA), on 28 March 2018, issued certain amendments to Ind AS. The amendments relate to the following standards:

Ind AS 21, The Effects of Changes in Foreign Exchange Rates - The amendment lays down the principle regarding advance payment or receipt of consideration denominated or priced in foreign currency and recognition of non-monetary prepayment asset or deferred income liability.

Ind AS 12, Income Taxes - The amendment explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps and the carrying amount of an asset is relevant only to determining temporary differences.

Ind AS 28, Investments in Associates and Joint Ventures - The amendment clarifies when a venture capital, mutual fund, unit trust or similar entities elect to initially recognize the investments in associates and joint ventures.

Ind AS 112, Disclosure of Interests in Other Entities – The amendment clarifies that disclosure requirements for interests in other entities also apply to interests that are classified as Held for sale or discontinued operations in accordance with Ind AS 105.

Ind AS 40, Investment Property - The amendment clarifies when a property should be transferred to / from investment property.

The amendments are effective 1 April 2018. The Company believes that the aforementioned amendments will not materially impact the financial position, performance or the cash flows of the Company.

41 Previous year comparitives

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 SARATH & ASSOCIATES
Chartered Accountants
ICAI Firm Registration Number: 005120S

P. Sarath Kumar
Partner
Membership No: 21755

Place: Hyderabad
Date : 28-May-2018

For and on behalf of the Board of GSS Infotech Limited
CIN: L72200TG2003PLC041860

Bhargav Marepally
CEO & Managing Director
DIN: 00505098

A. Prabhakara Rao
Director
DIN: 02263908

Sanjay Heda
Chief Financial Officer

Mohammad Anwar ul haq
Company Secretary

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Form No. MGT-11
Proxy Form

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

Name of the Company	:	**GSS Infotech Limited**
CIN	:	L72200TG2003PLC041860
Address	:	Ground Floor, Wing-B, N heights, Plot No. 12, TSIIC Software Units Layout, Madhapur, Serilingampally Mandal, Rangareddy District, Hyderabad – 500081, Telangana, India
Name of the member(s)	:	
Registered Address	:	
E-mail ID	:	
Folio No/Client ID DP ID	:	

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

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

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf on Wednesday, the 5th Day of September, 2018 at 10.00 A.M. at Ellaa Suites, Lotus Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad - 500 032 and at any adjournment thereof in respect of such resolutions as indicated below:

Ordinary Business:

1. Adoption of Audited Standalone and Consolidated Financial Statements of the Company as on 31st March, 2018.
2. Appointment of Mr. Bhargav Marepally, Managing Director who retires by rotation and offers himself for reappointment.
3. Ratification of appointment of M/s. Sarath and Associates, Chartered Accountants, Hyderabad as the Statutory Auditors of the Company from Conclusion of this annual general meeting to the conclusion of the next annual general meeting of the company to be held in the Year 2019.

Special Business:

Special Resolution:

4. Approve removing the name of Indian Subsidiary GSS IT Solutions Private Limited from the register of Companies, ROC, Andhra Pradesh & Telangana and in this regard to consider and if thought fit, to pass, the resolution as **Special Resolution**.
5. Raising of funds upto USD 30 million thorugh issue of equity shares and/or equity shares through depository receipts and/or convertible securities and/or Preference shares or warrants and/or Debt or any alternative investment structure and/or a combination of all in any proportion.
   And in this regard to consider and if thought fit, to pass, the resolution as **Special Resolution**.
6. Investment(s), Loans, Guarantees and security in excess of limits specified under section 186 of the Companies Act, 2013.
   And in this regard to consider and if thought fit, to pass, the resolution as **Special Resolution**.

Signed this ____________________ day of _______________ 2018

Affix 1/- revenue stamp

Signature of shareholder:

Signature of Proxy holder(s) :

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. (i.e., by 10.00 a.m. on Monday, 3rd September, 2018)

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GSS INFOTECH LIMITED

CIN : L72200TG2003PLC041860

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

Attendance Slip for the
Annual General Meeting to be held on 5th September, 2018 at 10.00 A.M.

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

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

I hereby record my presence at the AGM of the Company held on 5th September, 2018 at 10.00 A.M. at Ellaa Suites, Lotus Hall, Hill Ridge Springs, 25 Kancha, Gachibowli, ISB Road, Hyderabad - 500 032.

Signiture of the member or proxy attending the meeting :

If member, please sign here :

If proxy, please sign here :

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

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COURIER

If underlivered please return this copy to the following address:

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

OSSV - 9133324212