



GSS AMERICA INFOTECH LIMITED

[Our Company was incorporated under the Companies Act, 1956 as a private limited company with the name Mayes Technologies Private Limited on October 13, 2003 in Hyderabad, Andhra Pradesh vide Registration No. 41860. The name of our company was changed to "GSS America Infotech Private Limited" on June 15, 2006. Our Company was converted into a public limited company vide a Special Resolution passed on June 21, 2006 and the name was changed to "GSS America Infotech Limited". The Registrar of Companies, Hyderabad, Andhra Pradesh, subsequently issued a fresh certificate of incorporation dated July 7, 2006.]

Registered Office: Wing - 2, 3rd Floor, Block B, Cyber Gateway, Hitech City, Madhapur, Hyderabad - 500081 Andhra Pradesh, India
Tel: +91 40 4002 8700/1/2; Fax: +91 40 4002 8703; E-mail: kishore.avutapalli@gssamerica.com Website: www.gssamerica.com

Contact Person: Mr. Kamal Kishore Avutapalli, Company Secretary & Compliance Officer

(We shifted our Registered office from Plot No.189, Road No. 72, Prashasan Nagar, Jubilee Hills, Hyderabad - 500 033 w.e.f. February 6, 2007 to its present Registered Office)

PUBLIC ISSUE OF 34,97,495 EQUITY SHARES WITH FACE VALUE OF RS. 10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING TO RS. [●] LAKHS ("THE ISSUE"). THE ISSUE COMPRISES OF 1,57,495 EQUITY SHARES WITH FACE VALUE OF RS. 10 EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING TO RS. [●] LAKHS RESERVED FOR ELIGIBLE EMPLOYEES OF THE COMPANY ("EMPLOYEE RESERVATION"). THE NET ISSUE TO PUBLIC WILL BE OF 33,40,000 EQUITY SHARES WITH FACE VALUE OF RS. 10 EACH AGGREGATING TO RS. [●] LAKHS. THE NET ISSUE SHALL CONSTITUTE 25.11% OF THE POST ISSUE PAID UP CAPITAL OF OUR COMPANY.

PRICE BAND: RS. 400 TO RS. 440 PER EQUITY SHARE OF FACE VALUE RS. 10.

THE FACE VALUE OF THE SHARES IS RS. 10 AND THE FLOOR PRICE IS 40 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 44 TIMES OF THE FACE VALUE.

In case of revision in the Price Band, the Bidding/ Issue Period will be extended for three additional working days after revision of the Price Band subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and at the terminals of the Syndicate. The Issue is being made through a 100% Book Building Process wherein at least 50% of the Net Issue to the public shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Net Issue to the Public cannot be allotted to QIBs, then the entire application money will be refunded. Further, atleast 15% of the Net Issue to the public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and atleast 35% of the Net Issue to the public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, 1,57,495 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the Equity Shares, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10 and the Issue Price is [●] times of the face value. The Issue Price (as determined by our Company in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares by way of Book Building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the issue including the risks involved. The Equity Shares offered in the issue have not been recommended or approved by Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy and adequacy of this Red Herring Prospectus. Specific attention of the Investors is invited to the Section titled "Risk Factors and Management Perception thereof" beginning on page vi of this Red Herring Prospectus.

COMPANY'S ABSOLUTE RESPONSIBILITY

We, having made all reasonable inquiries, accept responsibility for and confirm that this Red Herring Prospectus contains all information with regard to us and the issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

IPO GRADING

We have not opted for IPO Grading

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Bombay Stock Exchange Limited, Mumbai ("BSE") and the National Stock Exchange of India Limited ("NSE") and our company has received in-principle approvals from these Stock Exchanges for the listing of its Equity Shares pursuant to letters dated April 2, 2007 and April 25, 2007, respectively. The Bombay Stock Exchange Limited, Mumbai ("BSE") shall be the Designated Stock Exchange.



BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
 RELIGARE SECURITIES LIMITED SEBI Registration No.: INM000011062 14, Mittal Chambers, 1st Floor Nariman Point, Mumbai - 400 021, India. Tel: +91 22 4007 4800; Fax: +91 22 4007 4869 Website: https://www.religare.in E-mail: gssamerica.ipo@religare.in Contact Person: Mr. Ashwani Tandon / Mr. Prasanna Chandwaskar	 BIGSHARE SERVICES PRIVATE LIMITED SEBI Registration No.: INR000001385 E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai - 400 072, India. Tel: +91 22 2847 3747; Fax: +91 22 2847 5207 Website: https://www.bigshareonline.com E-mail: ipo.gssamerica@bigshareonline.com Contact Person: Mr. Ashok Shetty
BID/ ISSUE PROGRAMME	
BID/ ISSUE OPENS ON: MONDAY, FEBRUARY 11, 2008	BID/ ISSUE CLOSES ON: FRIDAY, FEBRUARY 15, 2008

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SECTION I: DEFINITIONS AND ABBREVIATIONS

CONVENTIONAL / GENERAL TERMS

Terms	Description
“GSS” or “GSS America” or “Company” or “Issuer” or “our Company” or “we” or “us”	Unless the context otherwise requires, refers to GSS America Infotech Ltd, a limited Company incorporated under the Companies Act together with its subsidiaries.
“Our Group” or “Our Group Companies” or “Group Companies”	Unless the context otherwise requires, refers to those companies mentioned in “Promoters and their Background” on page 91 of this Red Herring Prospectus.
Subsidiaries	GSS America Inc. Infospectrum Consulting Inc. System Dynamix Corporation

ISSUE RELATED TERMS

Term	Description
Allotment/ Allot	Issue of Equity Shares of our Company to successful Bidders pursuant to the Public Issue.
Allottee(s)	The successful Bidder to whom the Equity Shares are allotted.
Articles/ Articles of Association	Articles of Association of GSS America Infotech Ltd.
Banker (s) to the Issue and Escrow Collection Bank (s)	ICICI Bank Limited, HDFC Bank Limited, Axis Bank Limited, BNP Paribas and Deutsche Bank AG
Bid	An Indication to make an offer during the Bidding/ Issue Period by a prospective investor to subscribe to or purchase our Company's Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue.
Bid/ Issue Closing Date	The date after which the member of the Syndicate will not accept any Bids for the issue, which shall be notified in an English national newspaper, a Hindi national newspaper and a Telugu News paper.
Bid/ Issue Opening Date	The date on which the member of the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Telugu News paper.
Bid cum Application Form	The form in terms of which the Bidder shall make an Issue to subscribe to or purchase the Equity Shares and which will be considered as the application for the issue of the Equity Shares pursuant to the terms of this Red Herring Prospectus.
Bidder (s)	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and Bid cum Application Form.
Bidding / Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which period prospective investors can submit their Bids, including any revision thereof.
Board / Board of Directors	The Board of Directors of our Company or a Committee constituted thereof.
Book Building Process/ Method	Book building route as provided in Chapter XI of the SEBI Guidelines, in terms of which this Issue is made.
BRLMs/Book Running Lead Managers	Book Running Lead Managers, in this case being Religare Securities Limited hereinafter referred as Religare or RSL and Edelweiss Capital Limited hereinafter referred as Edelweiss or ECL.
BSE	Bombay Stock Exchange Limited earlier known as The Stock Exchange, Mumbai.
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band, Rs 440 per equity share, above which the Issue Price will not be finalised and above which no bids will be accepted
Companies Act/ The Act	The Companies Act, 1956, as amended from time to time.
Cut-off / Cut-off Price	Any price within the Price band finalised by us in consultation with the BRLMs. A Bid submitted at Cut-off Price is a valid Bid at all levels within the Price Band.
Depositories Act	The Depositories Act, 1996, as amended from time to time.

Term	Description
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
DP/ Depository Participant	A depository participant as defined under the Depositories Act.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall transfer / allot the Equity Shares to successful Bidders.
Designated Stock Exchange	Bombay Stock Exchange Limited.
Director(s)	Director(s) of GSS America Infotech Ltd, unless otherwise specified.
Draft Red Herring Prospectus / DRHP	The Draft Red Herring Prospectus dated March 16, 2007 issued in accordance with Section 60B of the Companies Act and SEBI Guidelines, which did have complete particulars of the Price at which the Equity Shares are offered and the size of the Issue. Upon filing with RoC at least three days before the Bid / Issue Opening Date, it will become the Red Herring Prospectus. It will become a Prospectus upon filing with RoC after the determination of Issue Price.
Eligible Employee	Employees and Directors of our Company and its subsidiaries who are Indian nationals based in India and are present in India on the date of submission of Bid-cum- Application Form excluding Promoter Directors and members of the promoter group.
Eligible NRI	NRIs from such Jurisdiction outside India where it is not unlawful to make an Issue or Invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares allotted herein.
Employee Reservation Portion	That portion of the Issue being a maximum of 1,57,495 Equity Shares available for allocation to Eligible Employees.
Equity Shares	Equity Shares of our Company of face value of Rs. 10/- each unless otherwise specified in the context thereof.
Escrow Account	Account opened with the Escrow Collection Bank and in whose favour the Bidder will Issue cheques in respect of the Bid and in which account the cheques/demand drafts will be deposited by the Syndicate Members.
Escrow Agreement	Agreement entered into between the Syndicate Members, our Company, the Registrars and BRLMs for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders.
Escrow Bank(s)	The Banks, which are clearing members and registered with SEBI as Bankers to the Issue at which the Escrow Account will be opened.
FII(s) / Foreign Institutional Investors	Foreign institutional investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 registered with SEBI under applicable laws in India.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI under applicable laws in India.
Financial Year/ Fiscal/ FY	The twelve months ended March 31 of a particular year (unless otherwise specified).
First Bidder	The bidder whose name appears first in the bid cum application form or revision form.
Floor Price	The lower end of price band, below which the Issue Price will not be finalized and below which no Bids will be accepted.
Fresh Issue/ Issue/ Public Issue/ Offer	Public Issue of 34,97,495 new Equity Shares of Rs. 10/- each for cash at the Issue Price of Rs. [●] aggregating to Rs. [●] lacs by our Company in terms of this Red Herring Prospectus. The Issue Comprises a Net Issue to the Public of up to 33,40,000 Equity Shares and the Employees Reservation Portion up to 1,57,495 Equity Shares.
Income-tax Act	The Income tax Act, 1961, as amended from time to time.
Issue Price	The Final Price at which Equity Shares will be allocated in terms of the Red Herring Prospectus, as determined by our Company in consultation with the BRLMs, on the Pricing Date.
Issue Account	Account opened with the Banker to the Issue to receive monies from the Escrow Accounts on the Designated Date.
Issuer	GSS America Infotech Limited.
Margin Amount	The amount paid by the bidder at the time of submission of his/her bid, being 10% to 100% of the bid amount.

Term	Description
Memorandum/ Memorandum of Association	The Memorandum of Association of GSS America Infotech Limited.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	5% of QIB portion or 83,500 available for allocation to mutual fund only, out of the QIB portion.
Net Offer to the Public	33,40,000 Equity Shares of Rs. 10 each, being the Issue size (net off Employee Reservation Portion).
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Bidders.
Non-Institutional Portion	The portion of the Issue being 5,01,000 Equity Shares of Rs.10/- each available for allocation to Non-Institutional Bidders.
NSE	National Stock Exchange of India Limited.
Non Residents	A person resident outside India, as defined under FEMA.
NRI / Non Resident Indian	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a person Resident Outside India) Regulations, 2000.
OCB / Overseas Corporate Body	Overseas corporate body, is a Company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least 60% by NRIs and includes overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Pay-in-Date	Bid/Issue closing date or the last date specified in the CAN sent to Bidders, as applicable.
Pay-in-Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount the period commencing on the Bid / Issue Opening Date and extending until the Bid / Issue Closing Date, and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid / Issue Opening Date and extending until the closure of the Pay – in Date.
Price Band	The price band of Rs. 400 to Rs. 440 including revisions thereof.
Pricing Date	The date on which our Company in consultation with the BRLMs finalizes the Issue Price.
Promoters	Mr. Bhargav Marepally and Mr. Ramesh Yerramsetti.
Promoter Group	Arani Power Systems Ltd., Mrs. N Madhavi Latha, Mrs. G Vijaya Kumari, Ms. Vidyavati Marepally, Ms. Nandita Marepally, Ms. Usha Yerramsetti, Ms. Jhansi Laxmi Yerramsetti.
Prospectus	The Prospectus to be filed with the RoC containing, <i>inter-alia</i> , the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date.
Qualified Institutional Buyers/ QIBs	Public Financial Institutions as specified in Section 4A of the Companies Act, Scheduled Commercial Banks, Mutual Funds registered with SEBI, Foreign Institutional Investors registered with SEBI, Multilateral And Bilateral Development Financial Institutions, Venture Capital Funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory And Development Authority (IRDA), Provident Funds with a minimum corpus of Rs. 2500 Lacs and Pension Funds with a minimum corpus of Rs. 2500 Lacs.
QIB Portion	The portion of the Issue being 16,70,000 Equity Shares of Rs.10 /- each available for allocation to QIB Bidder(s).
QIB Margin	An amount representing 10% of the Bid Amount that QIBs are required to pay at the time of submitting their Bid.
Red Herring Prospectus/ RHP	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and the size of the Issue. It carries the same obligations as are applicable in case of a Prospectus and will be filed with RoC at least three days before the Bid/ Issue Opening Date. It will become a Prospectus after filing with RoC determination of the Issue Price.

Term	Description
Registered Office of our Company	Wing-2, 3 rd Floor, Block B, Cyber Gateway, Hitech City, Madhapur, Hyderabad 500 081.
Registrars/ Registrars to the Issue	Bigshare Services Private Limited.
Refund Banker	Shall mean the Escrow Collection Bank who has been appointed / designated for the purpose of refunding the amount to investors either through the electronic mode as prescribed by SEBI and /or physical mode where payment through electronic mode may not be feasible.
Retail Individual Bidders	Individual Bidders (including HUFs applying through karta and NRIs) who have Bid for Equity Shares for an amount less than or equal to Rs.100,000 /- in any of the bidding options in the Issue.
Retail Portion	The portion of the Issue being 11,69,000 Equity Shares of Rs.10 /- ach available for allocation to Retail Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of the Bid options as per their Bid-cum-Application Form and as modified by their subsequent Revision Form(s), if any.
RoC	Registrar of Companies, Andhra Pradesh located at Hyderabad.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI DIP Guidelines	SEBI (Guidelines for Disclosure and Investor Protection) 2000 issued by SEBI effective from January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time.
Stock Exchanges	The BSE and the NSE.
Syndicate	The BRLMs and Syndicate Member(s).
Syndicate Agreement	The agreement between the Syndicate Members and our Company, in relation to collection of Bids in this Issue.
Syndicate Members	Collectively the BRLMs and the Syndicate Members as disclosed in this Red Herring Prospectus and are persons who are registered with SEBI and are eligible to act as Underwriters.
TRS or Order Confirmation Note	Transaction Registration Slip means the slip or document registering the Bids, issued by the Syndicate Member to the Bidder as proof of registration of the Bid upon submission of the Bid-cum-Application Form in terms of this Red Herring Prospectus.
Underwriters	The BRLMs and Syndicate Members.
Underwriting Agreement	The agreement between the BRLMs, Syndicate Members, and our Company to be entered into on the Pricing Date.

COMPANY/ INDUSTRY RELATED TERMS

Term	Description
Auditors	The statutory auditors of our Company, M/s B.V.R. & Associates, Chartered Accountants.
GDC	Global Delivery Centre.
Offshore	Refers to the work facilities in India.
Offsite	Refers to service work done outside India at a place other than the clients' premises.
Onsite	Refers to service work conducted at the clients' premises.
STP	Software Technology Park.
NQA	National Quality Assurance Limited.
NASSCOM	National Association of Software and Service Companies.

ABBREVIATIONS

Term	Description
AED	Arab Emirates Dirhams
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year
AUP	Annual Upgrade Protection
AVG	Anti-Virus Grisoft

Term	Description
BIOS	Basic Input Output System
BSE	Bombay Stock Exchange Ltd.
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CEPS	Cash Earning per Equity Share
CFO	Chief Financial Officer
CPU	Central Processing Unit
DMZ	De-Militarized zone
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EOU	Export Oriented unit
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
ESOP	Employee Stock Option Scheme
EU	European Union
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FTP	File Transfer Protocol
GDC	Global Delivery Centre
GDP	Gross Domestic Product
GoI	Government of India
HUF	Hindu Undivided Family
IPO	Initial Public Offering
ISO	International Standard Organization
IT	Information Technology
KVA	Kilo Volt Ampere
MNC	Multi National Company
NAV	Net Asset Value
NRE Account	Non-Resident External Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
NEFT	National Electronic Fund Transfer
PAN	Permanent Account Number
PAT	Profits After Taxation
PBT	Profits Before Taxation
P/E Ratio	Price/Earnings Ratio
PLR	Prime Lending Rate
RAID	Redundant Arrays of Independent Disks
RBI	Reserve Bank of India
RHP	Red Herring Prospectus
ROC	Registrar of Companies
RONW	Return on Net Worth
Rs./ Rupees/ INR	Indian Rupees
R&D	Research and Development
RELIGARE	Religare Securities Limited
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SOA	Service-Oriented Architecture
STPI	Software Technology park of India
UK	United Kingdom
URL	Uniform Resource Locator
US / USA	United States of America
USD or \$ or US \$	United States Dollar
VPM	Vertical Private Network
YOY	Year on Year

SECTION II: RISK FACTORS

PRESENTATION OF FINANCIAL AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our financial statements prepared in accordance with Indian GAAP, beginning on page 98 of this Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP and U.S. GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

The calculation of revenues by customer geography is based on the location of the specific customer entity for which services are performed, irrespective of the location where a billing invoice may be rendered.

Currency of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "USD", "US\$" or "US Dollars" are to United States Dollars, the official currency of the United States of America.

Market Data

Market and Industry Data used throughout this Red Herring Prospectus has been obtained from publications available in the public domain and internal Company reports. These publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry data used in this Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by our Company to be reliable, have not been verified by any independent source.

All references to "India" contained in this Red Herring Prospectus are to the Republic of India, all references to the "US" or the "U.S." or the "USA", or the "United States" are to the United States of America, and all references to "UK" are to the United Kingdom.

FORWARD LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- increasing competition in and the conditions of the global and Indian IT industry;
- general economic and business conditions in India;
- changes in the value of the Rupee and other currencies;
- changes in laws and regulations that apply to the Indian and global software / IT industry.
- the ability to retain clients and acquire new clients
- cancellations, contract terminations or deferrals of projects
- changes in the pricing policies or those of the competitors
- shortage of it professionals in India with relevant skill levels
- changes in the political and social conditions in India

For further discussion of factors that could cause our actual results to differ, please refer to the section titled “Risk Factors” beginning on page vi of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, our Directors, any member of the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks actually occur, our business, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

Internal Risk Factors

- 1. Our Managing Director, who is also our promoter is involved in an Civil Suit bearing O S No. 218 of 2007 before the Court of the Chief Judge, City Civil Court, Hyderabad, pertaining to a property being a house bearing No. 8-2-293/82, constructed on Plot No. 204, forming part of Survey No. 403, T S No. 1, plot No. 9, Block F, Shaikpet Village, Hyderabad. For further details please refer to page 142 of the RHP.**
- 2. One of the objects of the Issue is to acquire space for setting up of Global Delivery Centre (GDC). We have not entered into any MOU for acquisition of space for GDC.**

We have not entered into any Memorandum of Understanding or Agreement for Sale for acquisition of space for GDC that is proposed to be funded through the current IPO. We have relied on the quotation of the developer dated December 12, 2007. Any delay in obtaining the proceeds of the issue might lead to escalation in the project cost w.r.t. GDC and consequently would affect our project implementation and deployment schedule. Shortfall if any or escalations in the requirement would be funded through internal accruals.

- 3. One of the Objects of the Issue is to finance acquisitions. However the target(s) have not been identified.**

We intend to acquire Target(s) which we will effectively synergize with our existing operations and our future growth plans. We are in the process of identifying companies and in talks with some of the target companies for acquisition in India and abroad.

However no binding agreement exists as on date. It is a key component of our strategy to grow through acquisitions and strategic partnerships. Our company has in the past, grown its business and operations through both organic and inorganic routes. Going forward, our company believes that strategic investments and acquisitions may act as an enabler to growing business and consolidate its position in the software industry in India and establish itself as a premium software service provider. While this would be a component of our strategy, presently we do not have any legally binding commitments to enter into any such arrangements. GSS may use the above money for other business purposes including expansion of operations at any of the existing development centres. Our Company intends to enhance its position as a leading player in the software service industry in India. Accordingly, the management will have significant flexibility in applying the proceeds received from the Issue.

- 4. Our Company is promoted by first generation entrepreneurs.**

The promoters of our Company are first generation entrepreneurs and in spite of having a key executive team to support, our business may suffer if our promoters are not able to manage the operations of our company and the challenges which we may face on account of the growth and competition in the IT Sector.

- 5. Our revenues are highly dependent on clients located in the United States. Economic slowdowns and other factors that affect the economic health of the United States may affect our business.**

Our entire revenue in financial year 2005-2006, 2006-2007 and for the 9 months period ended December 31, 2007 in the FY 2007-2008 is derived from clients located in the United States of America (USA). Consequently, if there is an economic slowdown in the United States, our clients may reduce or postpone their IT spending significantly, which may in turn lower the demand for our services and negatively affect our revenues and profitability.

6. Our success depends largely upon our skilled software professionals and our ability to attract and retain these personnel. The Industry where we exist is a highly employee intensive industry having a high rate of attrition.

Our Company's ability to execute projects and to obtain new clients depends largely on their ability to attract, train, motivate and retain highly skilled software professionals, particularly project managers and other mid-level professionals. Our future performance will be dependent on the continued service of these persons or replacement of equally competent persons from the market. We do not maintain key man life insurance for any of the senior members of our management team or other key personnel. Competition for senior management in the IT industry is intense, and we may or may not be able to retain such senior management personnel or attract and retain new senior management personnel in the future unless we offer Industry best compensation packages, which will have impact on our profitability. The loss of any member of senior management or other senior professionals may adversely affect our business, results of operations and financial condition.

7. We do not have any long term contracts with Vendors for satisfying our manpower requirements.

We have an internal dedicated team of 'Recruiters' who have been able to meet the manpower needs largely. However, as part of the business de-risking model, we have arrangements with vendors for procuring manpower for the purpose of providing services to customers. Any disruption in service from vendors can have an adverse effect on our business, results of operations and financial condition.

8. Any inability to manage our growth could disrupt our business and reduce our profitability.

We have experienced growth in revenues in recent years. Our total revenues (consolidated) have grown from Rs.33.90 lacs in Financial Year 2003-04 to Rs. 16463.80 lacs for the Financial Year ended on March 31, 2007, and Rs. 20,461.08 lacs for the nine months ended on December 31, 2007. We expect this growth to place demands on both our management and our resources. This will require us to continuously evolve and improve our operational, financial and internal controls across the organisation.

In particular, continued expansion increases the challenges involved in:

- i. Recruiting, training and retaining sufficient skilled technical, sales and management personnel;
- ii. Adhering to our quality and process execution standards;
- iii. Maintaining levels of client satisfaction;
- iv. Preserving our culture, values and entrepreneurial environment; and
- v. Developing and improving our internal administrative infrastructure, particularly our financial, operational, communication and other internal systems.

Any inability to manage growth may have an adverse effect on our business, results of operation and financial condition.

9. Our client contracts can typically be terminated without cause and with little or no notice or penalty, which could negatively impact our revenues and profitability.

Our clients typically retain us through non-exclusive service agreements. Most of our client project contracts can be terminated with or without cause, with 0 to 30 days notice and without termination related penalties. Additionally, our service agreements with clients are typically without any commitment to a specific volume of business or future work. Our business is dependent on the decisions and actions of our clients, and there are a number of factors relating to our clients that are outside our control that might result in the termination of a project or the loss of a client. Our clients may demand price reductions, change their outsourcing strategy by moving more work in-house or to our competitors or replace their existing software with packaged software supported by licensors. Any of these factors could adversely affect our revenues and profitability.

10. Our business will suffer if we fail to keep pace with the rapid changes in technology and the industries on which we focus. We need to anticipate and develop new services and enhance existing services in order to keep our clients satisfied.

The IT services market is characterised by rapid technological changes, evolving industry standards, changing client preferences and new product and service introductions. Our future success will depend on our ability to anticipate these advances and develop new service offerings to meet client needs. In past we have been successful in predicting the technology changes in view of our continuing relationship and re-engineering of team to meet the challenges with rapid pace. However, going forward we may not be successful in anticipating or responding to these advances on a timely basis or, if we do respond, the services or technologies we develop may not be successful in the marketplace. We encourage employees to acquire additional skill sets by funding the complete cost for their technology up-gradation and training.

We also run in-house training programmes for technology up-gradation for employees on a periodical basis or project need basis.

11. No standard valuation methodology and accounting practices in the IT industry.

The valuations in the Software/ IT industry are presently high, which may not be sustained in future and may also not be reflective of future valuations in the industry. There is no standard valuation methodology or accounting practices in the IT related industries. The financials of the issuer are not strictly comparable with the players in the industry.

12. Increase in wages for IT professionals could reduce our cash flow and our profit margins.

Historically, wage costs in the Indian IT services industry have been significantly lower than wage cost in developed countries. However, in recent years wage costs in the Indian Services industry have been increasing at a faster rate than those in certain developed countries. In the long term, wage increases may make us less competitive unless we are able to continue increasing the efficiency and productivity of our professionals. Increase in wages, including an increase in the cash component of our compensation expenses, may reduce our cash flow and our profit margins.

13. Our client's proprietary rights may be misappropriated by our employees in violation of applicable confidentiality agreements. We may also be subject to third party claims of intellectual property infringement.

Our client contracts may require us to comply with certain security obligations including maintenance of network security, back-up of data, ensuring our network is virus free and ensuring the credentials of those employees that work with our clients. We cannot assure that we will be able to comply with all such obligations and that we will not incur liability nor have a claim for substantial damages against us. However, we have sufficiently protected ourselves with Insurance coverage for such a situation and the same should ensure continuity. Our Company does not have any past and present instances of Infringement of Intellectual Property.

14. Any defects in our product and services, could make us liable for customer claims, which in turn could adversely affect our results of operations.

Any failure or defect in our services or in our products could result in a claim against us for damages. Although we attempt to limit our contractual liability for all damages in rendering our services, we cannot be assured of any limitations in our liability. We may suffer for adverse publicity for the failure or defect in our services and products, which may in turn, could adversely affect our result of operations. Our Company does not have any past and present instances of Customer Claims on account of defect in product or services.

15. Significant security breaches in our computer systems and network infrastructure could adversely impact our business.

We seek to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and networks. We have implemented the Internet banking platform and we believe that these concerns will intensify with our increased use of technology and Internet-based resources. To address these issues and to minimise the risk of security breaches, we employ security systems, including firewalls and intrusion detection systems, conduct periodic penetration testing for identification and assessment of potential vulnerabilities and use encryption technology for transmitting and storing critical data such as passwords. However, these systems may not guarantee prevention of frauds, break-ins, damage or failure. A significant failure in security measures could have an adverse effect on our business.

16. We have reported negative cash flow from operations for financial year ended on March 31, 2007 on a stand alone basis

We have reported negative cash flow from operations to the tune of Rs. 593.46 lacs for the year ended March 31, 2007 as reflected in our standalone financial results. Substantial part of our revenue is derived from our Subsidiary Companies and cash flows from operations as reflected in our consolidated financial statements are positive to the tune of Rs. 1655.13 lacs as on March 31, 2007. Further, we have a positive cash flow from operations as on December 31, 2007. Our cash from operations, for the past periods have been summarised as below:

Rs. in lacs

Cash flow from operating activities	Consolidated	Standalone
Financial Year ended on 31 st March 2004	5.91	5.91
Financial Year ended on 31 st March 2005	421.08	421.08
Financial Year ended on 31 st March 2006	636.48	792.33
Financial Year ended on 31 st March 2007	1655.13	(593.46)
Nine months ended 31 st December 2007	746.85	1695.50

17. We have not registered any of our intellectual property under the relevant intellectual property laws. The name 'GSS America Infotech Limited' has not been registered under the Trade Marks Act, 1999. The logo of our company has not been registered under the relevant intellectual property laws.

18. The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution

The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. For further details please refer to section titled "Objects of the Issue" beginning on page 25 of this Red Herring Prospectus.

19. Our Company yet to place orders for the Interiors (including Furnitures and Fixtures), Equipments, Computer Hardware and Software.

We are yet to place orders for purchase of Interiors (including Furnitures and Fixtures), Equipments, Computer Hardware and Software. Negotiations in respect of specifications with some vendors have been commenced and orders will be placed in the due course, once the negotiations are completed. Any increase in prices of these equipments may adversely affect our estimates of Project cost resulting in increased funds requirement and which may delay our schedule of implementation for the Project. For further details please refer to the heading "Setting up of additional Global Delivery Centre" beginning on page 26 of this Red Herring Prospectus.

20. There has been a revision in implementation schedule

Our Company had envisaged starting acquisition of land & building for the GDC by July 2007. There has been a revision in the schedule and now we propose to start the acquisition by April 2008. Due to this, subsequent activities like purchase & installation of Furniture & Fixtures, Computers, and Servers etc. have also been delayed. Further, we are yet to identify targets for acquisitions as envisaged in the objects of the issue.

21. One of the Objects of the Issue is to set up three overseas offices. Our company has not finalised the locations for two of them.

Our company plans to acquire / establish offices in Europe, Middle East and Far East, Out of which we have finalised the location for our Middle East office at Dubai. We are yet to finalise the location for our Europe and Far East offices. For details please refer to Objects of the Issue appearing on Page 25 of the RHP.

22. International expansion in countries and regions where we have limited local experience may prove to be challenging.

We have limited experience in Europe, Middle East and Far East Asia where we plan to expand our operations, thereby making it uncertain whether we will be able to penetrate the local market easily. The setting up costs coupled with the delays associated with acquiring recognition in local markets and the challenges of competing with established local firms can create a time lag between the initial capital outlay and the generation of a return on the capital employed.

23. We are dependent on our promoters and any inability on their part to contribute to the business may affect our performance

We are dependent on the experience and the continued efforts of our promoters who are first generation Technocrat entrepreneurs and have been associated with our company since inception. The promoters have been involved with critical functions like marketing and operations of our company.

24. Our Promoters and Promoter Group will control us as long as they own a majority of our Equity Shares, and our other shareholders will be unable to affect the outcome of shareholder voting during such time.

Our principal shareholders, including our Promoter Group, aggregately own 65.98% of our currently issued Equity Shares and will own 48.63% of our issued Equity Shares at the completion of the Issue. As significant shareholders, they may have interests that are adverse to the interests of shareholders and/or our own interests and may have the ability to determine the outcome of any shareholder resolution.

25. The Share subscription cum shareholders' Agreement between the promoters of our company and Tara India Fund III, a scheme of IL&FS Private Equity Trust (the investor) contains restrictive covenants.

The share subscription cum shareholders agreement between the promoters of our company and Tara India Fund III, a scheme of IL&FS Private Equity Trust (IL&FS) lays down certain restrictive covenants on utilisation of the investment made by IL&FS, carrying out any other business apart from principle business, appointment of directors of subsidiaries, issue of ESOPs, entering into agreements, transfer of shares by promoters etc.

26. The insurance coverage we have may not adequately protect our company against certain operating hazards and this may have a material adverse effect on our business.

We believe that the insurance coverage is reasonably adequate to cover all normal losses and risks involved in our operations, but there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully. If our company suffers losses which are not insured or are in excess of insurance coverage, our results of operations and cash flow may be adversely affected.

27. Our agreements with our wholly-owned overseas subsidiaries are subject to transfer pricing regulations. These agreements may be subject to regulatory challenges, which may subject us to higher taxes and adversely affect our earnings.

We have entered into agreements with our wholly-owned overseas subsidiaries because a portion of our assets, such as intellectual property that we have developed and the services we provide, are transferred between us and our overseas subsidiaries. In these agreements, we have determined transfer prices that we believe are the same as the prices that would be charged by unrelated parties dealing with each other at arm's length. However, if the taxing authorities of India or other jurisdictions were to successfully challenge these agreements or past transactions undertaken pursuant to the terms of these agreements, or require changes in our transfer pricing policies, we could be required to re-determine transfer prices, which may result in a higher overall tax liability to us and as a result our earnings would be adversely affected. In this regard, we are subject to risks not faced by other companies with international operations that do not create inter-company transfers. We believe that we operate in compliance with all applicable transfer pricing laws in all applicable jurisdictions. However, there can be no assurance that we will be found to be in compliance with transfer pricing laws, or that such laws will not be modified, which, as a result, may require changes to our transfer pricing policies or operating procedures. Any modification of transfer pricing laws may result in a higher overall tax liability to us and adversely affect our earnings and results of operations.

28. Any future equity offering or issue of options under our Employee Stock option scheme may lead to dilution of your shareholding in us.

Purchasers of Equity Shares in this Issue may experience dilution of their shareholding to the extent we make future equity offerings and to the extent additional options are issued under our employee stock option scheme.

29. In the past 12 months, we have issued Equity Shares, which may be at a price lesser than the lower end of the price band for the Equity Shares being offered in the Issue.

The issue of shares during the past 12 months have been made to fund the growth plans of our company and to remunerate Employees by creation of an ESOP Trust and allotment of shares to the Trust. We have also issued equity shares to IL&FS trust Company Limited A/C- IL&FS Private Equity Trust – Tara India Fund – III, Ms. Mangala Shrimal & Mr. Prashant Shrimal, Mr. Prashant Shrimal & Gulab Shrimal. For further details, please refer to section titled "Capital Structure" beginning on page 14 of the Red Herring Prospectus.

30. Our fixed price contract may expose us to additional risks, many of which are beyond our control, which could reduce our profitability.

Some of our contracts are on a fixed price basis. In the Financial Year ending March 31, 2007, we derived approximately 2.53 % of our total consolidated revenues from fixed price contracts. Any failure to accurately

estimate the resources and time required for the performance of the contract or any failure to complete our contractual obligations within the performance levels committed could adversely affect our profitability.

31. Our Company does not own any building or premises on its own, it carries of its business from the leased premises. Also, the lease deeds for office premises in Hyderabad are not registered

Our company currently operates out of 2 leased offices at Hyderabad. As on date our company does not own the premises that it operates out of, however, one of the objects of the issue is to setup a Global Delivery Centre (GDC) at Hyderabad that is intended to be owned by our company.

The leases for the properties that we operate out of have not been registered in our name. We run a risk of eviction in case of a dispute in title and are prone to litigations that may accrue due to such non-registration.

32. We may infringe on the intellectual property rights of others.

We cannot determine with certainty whether we are infringing upon any existing third-party intellectual property rights which may force us to alter our technologies, obtain licenses or significantly cease some portions of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. Regardless of whether such claims that we are infringing patents or other intellectual property rights have any merit, those claims could:

- (a) adversely affect our relationships with current or future customers;
- (b) result in costly litigation;
- (c) divert management's attention and resources;
- (d) subject us to significant liabilities;
- (e) require us to enter into royalty or licensing agreements; and
- (f) require us to cease certain activities.

33. We had delayed in filing certain regulatory documents to RBI for our overseas acquisitions

We have acquired Equity shares of GSS America Inc. and Infospectrum Consulting Inc. under the automatic route for Investments abroad in JV / WOS. Under the extant Foreign Investment Regulations, Form ODA is to be submitted to the RBI through the authorised dealer within 30 days of making of the investment but there have been instances of delay in filing the relevant form ODA with the authorised dealer. Consequently, we may be at risk for any penalty that may be imposed by the requisite regulatory agency.

34. There was an error in the Cash flow statement of the restated financials included in the DRHP

There were two errors in the Consolidated Cash Flow Statement (Annexure IV) of the restated financials for the nine months period ending December 31, 2006 which appeared on Page No. 92 of the DRHP filed with SEBI. The same was rectified by the Auditor as under:

- i) The interest paid of Rs. 6.61 Lacs was appearing as inflow instead of outflow under 'Cash from Financing Activities' in the original restated financials, the same has been rectified.
- ii) The purchase of assets as in the cash flow statement was wrongly mentioned as Rs. (152.68) lacs, the same has been rectified as Rs. (139.46) lacs.

Further, this RHP contains financial figures for March 31, 2007 and nine months period ended December 31, 2007. Therefore the figures reported as above will not form part of financial information.

35. As on December 31, 2007 significant portion of the total assets i.e. around 84% and 97% of our subsidiaries namely GSS America Inc. and Infospectrum Consulting Inc. respectively were held as Current Assets.

36. Our Promoters have sold their equity shares after the filing of Draft Red Herring Prospectus with SEBI.

Our Promoters viz. Mr. Ramesh Yerramsetti and Mr. Bhargav Marepally have sold 13,80,000 equity shares to various entities / individuals. For details please refer to the clause no. 26 of notes to capital structure appearing on page 22 of the Red Herring Prospectus.

External Risk Factors

1. An economic downturn may negatively impair our operating results.

Discretionary spending on IT products and services in most parts of the world has significantly decreased due to a challenging global economic environment. This may result in cancelled, reduced or deferred expenditures for IT services. In an economic downturn, our utilisation and billing rates for our software professionals could be adversely affected which may result in lower gross and operating profits.

2. Political instability or changes in the government could delay the liberalisation of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospectus.

The role of the Indian Central and State Governments in the Indian Economy as producers, consumers and regulators is significant. The leadership of India has changed many times since 1996. The current central government, which came to power in May 2004, is headed by the Indian National Congress and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalisation policies that have been pursued by previous governments, the rate of economic liberalisation could change, and specific laws and policies affecting foreign investment and other matters affecting investment in our securities could change as well.

3. Offshore outsourcing has come under increased scrutiny by various state governments in the United States.

Recently, offshore outsourcing has come under increased government scrutiny within the United States and Europe due to its perceived association with loss of jobs in such countries. Some of the U.S. states in the past have enacted legislation restricting government agencies from outsourcing their back office processes to companies outside the United States.

It is also possible that U.S. private sector companies that work with these states may be restricted from outsourcing their work related to government contracts. Any changes to existing laws or the enactment of new legislation restricting offshore outsourcing may adversely impact our ability to do business in the United States and thus adversely affect our revenues and profitability.

4. Reduction or termination of our tax incentives will increase our tax liability and reduce our profitability.

Currently, we benefit from certain tax incentives under Section 10A of the Income Tax Act for the IT services that we provide from specially designated "Software Technology Parks," or STPs. As a result of these incentives, our operations in India have been subject to relatively low tax liabilities. We have incurred minimal income tax in the fiscal 2006 as a result of the tax holiday, compared to the tax expenses we would have incurred if the tax holiday had not been available for that period.

Under current laws, the tax incentives available to these units terminate on the earlier of the ten year anniversary of the commencement of operations of the unit or March 31, 2009. We cannot assure you that the Indian Government will not enact laws in the future that would adversely impact our tax incentives and consequently, our tax liabilities and profits. When our tax incentives expire or terminate, our tax expense will materially increase, reducing our profitability.

5. We are subject to risks arising from exchange rate fluctuations.

The exchange rate between the Rupee and the U.S. Dollar has changed substantially in recent years and may continue to fluctuate substantially in the future. We expect that a majority of our revenues will continue to be generated in U.S. Dollars for the foreseeable future.

As a hedging mechanism from exchange rate fluctuations, Our Company has opened an Exchange Earners Foreign Currency Account denominated in US dollars with AXIS Bank Limited in November 2007. In this account the payments made and received by our company are denominated in USD and they are not converted into Indian Rupees. Our company proposes to use this account for overseas business transactions and hence the exposure to foreign currency risk is reduced.

We cannot assure you that we will be able to effectively mitigate the adverse impact of currency fluctuations on our results of operations.

6. Terrorist attacks and other acts of violence or war involving India, the United States, and other countries could adversely affect the financial markets, result in loss of client confidence, and adversely affect our business, results of operations and financial condition.

Terrorist attacks, such as the ones that occurred in New York and Washington, D.C., on September 11, 2001, New Delhi on December 13, 2001, London July 7, 2005 and other acts of violence or war, including those involving India, the United States or other countries, may adversely affect Indian and worldwide financial markets. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition.

More generally, any of these events could adversely affect client confidence in India as a outsourcing base and increased volatility in the financial markets can have an adverse impact on the economies of India and other countries, including economic recession.

7. Regional conflicts in South Asia could adversely affect the Indian economy, disrupt our operations and cause our business to suffer.

South Asia has, from time to time experienced instances of civil unrest and hostilities amongst neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult. Such political tensions could create a perception that investments in Indian companies involve a higher degree of risk. This, in turn, could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares and on the market for our services.

8. Our revenues and profits are dependent on a number of factors to predict and can vary significantly from quarter to quarter. This could cause our share price to decline.

Our revenues and profitability have fluctuated in recent years and may vary significantly in the future from quarter to quarter. Therefore, we believe that a period-to-period comparison of our results of operations are not necessarily meaningful and should not be relied upon as an indication of our future performance.

It is possible that in the future some of our results of operations may be below the expectations of market analysts and our investors, which could lead to a significant decline of the share price of our Equity Shares.

Factors, which affect the fluctuation of our revenues and profits, include:

- i. Pressures on our clients' IT budgets and the proportion of their IT services requirements that they outsource;
- ii. Our ability to respond to adverse changes in Labour laws particularly in India and the United States;
- iii. Currency exchange rate fluctuations, particularly of the Indian Rupee against the U.S. Dollar;
- iv. The proportion of projects that we perform at our clients' sites to the work we perform at our offshore facilities in India; and
- v. General economic and political conditions.

A significant part of our expenses, particularly those related to personnel and facilities are fixed in advance of any particular quarter. As a result, unanticipated variations in the number and timing of our projects or employee utilisation rates may cause significant variations in our operating results in any particular quarter. There are also a number of factors other than our performance that is not within our control, which could cause fluctuations in our operating results from quarter to quarter. These include:

- i. the duration of tax holidays or exemptions and the availability of other Government of India incentives;
- ii. currency exchange rate fluctuations, particularly when the Rupee appreciates in value against the U.S. Dollar since the majority of our revenues are in U.S. Dollars and a significant part of our costs are in Rupees; and
- iii. other general economic factors.

9. After this Issue, the price of our Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop.

The prices of our Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including:

- i. volatility in the Indian and global securities market;
- ii. our results of operations and performance;
- iii. performance of our competitors, the Indian IT industry and the perception in the market about investments in the IT sector;
- iv. adverse media reports on GSS America or the Indian IT industry;
- v. changes in the estimates of our performance or recommendations by financial analysts;
- vi. significant developments in India's economic liberalisation and deregulation policies;
- vii. significant developments in India's fiscal and environmental regulations.

There has been no public market for our Equity Shares and the prices of our Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the prices at which our Equity Shares are initially traded will correspond to the prices at which our Equity Shares will trade in the market subsequent to this Issue.

10. We operate in a highly competitive environment and this competitive pressure on our business is likely to continue.

The market for IT services is rapidly evolving and highly competitive. We expect that competition will continue to intensify. We face competition from Software Solutions Development companies in India and other American IT solution providers.

Note to Risk Factors

1. Public Issue of 34,97,495 Equity Shares of Rs.10/- each at a price of Rs. [•] for cash aggregating Rs. [•]. Comprising 1,57,495 equity shares of Rs. 10 each reserved for the eligible employees of our company and a net issue to public of 33,40,000 equity shares of Rs. 10 each. The issue would constitute 26.30% of the fully diluted post issue paid-up capital of our company. The net issue to the public would constitute 25.11% of the fully diluted post issue paid-up capital of our company
2. The Net Worth of our Company as of December 31, 2007 and March 31, 2007 was Rs. 12,767.64 Lacs and Rs. 8,565.88 Lacs, respectively based on our restated consolidated financial statements.
3. The net asset value per equity share of Rs. 10 each was Rs. 130.25 and Rs. 87.38 as of December 31, 2007 and March 31, 2007 respectively, based on our restated consolidated financial statements.
4. The average cost of acquisition by the promoters for each share is Negligible.
5. Investors may note that in case of over-subscription in the issue, allotment to Qualified Institutional Buyers, Non Institutional Bidders and Retail Bidders shall be on a proportionate basis. For more information, refer "Basis of Allotment" on page 183 of this RHP.
6. Investors are free to contact the BRLMs for any clarification or information relating to the issue, who will be obliged to provide the same to the investor.
7. Refer to notes to our financial statements relating to related party transactions on page 115 of this Red Herring Prospectus.
8. Investors are advised to refer to the paragraph entitled "Basis for Issue Price" on page 33 of this Red Herring Prospectus.
9. Investors may contact the BRLMs or the Compliance Officer for any complaints pertaining to the issue.
10. For changes in the name of our company please refer to General Information appearing on page 7 of the RHP.

SECTION III INTRODUCTION

You should read the following summary together with the Risk Factors on page vi of this Red Herring Prospectus and the more detailed information about GSS America Infotech Limited and its financial statements included in this Red Herring Prospectus.

SUMMARY OF BUSINESS AND INDUSTRY

INDUSTRY OVERVIEW

For the purpose of industry review we have relied for information on "NASSCOM Strategic Review 2007", Annual Review of the Indian IT-BPO Sectors, NASSCOM report dated February 2007.

Industry Outlook

While the forecast spend in the global IT industry remains moderate, the Indian IT Industry is expected to continue on its growth trajectory. As before, service exports will be the key drivers of this growth – suitably complemented by a booming economy and a growing domestic market.

Global Information Technology - Future of Global Sourcing

Global technology related spending is forecast to exceed USD 2.1 trillion by 2010, growing at a CAGR of more than 7 percent over 2006-2010. Growth in global sourcing is expected to outpace growth in total spend, with up to USD 110-120 billion of the total amount spent on software and services in 2010, likely to be sourced through the global delivery model.

Off shoring opportunities

Globalisation is rapidly becoming an integral part of any major business strategy, and is making global sourcing indispensable. Maturation of offshore delivery will continue to increase the overall market opportunity by allowing existing customers to expand the scope of their contracts and by allowing new customers to utilize services that were previously too expensive.

The ageing demographics in most developed countries will necessitate an increase reliance on globally dispersed talent pool to meet the demand for professionals – contributing to accelerated growth of global sourcing phenomenon.

The Indian IT-BPO sector outlook:

The outlook for Indian IT-BPO remains bright, and the sector is well on track to achieve its aspired target of USD 60 billion in export revenues by FY 2010.

Strong demand outlook, under-penetrated service lines and increasing emphasis on the role of ICT and innovation to be key drivers of growth.

Global Technology related spending in 2006

Worldwide spend on technology products and related services crossed USD 1.5 trillion in 2006, growing at an estimated 7.7 percent over the year. Software and services remain the dominant segments, accounting for more than 70% of the total spending. Growth in spends was balanced across the key segments of hardware, packaged software and IT services, and ranged between 7.6-7.9 percent.

Global IT Services Spending:

IT Services form the largest segment of worldwide spend on technology products and related services. Total spend on IT services was estimated at USD 470 billion in 2006, a growth of 5.9 percent over USD 444 billion in 2005

Within IT services, outsourcing is the largest and fastest growing category. In 2006 the total spend on IT outsourcing was estimated at over USD 170 billion, more than 36 percent of the total, and is estimated to have grown by 7.3 percent. Application management and hosting services are high growth segments within outsourcing, estimated to have grown at double-digit growth rates.

Offshore Spending:

The underlying theme across all these dynamics observed in the outsourcing market is the growing capability and acceptance of the global service delivery model.

Comparing the growth in worldwide spends on key categories of IT services with the growth in offshore spends for the same services, it is observed that growth in offshore spend across categories is at least twice as high as the overall growth in category spends – and up to 9 times faster for emerging segments such as infrastructure management services. However the total offshore spends even on custom application development and maintenance, which has the highest levels of offshore penetration, is still less than 16 percent of the total spend on the segment.

Offshoring – Indian Connection

Even as global delivery assumes a more distributed pattern, India remains the anchor location accounting for approximately 58 percent market share in offshore IT-BPO

Reports indicate that about three-fourths of the Fortune 500 and at least half of the Global 2000 corporations are already sourcing technology related services from India. India's established delivery base, ability to scale-up quickly and proven credentials offer a sustainable, low-risk route to these first-time users of offshore outsourcing.

As a proportion to the national GDP, the Indian technology sector has grown 1.2 percent in FY 1998 to an estimated 5.4 percent in FY 2007. Net value-added by this sector, to the economy, is estimated at 3-3.5 percent for FY2007.

Business Overview

We are a total IT solution provider Company. Our operations can be classified into two areas namely Enterprises Application Integration, (EAI) Infrastructure Management and Managed Services (IM/MS). Our delivery is divided into three divisions. Firstly, strategy team provides a blue print and a road map for EAI. Secondly, implementation team uses the Global Delivery Model on an Onsite Offshore Basis. Finally, IM/MS team manages these projects from offshore.

GSS America Infotech Ltd (GSS) is an Information Technology services provider, specializing in IT Consulting, IT Infrastructure Management Services and Enterprise Application Integration. Our Company is a global provider of IT services that drives better business management and performance. With expertise in IT Consulting, Enterprise Application Integration, and IT Infrastructure Management, GSS America has established itself as an IT services provider that transforms company performance and operational effectiveness.

Our clientele include major Fortune 1000 companies like Ernst & Young, Blue Cross Blue Shield of NC, BMC Software, Thomson, WR Grace & Co, TDS Telecom, Pepsi Co, etc. As a strategy to de-risk, the Company has diversified its portfolio of service offerings by acquiring profit making IT services companies in USA.

Mr. Bhargav Marepally and Mr. Ramesh Yerramsetti, Promoters and Directors of our company have more than thirteen years experience in technology and enterprise IT infrastructures, successfully implementing, managing and consulting on complex IT and business systems for global businesses. The promoters have succeeded in imbibing a unique culture that fosters growth through commitment to technology, quality & employee relationships. They are assisted by a professionally qualified team of people with high level of expertise in the industry.

The knowledge and experience gained by our team drive us to many new and exciting developments. Our blend of academic and technical knowledge allows us to provide range of IT services. Headquartered in Hyderabad, with three offices in North America, GSS America provides professional IT services to global clients. Our solutions together with our expertise, drives our clients to become a value based, performance-focused organizations.

We offer IT solutions in e-business, Enterprise Application Integration, IT Infrastructure Management, Product Development and Data Warehousing. GSS America focuses on customized IT solutions for industries in the areas of financial services, Insurance, Telecom, Manufacturing, Transportation, Healthcare, Legal and Power. GSS America's complete range of IT Services and

solutions addresses the needs of both technology and business requirements to help organizations towards business improvement. We offer services in Application Development, Application Maintenance, Application re-engineering, and Outsourcing/Offshore Development.

We have business transactions with Fortune 1000 companies and have worked with other organizations too. Our commitment to client satisfaction strengthens and extends our relationships.

IT Infrastructure Management Services and Enterprise Application Integration remains the core business activity of our company. Our IT Infrastructure Solution Portfolio helps the customers to assess, build, deploy and optimize IT Infrastructure for mission critical applications. The business also includes system integration, facilities management, software services and outsourcing.

As GSS America matured as an IT services provider, we decided to expand our software services business by focusing on certain niche vertical industries in the domestic and overseas markets. We are Microsoft Gold Certified Partner, BEA Select Partner and TIBCO Alliance Partner. These Partner Programs provide us a platform to keep abreast the latest technology developments that happen in these organisations so that we can continue to provide solutions in the latest software releases. We have software development centres in Hyderabad and Chicago.

We are in a knowledge-driven industry and we believe that our employees are key contributors to our business success. To achieve this, we focus on attracting and retaining the best people possible. We believe that a combination of our working environment and competitive compensation programs, allow us to attract and retain people. All the employees for our operations are directly hired on the rolls of our company. Multi stage induction and skill enhancement training programs are conducted to prepare our employees for the desired performance levels. We have a performance appraisal system, which plays a key role in identifying and encouraging employees with required skill sets and by rewarding exemplary performance. Employees are offered cross-functional responsibilities to enhance the skills and an entrepreneurial culture has ensured that the job content is deeply enriching for our employees.

THE ISSUE

Particulars	No. of Equity Shares
Public Issue of Equity Shares by the Company (A)	34,97,495 Equity Shares of Rs.10/- each for cash at a premium of Rs. [●]
Reserved for Employees on a competitive basis (B)	1,57,495 Equity Shares of Rs. 10 each for cash at a premium of Rs. [●]
Net Issue to Public (A - B)	33,40,000 Equity Shares of Rs.10/- each for cash at a premium of Rs. [●]
Comprising of:	
A) Qualified Institutional Buyers portion	Atleast 16,70,000 Equity Shares of Rs.10/- each for cash at a premium of Rs. [●] <i>(Allocation on a proportionate basis)</i>
Of which:	
Reservation for Mutual Funds	83,500 Equity Shares of Rs. 10 each for cash at a premium of Rs. [●] <i>(Allocation on a proportionate basis)</i>
B) Non-Institutional Portion	Upto 5,01,000 Equity Shares of Rs.10/- each or cash at a premium of Rs. [●] <i>(Allocation on a proportionate basis)</i>
C) Retail portion	Upto 11,69,000 Equity Shares of Rs.10/- each for cash at a premium of Rs. [●] <i>(Allocation on a proportionate basis)</i>
Equity Shares outstanding prior to the Issue	98,02,505 Equity Shares of Rs.10/- each
Equity Shares outstanding after the Issue	1,33,00,000 Equity Shares of Rs.10/- each
Objects of the Issue	<p>The proceeds of the Issue would be used for setting up of a GDC, Part Payment of acquisition price, Setting up Overseas Offices, to meet the working capital requirements of GSS America and to meet the expenses of the issue.</p> <p>For more information, please refer the Section entitled "Objects of the Issue" on page 25 of this Red Herring Prospectus.</p>

SUMMARY OF FINANCIAL DATA

The following tables set forth summary financial information derived from our consolidated restated financial statements as of and for the fiscal years ended March 31, 2004, 2005, 2006, 2007 and nine months period ended December 31, 2007; prepared in accordance with Indian GAAP and SEBI guidelines. The restated financial statements have been restated as described in the Auditors' Report included therewith, in the section titled 'Financial Information' beginning on page 98 of this Red Herring Prospectus.

The Summary financial data presented should be read in conjunction with our financial statements, the notes thereto and the section titled "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 135 of this Red Herring Prospectus.

Statement of Restated Assets and Liabilities (Consolidated for our Company and its subsidiaries)

(Rs. In Lakhs)

Particulars	9 Months ended 31.12.2007	As at March, 31st			
		2007	2006	2005	2004
Fixed Assets (A)					
Gross Block	2615.84	2569.38	140.90	26.17	14.76
Less Depreciation	541.70	152.77	72.00	7.30	2.06
Net Block (A)	2074.13	2416.61	68.90	18.87	12.70
Investments (B)	0.00	0.00	0.00	0.00	0.00
Current assets , Loans and Advances (C)					
Sundry Debtors	8935.18	5270.46	1010.76	74.27	0.00
Cash and Bank Balances	3906.42	3547.82	967.32	256.39	2.11
Loans and Advances	303.27	206.98	27.16	6.32	3.33
Total (C)	13144.87	9025.26	2005.24	336.98	5.44
Liabilities and Provisions (D)					
Minority Interest	0.00	0.00	286.74	0.00	0.00
Unsecured Loans	0.00	0.00	0.00	0.75	10.13
Current Liabilities and Provisions	2451.37	2875.99	531.81	201.48	4.60
Total (D)	2451.37	2875.99	818.55	202.23	14.73
Net Worth (A+B+C-D) = (E)	12767.64	8565.88	1255.59	153.62	3.41
Represented By					
1. Share Capital	980.25	980.25	500.00	1.00	1.00
2. Share Application Money	0.00	0.00	0.00	0.00	0.00
3. Reserves	11787.49	7585.73	755.71	152.76	2.57
Net Worth	12767.74	8565.98	1255.71	153.76	3.57
Less: Miscellaneous Expenses	0.10	0.10	0.12	0.14	0.16
Net Worth	12767.64	8565.88	1255.59	153.62	3.41

Note:

1. The fixed assets have not been revalued during any of the period under reporting.

Statement of Restated Profit and Losses (Consolidated for our Company and its subsidiaries)

(Rs. In Lakhs)

Particulars	9 Months ended 31.12.2007	Period Ended 31 March			
		2007	2006	2005	2004
Income					
Sales :					
Software Services	20382.85	16428.73	6312.77	596.89	33.90
Other income	78.23	35.07	4.08	0.02	0.00
Total	20461.08	16463.80	6316.85	596.91	33.90
Expenditure					
Staff Costs	13856.72	11247.79	4672.70	73.15	17.37
Depreciation	388.93	95.40	22.35	5.24	2.06
Administration Expenses	1231.20	1306.42	509.62	24.93	11.89
Interest	0.00	13.14	0.73	0.00	0.00
Business Development Expenses	30.71	40.47	10.12	1.29	0.00
Miscellaneous Expenditure Written Off	0.00	0.02	0.02	0.02	0.02
Total	15507.56	12703.24	5215.54	104.63	31.34
Net Profit before tax and extraordinary items	4953.52	3760.56	1101.31	492.28	2.56
Taxation	574.41	46.96	7.69	0.01	0.00
Net Profit before deferred tax	4379.11	3713.60	1093.62	492.27	2.56
Add/Less deferred Tax	3.21	3.89	0.00	0.00	0.00
Net Profit after adjusting deferred tax	4375.90	3709.71	1093.62	492.27	2.56
Cash Profit Generated	4764.83	3805.11	1115.99	497.53	4.64

GENERAL INFORMATION

Incorporation

Our Company was incorporated under the Companies Act, 1956 as a private limited company with the name Mayes Technologies Private Limited on October 13, 2003 in Hyderabad, Andhra Pradesh vide Registration No. 41860. The name of our company was changed to “GSS America Infotech Private Limited” on June 15, 2006. Our Company was converted into a public limited company vide a Special Resolution passed on June 21, 2006 and the name was changed to “GSS America Infotech Limited”. The Registrar of Companies, Hyderabad, Andhra Pradesh, subsequently issued a fresh certificate of incorporation dated July 7, 2006.

Registered Office:

GSS America Infotech Limited
Wing – 2, 3rd Floor, Block B,
Cyber Gateway, Hitech City,
Madhapur, Hyderabad – 500 081
Tel: +91 40 40028700 / 1 / 2
Fax: +91 40 40028703
Email: ipo@gssamerica.com
Website: www.gssamerica.com

Company Registration No.: U72200AP2003PLC041860

Address of the Registrar of Companies:

Registrar of Companies, Andhra Pradesh
2nd Floor, Kendriya Sadan
Sultan Bazaar, Hyderabad,
Andhra Pradesh 500 195

Board of Directors:

Name	Particulars
Mr. Bhargav Marepally	Managing Director & CEO
Mr. Ramesh Yerramsetti	Managing Director
Mr. PVRK Prasad	Director (Non Executive and Independent)
Mr K Vasudeva Rao	Director (Non Executive and Independent)
Mr. Keerthy Jaya Tilak	Director (Non Executive and Independent)
Mr. Guhan Subramaniam	Director (Non Executive and Non Independent)

For further details of the Directors, see the section titled “Our Management” beginning on page 78 of this Red Herring Prospectus

Company Secretary & Compliance Officer

Mr. Kamal Kishore Avutapalli

Wing – 2, 3rd Floor, Block B,
Cyber Gateway, Hitech City,
Madhapur, Hyderabad – 500 081
Tel: +91 40 40028700 / 1 / 2
Fax: +91 40 40028703
Email: kishore.avutapalli@gssamerica.com

Investors can contact the Compliance Officer in case of any pre-offer or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders, etc.

Bankers to the Company

ICICI Bank Ltd.

Jubilee Hills Branch
Laxmi Towers, Plot No 1259
Road No 36, Jubilee Hills
Hyderabad - 500 033
Tel: +91-40-2355 0516
Fax: +91-40-2354 2809

Axis Bank Limited

5-3-338/3 LPF House
R.P. Road
Secunderabad 500 003
Tel: +91-40-5533 3185 / 86 / 87
Fax: +91-40-2754 1324

State Bank of India

Film Nagar Branch,
Apollo Hospital Road,
Jubilee Hills,
Secunderabad 500 033
Tel: +91-40 2354 4642
Fax: +91-40 2354 5220

HDFC Bank Ltd.

Jubilee Hills Branch
6-1-85/1&2, 1st Floor
1355 – A, Road No. 1 & 45
Jubilee Hills
Hyderabad 500 033
Tel: +91-40 -23546317
Fax: +91-40- 23546320

ISSUE MANAGEMENT TEAM

Book Running Lead Managers

RELIGARE SECURITIES LIMITED

14, Mittal Chambers
1st floor, Nariman Point
Mumbai - 400 021
Tel: +91-22-4007 4800
Fax: +91-22-4007 4869
Email: gssamerica.ipo@religare.in
Website: <http://www.religare.in>
SEBI Registration No: INM000011062
Contact Person: Mr. Ashwani Tandon / Mr. Prasanna Chandwaskar

EDELWEISS CAPITAL LIMITED

14th floor, Express Towers,
Nariman Point,
Mumbai 400 021
Tel: +91-22-40863535
Fax: +91-22-2288 2119
Email: gssamerica.ipo@edelcap.com
Website: <http://www.edelcap.com>
SEBI Registration No: INM 000010650
Contact Person: Mr. Jibi Jacob

Registrars to the Issue

BIGSHARE SERVICES PRIVATE LIMITED

E/2, Ansa Industrial Estate, Saki Vihar Road
Saki Naka, Andheri (E)
Mumbai – 400 072.
Tel: +91-22-2847 3747
Fax: +91-22-2847 5207
E-mail: ipo.gssamerica@bigshareonline.com
Website: <http://www.bigshareonline.com>
SEBI Registration No. INR000001385
Contact Person: Mr. Ashok Shetty

Bankers to the Issue and Escrow Collection Banks

ICICI BANK LIMITED

Capital Markets Division
30, Mumbai Samachar Marg
Mumbai - 400 001
Tel: +91-22-2262 7600
Fax: +91-22-2261 1138
E-mail: venkataraghavan.t@icicibank.com
Website: <http://www.icicibank.com>
Contact Person: Mr. Venkataraghavan T.A.

HDFC BANK LIMITED

26A Narayanan Properties
Chandivali Farm Road
Saki Naka, Andheri East
Mumbai – 400 072
Tel: +91-22-2856 9228
Fax: +91-22-2856 9256
E-mail: deepak.rane@hdfcbank.com
Website: <http://www.hdfcbank.com>
Contact Person: Mr. Deepak Rane

AXIS BANK LIMITED

LPF House, 5-3-338/3, R.P. Road
Secunderabad – 500 003
Tel: +91-40-6633 3186
Fax: +91-40-2754 1324
E-mail: k.srinivas@axisbank.com
Website: <http://www.axisbank.com>
Contact Person: Mr. K. Srinivas

BNP PARIBAS

1, Forbes, 6th Floor
Dr. V.B. Gandhi Marg
Mumbai – 400 023
Tel: +91-22-6618 2650
Fax: +91-22-6633 7521
E-mail: amar.kampani@asia.bnpparibas.com
Website: <http://www.bnpparibas.co.in>
Contact Person: Mr. Amar Kampani

DEUTSCHE BANK AG

Kodak House, 222, Dr. D.N. Road,
Fort, Mumbai – 400 001
Tel: +91-22-6658 4045
Fax: +91-22-6658 4374
E-mail: anand.mathews@db.com
Website: <http://www.db.com>
Contact Person: Mr. Shyamal Malhotra / Mr. Anand Mathews

Syndicate Members

EDELWEISS SECURITIES LIMITED

14th floor, Express Towers
Nariman Point
Mumbai - 400 021
Tel: +91-22-2286 4400
Fax: +91-22-4097 9292
Email: gssamerica.ipo@edelcap.com
Website: <http://www.edelcap.com>
Contact Person: Ms. Pinki Dodhia

Legal Advisors to the Issue

Dua Associates

Advocates
6-3-1109/1, Navbharat Chambers
Raj Bhavan Road
Hyderabad - 500 082
Tel: +91-40-6646 1112
Fax: +91-40-6646 1115
Email: shailen@duaassociates.com
Contact Person: Mr. Shailendra Komatreddy

Statutory Auditors to the Company

M/s. BVR & Associates

Chartered Accountants
104, 1-9-1088/68/71
Yashasree Apartments
Adikmet Road, Vidya Nagar
Hyderabad - 500 044
Tel: +91 40-2760 5506
Fax: +91 40-2766 3172
Email: bvrama2004@rediffmail.com
Contact Person: Mr. B.V. Rama Rao

INTERSE ALLOCATION OF THE RESPONSIBILITIES

The following table sets forth the distribution of responsibility and coordination for various activities by the BRLMs:

No	Activities	Responsibility	Coordinator
1.	Capital structuring with the relative components and formalities such as type of instruments, etc.	Religare	Religare
2.	Due diligence of the company's operations / management / business plans/legal etc. Drafting & Design of Issue Document including memorandum containing salient features of the Prospectus. The designated Lead Manager shall ensure compliance with stipulated requirements and completion of prescribed formalities with Stock Exchange, Registrar of Companies and SEBI	Religare	Religare
3	Drafting and approval of all statutory advertisement	Religare/Edelweiss	Religare
4.	Drafting and approval of all publicity material other than statutory advertisement (mentioned in (2) above) including corporate advertisement, brochure, corporate film, etc	Religare/Edelweiss	Religare
5.	Appointment of Intermediaries viz. Registrar, Advertising agency, Printers and Bankers to the Issue	Religare/Edelweiss	Religare
6.	Institutional marketing of the Issue, which will cover, inter alia, <ul style="list-style-type: none"> Finalizing the list and division of investors for one to one meetings; and Finalizing road show schedule and investor meeting schedules. 	Religare/Edelweiss	Edelweiss
7.	Non-Institutional and Retail Marketing of the Issue, which will cover, inter alia, <ul style="list-style-type: none"> Preparing Roadshow presentation Finalizing media and PR strategy; Finalizing centers for holding conferences for brokers, etc. 	Religare/Edelweiss	Religare

No	Activities	Responsibility	Coordinator
	<ul style="list-style-type: none"> Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material; and Finalizing collection centers. 		
8.	Managing the Book, coordination with the Stock Exchanges	Religare/Edelweiss	Religare
9.	Pricing and allocation to QIB Bidders	Religare/Edelweiss	Edelweiss
10.	Post bidding activities including management of Escrow Accounts, co-ordination with Registrar and Banks, Refund to Bidders, etc.	Religare	Religare
11.	The post Issue activities of the Issue will involve essential follow up steps, which must include finalisation of basis of allotment, weeding out of multiple applications, listing of instruments and dispatch of certificates and refunds, with the various agencies connected with the work such as Registrar to the Issue, Bankers to the Issue and the bank handling refund business. Lead Manager shall be responsible for ensuring that these agencies fulfil their functions and enable him to discharge this responsibility through suitable agreements with the issuer company.	Religare	Religare

Credit Rating

As the present Issue is of Equity Shares, credit rating is not required.

Trustees

As the present Issue is of Equity Shares, appointment of Trustees is not required.

IPO Grading

Our Company has not opted for the grading of this issue from any credit rating Agency.

Monitoring Agency

The appointment of monitoring agency is not required in accordance with Clause 8.17 of SEBI (DIP) Guidelines, 2000 to monitor the utilization of the issue proceeds.

Appraising Agency

No Appraising Agency has been appointed.

Book Building Process

Book building process, with reference to the Issue, refers to the collection of Bids from investors, which is based on the Price Band, with the Issue Price being finalized after the Bid/ Issue Closing Date.

The principal parties involved in the Book Building Process are:

- 1) The Company
- 2) Book Running Lead Managers (BRLMs)
- 3) Syndicate Members, who are the intermediaries registered with SEBI or registered as brokers with BSE / NSE and eligible to act as underwriters. Syndicate Members are appointed by the BRLMs.
- 4) The Registrar to the Issue, and
- 5) The Escrow Collection Banks.

SEBI, through its guidelines, has permitted an Issue of securities to the public through the 100% Book Building Process, wherein Not Less than 50% of the Issue shall be allocated on proportionate

basis to QIBs (including 5 % of the Qualified Institutional Buyers portion specifically reserved for Mutual Funds). Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. We will comply with these guidelines for this Issue. In this regard, we have appointed the BRLMs to manage the Issue and to procure subscriptions to the Issue.

The process of book building, under SEBI Guidelines, is relatively new and the investors are advised to make their own judgment about investment through this process prior to making a Bid in the Issue.

Pursuant to recent amendments to SEBI Guidelines, QIBs are not allowed to withdraw their Bid after the Bid/ Issue Closing Date. QIBs are required to pay 10% margin money upon submission of Bid. See page 155 for the section titled "Terms of the Issue" in this Red Herring Prospectus.

Illustration of Book Building and Price Discovery Process *(Investors should note that this illustration is solely for the purpose of easy understanding and is not specific to the Issue)*

Bidders can bid at any price within the price band. For instance, assuming a price band of Rs.20 to Rs.24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the web site of BSE (www.bseindia.com) and NSE (www.nseindia.com) during the bidding period. The illustrative book as shown below shows the demand for the shares of the Company at various prices and is collated from bids from various investors.

Number of equity shares Bid for	Bid Price(Rs.)	Cumulative Equity Shares bid for	Subscription
500	24	500	16.67%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.67%
2500	20	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is the price at which the book cuts off i.e., Rs. 22 in the above example. The issuer, in consultation with the BRLMs will finalise the issue price at or below such cut off price i.e. at or below Rs.22/-. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in respective category.

Steps to be taken by the Bidders for bidding:

1. Check eligibility for making a Bid (refer to the section "Issue Procedure – Who can Bid" on page 163 of this Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure that the Bid-cum-Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form.
4. Irrespective of the size of the bid, ensure that you have mentioned your PAN number in the Bid cum Application Form (see section titled "Issue Procedure – Permanent Account Number on page 180 of this Red Herring Prospectus)

Underwriting Agreement

After the determination of the Issue Price and prior to filing the Prospectus with the RoC, the issuer company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. In terms of Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations.

The Underwriters have indicated their intention to underwrite the following numbers of Equity Shares

[This portion has been intentionally left blank, and will be filled in before filing of the prospectus with the ROC]

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. Lacs)
RELIGARE SECURITIES LIMITED 14, Mittal Chambers 1 st floor, Nariman Point Mumbai - 400 021	☐	☐
EDELWEISS SECURITIES LIMITED 14th floor, Express Towers Nariman Point Mumbai - 400 021	☐	☐

The above chart is indicative of the underwriting arrangement and this would be finalized after the pricing and actual allocation.

The above Underwriting Agreement is dated ☐

In the opinion of our Board of Directors (based on a certificate given to it by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The above Underwriting Agreement has been accepted by the Board of Director and our Company has issued letters of acceptance to the Underwriters.

Allocation amongst the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure or subscribe to the extent of the defaulted amount.

CAPITAL STRUCTURE

Our Share Capital as on the date of this Red Herring Prospectus with SEBI is set forth below:

(Rs. in Lacs)

Particulars	Nominal Value	Aggregate Value at Issue Price
A. Authorised Capital		
1,50,00,000 Equity Shares of Rs. 10/- each	1,500.00	1,500.00
B. Issued, Subscribed and Paid Up Capital prior to the Issue:		
98,02,505 Equity Shares of Rs. 10/- each fully paid up	980.25	•
C. Present Issue through this Red Herring Prospectus		
34,97,495 Equity Shares of Rs. 10 each	349.75	•
Of which		
1,57,495 Equity Shares of Rs 10/- each Reserved to Employees	1.57	•
33,40,000 Equity Shares of Rs 10/- each available for allocation to the public as the Net Issue	334.00	•
D. Issued, Subscribed and Paid – up Capital after the Issue		
1,33,00,000 Equity Shares of Rs. 10/- each fully paid up	1,330.00	•
E. Share Premium Account		
Before the Issue		3,380.49
After the Issue	•	•

Notes to Capital Structure:

1. Share Capital History of Company

The Authorised Share Capital of the Company has been increased as per the details given below:

Sr. No.	Date	Increased From (Rs.)	Increased to (Rs.)	Remarks
1.	October 13, 2003	--	1,00,000	On Incorporation, the Authorised Share Capital was Rs. 1 Lacs divided into 1,00,000 Equity shares
2.	December 28, 2005	--	--	Consolidation of Authorised, Issue and Paid up capital comprising of 1,00,000 Equity Shares of Re. 1 each to 10,000 Equity Shares of Rs. 10 each
3	December 28, 2005	1,00,000	8,00,00,000	Increased from Rs. 1 Lac divided into 10,000 Equity Shares of Rs. 10 each to Rs. 800 Lacs divided into 80,00,000 Equity Shares of Rs. 10 each
4.	July 21, 2006	8,00,00,000	15,00,00,000	Increased from Rs. 800 Lacs divided into 80,00,000 Equity shares of Rs. 10 each to Rs. 1500 Lacs divided into 1,50,00,000 Equity Shares of Rs. 10 each

The current authorised capital is sufficient to meet the requirements of the Fresh Issue.

Capital Build up: The existing equity share capital of Company has been subscribed and allotted as under: -

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Nature of Allotment	No. of Equity Shares (Cumulative)	Cumulative Paid up Share Capital (Rs.)	Cumulative Share Premium (Rs.)
October 13, 2003	1,00,000	1	1	Cash	Subscription on signing of MoA	100,000	1,00,000	-
December 28, 2005	10,000	10	10	Consolidation of Shares	Consolidation of 10 shares of Rs.1 each into 1 share of Rs.10 Each	10,000	1,00,000	-
January 31, 2006	49,90,000	10	Nil	Other than Cash	Bonus in the ratio of 499: 1	50,00,000	5,00,00,000	-
July 22, 2006	20,00,000	10	Nil	Other than Cash	Bonus in the ratio of 4:10	70,00,000	7,00,00,000	-
December 15, 2006	10,00,000	10	Nil	Other than Cash	Bonus in the ratio of 1:7 Bonus	80,00,000	8,00,00,000	-
February 7, 2007	12,52,505	10	239.5	Cash	Preferential Allotment to IL&FS trust Company Limited A/C– IL&FS Private Equity Trust – Tara India Fund – III (A Venture Capital Fund registered with SEBI)	92,52,505	9,25,25,050	28,74,49,898
February 12, 2007	3,50,000	10	10	Cash	GSS America ESOP Trust Shares allotted to the joint holding of the trustees: 1. Bhargav Marepally; 2. K. Vasudeva Rao; 3. Keerthy Jaya Tilak	96,02,505	9,60,25,050	-
February 12, 2007	1,00,000	10	263	Cash	Mangala Shrimal/ Prashant Shrimal	97,02,505	9,70,25,050	31,27,49,898

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Nature of Allotment	No. of Equity Shares (Cumulative)	Cumulative Paid up Share Capital (Rs.)	Cumulative Share Premium (Rs.)
February 12, 2007	1,00,000	10	263	Cash	Prashant Shrimal/ Gulab Shrimal	98,02,505	9,80,25,050	33,80,49,898

2. Shareholding Pattern of Promoter's of our company before and expected after the Issue is given below:

Name of the Promoter	No. of Shares	Nominal Value (Rs.)	% of Shareholding of Pre-Issue Capital	% of Shareholding of Post-Issue Capital
Mr. Bhargav Marepally	30,89,200	10	31.51	23.22
Mr. Ramesh Yerramsetti	30,89,200	10	31.51	23.22
Total	61,78,400	10	63.02	46.44

3. Promoters Contribution and Lock-in period:

Particulars: Promoters Contribution and Lock in period:								
Sr. No.	Name of the Promoter	Date of Allotment	Consideration	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	% of Post-Issue paid up capital	Lock-in-period (Years)
1	Mr. Bhargav Marepally	July 22, 2006	Bonus	8,57,600	85,76,000	Nil	6.45	3
		December 15, 2006	Bonus	4,72,400	47,24,000	Nil	3.55	3
Total (A)				13,30,000	1,33,00,000	Nil	10.00	
2	Mr. Ramesh Yerramsetti	July 22, 2006	Bonus	8,57,600	85,76,000	Nil	6.45	3
		December 15, 2006	Bonus	4,72,400	47,24,000	Nil	3.55	3
Total (B)				13,30,000	1,33,00,000	Nil	10.00	
Total Shares to be Locked in (A +B)				26.60,000	266,00,000	Nil	20.00	

- Other than the above equity shares which are locked in for three years from the date of allotment in this Issue, 35,18,400 Equity Shares held by the promoters shall be locked-in for a period of one year from the date of allotment of the public issue.
- Other than the shares which are locked-in as Promoters' Contribution for three year from the date of allotment of the public issue, the entire pre-Issue share capital of GSS America shall be locked in for a period of one year from the date of allotment of the public issue..
- The Promoters Mr. Bhargav Marepally and Mr. Ramesh Yerramsetti have given their consent for lock – in of their shareholding as specified above, vide their letter dated March 12, 2007. Shares issued last shall be locked-in first. The entire pre-issue capital, other than that locked-in as minimum promoters' contribution shall be locked in for a period of one year from the date of allotment.
- In terms of Clause 4.15 of the SEBI Guidelines, the locked-in Equity Shares held by the Promoters can be pledged only to banks or financial institutions as collateral security for any loans granted by such banks or financial institutions, provided that the pledge of shares is one of the terms for of sanction of loan.
- In terms of Clause 4.16.1(a) of the SEBI guidelines, Equity Shares held by the person other than the promoters, prior to the Issue, which are locked-in as per clause 4.14 of these Guidelines, may be transferred to any other person holding shares which are locked-in as per clause 4.14 of these Guidelines subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

- Further, in terms of Clause 4.16.1(b) of the SEBI guidelines, the Equity Shares held by the Promoters, which are in lock in, may be transferred to and among the Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.
- In terms of Clause 4.6 of the SEBI (DIP) Guidelines, Equity Shares offered for lock-in and held by Promoters have been acquired by way of bonus shares are not ineligible for promoter's contribution as the same are acquired out of free reserves and are not a result of any revaluation or without the accrual of cash reserves or against shares which are otherwise ineligible for computation of Promoters' Contribution.

4. Shareholding Pattern:

Category Code	Category of Shareholder	Number of Share holders	Pre-Issue Shareholding		Post Issue Shareholding	
			Total Numbers of shares	%	Total Number of Shares	%
(A)	Shareholding of Promoter and Promoter Group					
1	Indian					
(a)	Individual /HUF	8	64,68,000	65.98	64,68,000	48.63
(b)	Central Government / State Government	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-
(d)	Financial Institutions / Bank	-	-	-	-	-
(e)	Any Other	-	-	-	-	-
	Sub-Total(A)(1)	8	64,68,000	65.98	64,68,000	48.63
2	Foreign					
(a)	Individual /HUF	-	-	-	-	-
(b)	Central Government / State Government	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-
(d)	Financial Institutions / Bank	-	-	-	-	-
(e)	Any Other	-	-	-	-	-
	Sub-Total(A)(2)	-	0	-	0	-
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) +(A)(2)	8	64,68,000	65.98	64,68,000	48.63
(B)	Public Shareholding	-	-	-	-	-
1	Institutions					
(a)	Mutual Funds	-	-	-	[•]	[•]
(b)	Financial Institutions / Banks	-	-	-	[•]	[•]
(c)	Central Govt / State / Govt.	-	-	-	[•]	[•]
(d)	Venture Capital Funds	1	12,52,505	12.78	[•]	[•]

(e)	Insurance Companies	-		-	[•]	[•]
(f)	Foreign Institutional Investors	1	2,25,000	2.30	[•]	[•]
(g)	Foreign Venture Capital Investors	-		-	[•]	[•]
(h)	Any Other (GSS America ESOP Trust)	1	3,50,000	3.57	[•]	[•]
	Sub-total (B)(1)	3	18,27,505	18.64	[•]	[•]
2	Non- Institutions				[•]	[•]
(a)	Body Corporate	1	5,000	0.05	[•]	[•]
(b)	Individuals	20	5,02,000	5.12	[•]	[•]
(c)	Foreign Body Corporates	1	10,00,000		[•]	[•]
	Sub-total (B)(2)	22	15,07,000	15.37	[•]	[•]
	Total Public Shareholding	25	33,34,505	34.02	[•]	[•]
	Total (A)+(B)	33	98,02,505	100.00	1,33,00,000	100.00

5. Capital Built up of Promoters is given below

Sr. No.	Name of Promoter	Date of allotment / transfer	Consideration	No of Shares	Face Value (Rs.)	Issue / Transfer Price	Lock in Period (in Year)	% of Post Issue Capital
1.	Mr. Bhargav Marepally	October 13, 2003	Cash (Subscriber to Memorandum)	40,000	1/-	1/-	1	0.03
		October 13, 2003	Cash (Transfer)	10,000	1/-	1/-	1	Negligible
		October 13, 2003	Cash (Transfer)	(10)	1/-	1/-	--	Negligible
		December 28, 2005	Consolidation	4,999	10/-	--	1	0.03
		January 1, 2006	Cash (Transfer)	(275)	10/-	10-	--	Negligible
		January 30, 2006	Bonus	23,57,276	10/-	--	1	17.72
		July 22, 2006	Bonus	87,200	10/-	--	1	0.66
		July 22, 2006	Bonus	8,57,600	10/-	--	3	6.45
		December 15, 2006	Bonus	4,72,400	10/-	--	3	3.55
		--	Cash (Transfer)	6,90,000	10/-	400/-	1	5.18
		Total		30,89,200	10/-			23.22
2.	Mr. Ramesh Yerramsetti	October 13, 2003	Cash (Subscriber to Memorandum)	60,000	1/-	1/-	1	0.04
		October 13, 2003	Cash (Transfer)	(10,000)	1/-	1/-	--	(0.01)
		October 13, 2003	Cash (Transfer)	(10)	1/-	1/-	--	Negligible
		December 28, 2005	Consolidation	4,999	10/-	--	1	0.03
		January 1, 2006	Cash (Transfer)	(275)	10/-	10-	--	Negligible

	January 30, 2006	Bonus	23,57,276	10/-	--	1	17.72
	July 22, 2006	Bonus	87,200	10/-	--	1	0.66
	July 22, 2006	Bonus	8,57,600	10/-	--	3	6.45
	December 15, 2006	Bonus	4,72,400	10/-	--	3	3.55
	--	Cash (Transfer)	6,90,000	10/-	400/-	1	5.18
	Total		30,89,200	10/-			23.22

6. Capital Built up of Promoter Group is given below

Sr. No.	Name of Person	Date of allotment / transfer	Consideration	No of Shares	Face Value (Rs.)	Issue / Transfer Price	Lock in Period	% of Post Issue Capital
1.	Ms. N. Madhavi Latha	October 14, 2003	Cash (Transfer)	10	1/-	1/-	1	Negligible
		December 28, 2005	Consolidation	1	10/-	--	1	Negligible
		January 2, 2006	Cash (Transfer)	180	10/-	10/-	1	Negligible
		January 30, 2006	Bonus	90,319	10/-	--	1	0.68
		June 7, 2006	Cash (Transfer)	(300)	10/-	--	--	Negligible
		July 22, 2006	Bonus	36,080	10/-	--	1	0.27
		December 15, 2006	Bonus	18,040	10/-	--	1	0.13
		Total		1,44,320	10/-			1.08
.2	Ms. G. Vijaya Kumari	October 14, 2003	Cash (Transfer)	10	1/-	1/-	1	Negligible
		December 28, 2005	Consolidation	1	10/-	--	1	Negligible
		January 2, 2006	Cash (Transfer)	180	10/-	10/-	1	Negligible
		January 30, 2006	Bonus	90,319	10/-	--	1	0.68
		June 7, 2006	Cash (Transfer)	(300)	10/-	--	--	Negligible
		July 22, 2006	Bonus	36,080	10/-	--	1	0.27
		December 15, 2006	Bonus	18,040	10/-	--	1	0.13
		Total		1,44,320	10/-			1.08
3	Ms. Nandita Marepally	June 7, 2006	Cash (Transfer)	150	10/-	10/-	1	Negligible
		July 22, 2006	Bonus	60	10/-	10/-	1	Negligible
		December 15, 2006	Bonus	30	10/-	10/-	1	Negligible
		Total		240	10/-			Negligible
4	Ms. Vidyavati Marepally	June 7, 2006	Cash (Transfer)	150	10/-	10/-	1	Negligible
		July 22, 2006	Bonus	60	10/-	10/-	1	Negligible

		December 15, 2006	Bonus	30	10/-	10/-	1	Negligible
		Total		240	10/-			Negligible
5	Ms. Usha Yerramsetti	June 7, 2006	Cash (Transfer)	150	10/-	10/-	1	Negligible
		July 22, 2006	Bonus	60	10/-	10/-	1	Negligible
		December 15, 2006	Bonus	30	10/-	10/-	1	Negligible
		Total		240	10/-			Negligible
6	Ms. Jhansi Laxmi Yerramsetti	June 7, 2006	Cash (Transfer)	150	10/-	10/-	1	Negligible
		July 22, 2006	Bonus	60	10/-	10/-	1	Negligible
		December 15, 2006	Bonus	30	10/-	10/-	1	Negligible
		Total		240	10/-			Negligible

7. The Promoters' contribution has been brought to the extent of not less than the specified minimum lot and from persons as defined as promoters under the SEBI (DIP) Guidelines and from friends and business associates with minimum holding of Rs. 25,000/- from individual and Rs 1,00,000/- from corporate.
8. The Promoters, Directors and Lead Merchant Banker of the Issue have not entered into any buy-back and "stand by" and similar arrangement for the securities being issued through this Offer Document.
9. An over subscription to the extent of 10% of the Issue size can be retained for the purpose of rounding off to the nearer multiple of minimum lot while finalizing the allotment.
10. The Equity Shares offered through the Issue will be made fully paid up or forfeited within 12 months from the date of allotment in this Issue.
11. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.
12. An investor cannot make a Bid for more than the number of Equity Shares offered under the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
13. In this Issue, in case of over-subscription in all categories, mandatory 50% of the Net Issue to the Public shall be allocated on a proportionate basis to Qualified Institutional Buyers. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. At the sole discretion of the Company and the BRLMs under subscription, if any, other than in QIB category would be allowed to be met with spill over from any other category. In case the allotment to QIBs works out to less than 50% of the Net Issue to the Public, the entire bid amount/ subscription money shall be refunded.
14. Presently, our company does not intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue whether by way of split or consolidation of the denomination of the Shares or by way of a further issue of capital (including issue of securities convertible into or exchangeable, directly or indirectly for Shares) whether preferential or otherwise, if our company enters into any joint venture, merger or acquisition, it may consider raising additional capital to fund such activity or use Shares as currency for acquisition or participation in such joint ventures or issue shares on such merger, if any.
15. Our company has not raised any bridge loans against the proceeds of the Issue.

16. Our Company has not issued Equity Shares for consideration other than cash except to the extent of Bonus Shares issued to the existing shareholders by capitalization of free reserves mentioned in the Capital Structure on page 14 of the Red Herring Prospectus.
17. There will be only one denomination of the Equity Shares of the Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
18. As on date our company has a total of 33 Equity Share holders.
19. Inter-se transfers between the promoters named as such would be permitted, provided that the requirement of the lock-in period guidelines continue to apply, to the extent initially prescribed.
20. The Promoter may pledge their equity shares only with banks or financial institutions as collateral security for loans granted by such financial institutions or banks, provided the pledge of shares is one of the terms of sanction of loan and further that the loans have been granted for funding one or more of the objects of the issue.
21. We have not revalued our assets since inception.
22. Only Eligible Employees would be eligible to apply in the Issue under the Employees Reservation Portion on competitive basis. Eligible Employees can also make Bids in the Net Public Offer and such Bids shall not be treated as multiple Bids.
23. The unsubscribed portion, if any, out of the 1,57,495 Equity Shares reserved for allotment to Eligible Employees may be added to the Net Offer to the Public under any of the categories.
24. Details of the capitalization of the reserves by GSS America in the past

Date of Allotment of Bonus Shares	Date of Approval to the Bonus Issue	Ratio of Bonus Issue	Number of Equity Shares of Rs.10/- each issued as Bonus	Amount of Reserves Capitalised
January 31, 2006	January 30, 2006	499:1	49,90,000	4,99,00,000
July 22, 2006	July 21, 2006	4:10	20,00,000	2,00,00,000
December 15, 2006	December 11, 2006	1:7	10,00,000	1,00,00,000
Total				7,99,00,000

25. Top Ten Shareholders

- (a) Particulars of top ten shareholders as on the date of filing of the Red Herring Prospectus with RoC)

Sr. No.	Name of the Shareholder	No. of Shares	% of holding
1.	Bhargav Marepally	30,89,200	31.51
2.	Ramesh Yerramsetti	30,89,200	31.51
3.	IL&FS trust Company Limited A/c – IL&FS Private Equity Trust – Tara India Fund – III (A Venture Capital Fund registered with SEBI)	12,52,505	12.77
4.	Kubera Cross – Border Fund (Mauritius) Limited	10,00,000	10.20
5.	GSS America ESOP Trust - allotted to the joint holding of the trustees: Bhargav Marepally; K. Vasudeva Rao; Keerthy Jaya Tilak	3,50,000	3.57
6.	Minivet Limited	2,25,000	2.29
7.	K Vasudeva Rao	1,52,000	1.55
8.	N Madhavi Latha	1,44,320	1.47
9.	G Vijaya Kumari	1,44,320	1.47
10.	Mangala Shrimal / Prashant Shrimal	1,00,000	1.02

- (b) Particulars of top ten shareholders as on 10 days prior to the date of filing of this Red Herring Prospectus with RoC

Sr. No.	Name of the Shareholder	No. of Shares	% of holding
1.	Bhargav Marepally	37,79,200	38.55
2.	Ramesh Yerramsetti	37,79,200	38.55
3.	IL&FS trust Company Limited A/c – IL&FS Private Equity Trust – Tara India Fund – III(A Venture Capital Fund registered with SEBI)	12,52,505	12.77
4.	GSS America ESOP Trust - allotted to the joint holding of the trustees: Bhargav Marepally; K. Vasudeva Rao; Keerthy Jaya Tilak	3,50,000	3.57
5.	K Vasudeva Rao	1,52,000	1.55
6.	N Madhavi Latha	1,44,320	1.47
7.	G Vijaya Kumari	1,44,320	1.47
8.	Mangala Shrimal / Prashant Shrimal	1,00,000	1.02
9.	Prashant Shrimal / Gulab Shrimal	1,00,000	1.02
10.	Vidyavati Marepally	240	0.002

(c) Particulars of top ten shareholders as on two years prior to the date of filing of the Red Herring Prospectus with RoC)

Sr. No.	Name of the Shareholder	No. of Shares	% of holding
1.	Bhargav Marepally	4,724	47.24
2.	Ramesh Yerramsetti	4,724	47.24
3.	K. Vasudeva Rao	190	1.9
4.	Madhavi Latha N.	181	1.81
5.	Vijaya Kumari G.	181	1.81
	Total	10,000	100.00

26. Details of sale/purchase/financing of shares by Promoters.

Except as under, the Promoter / Promoter's group/directors have not purchased and/or sold/financed any shares of GSS America Infotech Ltd. during the preceding 6 months from the date of filing of the RHP with RoC. The shares were transferred to Minivet Ltd. on January 17, 2008 and all other transfers took place on January 16, 2008.

Sr. No	Transferor	Transferee	No. of Shares	Consideration (Rs. per share)
I	Mr. Ramesh Yeramsetti	Kubera Cross-Border Fund (Mauritius) Limited	5,00,000	400
		Minivet Limited	1,12,500	400
		Vijay Parikh	10,000	400
		V Raman Kumar	6,250	400
		Vinaya & Lata Mehrotra	3,750	400
		Jhawar Commodities Pvt. Ltd.	2,500	400
		Jaydev Mody	12,500	400
		Ami & Amit Desai	1,250	400
		Harsh & Archana Mariwala	8,750	400
		Krishan Chand	2,500	400
		Veena Talwar	5,000	400
		Shahzaad Dalal & Nafisa Dalal	10,000	400
		Hemalata Iyer	5,000	400
		Aruna Rahul Shah	2,000	400
		Sunil Diwakar	2,000	400
		Anagha Manoj Borkar & Manoj Yeshwant Borkar (Joint name)	2,000	400
		Krishna Kumar	2,000	400

		Sanjay Mitra	1,850	400
		L. Mohan Roy	150	400
		TOTAL (A)	6,90,000	
II	Mr. Bhargav Marepally	Kubera Cross-Border Fund (Mauritius) Limited	5,00,000	400
		Minivet Limited	1,12,500	400
		Vijay Parikh	10,000	400
		V Raman Kumar	6,250	400
		Vinaya & Lata Mehrotra	3,750	400
		Jhawar Commodities Pvt. Ltd.	2,500	400
		Jaydev Mody	12,500	400
		Ami & Amit Desai	1,250	400
		Harsh & Archana Mariwala	8,750	400
		Krishan Chand	2,500	400
		Veena Talwar	5,000	400
		Archana Hingorani	10,000	400
		Hemalata Iyer	5,000	400
		Aruna Rahul Shah	2,000	400
		Sunil Diwakar	2,000	400
		Anagha Manoj Borkar & Manoj Yeshwant Borkar	2,000	400
		Krishna Kumar	2,000	400
		Sanjay Mitra	1,850	400
		L. Mohan Roy	150	400
		TOTAL (B)	6,90,000	
		TOTAL (A+B)	13,80,000	

The above shares which are transferred by promoters to various persons are not subject to three year lock-in. However, these shares will be locked in for one year along with the entire pre-issue share capital of the Company.

27. The promoter's contribution does not constitute any shares, which have been issued to the promoters during the preceding one year, at a price lower than the price at which equity is being offered to public.
28. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or public issue or in any other manner during the period commencing from submission of the DRHP with SEBI until the equity shares offered hereby have been listed.
29. As on date of filing this RHP, there are no Partly Paid-up Shares.
30. The securities which are subject to lock in shall carry the inscription "non transferable" and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to BSE and NSE, where the shares are to be listed, before the listing of the securities.
31. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our promoters to the persons who receive allotments, if any, in this Issue.
32. The Equity shares are not pledged with any financial institution / banks.

33. Details of ESOP

Our Company has constituted an ESOP Trust known as GSS America ESOP Trust (“ESOP Trust”). This trust was constituted on November 20, 2006 to be the custodian of Employee Stock Options to be allotted to the permanent employees of our Company as well as the permanent employees of our Subsidiary Companies.

Trustees of the ESOP Trust

1. Mr. Bhargav Marepally S/o Mr Raghunadha Rao Marepally aged about 36 years residing at Plot No.204, Prashasan Nagar, Jubilee Hills, Hyderabad – 500033
2. Mr. K. Vasudeva Rao S/o Mr. K. Lakshminarayana aged about 43 years residing at 301, Prithvi mansions, Badamigalli, Domalaguda, Hyderabad 500 029
3. Mr. Keerthy Jaya Tilak S/o Mr. Late K.B. Kuppuswamy aged about 61 years residing at 16, Meghana Paradise, Ishaq Colony, Secunderabad- 500015

The salient features and objects of the trust deed are as follows:

1. The purpose of the Trust is acquiring and holding shares, warrants or other securities of the Company for the purpose of implementing the Company's ESOP Scheme(s).
2. On February 12, 2007 Company had allotted 3,50,000 Equity Share at a price of Rs. 10 (at par) to the trust. The Trustees shall hold the shares for the benefit of all beneficiaries (“beneficiaries” shall mean a person including an employee admitted for the benefits of ESOP Scheme).

OBJECTS OF THE ISSUE

The objects of the Issue are:

1. To raise resources for
 - A. Setting up of state of the art Global Delivery Centre at Hyderabad with 1000 seater capacity. This would involve construction of a building, doing its interiors, along with purchase of computers and other equipments.
 - B. Setting up overseas offices
 - C. Meeting working capital requirement
 - D. Acquisitions
2. To get our company's shares listed on NSE and BSE and to meet expenses of the issue

The main objects and objects incidental or ancillary to the main objects set out in our Memorandum enable us to undertake our existing activities and the activities for which funds are being raised by us through the present Issue.

Requirement of Funds

The proceeds of the Issue are to be utilised for the following activities

			(Rs. in lacs)
	Particulars		Amount
A	SETTING UP OF GLOBAL DELIVERY CENTRE		
	- Land & Building	4800.00	
	- Interiors	686.00	
	- Equipments and Networking	273.29	
	- Computers	851.10	6610.39
B	Setting up of overseas offices		980.58
C	Working Capital		2500.00
D	Acquisitions		[•]
E	Issue Expenses		[•]
	Total		[•]

Means of Finance

The net proceeds of the Issue after deducting issue management and underwriting fees, selling commission and all other Issue related expenses, is estimated at Rs. [•] Lacs. The Issue amount will be determined based on the Issue Price discovered through the book building process

		(Rs. in lacs)
Particulars		Amount
Public Issue Proceeds		[•]
Internal Accruals		[•]
Total		[•]

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The fund requirement below is based on our current business plan. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and consequently our fund requirement and consequent utilisation of proceeds from the present Issue may also change. In case of any variations in the actual utilisation of funds earmarked for the above activities, any increased fund deployment for a particular activity will be met from our internal accruals. As per our standalone financials of nine months ended December 31, 2007 our internal accruals (profit before depreciation but after tax) are Rs. 1567.81 lacs.

In case of excess funds remaining after deployment as per the Objects of the Issue, the same will be utilised for General Corporate Purposes. In case there is shortfall, the same would be made good by internal accruals and / or debt.

We confirm that the stated means of finance other than the public issue proceeds has been firmly tied up.

Appraisal

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution.

Deployment of funds

A. Setting up of additional Global Delivery Centre (GDC)

Presently our company is operating in India from its two Global Delivery Centres at

- Plot No. 189, Road No. 72, Prashasan Nagar, Jubilee Hills, Hyderabad, 500 033 and
 - Wing – 2, 3rd Floor, Block B, Cyber Gateway, Hitech City, Madhapur, Hyderabad 500 081
- the combined office space of two above said development centres is 24,373 Sq. Ft.

With greater effort being put in the sales, particularly the software services, we expect significant business growth in the next few years, which will entail a substantial increase in our employee strength and enhancement in our software development facilities.

Cost of Additional Global Delivery Centre:

		<i>Rs. in lacs</i>
Particulars	Amount	
Purchase of Land & Building	4800.00	
Interiors including furniture and fixtures	686.00	
Equipments and Networking	273.29	
Computer Systems	851.10	
Total	6610.39	

i. Office Space

In order to cater to the increase in the employee strength, which is expected to touch around 1000, it plans to develop office premises of about 100,000 Sq. ft.

Location

Our Company plans to set up an additional Global Delivery Centre with all the required infrastructure facilities at Hyderabad. Our Company proposes to purchase the new office space nearer to its existing Global Delivery Centre. We have carried out a research on various facilities suitable for IT Park / Global Delivery Centre at Hyderabad and have estimated the cost of acquisition of the GDC based on quotations received from TCI Constructions. The location is strategically located at Hi-Tech City, Hyderabad.

The new GDC is proposed to be setup as an STP unit, which would enjoy certain income tax benefits. For details regarding tax benefits available to us, please refer to the section entitled "Statement of Tax Benefits" beginning on page 36 of this RHP.

ii. Interiors including furniture and fixtures:

GSS America has engaged the services of Centrix Interior Pvt. Ltd (the Architect) for its interior designs. The total cost for the 100,000 sq. ft as per their quotation would be Rs 686.00 Lacs, approximately, which includes the following:

Sr. No.	Description	Unit	Qty	Cost per Unit (in Rs.)	Total Cost (Rs. in Lacs)	Quotation details	
						Supplier	Date
1.	Interiors and Civil	Sq. Ft	100000	265.00	265.00	Centrix Interiors Pvt. Ltd	December 12, 2007
2.	False Ceiling	Sq. Ft	100000	55.00	55.00	Centrix Interiors Pvt. Ltd	December 12, 2007
3.	Modular Furniture	Sq. Ft	100000	195.00	195.00	Centrix Interiors Pvt. Ltd	December 12, 2007
4.	Chairs	Sq. Ft	100000	75.00	75.00	Centrix Interiors Pvt. Ltd	December 12, 2007
5.	Carpet	Sq. Ft	100000	70.00	70.00	Centrix Interiors Pvt. Ltd	December 12, 2007

6.	Consultancy	--	--	--	26.00	Centrix Interiors Pvt. Ltd	December 12, 2007
	Total				686.00		

iii. Equipments

We would be requiring the following Equipments, on the basis of quotations obtained from various sources, total cost under this head is estimated as per the details given below:

Sr. No.	Description	Unit	Qty	Cost per Unit	Total Cost (Rs.in Lacs)	Quotation details	
						Supplier	Date
1.	Power Look Scanner Umax 2100 XL	Nos	10	127000	12.70	Mahaveer Enterprises	December 19, 2007
2.	HP Color Laser Jet 5550 Printers	Nos	10	195600	19.56	Mahaveer Enterprises	December 19, 2007
3.	Projector NEC LT 25 G	Nos	10	129000	12.90	Mahaveer Enterprises	December 19, 2007
4.	EPBAX System - LG ARIA-1000 ISDN Digital Key Telephone with other Accessories	Nos	1	468000	4.68	Pioneer Telecom Services	December 12, 2007
5.	200KVA UPS with 15 Min backup	No.s	1	2815000	28.15	Integral Systems	December 12, 2007
6.	CISCO3845 3845 w/AC PWR, 2GE, 1SFP, 4NME, 4HWIC, IP Base, 64F/256D	No.s	10	600000	60.00	Ramnet Communications Pvt. Ltd.	December 12, 2007
7.	Wic1T	No.s	10	18000	1.80	Ramnet Communications Pvt. Ltd.	December 12, 2007
8.	WIC2T	No.s	10	28000	2.80	Ramnet Communications Pvt. Ltd.	December 12, 2007
9.	V.35 Cables	No.s	20	4000	0.80	Ramnet Communications Pvt. Ltd.	December 12, 2007
10.	PIX-515E-FO-FE-BUN PIX 515E-FO-FE Bundle (Chas, Failover SW, 128MB, 6 FE,VAC+)	No.s	10	200000	20.00	Ramnet Communications Pvt. Ltd.	December 12, 2007
11.	WS-C2960G-24TC-L Catalyst 2960 24 10/100/1000, 4 T/SFP LAN Base Image	No.s	50	1,50,000/-	75.00	Ramnet Communications Pvt. Ltd.	December 12, 2007
	LAN Implementation						
12.	Cat6 UTP Cable (305mtrs)	No.s	120 boxes	8500/-	10.20	Ramnet Communications Pvt. Ltd.	December 12, 2007
13.	24 port patch panels	No.s	41	11500/-	4.72	Ramnet Communications Pvt. Ltd.	December 12, 2007
14.	7ft patch cords	No.s	1000	350/-	3.50	Ramnet Communications Pvt. Ltd.	December 12, 2007
15.	3ft patch cords	No.s	1000	300/-	3.00	Ramnet Communications Pvt. Ltd.	December 12, 2007

Sr. No.	Description	Unit	Qty	Cost per Unit	Total Cost (Rs.in Lacs)	Quotation details	
						Supplier	Date
16.	42u racks	No.s	10	42000/-	4.20	Ramnet Communications Pvt. Ltd.	December 12, 2007
17.	Cat6 I/O's with face plate	No.s	1000	450/-	4.50	Ramnet Communications Pvt. Ltd.	December 12, 2007
18.	Casing	meters	500	50/-	0.25	Ramnet Communications Pvt. Ltd.	December 12, 2007
	Installation portion						
19.	Laying of CAT- 6 UTP cable	meters	36600	5/-	1.83	Ramnet Communications Pvt. Ltd.	December 12, 2007
20.	Fixing and termination of CAT- 6 Information Outlet	No.s	1000	50	0.50	Ramnet Communications Pvt. Ltd.	December 12, 2007
21.	Fixing and termination of CAT- 6 24 Port Patch Panel	No.s	41	500/-	0.20	Ramnet Communications Pvt. Ltd.	December 12, 2007
22.	Installation of racks	No.s	10	500	0.05	Ramnet Communications Pvt. Ltd.	December 12, 2007
23.	Certification charges	No.s	1000	120	1.20	Ramnet Communications Pvt. Ltd.	December 12, 2007
24.	Testing, finding, farules & numbering	lump sum	1000	lump sum	0.75	Ramnet Communications Pvt. Ltd.	December 12, 2007
	Total (A)				273.29		

iv. Computer Hardware, Software etc.

The workspace would be properly supported by required specification of computer hardware, software networking communications and other equipments. Quotations have been obtained from various suppliers and the total cost is likely to be around Rs. 839.00 lacs as detailed below:

Sr. No.	Description	Unit	Qty	Cost per Unit	Total Cost *(Rs. In Lacs)	Quotation details	
						Supplier	Date
1.	IBM x Series 3650 Server 7979 XXX with accessories	No.s	50	444845	222.45	Silicon Business Solutions Pvt Ltd	December 12, 2007
2.	AO-745MT-Dell OptiPlex 745 Mini tower with accessories	No.s	1000	61721	628.65	Dell Asia Pacific Sdn	December 07, 2007
	Total				851.10		

* We have assumed the USD conversion rate as 1USD = Rs. 43.20

B. Setting up overseas offices

Our Company plans to acquire/establish facilities in Europe, Middle East and Far East. Initially, these facilities will look after the implementation and support functions for the products and eventually they will be independently looking after the marketing functions of the Company in their respective regions.

The present Project envisages establishing offices at various strategic locations outside India. These offices would look after the implementation, development and support functions besides

supporting the marketing functions. These offices would be opened either as branch office of our Company or as wholly owned subsidiaries of our Company in those countries keeping in view various operational and local factors.

We have already acquired office space in Dubai at DMC P04-BO07-01-FSEO22, First Floor, Boutique Villa # 7, Dubai Internet City, Dubai, United Arab Emirates. The said premise has been acquired by an agreement dated September 27, 2007. The commencement date of the agreement is October 01, 2007 and the expiry date is September 30, 2008. We are yet to identify locations for our overseas offices in Europe and Far East.

These offices are expected to stabilize their functions and establish themselves in about 2 years from the date of start-up, spanning Fiscals 2008, 2009 and 2010. Therefore, all the outgoings in running and maintaining these offices upto March 31, 2010, have been made a part of the outlay of the present Project. These include the start up expenses, rent, overheads and salaries of personnel to be recruited and posted in those places as per details given below:

Rs. in lacs

Particulars	Year 2008-09	Year 2009-10
Office in Europe		
Deposits for acquiring office space	12.15	--
Salaries	162.00	162.00
Office Rent	14.58	15.31
Overheads	15.00	15.75
Legal Expenses	2.70	2.84
Other start up expenses	25.65	--
Sub-Total (A)	232.08	195.90

Particulars	Year 2008-09	Year 2009-10
Office in Middle East		
Deposits for acquiring office space	9.00	--
Salaries	78.77	94.50
Office Rent	10.80	11.33
Overheads	6.00	6.30
Legal Expenses	2.70	2.70
Other start up expenses	22.50	--
Sub-Total (B)	129.77	114.83

Particulars	Year 2008-09	Year 2009-10
Office in Far East		
Deposits for acquiring office space	6.75	--
Salaries	121.50	121.50
Office Rent	8.10	8.10
Overheads	8.00	8.40
Legal Expenses	2.70	2.70
Other start up expenses	20.25	--
Sub-Total (C)	167.30	140.70
Grand Total (A+B+C)	529.15	451.43

C. Working Capital

Our working capital requirement has been increased significantly last year with an increase in business operations. Our Company expects a further increase in the working capital requirements in view of its proposed expansion programme. Accordingly, our company has proposed to use the issue proceeds to meet working capital requirements on account of financing the Human Resources cost, incremental debtors, marketing and administrative expenses.

Working capital requirements have been estimated on a consolidated basis, based on the FY ending 2008-09 as under:

Rs. in lacs

Particulars	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009
Current Assets:				
Sundry Debtors	1010.76	5270.46	6065.90	9500.14

Loans and Advances, Other Current Assets	27.16	206.97	230.47	230.47
Total	1037.92	5477.43	6296.37	9730.61
Current Liabilities and Provisions				
Human Resources	470.17	835.96	1372.41	2212.25
Other Operating Costs	61.64	2040.03	2150.09	3192.94
Total	531.81	2875.99	3522.50	5405.19
Working Capital Gap	506.11	2601.44	2773.87	4325.42
Financed by:				
Own Funds	506.11	3547.82	2773.87	1825.42
Part proceeds of the Issue	-	-	-	2500.00

Actual and Assumptions for working capital requirements

Particulars	Number of days outstanding			
	March 31,2006	March 31, 2007	March 31, 2008	March 31, 2009
Sundry Debtors	57	83	75	75
Loans and Advances, Other Current Assets	3	4	4	4
Employee Costs	30	30	30	30
Other current liabilities	15	56	30	30

The aforementioned estimates of working capital have not been assessed by any bank or financial institution and have been estimated by us.

D. Acquisitions

Our Company intends to raise funds for Acquisitions. It is also a key component of our strategy to grow through acquisitions and strategic partnerships. These initiatives will be governed by long term-goals and other business objectives. Accordingly, we intend to use a part of the proceeds received from the Issue for strategic investments and acquisitions. GSS may also spend a portion of the proceeds of the Issue on expansion of its business instead of financing acquisitions or joint ventures with strategic partners. GSS has in the past, grown its business and operations through both organic and inorganic routes. Going forward, GSS believes that strategic investments and acquisitions may act as an enabler to growing business and consolidate its position in the software industry in India and establish itself as a premium software service provider in India. While this would be a component of our strategy, presently GSS do not have any legally binding commitments to enter into any such arrangements. GSS may use the above money for other business purposes including expansion of operations at any of the existing development centres. Our Company intends to enhance its position as a leading player in the IT solutions industry in India. Accordingly, the management will have significant flexibility in applying the proceeds received from the Issue.

As of the date of this RHP, we have not entered in to any letter of intent or definitive commitment for such acquisition/ investment for which the funds are being raised. However, GSS has an established acquisition strategy for in-organic growth and the same is consistently followed under the supervision of the Board of Directors. The modalities followed by GSS in an acquisition are as under:

- i) Identifying the target company
- ii) Entering into a Non-Disclosure Agreement with the Target Company
- iii) A preliminary analysis: Our company goes through the information pertaining to the Target Company, which is confidential and it includes its financials and information about its clientele
- iv) Broader terms of valuation are agreed upon subject to due-diligence. On the basis of this the Company enters into a Memorandum of Understanding (MOU) with the target Company and then starts the formal due-diligence, which may need hiring specialists and outside agency
- v) On satisfactory conclusion of due diligence our company enters into definitive 'purchase agreement' with the target company and the legal formalities are complied.

Our Company would follow the above modalities for any acquisitions out of the proceeds of the issue.

E. Issue Expenses

The expenses for this Issue include underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, fees to various advisors, statutory advertisement expenses and listing fees payable to the Stock Exchanges, among others. The estimated Issue expenses are as under:

(Rs. in Lacs)

Activity	Estimated Amount	% of Total Expenses	% of Total Issue Size*
Lead Management Fees	[•]	[•]	[•]
Underwriting Commission	[•]	[•]	[•]
Selling Commission	[•]	[•]	[•]
Advertisement and Marketing expenses	[•]	[•]	[•]
Printing and Stationery	[•]	[•]	[•]
Registrar to the Issue	[•]	[•]	[•]
Others (legal fee, listing fee, etc)	[•]	[•]	[•]
Total Estimated Issue expenses	[•]	[•]	[•]

*Will be incorporated after finalisation of Issue Price

All expenses with respect to the Issue would be borne by the Company.

Interim Use of Funds:

Pending utilization for the purposes described above, we intend to invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds and deposit with banks for necessary duration or reducing the working capital / term borrowings from banks and financial institutions.

No part of the Issue proceeds will be paid by the Company as consideration to GSS America's Promoters, Directors, key management personnel or companies promoted by GSS America's Promoters except in the course of normal business.

SCHEDULE OF IMPLEMENTATION

Initially, we had envisaged the implementation schedule of the Project to begin from July 2007 onwards, however the same has been revised as under:

Sr. No.	Particulars	Revised Commencement Date	Revised Completion Date
1	Expansion of Facilities	April 2008	December 2009
2	Acquisitions	April 2008	March 2009
3	Establishing overseas offices	September 2007	March 2010

The overall cost of the proposed project and the proposed year wise break up of deployment of funds are as under:

Sr. No	Description	Already Incurred	FY 2008-09				FY 2009-10			
			Apr - Jun	Jul - Sep	Apr - Jun	Jul - Sep	Apr - Jun	Jul - Sep	Apr - Jun	Jul - Sep
1	Expansion of Facilities									
	a. Land & Building	-	320.00	880.00	1344.00	480.00	761.14	761.14	253.72	-
	b. Furniture, Fixtures & Interiors	-	-	-	-	-	-	333.20	353.20	-
	c. Computers, Servers and Basic Software	-	-	-	-	-	-	851.10	-	-
	d. Other Office Equipment	-	-	-	-	-	-	273.29	-	-
2	Acquisitions	-	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
3	Establishing Overseas Offices	17.30	187.21	108.21	108.21	108.21	112.86	112.86	112.86	112.86
4	Working Capital	-	-	750	750	600	400	-	-	-
5	IPO Expenses	48.12	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

Deployment of funds by the Company for the Objects to the Issue.

Our Company has, as on December 31, 2007, spent Rs. 65.42 Lakhs on the proposed Objects of the Issue out of internal accruals. The contents of the certificate dated December 31, 2007 issued by M/s BVR Associates, Chartered Accountants, the Statutory Auditors of the Company, in this regard as reproduced below:

Particulars	Spent up to December 31, 2007
A. Setting up of Global Delivery Centre	
- Building	-
- Interiors	-
- Equipments and Networking	-
- Computers	-
B. Setting up of overseas offices	17,29,677
C. Working Capital	-
D. Acquisitions	-
E. Issue Expenses	48,12,016
Total	65,41,693
Means of Finance	Internal Accruals

Monitoring of Utilisation of Funds:

No monitoring agency has been appointed to monitor the utilization of the issue proceeds as the same is not required in terms of clause 8.17 of SEBI (DIP) Guidelines, 2002. Our company undertakes to disclose the utilisation of proceeds in its financial statements. We will disclose the utilization of proceeds under a separate head in our Company's balance sheet for fiscal 2008 and 2009 clearly specifying the purpose for which such proceeds have been utilized. We, in our balance sheet for fiscal 2008 and 2009, provide details, if any, in relation to all such proceeds of the issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the issue.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Company in consultation with BRLMs on the basis of assessment of market demand for the proposed Issue of Equity Shares by way of the Book Building Process.

The price band of the Issue is Rs 400 to Rs 440 per Equity Share. The face value of the equity share is Rs 10/- and the price is 40 times the face value at the lower end of the price band and 44 times the face value at the higher end of the price band.

Qualitative Factors

- *Broad range of IT services*
Our service offerings span the complete software life cycle, including consulting, architecture, development, testing, and maintenance, migration, re-engineering and integration services. Enterprise Application Integration has contributed over 39% to total revenues while, Infrastructure Management services contribute over 42% each in the nine months ended December 31, 2007.
- *Strong management team*
Many of our senior management are from the premier technical/management institutes in India and abroad. The Promoters are first-generation IT entrepreneurs, who have conceptualised, designed and developed the software solutions that form the core of the product offerings. The senior management team has more than 10 Years experience, for details please refer Page 78 of this RHP.
- *Diversified Client Base*
Our revenue stream comes from diverse domains and technologies, which in turn reduces our company's dependence on a particular client. This ability to diversify the revenue streams and also to retain various clients differentiates us from most of our competitors. For nine months period ended December 31, 2007 our top 5 clients contributed only 14.89% to total revenues, while top 10 clients contributed only 21.90% of the total revenue.
- *Global delivery model*
Our facilities have been modelled, and employees trained with the objective of delivering quality services to the clients. We have six offices spread across India, US and UAE.
- *Strong Sales network*
We have a strong core marketing and sales team constituting 64 people, who have built relations with the organisations in US and other countries.
- *Ability to scale*
We have successfully managed our growth by investing in infrastructure and by recruiting; training and rapidly deploying new professionals from a pool of highly qualified candidates from our base in India. We have around 717 employees taking care of the technical and sales function.

Quantitative Factors

Information presented in this section is derived from our consolidated restated financial statements prepared in accordance with Indian GAAP.

Adjusted Earnings per Share (EPS) of face value of Rs. 10

Particulars	EPS (Rs.)	Weight
a) Year ended March 31, 2005*	492.27	1
b) Year ended March 31, 2006	21.87	2
c) Year ended March 31, 2007	37.84	3
d) Weighted Average	108.26	-

* Face Value of the Equity Shares in Year 2005 was Re. 1/-.

❖ Annualised EPS for the nine months ended on December 31, 2007 is Rs. 59.52.

EPS has been calculated as per the following formula:

Net profit attributable to equity shareholders] / [No. of Equity Shares outstanding at the end of Year]

Price Earning Ratio (P/E) in relation to the Issue Price of Rs. [.] per share of Rs. 10/- each

- A) For the year ended March 31, 2007, based on the EPS as per restated financial statements is [.]
- B) For the nine months ended December 31, 2007, based on the EPS as per restated financial statements is [.]
- C) P/E based on year ended March 31, 2007 EPS, at the Floor Price is 10.57 and at the Cap Price is 11.62
- D) Industry P/E

Particulars	P/E Ratio
Highest	112.00
Lowest	0.60
Industry composite	17.70

(Source: Capital Markets, Vol XXII/20, December 03 – 16, 2007, for Computers – Software – Medium/ Small)

Average Return on Net worth (RONW)

The figures disclosed below are based on the restated financial statements of our company

Particulars	Average RONW %	Weights
Year ended March 31, 2005	320.45	1
Year ended March 31, 2006	87.10	2
Year ended March 31, 2007	43.31	3
Weighted Average	104.10	-

Average return on Networth for the eight months ended on December 31, 2007 is 34.27%

Avg. RONW has been calculated as per the following formula	Net profit after tax and before exceptional item
	Networth excluding revaluation reserve and Share application money during the period

Minimum Return on Total Net Worth post Issue required to maintain pre Issue EPS is [.]

Net Asset Value per Equity Share

- (i) As at March 31, 2007 is Rs. 87.38.
- (ii) After the Issue is [.]
- (iii) Issue Price of [.] , determined on the basis of the demand from investors through the Book Building Process.

Period Ended	Net Asset Value per Equity Share	Weight
March 31, 2005	153.62	1
March 31, 2006	25.11	2
March 31, 2007	87.38	3
Weighted Average	77.66	-

Comparison of Accounting ratios

Company	EPS (Rs.)	P/E	RONW%	NAV Per Share (Rs.)
GSS America (consolidated)	37.84	[.]	43.31	87.38
Industry Average	-	17.70	-	-
Peer Group				
AztecSoft	8.20	7.90	25.20	35.10
Geometric Ltd	4.80	14.30	19.30	31.90
Hexaware	7.60	10.50	26.10	49.50
iGate Global Solutions	14.90	16.80	17.10	95.60
KPIT Cummins	5.90	11.10	27.80	25.00

(Source: Capital Markets, Vol XXII/20, December 03 – 16, 2007, for Computers – Software – Medium/ Small)

Note: EPS, RONW and NAV figures are based on the latest audited results for the year ended March 31, 2007 and P/E is based on trailing twelve months (TTM) and Market Data.

The face value of the Equity Shares is Rs. 10/- each and the Issue price is [•] times of the face value. The Price Band of Rs. 400 to Rs.440 has been determined by the Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares by way of Book Building and is justified on the basis of the above factors. For further details, See the section titled “Risk Factors” appearing on page vi of the RHP and the financials of our company as set out in the “Auditors’ Report” appearing on page 98 of the RHP.

TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

To
The Board of Directors,
GSS AMERICA INFOTECH LIMITED,
Hyderabad.

Dear Sirs,

Sub: List of tax benefits available to the Company and its shareholders reg.

On your request, we have enumerated herewith, the various tax benefits available to the company, its share holders, FII's and venture capital companies / mutual funds as per the existing Tax laws in force.

It is to be noted that these benefits are available to the respective persons subject to the fulfillment of various conditions prescribed under the concerned sections of the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is subject to the fulfillment of such conditions.

The benefits enumerated below are not exhaustive and the same is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, investors need to consult their own tax consultant with respect to the specific tax implications arising out of their subscription to the issue. We do not express any opinion or provide any assurance as to whether:

- (i) The Company or its share holders will continue to obtain these benefits in future; or
- (ii) The conditions prescribed for availing the benefits have been / would be met with.

The contents of this letter are based on information, explanations and representations obtained from the Company and on the basis of the nature of the business activities and operations of the Company.

LIST OF TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

As per the existing provisions of the Income Tax Act, 1961 (the Act) and other tax laws as applicable for the time being in force, the following tax benefits and deductions are and will *interalia* be available to the Company and its shareholders.

(A) BENEFITS TO THE COMPANY UNDER INCOME TAX ACT, 1961:

SPECIAL TAX BENEFITS:

1. Tax holiday under Section 10 A of the Act: -

As per the provisions of Section 10A of the Act, the Company being a unit registered with the software technology parks of India is eligible to claim a deduction of the profits derived from a hundred percent export oriented unit setup for export of computer software and ITES Services for a period of ten consecutive assessment years, beginning with the assessment year relevant to the previous year in which the undertaking begins to manufacture or produce computer software. However, the benefit is available subject to fulfillment of conditions prescribed by the Section and no benefit under this section shall be allowed with respect to any such undertaking for the assessment year beginning on the 1st day of April 2010 and subsequent years. The eligible amount would be the proportion that the profits of the undertaking bear to the export turnover of the undertakings vis-a-vis the total turnover of the undertaking.

The Company having commenced commercial production on 13.10.2003 relevant to the assessment year 2004-2005, the deduction of profits U/S 10A will be available up to the end of the financial year ending on 31.3.2009; to the extent of 100% of profits up to end of financial year 2008 and at the rate of 50% of the profits for the financial year 2008.09.

The profits of the company u/s 10A, however, shall be liable to Minimum Alternate Tax as per provisions of Section 115 JB from the financial year 2007.08 onwards.

GENERAL TAX BENEFITS:

1. In terms of section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of any company is exempted from the tax.
2. In terms of section 10(38) of the Act, any long-term capital gains arising to a shareholder from transfer of long term capital asset being an equity shares in a company would not be liable to tax in the hands of the shareholder if the following conditions are satisfied:
 - a. The transaction of sale of such equity share is entered into on or after 10th September 2004.
 - b. The transaction is chargeable to such securities transaction tax as explained below.

The long term capital gains of the company, if any, shall be liable to Minimum Alternate Tax as per provisions of Section 115 JB from the financial year 2006.07 onwards.

3. In terms of Securities Transaction Tax as enacted by Chapter VII of the Finance (No.2) Act, 2004, transactions for purchase and sale of the securities in the recognized stock exchange by the shareholder, shall be chargeable to securities transaction tax. As per the said provisions, any delivery based purchase and sale of equity share in a company through the recognized stock exchange is liable to securities transaction tax @ 0.125% of the value payable by both buyer and seller. The non-delivery based sale transactions are liable to tax @ 0.025% of the value payable by the seller.
4. Under section 48 of the Act, if the investments in shares are sold after being held for not less than twelve months, the gains (in cases not covered under section 10(38) of the Act), if any, will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.
5. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of investment in shares will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued by
 - a. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988; or/and
 - b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;

Investments made U/s 54 EC after 01.04.2007 are eligible for tax exemption up to maximum of Rs 50.00 lakhs in one year

6. Under section 112 of the Act and other relevant provisions of the Act, Long term capital gains, (i.e. if shares are held for a period exceeding 12 months) (in cases not covered under section 10(38) of the Act), arising on transfer of investment in shares, shall be taxed at a rate of 20% (plus applicable surcharge) after indexation as provided in the second proviso to section 48. The amount of such tax should however be limited to 10% of the capital gains (plus applicable surcharge) without indexation, at the option of the shareholder.
7. Under section 111A of the Act and other relevant provisions of the Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months), arising on transfer of investment in shares listed on a recognized stock exchange, shall be taxed at a rate of 10% (plus applicable surcharge).

(B) TO THE SHAREHOLDERS OF THE COMPANY – UNDER THE INCOME TAX ACT, 1961

Resident Shareholders

SPECIAL TAX BENEFITS:

1. The share holders of the company, upon allotment of shares under ESOP scheme by the company, shall be eligible to tax benefits at the time of transfer of the shares received under such scheme depending upon the period of holding of the shares. In case the shares are sold after a period of one year and where the transaction is chargeable to securities transaction tax, the resultant long term capital gains shall not be liable to tax u/s 10(38) of the Income tax Act. However where the shares are sold before a period of one year the resultant short term capital gain shall be taxable at a flat rate of 10% as per provisions of section 111 A of the Income tax Act, 1961.

GENERAL TAX BENEFITS:

1. In terms of section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the company is exempted from the tax.
 2. In terms of section 10(38) of the Act, any long term capital gains arising to a shareholder from transfer of long term capital asset being equity shares in a company would not be liable to tax in the hands of the shareholder if the following conditions are satisfied:
 - a. The transaction of sale of such equity share is entered into on or after 10th September 2004
 - b. The transaction is chargeable to such securities transaction tax as explained below.
 3. In terms of Securities Transaction Tax as enacted by Chapter VII of the Finance (No.2) Act, 2004, (as amended by the Finance Act 2006) transactions for purchase and sale of the securities in the recognized stock exchange by the shareholder, shall be chargeable to securities transaction tax. As per the said provisions, any delivery based purchase and sale of equity share in a company through the recognized stock exchange is liable to securities transaction tax @ 0.125% of the value payable by both buyer and seller. The non-delivery based sale transactions are liable to tax @ 0.025% of the value payable by the seller.
 4. In terms of section 88E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, of amounts paid on account of securities transaction tax.
 5. In terms of section 10(23D) of the Act, all Mutual Funds set up by Public Sector Banks or Public Financial Institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorized by the Reserve Bank of India, subject to the conditions specified therein are eligible for exemption from income tax on all their income, including income from investment in the shares of the company.
 6. Under section 48 of the Act, if the company's shares are sold after being held for not less than twelve months, the gains (in cases not covered under section 10(38) of the Act), if any, will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.
 7. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued by
 - a. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988; or/and
 - b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956
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Investments made U/s 54 EC after 01.04.2007 are eligible for tax exemption up to maximum of Rs 50.00 lakhs in one year.

8. Under section 54F of the Act, long term capital gains (in cases not covered under section 10(38) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will be exempt from capital gain tax subject to other conditions, if the net consideration from such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
9. Under section 112 of the Act and other relevant provisions of the Act, Long term capital gains, (i.e. if shares are held for a period exceeding 12 months) (in cases not covered under section 10(38) of the Act), arising on transfer of shares in the Company, shall be taxed at a rate of 20% (plus applicable surcharge) after indexation as provided in the second proviso to section 48. The amount of such tax should however be limited to 10% (plus applicable surcharge) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.
10. Under section 111A of the Act and other relevant provisions of the Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months), arising on transfer of shares in the Company listed on a recognized stock exchange, shall be taxed at a rate of 10% (plus applicable surcharge).

Non-Resident Indians/Non Resident Shareholders (Other than FIIs and Foreign Venture Capital Investors).

GENERAL TAX BENEFITS:

1. In terms of section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received by a non-resident Indian shareholder (i.e. an individual being a citizen of India or person of Indian origin who is not a 'resident') on the shares of the company is exempted from the tax.
 2. In terms of section 10(38) of the Act, any long term capital gains arising to a shareholder from transfer of long term capital asset being an equity shares in a company would not be liable to tax in the hands of the shareholder if the following conditions are satisfied:
 - a) The transaction of sale of such equity share is entered into on or after 10th September 2004
 - b) The transaction is chargeable to such securities transaction tax.
 3. In terms of section 88E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.
 4. In terms of Securities Transaction Tax as enacted by Chapter VII of the Finance (No.2) Act, 2004, (as amended by the Finance Act 2006) transactions for purchase and sale of the securities in the recognized stock exchange by the shareholder, shall be chargeable to securities transaction tax. As per the said provisions, any delivery based purchase and sale of equity share in a company through the recognized stock exchange is liable to securities transaction tax @ 0.125% of the value payable by both buyer and seller. The non-delivery based sale transactions are liable to tax @ 0.025% of the value payable by the seller.
 5. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of shares of the company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued by
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- a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988; or/and
 - b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

Investments made U/s 54 EC after 01.04.2007 are eligible for tax exemption up to maximum of Rs 50.00 lakhs in one year.

- 6. Under section 54F of the Act, long term capital gains (in cases not covered under section 10(38) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will be exempt from capital gain tax subject to other conditions, if the net consideration from such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
- 7. Under Section 112(1)(c) of the Act and other relevant provisions of the Act, long term capital gains (i.e. if shares are held for a period exceeding 12 months) (in cases not covered under section 10(38) of the Act), arising on transfer of shares in the company, shall be taxed at a rate of 20% (plus applicable surcharge) after indexation as provided in the second proviso to section 48. The amount of such tax should however, be limited to 10% (plus applicable surcharge) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

Under section 111A of the Act and other relevant provisions of the Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months), arising on transfer of shares in the Company listed on a recognized stock exchange, shall be taxed at a rate of 10% (plus applicable surcharge).

- 8. Under section 115-I of the Act, the non-resident Indian shareholder has an option to be governed by the provisions of Chapter XII-A of the Income Tax Act, 1961 viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows: -
 - a. Under section 115E of the Act, where shares in the company are acquired or subscribed for in convertible Foreign Exchange by a Non Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concession ally taxed at the flat rate of 10% (plus applicable surcharge) (without indexation benefit but with protection against foreign exchange fluctuation).
 - b. Under provisions of section 115F of the Act, long term capital gains (in cases not covered under section 10(38) of the Act) arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible Foreign Exchange shall be exempt from Income tax, if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

Foreign Institutional Investors (FIIs)

GENERAL TAX BENEFITS:

- 1. In terms of section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the company is exempted from the tax.
- 2. In terms of section 10(38) of the Act, any long term capital gains arising to an investor from transfer of long term capital asset being equity shares in a company would not be liable to tax in the hands of the investor if the following conditions are satisfied:
 - a) The transaction of sale of such equity share is entered into on or after 10th September 2004
 - b) The transaction is chargeable to such securities transaction tax.

3. In terms of Securities Transaction Tax as enacted by Chapter VII of the Finance (No.2) Act, 2004, (as amended by the Finance Act 2006), transactions for purchase and sale of the securities in the recognized stock exchange by the investor, shall be chargeable to securities transaction tax. As per the said provisions, any delivery based purchase and sale of equity share in a company through the recognized stock exchange is liable to securities transaction tax @ 0.125% of the value payable by both buyer and seller. The non-delivery based sale transactions are liable to tax @ 0.025% of the value payable by the seller.
4. In terms of section 88E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for rebate from the amount of income-tax on the income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount paid on account of securities transaction tax.
5. The income by way of short term capital gains or long term capital gains (in cases not covered under section 10(38) of the Act) realized by FIIs on sale of shares in the company would be taxed @ 10% as per section 115AD of the Act. However in case of such long term capital gains, the tax is levied on the capital gains computed without considering the cost indexation and protection against foreign exchange fluctuation).
6. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gain (in cases not covered under section 10(38) of the Act) arising on the transfer of share of the company will be exempt from capital gain tax if the capital gain are invested within a period of 6 month after the date of such transfer for a period of at least 3 years in bonds issued by: -
 - a) National Highway Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988; or/and Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.
 - b) Investments made U/s 54 EC after 01.04.2007 are eligible for tax exemption up to maximum of Rs 50.00 lakhs in one year.

Venture Capital Companies/Funds

GENERAL TAX BENEFITS:

In terms of section 10(23FB) of the Act, all Venture capital companies/funds registered with Securities and Exchange of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including dividend and income from sale of shares of the company. The proposed amendment to section 10 (23FB) in the Finance Act, 2007, effective from the assessment year commencing from 01.04.2008, restricts the exemption under the section to investments in shares of unlisted companies only. Venture capital companies/funds, however, may avail the following tax benefits available under the general provisions of the Income tax Act.

1. In terms of section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the company is exempted from the tax.
2. In terms of section 10(38) of the Act, any long term capital gains arising to a shareholder from transfer of long term capital asset being equity shares in a company would not be liable to tax in the hands of the shareholder if the following conditions are satisfied:
 - a) The transaction of sale of such equity share is entered into on or after 10th September 2004
 - b) The transaction is chargeable to such securities transaction tax as explained below.
3. Under section 48 of the Act, if the company's shares are sold after being held for not less than twelve months, the gains (in cases not covered under section 10(38) of the Act), if any, will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.

4. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of at least 3 years in bonds issued by
 - a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988; or/and
 - b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956

Investments made U/s 54 EC after 01.04.2007 are eligible for tax exemption up to maximum of Rs 50.00 lakhs in one year.

5. Under section 112 of the Act and other relevant provisions of the Act, Long term capital gains, (i.e. if shares are held for a period exceeding 12 months) (in cases not covered under section 10(38) of the Act), arising on transfer of shares in the Company, shall be taxed at a rate of 20% (plus applicable surcharge) after indexation as provided in the second proviso to section 48. The amount of such tax should however be limited to 10% (plus applicable surcharge) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.
6. Under section 111A of the Act and other relevant provisions of the Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months), arising on transfer of shares in the Company listed on a recognized stock exchange, shall be taxed at a rate of 10% (plus applicable surcharge).

(C) Benefits to Members of the Company under the Wealth Tax Act, 1957

Shares of company held by the shareholder will not be treated as an 'Asset' within the meaning of section 2(ea) of Wealth Tax Act 1957 for the purpose of payment of wealth tax, hence shares are not liable to wealth tax under The Wealth Tax Act, 1957.

(D) Benefits to Members of the Company under the Gift Tax Act, 1958.

Gift made after 1st October 1998 is not liable for any gift tax and hence gift of shares of the company would not be liable for any gift tax. However with effect from 1-9-2004, gifts made to relatives as defined under section 56 of the I.T.Act *only* are exempt from gift tax.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2007.
2. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint holders.
3. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
4. In view of the individual nature of tax consequences, each investor is advised to consult their own tax advisor with respect to specific tax consequences of participation in the scheme.

Place : Hyderabad
Date : 10.12.2007

for BVR & ASSOCIATES
Chartered Accountants

(B.V.RAMA RAO)
Proprietor.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

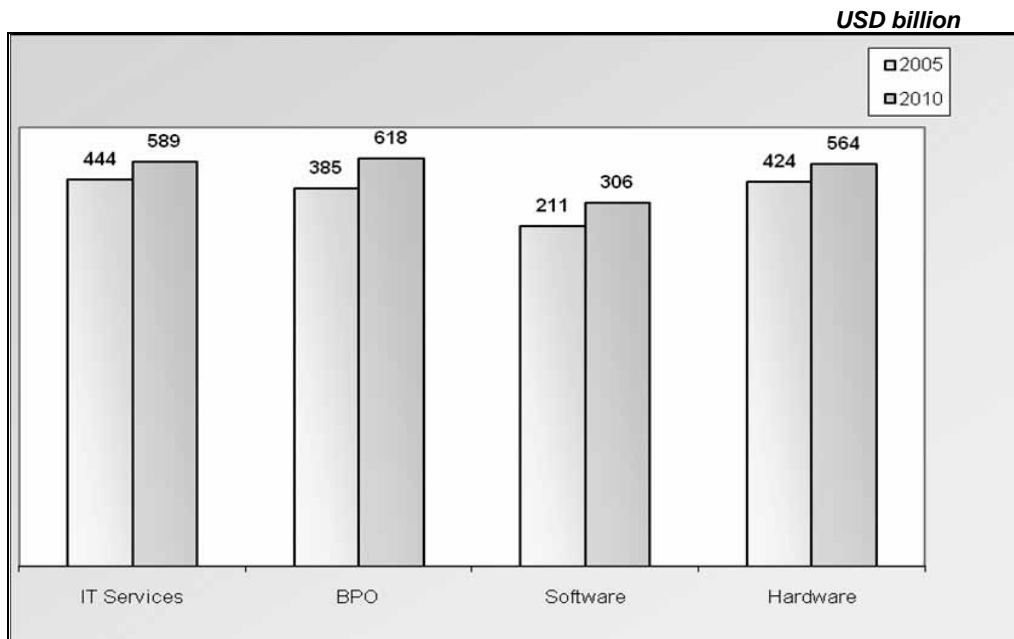
For the purpose of industry review we have relied for information on "NASSCOM Strategic Review 2007", Annual Review of the Indian IT-BPO Sectors, NASSCOM report dated February 2007.

Industry Outlook

While the forecast spend in the global IT industry remains moderate, the Indian IT Industry is expected to continue on its growth trajectory. As before, service exports will be the key drivers of this growth – suitably complemented by a booming economy and a growing domestic market.

Global Information Technology - Future of Global Sourcing

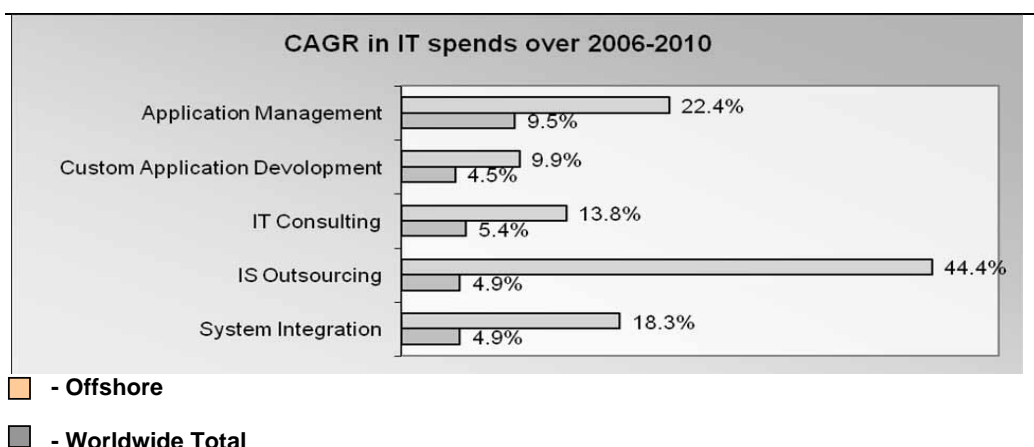
Global technology related spending is forecast to exceed USD 2.1 trillion by 2010, growing at a CAGR of more than 7 percent over 2006-2010. Growth in global sourcing is expected to outpace growth in total spend, with up to USD 110-120 billion of the total amount spent on software and services in 2010, likely to be sourced through the global delivery model.



Over the next four-five years, growth rates in IT related spends are expected to outpace GDP growth across the world.

Within Corporate IT spends, growth across the various segments is projected to be driven by a steady increase in aggregate spends, as well as reallocation of budgets from internal to external spending. This will, in turn, encourage the expansion of services adapted to lower cost, remote / virtual delivery models, thereby increasing the addressable market for global sourcing.

Off shoring opportunities:



Globalisation is rapidly becoming an integral part of any major business strategy, and is making global sourcing indispensable. Maturation of offshore delivery will continue to increase the overall market opportunity by allowing existing customers to expand the scope of their contracts and by allowing new customers to utilize services that were previously too expensive.

The ageing demographics in most developed countries will necessitate an increase reliance on globally dispersed talent pool to meet the demand for professionals – contributing to accelerated growth of global sourcing phenomenon.

Rapid evolution of technologies and internet applications, and the rise of pervasive computing are expected to drive a rapid and quantum increase in technology adoption by businesses and individuals.

The proliferation of client devices and end-user or end-use devices at the network edge will result in addition of billions of devices to the network edge which will drive the need for more enterprises systems to deploy, manage and make use of them.

The resultant increase in scale and complexity of ICT infrastructure and applications, will lead to an increased demand for skilled IT resources.

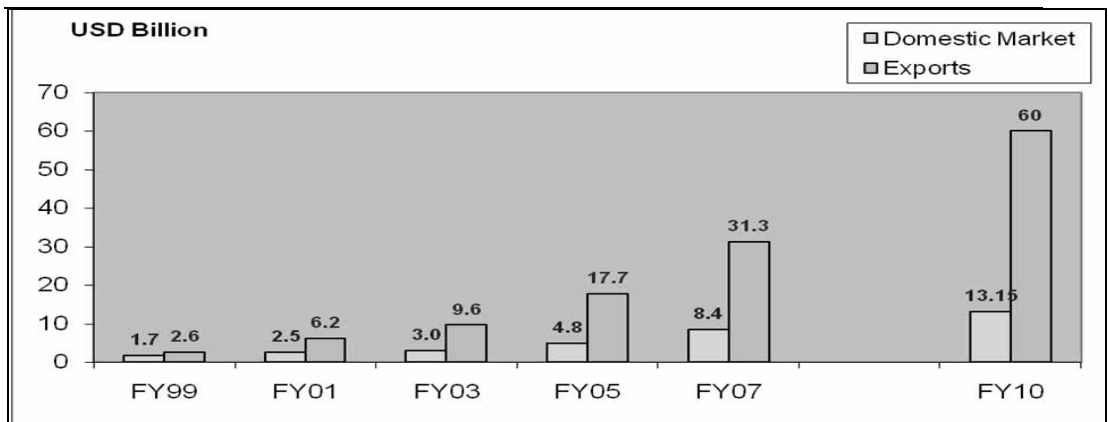
The Indian IT-BPO sector outlook:

The outlook for Indian IT-BPO remains bright, and the sector is well on track to achieve its aspired target of USD 60 billion in export revenues by FY 2010.

Strong demand outlook, under-penetrated service lines and increasing emphasis on the role of ICT and innovation to be key drivers of growth.

CAGR	Period	Domestic Market	Exports*	Total
10 Year Target	FY 00-10	22.1%	31.2%	28.9%
Achieved	FY 00-06	23.4%	34.6%	31.5%
Required	FY 06-10	18.6%	24.2%	23.1%

* Includes IT Software and Services, ES and Products, as well as ITES-BPO



Worldwide IT Services spend 2005-2010

	(USD Million)					
	2005	2006	2007E	2008E	2009E	2010E
Project based	153,380	161,827	170,804	180,514	190,745	201,443
IT Consulting	24,303	25,576	26,949	28,418	29,976	31,668
Systems Integration	77,133	81,108	85,128	89,300	93,627	98,161
Custom Application Development	23,478	24,434	25,450	26,588	27,872	29,266
Network Consulting & Integration	28,466	30,709	33,277	36,208	39,270	42,348
Outsourcing	158,922	170,512	183,010	196,459	210,376	224,693
Application Management	20,443	22,491	24,663	27,037	29,560	32,241
IS Outsourcing	87,898	92,443	97,095	101,780	106,526	111,449
Network and Desktop Outsourcing	31,214	33,214	35,325	37,588	39,916	42,367
Software as a service	2,252	2,810	3,554	4,456	5,275	5,963
Hosting Infrastructure Service	17,115	19,554	22,373	25,598	29,099	32,673
Support and Training	131,665	137,764	144,119	150,561	156,789	162,741
Software development and support	56,872	60,419	64,141	67,856	71,535	75,065
Hardware Deployment and support	53,310	54,914	56,450	57,987	59,324	60,493
IT education and training	21,483	22,431	23,528	24,718	25,930	27,183
Total	443,967	470,103	497,933	527,534	557,910	588,877

Worldwide Offshore IT Services spend 2005-2010

	USD Million					
	2005	2006	2007E	2008E	2009E	2010E
Application Management	1,416	1,750	2,172	2,703	3,274	3,893
Custom Application Development	3,328	3,708	4,145	4,595	4,982	5,343
IT Consulting	740	807	904	1,037	1,202	1,411

IS Outsourcing & Network & Desktop Outsourcing	618	844	1,212	1,811	2,674	3,885
Systems Integration	2,772	3,333	4,029	4,835	5,639	6,426
Others	4,192	4,991	5,837	6,723	7,609	8,446
Total	13,066	15,433	18,299	21,704	25,380	29,404

Indian IT Services Export Revenues FY 2005-07E

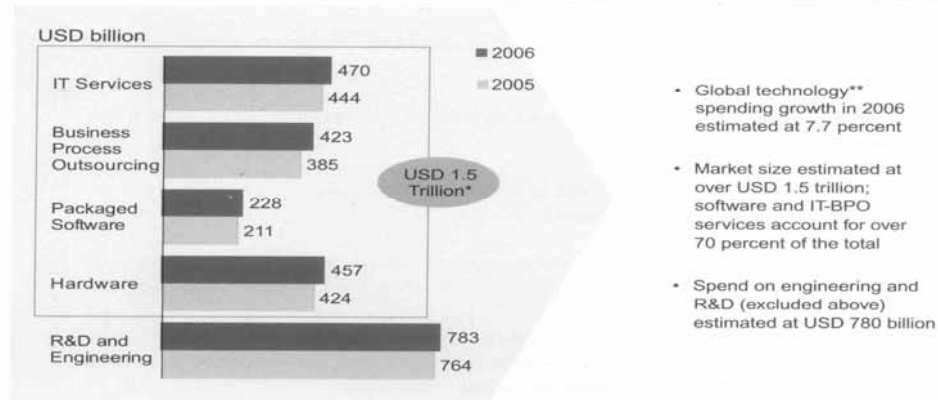
	USD Million		
	2004-05	2005-06	2006-07E
Project Oriented	5,580	7,708	10,481
IT Consulting	250	348	473
Systems Integration	200	374	508
Custom Application Development	4,980	6,538	8888
Network Consulting & Integration	150	166	226
Software Testing	-	282	385
Outsourcing	3,290	4,363	5,932
Application Management	2,690	1,588	2,160
IS Outsourcing	600	839	1,141
Hosting Infrastructure Services	-	-	-
Others (SOA & Web services + E-Business / E-Commerce)	-	1,935	2631
Support & Training	1100	1,234	1677
Software development and support	1100	986	1341
Hardware Deployment and support	-	80	109
IT education and training	-	167	227
Total	9970	13305	18090

GLOBAL SOURCING TRENDS

Global Technology related spending in 2006

Worldwide spend on technology products and related services crossed USD 1.5 trillion in 2006, growing at an estimated 7.7 percent over the year. Software and services remain the dominant segments, accounting for more than 70% of the total spending. Growth in spends was balanced across the key segments of hardware, packaged software and IT services, and ranged between 7.6-7.9 percent.

Global technology related spending remained strong in 2006; growth across categories estimated at an average of 7.7 percent

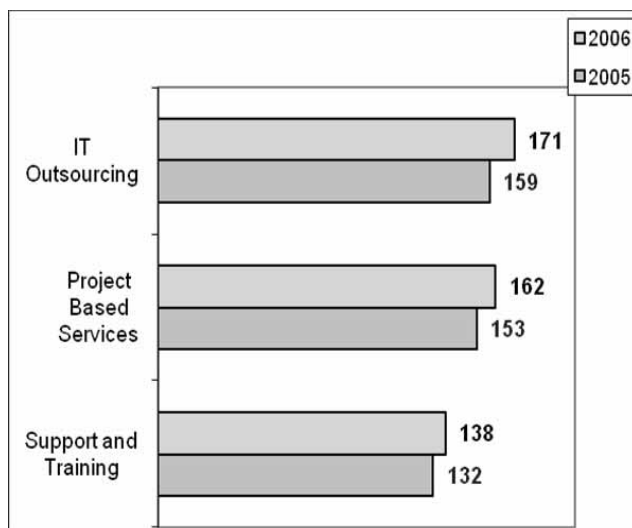


*2006

**Technology spending defined as per IDC classification of IT Services, software, hardware and BPO; R&D and engineering spending estimates reported separately to avoid double counting

Source: IDC, NASSCOM

Global IT Services Spending:



USD million		
Segment	2005	2006
Application Management	20,443	22,491
IS Outsourcing	87,898	92,443
Network and Desktop Outsourcing	31,214	33,214
Software as a service	2,252	2,810
Hosting Infrastructure Service	17,115	19,554
Segment	2005	2006
IT Consulting	24,303	25,576
Systems integration	77,133	81,108
Customs Application Development	23,478	24,434
Network Consulting and integration	28,466	30,709
Segment	2005	2006
Software development and support	56,872	60,419
Hardware Deployment and support	53,310	54,914
IT education and training	21,483	22,431

IT Services form the largest segment of worldwide spend on technology products and related services. Total spend on IT services was estimated at USD 470 billion in 2006, a growth of 5.9 percent over USD 444 billion in 2005

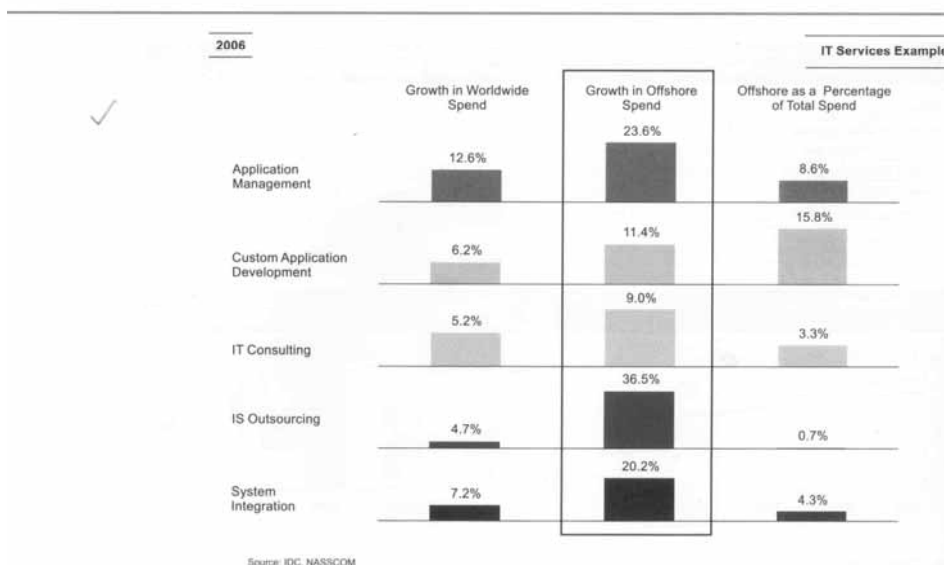
Within IT services, outsourcing is the largest and fastest growing category. In 2006 the total spend on IT outsourcing was estimated at over USD 170 billion, more than 36 percent of the total, and is estimated to have grown by 7.3 percent. Application management and hosting services are high growth segments within outsourcing, estimated to have grown at double-digit growth rates.

Revenues from project-based services were estimated at USD 162 billion in 2006, an average growth of 5.5 percent over USD 153 billion in 2005. Most sub-segments within this category are estimated to have reported near-average growth, with the exception of network consulting and integration which grew at 7.9 percent

Support and training services revenues were estimated at nearly USD 138 billion in 2006, a growth of 4.6 percent over the previous year

Offshore Spending:

Though offshore is still a relatively small part of the overall spend, its adoption continues to grow rapidly



The underlying theme across all these dynamics observed in the outsourcing market is the growing capability and acceptance of the global service delivery model.

Comparing the growth in worldwide spends on key categories of IT services with the growth in offshore spends for the same services, it is observed that growth in offshore spend across categories is at least twice as high as the overall growth in category spends – and up to 9 times faster for emerging segments such as infrastructure management services. However the total offshore spends even on custom application development and maintenance, which has the highest levels of offshore penetration, is still less than 16 percent of the total spend on the segment.

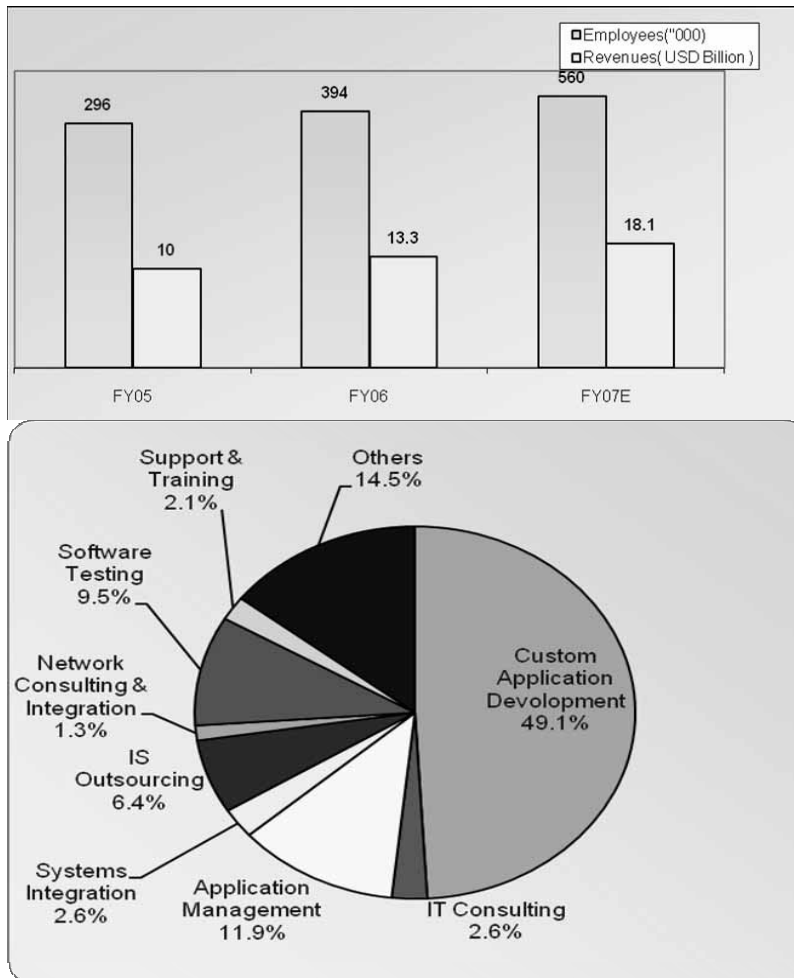
This, coupled with the continued success of the global delivery model clearly supports the strong growth expected in the offshore spends on IT services.

Offshoring – Indian Connection

Even as global delivery assumes a more distributed pattern, India remains the anchor location accounting for approximately 58 percent market share in offshore IT-BPO

Reports indicate that about three-fourths of the Fortune 500 and at least half of the Global 2000 corporations are already sourcing technology related services from India. India's established delivery base, ability to scale-up quickly and proven credentials offer a sustainable, low-risk route to these first-time users of offshore outsourcing.

As a proportion to the national GDP, the Indian technology sector has grown 1.2 percent in FY 1998 to an estimated 5.4 percent in FY 2007. Net value-added by this sector, to the economy, is estimated at 3-3.5 percent for FY2007.



IT Services (excluding BPO) continue to lead Indian IT-BPO exports, accounting for 55 percent of the total exports. This segment is expected to grow by 36 percent.

Project based services accounted for nearly 58 percent of Indian IT services exports in FY 2006 marginally higher than the 56 percent reported in the previous year. Steady growth in traditional areas such as custom application development and maintenance is being supported by strong demand for system integration and testing services.

System integration contributed 2-3 percent of Indian IT services exports in FY2006. Over the next 4-5 years worldwide spends on system integration service are projected to grow below average rates of 4-5 percent annually. However, the offshore component of these spends is forecasted to grow at a CAGR of more than 18 percent over 2006. This represents a flow of money from onshore customers to offshore service providers.

Consulting (IT + Network) services contributed 3-4 percent of the IT services export aggregate in FY2006. Consulting remains a sought after new line of business. While the 'high-touch' nature of consulting services is likely to necessitate onshore presence and delivery capabilities, and the segment expected to witness pricing pressures in key geographical markets, offshore players are forecasted to witness increasing levels of penetration in this segment with offshore spends on consulting projected to grow by about 13-14 percent over the next 4-5 years, as against 5-8 percent growth in the overall worldwide spend on these services.

Indian IT firms have successfully adapted the global delivery model to Infrastructure outsourcing. Revenues from this segment are estimated to have grown from about USD 600 million in FY2005 to over USD 800 million in FY2006.

Offshore spending on IS outsourcing and infrastructure management is witnessing the highest levels of growth – across categories of IT services spends. Growth in global offshore IS outsourcing spends in 2006 was estimated at 36 percent, and is forecast to accelerate to a CAGR of 44 percent over 2005-2010.

Changing economic and business conditions, rapid technological innovation, proliferation of the Internet and increasing globalization are creating an increasingly competitive market environment that is driving corporations to transform the manner in which they operate. Managing customer expectations is becoming increasingly difficult with customers demanding improved products and services with accelerated delivery times and at lower prices.

To adequately address these needs, corporations are focusing on their core competencies and are using outsourcing service providers to help improve productivity, develop new products, conduct research and development activities, reduce business risk, and manage operations more effectively.

Offshore outsourcing, which began with Information Technology, has expanded over the years to Business Process Outsourcing as well. Reducing telecommunication costs and the success of pioneers like GE are driving growth in offshore outsourcing.

IT departments of many companies are placing great emphasis on lowering costs and improving performance by accessing the latest technology expertise and accelerating the delivery of new systems and solutions. To accomplish these objectives, many IT departments have shifted all or a portion of their IT development, integration and maintenance requirements to IT outsourcing vendors that provide high quality, timely and cost-effective solutions and services. This outsourcing enables companies to eliminate or reduce the large in-house IT staff otherwise required to evaluate, implement and manage IT initiatives, thereby reducing their present and future investment requirements.

Increasing trend towards leveraging offshore delivery capabilities to attain high quality IT solutions and services at a lower cost, companies are turning to providers with a global delivery model that combines onsite client teams with Global Delivery Centres. IT vendors with offshore delivery capabilities that are able to offer products and services at a lower total cost of ownership are increasingly being preferred by clients globally, for the quality of their services, their responsiveness to clients and their on-time delivery capabilities.

India has been recognized as a preferred destination for offshore technology services. In June 2004, the Gartner Strategic Analysis Report indicated that through 2008 India may remain a dominant offshore service provider. A NASSCOM-KPMG report published in 2004 indicated that the total Indian IT services and IT-enabled services export market was nearly \$10 billion in 2003 and is projected to grow to \$49 billion by 2009, representing a compound annual growth rate of approximately 30%. There are several key factors contributing to this growth. These include:

- High quality delivery capabilities of Indian organizations;
- Accelerated delivery through round-the-clock execution for global clients;
- Significant cost savings;
- A large pool of skilled IT professionals.

BUSINESS OVERVIEW

We are total IT solution provider Company. Our operations can be classified into two areas namely Enterprises Application Integration, (EAI) Infrastructure Management and Managed Services (IM/MS). Our delivery is divided into three divisions. Firstly, strategy team provides a blue print and a road map for EAI. Secondly, implementation team uses the Global Delivery Model on an Onsite Offshore Basis. Finally, IM/MS team manages these projects from offshore.

GSS America Infotech Ltd (GSS) is an Information Technology services provider, specializing in IT Consulting, IT Infrastructure Management Services and Enterprise Application Integration. Our Company is a global provider of IT services that drives better business management and performance. With expertise in IT Consulting, Enterprise Application Integration, and IT Infrastructure Management, GSS America has established itself as an IT services provider that transforms company performance and operational effectiveness.

Our clientele include major Fortune 1000 companies like Ernst & Young, Blue Cross Blue Shield of NC, BMC Software, Thomson, WR Grace & Co, TDS Telecom, Pepsi Co, etc. As a strategy to de-risk, the Company has diversified its portfolio of service offerings by acquiring profit making IT services companies in USA.

Mr. Bhargav Marepally and Mr. Ramesh Yerramsetti, Promoters and Directors of our company have more than thirteen years experience in technology and enterprise IT infrastructures, successfully implementing, managing and consulting on complex IT and business systems for global businesses. The promoters have succeeded in imbibing a unique culture that fosters growth through commitment to technology, quality & employee relationships. They are assisted by a professionally qualified team of people with high level of expertise in the industry.

The knowledge and experience gained by our team drive us to many new and exciting developments. Our blend of academic and technical knowledge allows us to provide range of IT services. Headquartered in Hyderabad, with three offices in North America, GSS America provides professional IT services to global clients. Our solutions together with our expertise, drives our clients to become a value based, performance-focused organizations.

We offer IT solutions in e-business, Enterprise Application Integration, IT Infrastructure Management, Product Development and Data Warehousing. GSS America focuses on customized IT solutions for industries in the areas of financial services, Insurance, Telecom, Manufacturing, Transportation, Healthcare, Legal and Power. GSS America's complete range of IT Services and solutions addresses the needs of both technology and business requirements to help organizations towards business improvement. We offer services in Application Development, Application Maintenance, Application re-engineering, and Outsourcing/Offshore Development.

We have business transactions with Fortune 1000 companies and have worked with other organizations too. Our commitment to client satisfaction strengthens and extends our relationships.

IT Infrastructure Management Services and Enterprise Application Integration remains the core business activity of our company. Our IT Infrastructure Solution Portfolio helps the customers to assess, build, deploy and optimize IT Infrastructure for mission critical applications. The business also includes system integration, facilities management, software services and outsourcing.

As GSS America matured as an IT services provider, we decided to expand our software services business by focusing on certain niche vertical industries in the domestic and overseas markets. We are Microsoft Gold Certified Partner, BEA Select Partner and TIBCO Alliance Partner These Partner Programs provide us a platform to keep abreast the latest technology developments that happen in these organisations so that we can continue to provide solutions in the latest software releases. We have software development centres in Hyderabad and Chicago.

We are in a knowledge-driven industry and we believe that our employees are key contributors to our business success. To achieve this, we focus on attracting and retaining the best people possible. We believe that a combination of our working environment and competitive compensation programs, allow us to attract and retain people. All the employees for our operations are directly hired on the rolls of our company. Multi stage induction and skill enhancement training programs are conducted to prepare our employees for the desired performance levels. We have a performance appraisal system, which plays a key role in identifying and encouraging employees

with required skill sets and by rewarding exemplary performance. Employees are offered cross-functional responsibilities to enhance the skills and an entrepreneurial culture has ensured that the job content is deeply enriching for our employees.

Employee Profile

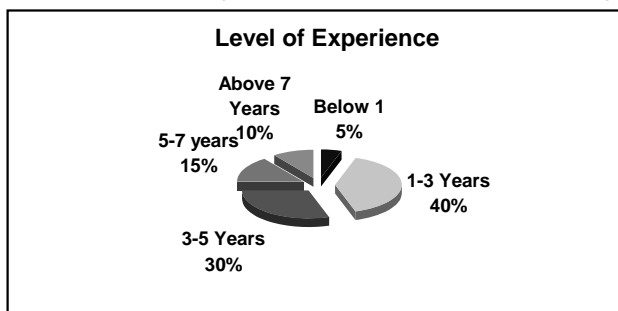
GSS America uses diversified technology base and experienced resource pool. Our staff consists of skilled technical specialists and project managers trained to implement state-of-the-art systems. Our employees are certified in latest technologies.

As on December 31, 2007 we have 717 employees, the break-up of which is as under:-

Particulars	No. of Employees
Technical	612
Sales & Support	64
Trainees - Technical	41
Total	717

Recruitment:

We have developed processes to evaluate and recruit large numbers of employees. Our hiring is driven by annual manpower plans, which are adjusted based on business visibility on a periodic basis. We recruit talent from premier universities, colleges and institutes in India, including the Indian Institutes of Technology, regional engineering colleges and management institutes. Our rigorous selection process involves a series of activities including case and group interviews, and technical and psychometric tests. We also recruit experienced hires, including foreign nationals for our business requirements. All new hires are inducted into our organization through a structured program, which involves extensive training as well as mentoring.



Training:

We place special emphasis on the training of our employees to enable them to develop their skills and to meet our changing requirements. We focus on an initial learning program for our trainees as well as continuous learning programs for all our employees.

Facilities and Infrastructure

Our registered and corporate office is located at Wing No 2, 3rd floor, Block B, Cyber Gateway, Hitech City, Madhapur, Hyderabad, India. Our offices and software development centres are well equipped with air conditioning, uninterrupted power supply, connectivity, security and latest work stations. The Business development centres at Hyderabad are equipped with the suitable infrastructure.

Overseas Offices:

Our overseas offices are at:-

1. 220 W Campus Drive, Suite 104, Arlington Heights, IL 60004 and
2. 1699, Wall Street, Suite 201, Mt. Prospect IL 60056.
3. Suite No. 1550, International Business Park, Phase II, 6404, International Parkway, Collin County, Plano, Texas 75093.
4. DMC P04-BO07-01-FSEO22, First Floor, Boutique Villa # 7, Dubai Internet City, Dubai, United Arab Emirates

These four offices are equipped with best-of-class facilities. These offices are our marketing and on-shore development centres. We also have 15 guest houses in USA to cater to the needs of the employees travelling for the sake of work

GSS America has development facilities located at 4 different Places:

Sr. No.	Location	Owned /Leased	Space (Sq. ft)	No. of Seats
1.	GDC-I (Jubilee Hills)	Leased	6700	100
2.	GDC-II (Hi-tech City)	Leased	17673	170
3.	GDC-III (Chicago-Mt Prospect-IL)	Leased	7375	110
4.	GDC-IV (Chicago-Arlington Hts-IL)	Leased	4970	40
	Total		36718	420

1. Global Delivery Centre I is located in Plot No 189, Road No.72, Prashasan Nagar, Jubilee Hills, Hyderabad, India and is being used largely for the Business Development Centre, Recruitment. The facility is fully equipped with state-of-the-art infrastructure networked with US office.
2. GDC – II has been located strategically as part of Hi-tech city in Hyderabad, admeasuring 17,000 sq ft of development space. The facility largely meets the requirement present needs of offshore development team equipped with latest servers and PCs and other related infrastructure, fully networked with other offices.
3. GDC III and IV are Located in Chicago, USA to meet the near shore requirements of our clients

COLLABORATIONS & TECHNOLOGY PARTNERS

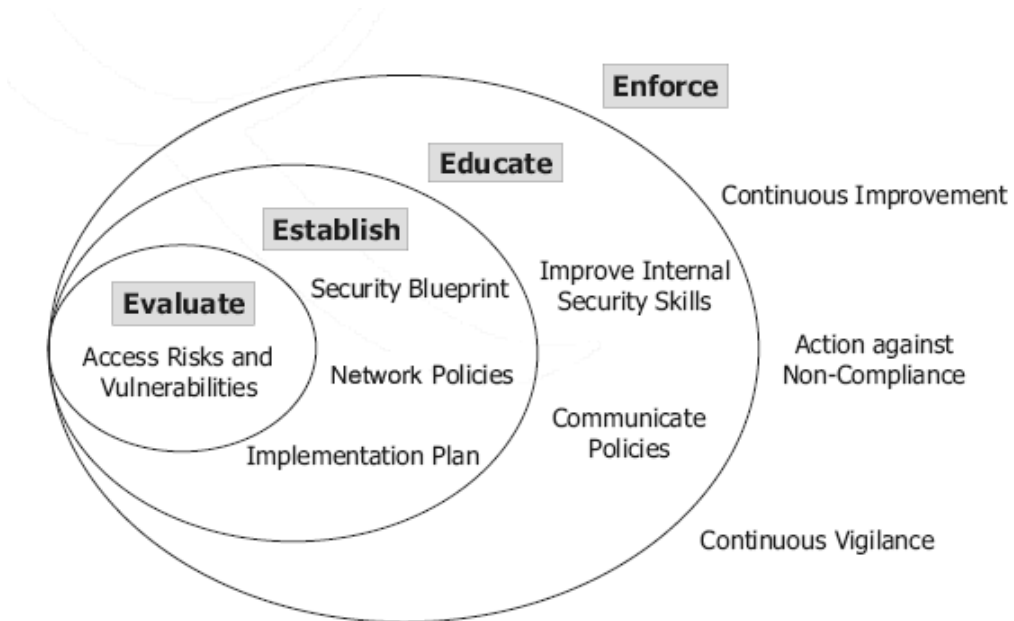
We do not have any collaborations, joint ventures or technology partnerships. However, we are Microsoft Gold Certified Partner, BEA Select Partner and TIBCO Alliance Partner. These Partner Programs provide us a platform to keep abreast the latest technology developments that happen in these organisations so that we can continue to provide solutions in the latest software releases.

INFRASTRUCTURE DETAILS

Item	Description	Number
Server	IBM - XEON 3 GHz / 2MB / L2 / 73 GB U320 SCSI HDD / DVD ROM / GigaBit Ethnet / 625W along with 7K U320 RAID Controller	5
Server	IBM - XEON 3 GHz / 800 MHz / 2MB / L2 / 73 GB U320 SCSI HDD / FDD / along with 7K U320 RAID Controller	2
Desktops	AO-210Ln - DELL OptiPlex TM n Desktop	150
UPS	60 KVA 3 Ph - 3 Ph Online double conversion UPS system of DB make with 12V65AH SMF Batteries of Rocket make with Battery rack and inter connecting cable	1
UPS	10KVA Kirloskar Make Online UPS System, Model PENGUIN, With Clear LCD Display, and 12V Exide make SF Brand SMF Batteries for Kirloskar make 10KV UPS System, Expected Backup time 15-20 minutes	2
UPS	Standby 10 KVA	1
Routers	CISCO 2811W/AC	1
GIGA byte switch	WS-C2960G-24TC-L Catalyst 2960 24 10/100/1000, 4 T/SFP, LAN Base Image	1
Firewall System	CISCO ASA 5520 Series	1
Internet Access	10 Mbps dedicated Internet Access (DIA) From 4 Different ISP's	NA
Switches	Cisco 2950 Catlyst switches	12

Security Methodology adopted by the Company

Local Area Network and Information Security Methodology



Evaluate

Organizations are typically not aware of the risks introduced when the Internet becomes integral within business processes. Without performing a detailed and comprehensive assessment, these risks will remain undetected. GSS America employs a propriety security assessment methodology developed over years of networking and security experience. It assesses the overall networking environment, identifies weaknesses, and recommends optimal security and risk management approaches.

Establish

Establishing a security blueprint, implementation plan and Internet policies is crucial in mitigating the risks associated with Network usage and access. Based on the results of the security assessment, GSS America assists in the establishment of a blueprint that details overall security strategies and policies. GSS America's highly experienced consultants implement the recommended solution, leveraging the technologies that are best suited to the security plan. Over the past three years GSS America has developed strategic relationships with best-of-breed technology providers in the Firewall, VPN, Anti-Virus, URL Filtering, Policy Management, Intrusion Detection and Remote Management areas. These relationships, along with GSS America's proprietary security assessment and implementation services, enable GSS America to deliver a comprehensive and tightly integrated security and policy management solution.

Educate

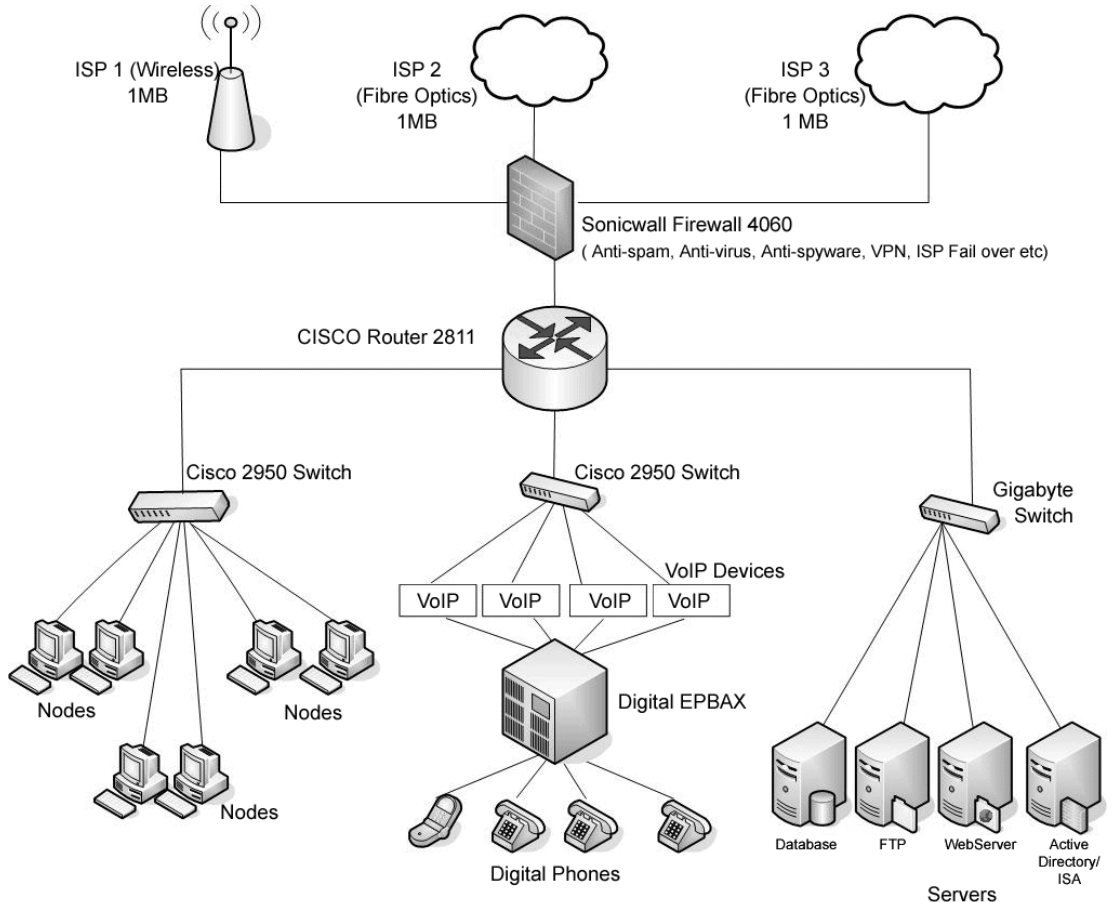
The resulting policies must be clearly and systematically communicated. Employees must understand and comply with Network usage policies, and must be made aware of the consequences of breaching these policies. On-going communication protects against improper usage and productivity loss, from potential legal and image problems, and from the compromising of intellectual property. Furthermore, internal security skills and knowledge must be continually improved. GSS America also provides training for employees and security personnel, along with recommended sources of information, so that internal personnel are capable of performing effective security management.

Enforce

GSS America is vigilant in enforcing Internet usage policies and in always looking for potential risks. Pro-active enforcement means that new threats are detected before they create problems, and that employees who violate policies are dealt with according to agreed upon compliance rules. Once the security infrastructure is in place, and policies have been effectively communicated, GSS America provides on-going support for proactive management. GSS America has also developed

an outsourced “managed service” to monitor network activity for compliance, and to detect security breaches and emerging threats.

GSS America Network Diagram



Local Area Network Security

Password Security

Password protection is inherent in various aspects of the network:

- Administrative access to server functions
- Workstation access to various files and services (such as the Internet)
- Administrative access to network hubs, switches, routers, and firewalls
- Access to administrative files, such as confidential personnel files or reports

The policy will outline the rules about creating good passwords, called strong passwords in most security documents: the minimum number of characters to be used, what types of characters, how often the password needs to be changed, and others aspects of password usage. Here are the checklist items related to password security:

- Develop written password policy and provide to all staff and patrons using specific user logons
- Develop written instructions in creating strong passwords and provide to all staff and patrons using specific user logons
- Document passwords for all network equipment, servers, and workstations
- Store password documentation in secure location known only by library director and one other person

In addition, we also provide training materials to our employees.

Hardware Security

We configure all BIOS (the Basic Input/Output System) of our servers and workstations according to our policies. The BIOS performs basic tests of internal components to be sure they are working

satisfactorily. It also stores and manages the configuration of many of the parts inside the CPU case.

- BIOS: workstation: boot order, set primary hard drive first
- BIOS: server (locked staff only access): boot order, set floppy drive first
- BIOS: server (when locked staff-only access is not possible): boot order, set primary hard drive first
- BIOS: workstations: supervisor password set
- BIOS: servers: if servers can restart automatically with supervisor password set, set one (otherwise, leave with no password)
- BIOS: all: anti-virus protection enabled
- BIOS: public workstations: floppy drive(s) disabled if AUP specifies no patron access to floppy disks
- BIOS: servers: (when locked staff-only access is not possible): disable floppy drive
- BIOS: public workstations: setup message hidden/disabled, if option available
- BIOS: all: record setup configuration parameters

The previous settings prevent the computer from being booted to a floppy disk that a patron might bring in, preventing the patron from having complete control of the system. They also prevent most of the mischief patrons may cause by making changes to the proper BIOS settings, such as removing the hard drive configuration.

- Servers and workstations: use small padlocks to secure case covers
- Public workstations (or all computers in a very insecure environment): secure CPU, monitor, keyboard and mouse to table/desk with hardware security cables/devices

Power backup facility:

- Multi-phase power supply from state electricity board
- All servers and clients are backed up with UPS (80 KVA, capable of supporting more than 400 workstations), preferably having auto shutdown software
- Network equipment (hubs or switches) and Router/firewall: protect with UPS
- Main UPS is backed up by 40 KVA UPS (in the situation of the failure of main UPS)
- Alternate power back up with two power generators.

Workstation Security

- Configure XP Professional with service pack2 and partitions with NTFS file systems
- Configure workstations with private IP addresses (LAN-wide recommendation), either static or dynamic (through DHCP)
- Protected with AVG Network antivirus and anti spy ware and antispam guard
- All Client logins are roaming clients.
- Single user login on every system
- No CD Drive
- Floppy and USB drives Disabled
- External CD's usage with the permission of Network team
- Web based email access and attachments are not allowed
- No Download permitted. Download request can be sent to Network team, which will determine upon the download.
- For Internet browsing, only Internet explorer browser is allowed. Special request for other browsers are allowed only in the case of project requirements. Secure web browser against mischief and privacy violations
- No Chat Messengers Allowed.
- Restrict command line/shell access
- Restrict access to hard drive (consistent with terms for downloading/saving files specified in AUP)
- Remove unnecessary/unused files/programs from hard drive
- Remove the Network Monitor Agent from public workstations, if installed
- Schedule procedure to periodically remove all user files if file downloading/saving is permitted in the acceptable use policy; also remove needed "cookies"

Many routers, firewalls, and proxy servers provide this translation service, called network address translation (or NAT). Unless there is a reason not to, using private IP addresses for all workstations and servers on the local area network is recommended in the security checklist.

- Require logon at each workstation

-
- Disable display of previous user name on logon screen
 - If individual patron accounts are implemented, develop a written password policy with training documentation for patrons to follow

Anti Virus Policies and Activities

- Install and maintain anti-virus software on all workstations
- Update virus signatures on regular schedule (at least once every two weeks)
- Upgrade anti-virus software to support scanning of floppy diskette, e-mail, and Internet file downloads, if necessary

Anti-virus software are installed on all workstations (or licensed for access from a server by all). The anti-virus software is regularly updated, as well.

- Implement secure registry settings to secure desktop/operating system settings
- Document software and security settings for future use in configuring new workstations
- Schedule periodic download and installation of operating system patches
- Create and maintain current Emergency Repair Disks, and store in a controlled location
- Implement paper log to record maintenance problems and patron misuse of workstation
- File all workstation component documentation (papers/manuals/disks) for use by service technicians

LAN / Domain Server Security

- Configure all Windows 2003 Server partitions with NTFS file systems
- Configure separate operating system and data partitions (both NTFS)
- Mirror server drives (or implement RAID), if funding allows, for redundancy
- Configure servers with private IP addresses (LAN-wide recommendation)
- Remove unnecessary services
- Remove unnecessary files/programs
- Configure file system with proper file/folder access permissions
- Restrict access to the Network Monitor Agent
- Configure account policy to restrict unauthorized logon attempts
- Create logon warning message (a warning against unauthorized logon or access and use of restricted resources)
- Create alternative Administrators group and restrict membership
- Create alternative Administrator account (with new name) with full privileges
- Configure auditing of Administrator account logon attempts (to track hacking attempts)
- Set a strong password for current administrator account
- Use different passwords for domain/server accounts than for local workstation accounts, or use different account names
- Disable Guest account if enabled
- Set appropriate group access permissions
- Configure Remote Access Service security.
- Set/Create registry entries/values for proper security
- Document software and security settings for future use in reconfiguring servers
- Configure audit logs to track unauthorized access to files/folders/accounts; restrict access to log files
- Develop and implement procedure for monitoring audit logs
- Install software for the server's UPS that automatically shuts down the server
- Implement procedures for file backups according to backup plan
- Restrict access to backup program
- Schedule periodic download and installation of operating system patches

Network Equipment Security

- Set appropriate network management protocol (SNMP) passwords/community strings
- Record and secure any password settings created by staff or contractors
- Configure audit logs properly, if available
- Implement procedure for monitoring audit logs
- Schedule periodic installation of firmware updates
- Document equipment settings for future use in reconfiguring equipment
- File all network equipment documentation (papers/ manuals/disks) for use by service technicians

- Use a three-port firewall; public services (web/ftp/e-mail) are provided on a separate network segment, the DMZ
- Implement network address translation (NAT), if possible
- Use private IP addresses LAN-wide, if possible
- Configure router to deny inbound access to unused ports (unless specific library services require them); for example, FTP on port 21, Telnet on port 23, and others
- Configure firewall so no packets with source addresses outside the LAN are allowed into the LAN, but only to DMZ
- Firewall uses stateful packet inspection, providing protection against denial-of-service attacks and IP spoofing
- Document settings for future use in reconfiguring router/firewall; make backup copy of router configuration file, if possible, and store in secure location
- Schedule periodic installation of firmware updates
- File all router/firewall documentation (papers/manuals/disks) for use by service technicians

PRODUCT & SERVICES OF THE COMPANY

Our business model has evolved over the years from being a Professional services provider to a total IT solutions company. We have structured our business by carving out three strategic business units, we call them SBUs



- 1. Enterprise Application Integration**
- 2. IT Infrastructure Management**
- 3. Product Development**

The strategic business units are devised to provide our customers the ability to choose from the varied range of services available, while the Company stays focused in its independent practice domains. We aim at becoming full-fledged IT Outsourcing Company by focusing on our growth through these SBUs.

1. Enterprise Application Integration

As enterprises spread their operations across different business areas globally, they acquire disparate technology solutions, technologies and applications. However, these applications are often unable to communicate and share information with each other due to several reasons like lack of interoperability, variable formats and dissimilar standards of operations.

Enterprises are also increasingly looking forward to reconfigure their business processes through tighter integration of applications from multiple vendors, by opting for Enterprise Application Integration (EAI). This is with the intention to achieve effective communication across various business applications and delivery channels, thereby, ensuring seamless data integration from disparate systems.

To help organizations achieve these, GSS America offers Enterprise Application Integration (EAI) solutions, built on careful planning, sound methodologies, highly skilled resources, and knowledge gained from numerous prior EAI projects. We ensure flexibility to add or modify product lines and businesses in the fastest possible time, reuse of existing application code, and seamless integration of data from disparate systems to enable direct processing and automated workflow systems.

With its experience of working with tier-1 service providers, GSS America has developed EAI solutions and methodologies to address the challenges in the EAI solutions space. Our solutions are built on products such as TIBCO, BEA WLI, SeeBeyond and are based on Service Oriented Architecture (SOA) principles. Our solutions enable organizations to create a SOA-enabled, modular architecture that not only fulfills all of their current requirements, but is also flexible enough to meet their requirements in future, both in terms of functionality and scalability.

Our solutions allow for real time integration of applications along with business process modelling and management, and also ensure that the addition of any new system or application to the existing architecture causes minimum disruption to the existing systems. The SOA based architecture helps organizations create an IT infrastructure that allows for rapid deployment of functionality that is flexible, reusable and less costly to maintain. Existing systems and data stores can be exposed as reusable business services, which can then be orchestrated as a new business process with minimal modifications to the underlying systems.

We have helped companies leverage their investment in their legacy and other business systems to offer an integrated information platform with the features customers and partners demand.

We also offer solutions using the inbuilt Scale-out / Scale-up capabilities of Microsoft BizTalk Server to present a scalable option

GSS America's operations encompass the following areas:

Consulting

- Systems and Process Analysis
- Integration Strategy
- Solution Architecture
- System Design

Project Management

- Low Level Design
- Development and Migration
- Configurations and Customizations
- Functional and Stress Testing
- Performance Tuning

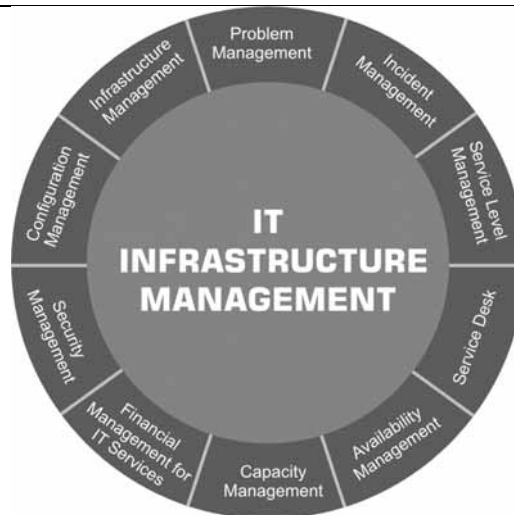
GSS America's EAI offerings have been instrumental in organizations achieving operational excellence, reducing costs and providing customers with better products and services.

2. IT Infrastructure Management

We have established practices for IT infrastructure management that include onsite and offsite service delivery methodologies to ensure that customers' requirements are met as per service level agreements. The objective of this service is to manage enterprise infrastructures from an availability, manageability and performance perspective. A host of services devised to meet diverse customer requirements spans simple reporting of basic level availability of technology infrastructure to advanced system administration activities.

Our IT infrastructure management services are based on the IT Infrastructure Library ("ITIL") framework. We are one of the earliest players in multi-vendor maintenance services and IT infrastructure management and have already adopted ITIL based service delivery practices.

Our Infrastructure Management model is as follows:



Some of the salient services provided by us through IT Infrastructure Management Services are:

i. Availability Services

Some of the services offered are:

- Maintenance, repairs, rectification, upgrade, downgrade, patches, drivers, servers and Internet appliances.
- Maintenance of driver database / BIOS firmware versions for different server configurations of Sun.
- Multi-vendor services for de-installations, movements, re-Installations and preventive maintenance and corrective maintenance.
- Repair services for computers sub-systems and peripherals at our repair depots.

ii. Technical Help Desks

We provide a comprehensive range of voice / web based helpdesk services to help corporations to make the most out of the IT Infrastructure. Our technical helpdesk has experienced supervisors supported by infrastructure and processes with stringent quality standards to deliver services that consistently meet customer expectations.

iii. Facility Management

Our facility management stream of services is aimed to manage technology infrastructure from availability, performance and security perspectives. Facility management incorporates review services along with the manage suite when handling large and complex technology infrastructures.

The objective of this service is to manage enterprise infrastructures from an availability, manageability and performance perspective. A host of services devised to meet diverse customer requirements spans simple reporting of basic level availability of technology infrastructure to advanced system administration activities. The services are delivered through help desk with single point of contact. Depending on customer's requirement, the services can be provided on a 24 x 7 basis.

We also provide customized solutions for facility management of IT Infrastructure for organizations. The services in facility management include help desk services (24x7), operating systems support - desktop/ network, applications software support, anti virus support, data centre support services, email support, asset management, vendor management, software implementation & license tracking, IT Infrastructure auditing services and Complete IT Outsourcing.

Business Service Management (BSM)

BSM consists of a suite of applications that combine to enable IT organizations to deliver high quality IT services. Each of the applications integrated into our BSM solution suite provides important capabilities to fulfil critical IT service management needs including consolidation of

existing multi-vendor IT systems, integrated discovery and configuration management, and IT service quality measurement fully-customizable dashboard visualization.

GSS America's BSM provides a service-centric system of monitoring, measuring, and managing the services IT delivers to the business. These essential capabilities work together to provide IT organizations with the centralized command and control facilities necessary to discover, prioritize, and remediate IT issues in the context of specific business needs.

BSM serves as a solution from which to accelerate ITIL best practice adoption and more effectively improve IT service quality. By providing superior integration, intelligence and visualization capabilities that allow companies to leverage their existing technology investments and smoothen their way to implementing such ITIL core competencies as CMDBs, Service Catalogs, and Service Level Management.

Our customers use our BMC™ BSM solution to address their most pressing challenges, like prioritizing problems, measuring, monitoring and delivering on committed service levels.

ITIL

ITIL is the acronym for the "IT Infrastructure Library" guidelines developed by the CCTA (now OGC) in Norwich, England, for the British government. Today, ITIL is the de-facto global standard in the area of service management. It contains comprehensive publicly accessible documentation on the planning, provision and support of IT services.

ITIL describes the framework for establishing and operating IT service management. Apart from guidelines for service management, ITIL provides its users with a range of other products, for example, in the areas of Training and Coaching, Vocational and professional examinations, Consultancy etc.

ITIL is best practice guidelines for service management, with the guidelines describing what rather than how. Service management is tailored to the size, the internal culture and, above all, the business requirements of the company. I

GSS America, having worked with BMC™ and NetIQ™, has many years of experience in IT Service Management and has been involved with ITIL, has entire range of ITIL offerings. We provide extensive and integrated portfolio of education, review and implementation services that are customized to deliver business benefits. The range, scope and content are continually reviewed in line with market trends and customer feedback. We have a policy of only using permanently employed consultants in order to maintain continuity, consistency and added value in our service delivery. Our team is being extended through an active quality controlled recruitment program.

GSS America has employed consultants who have previously held senior management positions and so are able to assist with strategic design and management activities, in addition to effective successful implementation. With our Unique collaborative methodology, our lead consultant, mentoring and "on-the-job" coaching provide effective skills transfer, ensuring the customer's own staff is able to maintain improved service levels.

3. Product Development

We offer our customers the key benefits of specialization in relevant technology areas. We make a conscious attempt to incorporate the best attributes found in both large and small organizations. We are a small size company but we provide efficiency and flexibility along with maturity of processes and infrastructure at par with larger companies.

Our product in Business Service Management - Web-Based Reporting tool for CONTROL-M gives administrators and end users of CONTROL-M an intuitive and easy to use way to control and manage the CONTROL-M environment.

The Reporting Facility uses standard CONTROL-M and GSS America utilities to allow end users to produce reports based on historical, current (active) and future (forecast) data. We focus on aligning our customer's business needs with IT by 'Enabling the Enterprise-Wide Delivery of Service.'

PROCESS CARRIED OUT BY OUR COMPANY

Through its employees in GDCs, GSS America' has achieved broad acceptance through its ability to deliver services lower in costs, higher in quality and productivity.

Offshore outsourcing is at the core of the Global Delivery Model, which refers to the philosophy of: breaking pieces of work into logical components, and distributing these components geo-locationally, to perform them where it creates the maximum value.

GSS America's Global Delivery Model involves the provision of IT services to clients with operations in multiple locations, by using multiple offshore delivery centers in India, to ensure that services can be provided at the fastest possible speed, lowest possible cost and with the best expertise available.

Modern infrastructure and adherence to processes allows us to provide the quality of services in the projects that we undertake across the world. As an example, using its network of GDCs, GSS America is able to implement and support projects spanning more than one country. The global development model allowed us to provide this service with the fast response time and with the lower cost and risk.

Advantages of the Global Delivery Model

Skill combination

Using business and technology experts from across the world, who can work together using the global delivery infrastructure, GSS America is able to seamlessly bring the relevant expertise to bear on any service being provided to clients.

Lowered cost

With delivery capabilities in low cost offshore destination, GSS America helps organizations benefit from economies of scale & scope and cost-effective delivery of a wide range of IT services & solutions.

Lower Risk

GSS America offers a model which significantly reduces the risk of offshore outsourcing. Our Business Continuity Plans, in the case that services in one country are impacted by political, economic, technological or natural reasons, the centers in USA have a redundant capacity that ensures that services to our clients can be immediately transferred there, hence minimizing any impact on their business.

Proximity to customers

With three offices in USA, clients can choose to outsource critical work to a destination in proximity to their business, allowing for better comfort, response times and easier management of services.

Speed of execution

GSS America is able to quickly identify & rotate associates across countries, either physically or via collaborative networks such that projects are delivered in a speedy manner.

Business Strategy

We seek to further strengthen our position as a global software solutions company and to achieve this goal, we seek to:

- ✓ ***Inorganic Growth:*** We are looking at acquiring companies to leverage on the existing service offerings and also to cater to new client relationships. These will also help in cross selling opportunities of our focused service offerings. To meet this requirement we have already entered (through our subsidiary, GSS America Inc.) into Stock Purchase Agreement to acquire System Dynamix Corporation. As per the terms of this agreement the acquisition will be effective from January 01, 2008. Consequently System Dynamix will become wholly owned subsidiary of GSS America Inc.
- ✓ ***Geographical expansion:*** We are in the process of expanding our operations and we have recently started our marketing operations from Dubai. In addition to Dubai, we

already have presence in India and US. Further, we propose to expand our operations in Europe and Far East. .

- ✓ **Infrastructure:** To support growing demand in EAI and Infrastructure Management we are planning to have our Global Delivery Centre and IT infrastructure for software development activities. This will provide a scalable model for our expansion plans.
- ✓ **Invest in Our People and Culture:** As a people-based business, we continue to invest in the development of our professionals and to provide them with entrepreneurial opportunities and career development and advancement. Our technology, business consulting and project management councils ensure that each client team learns best practices being developed across the company and our recognition program rewards teams for implementing those practices. We believe that this result in a team of motivated professionals armed with the ability to deliver high-quality and high-value services for our clients.
- ✓ Transitioning our existing EAI and Infrastructure Management client relationships into Global Delivery Service offerings.

MARKETING STRATEGY:

We always strive to further enhance our position as a leading provider of integrated IT Infrastructure solutions and services. We intend to accomplish this through:

Leveraging on our presence in US and our business model, we strategise to grow the enterprise software business.

GSS America has presence in USA & India. This presence and the large client base, provides us the opportunities to expand our IT services in USA and local markets. We have our dedicated Global Delivery Centres.

Leveraging on the proven Processes and Methodologies

GSS America has number of proven processes and methodologies that we would like to leverage upon. GSS America's IT Infrastructure Framework (ITIL) includes methodologies such as business continuity planning, IT infrastructure management, disaster recovery management and security framework for enterprise and application security. In the areas of service delivery management, we can leverage upon the strong processes in project management and service delivery. These processes and methodologies with their expertise will further enhance our capabilities so that we can continue to successfully deliver projects for our key customers in banking and financial services sector and many other verticals.

To leverage the strength in IT Infrastructure management in the Global business

Our professional team in the Enterprise Application Integration, IT infrastructure management and product Development divisions is a key strength, which can be leveraged for high-yield international IT projects.

We plan to move up the value chain in IT Infrastructure management.

IT Infrastructure management division offers tremendous scope for high value added activities such as managed services and total IT Outsourcing. As our company is already providing services in facilities management, application management and BPO, it becomes a logical extension for these activities to offer total IT outsourcing services, which our company intends to undertake in the near future.

Invest in Our People and Culture

We have cultivated a culture built on teamwork, a passion for technology and client service, and a focus on cost control and the bottom line. As a people-based business, we continue to invest in the development of our professionals and to provide them with entrepreneurial opportunities and

career development and advancement. Our technology, business consulting and project management councils ensure that each client team learns best practices being developed across our company and our recognition program rewards teams for implementing those practices. We believe this results in a team of motivated professionals armed with the ability to deliver high-quality and high-value services for our clients.

CUSTOMERS:

Over the last eight years, our Company along with its subsidiaries, has been successful in creating clientele comprising multiple industry segments. We run customer delight programs, wherein feedbacks are collected from customers periodically to monitor the service delivery levels.

A partial list of clients and sector is as under:

Vertical	Name of the Client
Financial Sector	LawLer Associates LLC, USA
Insurance	All State Insurance, USA
Healthcare	– Blue Cross Blue Shield of North Carolina, USA
	– Invitrogen Corporation, USA
	– MedStar Health, USA
Technology	– Ernst and Young LLP, USA
	– Net IQ Corporation, USA
	– BMC Software Services Inc., USA
Retail	– George Western Bakeries, USA
	– Trader Joes Company, USA
	– Sears, USA
	– InterMetro Industries Corp, USA
	– Shopzilla, USA
	– Scotts Companies, USA
	– Luxottica Retail, Inc., USA
Media	Thomson Inc., USA
Pharmaceuticals	W R Grace & Co., USA
Manufacturing	Eaton Corporation, USA
Consumer	Estee Lauder, Inc., USA
Transport	Wright Express LLC, USA

The Top 10 clients of our company include:

1. Sears, USA
2. Ernst And Young LLP, USA
3. All State Insurance, USA
4. Blue Cross Blue Shield of North Carolina, USA
5. NetIQ Corporation, USA
6. InterMetro Industries Corp, USA
7. Lawler Associates LLC, USA
8. BMC Software Services Inc, USA
9. Thomson Inc., USA
10. Wright Express LLC, USA

COMPETITION:

The IT services market is highly competitive. The increasing attractiveness of the Global Delivery Model is forcing the overseas-based competitors to expand their base in India. In the future we expect competition from firms establishing and building their offshore presence and firms in countries with lower personnel costs than those prevailing in India. However, we recognize that price alone cannot constitute sustainable competitive advantage. The competitors have also indulged in aggressive poaching of talent, especially for experienced IT professionals.

COMPETITIVE STRENGTH:

We believe that the following are our principal competitive strengths, which differentiate us from other IT services providers:

We have a stable management setup with a strong focus on customer service and satisfaction.

Our experience & customer service management has been our core competency. We have strong focus on customer service and attempt to provide customer delight through our services. Our customers value us for our effective advice, efficient service, fast turn-around-times, timely responsiveness, quality consistency and integrity.

We believe we have a unique customer service setup and presence in USA.

Our business model is based on a direct service approach to our customers. With presence in India (2 offices), USA (3 offices) and Dubai (1 office) we provide timely doorstep service to our clients ensuring the same level of quality consistently. We ensure to minimise the total cost of ownership. With three independent profitable business units, we have a de-risked business model. At the same time the divisions complement each other in the overall growth of our company.

We are a multi-vendor service provider

Being a multi vendor service provider gives us a lot of flexibility in providing our customers IT services, as we are able to keep in mind the requirements and operate accordingly. Thus, it gives us the independence of being a multi-vendor service provider and we are not dependent on a particular technology solution or a particular vendor, thus improving our efficiency as a service provider.

We are a niche high-end IT services provider with further scope of value addition.

Customers look forward to a single IT service provider for a range of services, which includes providing the hardware infrastructure, connectivity, application roll out and post-implementation life cycle management. Through our three strategic business units, we provide a host of services to our clients and are ideally equipped to cater to the growing needs of our clients. Our experience and expertise in handling mission critical, system integration projects provides us the competitive edge. We offer a wide variety of value-added services to our customers. Through the synergies, which exist across the SBUs, we have an upside for our services and can take up overall IT Outsourcing requirements of a customer.

We have stable manpower with high level of employee satisfaction.

With a flat organizational structure, appraisal based remuneration package, multi-cultural workforce, a mix of technological and business knowledge, customer-focused work orientation and a dynamic & challenging work environment; we are able to keep up the employee satisfaction and motivation levels.

EXPORT OBLIGATIONS:

As on December 31, 2007, our Company does not have any Export Obligations.

INSURANCE COVERAGE:

Sr. No.	Particulars of Insurer	Name of the Insurer	Amount Insured	Claims date till
1.	Commercial General Liability, Errors & Omissions and Automobile Liability	Accord Corporation	US \$ 3,000,000	NIL
2.	Commercial General Liability, Excess / Umbrella Liability	Accord Corporation	US \$ 5,000,000	NIL
3.	Workers' compensation insurance	The Hartford Financial Services Group	US \$ 1,000,000	NIL

4.	Health Insurance	Humana Insurance Company	Life time maximum of US \$ 5,000,000	The Claims made have been settled
5.	Standard Fire and Special perils policy	Bajaj Allianz General Insurance Company Limited	Rs. 1,08,20,192/-	NIL
6.	Burglary	Bajaj Allianz General Insurance Company Limited	not specified	NIL

LEASE DETAILS:

Our Company is operating its business through lease / leave and license of properties. The lease details of the properties are given below:

1. Lease deed for Plot No. 189, Road No. 72, Prashasan Nagar, Jubilee Hills, Hyderabad – 500 033 admeasuring 6700 square feet. The original lease deed was commenced on October 13, 2003 and addendum to the lease deed is executed on October 13, 2006 and is valid for a period of 3 years. The lease rent payable on monthly basis of Rs. 43000/-.
2. Lease Deed executed on June 5, 2006 for Wing-2, 3rd Floor, Block B, Cyber Gateway, Hitech City, Madhapur, Hyderabad-500 081 admeasuring 17673 square Feet. The lease rental is payable on monthly basis as under:

16th June 2006 to 15th June 2007: Rs. 9,18,996 /-
16th June 2007 to 15th June 2008: Rs. 9,83,326 /-
16th June 2008 to 15th June 2009: Rs. 10,52,159 /-
3. Lease Agreement executed on February 23, 2004 for Suite No. 103 and 104, First Floor, 220 Campus Court, Arlington Heights, Illinois admeasuring 4970 square fits. The lease rent payable on monthly basis is US\$ 5177.
4. Lease deed executed on September 15, 2005 doe Suite No. 201, Lake Centre Plaza, 1699, Wall Street, Mount Prospect, Illinois admeasuring 7375 Square Feet. The Lease rent payable on monthly basis is US \$ 4875.
5. Lease Agreement executed on April 20, 2007 for Suite No. 1550, International Business Park, Phase II, 6404, International Parkway, Collin County, Plano, Texas 75093 admeasuring 1113 Square fits US \$ 1855.
6. Lease Agreement executed on September 27, 2007 for office no. DMC P04-BO07-01-FSEO22, First Floor, Boutique Villa # 7, Dubai Internet City, Dubai, United Arab Emirates. The Lease rent payable on an yearly basis is AED 72,000

REGULATIONS AND POLICIES

A brief summary of the relevant regulations and policies as prescribed by the Government of India and Government of Andhra Pradesh that are applicable to us is as follows. Please note that the same are based on the legal provisions and the judicial interpretations thereof as on the date hereof, which are subject to change. The regulations set out below are only for general information to the investors and is neither exhaustive nor is a substitute for professional legal advice.

Information Technology Act, 2000

The Information Technology Act, 2000 ("the IT Act") was enacted with the purpose of providing legal recognition to electronic transactions and facilitating electronic filing of documents. The IT Act further provides for civil and criminal liability including fines and imprisonment for various cyber crimes, including unauthorized access to computer systems, unauthorized modification to the contents of computer systems, damaging computer systems, the unauthorized disclosure of confidential information and computer fraud.

The Act regulates Information Technology i.e. it governs information storage, processing and communication. The Act provides legal recognition of electronic records and electronic signatures, their use, retention, attribution and security. Penalties are provided for cyber crimes which include tampering with computer source document and electronic publishing of obscene information, in addition to provision of compensation in certain cases. The Act also provides punishment for offences committed outside India if the Act involves a computer system or computer network outside India.

Labour laws

India has various labour laws to protect the rights and interest of the 'employees' and 'workman'. The definition of the 'employees' and 'workman' have been defined in various legislations, and such people are entitled to various statutory benefits including provident fund, bonus, pensions, maternity benefits, insurance etc.

- (a) The Minimum Wages Act, 1948 provide for the fixation of a minimum wage payable by the employer to the employee.
- (b) The Employees Provident Fund and Miscellaneous Provisions Act, 1952 provides for the institution of compulsory Provident fund, pension fund and deposit linked insurance funds for the benefit of eligible employees. A liability is placed on the employer and employee to make certain contributions to the funds.
- (c) The Payment of Gratuity Act, 1961 provides for payment of gratuity to (a) the legal heirs of employees on the demise of the employees; and (b) to the employees employed in factories, shops and establishments who have put in a continuous service of 5 years, in the event of their superannuation, retirement, resignation or disablement. Gratuity is calculated at the rate of 15 days wages for every completed year of service with the employer, subject to the maximum gratuity of Rs. 3,50,000.
- (d) The Maternity Benefits Act, 1961 provides *inter alia* for paid leave of upto 12 weeks, to pregnant women.
- (e) Labour Welfare Fund: Contributions need to be paid by an employer as required under the provisions of the applicable labour welfare fund, if the relevant state government has enacted such legislation. Profession Tax: Some states require the payment of profession tax by a company and by the employees of the company. The contribution of the employees is deducted by the company from the wages of the employees and remitted to the relevant statutory authority. The rates of profession tax are specified in the relevant legislation governing the payment of profession tax.

Termination of Services: Any termination of employment of a person (other than workman) would be governed by the terms of the relevant employment contract, and would be subject to applicable Shops and Commercial Establishments Act, if there are provisions thereunder for the same. As regards a 'workman', the Industrial Disputes Act provides for the procedure of removal and termination of services.

Other Provisions: The applicable Shops and Commercial Establishments Act *inter alia* regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Software Technology Parks Scheme

Government of India announced a special scheme to promote software exports called The Software Technology Park Scheme (The "Scheme"). The Scheme is implemented through Software Technology Parks of India ("STPI") which is an autonomous society of Ministry of Information Technology, Government of India.

The Software Technology Parks of India ("STPI"), was established under the Department of Information Technology, Ministry of Communications and Information Technology, Government of India on June 5, 1991 with an objective to implement STP scheme, set-up and manage infrastructural facilities and provide other services like technology assessment and professional training.

STP Scheme a 100% export oriented scheme for undertaking software development for export using data communication links or in the form of physical media including export of professional services, has been notified by the Central Government (Ministry of Commerce) in exercise of its powers under Section 3 (1) of the Foreign Trade Development and Regulation Act, 1992 to permit the establishment of Software Technology Parks ("STP") with the objective of encouraging, promoting and boosting the software exports from India. The STP Scheme is administered and implemented by the STPI.

An STP is an export oriented unit, whose primary function is to export software and it enabled services... An STP can be set up by the Central Government, State Government, public or private sector undertakings or any combination thereof. An STP may be an individual unit by itself or it may be one of such units located in an area designated as STP Complex by the Ministry of Information Technology.

An STP unit enjoys various fiscal benefits, including *inter alia* the following, subject to an STP complying with the provisions of the relevant laws:

1. All hardware and software imports are exempt from customs duties
2. A STP unit is exempt from payment of corporate tax up to the Fiscal year 2009
3. Domestic purchases by STP units are eligible for the benefit of deemed exports to suppliers
4. Capital goods purchased from the DTA (i.e. an area within India but outside a notified STP) are entitled for exemption from excise duty and reimbursement of central sales tax;
5. The sales in the domestic tariff area shall be permissible up to 50% of the export in value terms

In order to avail the aforesaid benefits, the units are required to be registered with the STPI.

The STPI in terms of the STP Scheme provides for various facilities including infrastructure such as data communication facilities, operational space, common amenities, single window statutory services.

The principal compliance required of a company accorded approval under the STP Scheme is the fulfilment of the export obligation. Additionally, the STP unit is required to file monthly, quarterly and annual returns to STPI in the nature of a performance report indicating the export performance and the CIF value of imported goods and foreign currency spent on incidental expenses.

Further, the state governments are offering various benefits/ incentives in terms of policies such as Information Technology Policy, Information Technology enabled Services Policy etc. Wherever, such policies are applicable, the units are entitled to avail the benefits/ incentives.

Intellectual Property

Intellectual property rights in India are protected *inter alia* by the following Acts and the rules and regulations framed there under:

- (a) Patents Act of 1970;
- (b) Copyright Act of 1957;
- (c) Trade Mark Act of 1999; and
- (d) Design Act of 2000.

The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement. There are no special legislations which protect “trade secrets” or “confidential information”, the same are protected under common law.

In addition to the above domestic legislations India is a party to several international intellectual property related instruments including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the International Convention for the Protection of Literary and Artistic Works signed at Berne in 1886 (the Universal Copyright Convention of 1952), the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations 1961 and as a member of the World Trade Organisation is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights, 1995 (the TRIPS Agreement).

Foreign Investment:

100% foreign investment is permissible under the automatic route in the information technology structure, provided that the foreign investor satisfies and complies with the requirements as specified in the Foreign Exchange Management Act, 1999 and the relevant Rules and Regulations framed there under and the various notifications and press notes issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry. Pursuant to any foreign investment, a company would be required to make filings with the Reserve Bank of India and the authorized dealer informing them of the foreign investment and the allotment of shares of the company.

BRIEF HISTORY OF OUR COMPANY AND OTHER CORPORATE MATTERS

GSS America Infotech Limited was incorporated as Mayes Technologies Private Limited on October 13, 2003 under the Companies Act, 1956 with its registered office in Plot No. 189, Road No.72, Prashasan Nagar, Jubilee Hills, Hyderabad - 500 033, Andhra Pradesh. On acquisition of majority stake in the US based software company, on June 15, 2006 our company has opted to change its name to GSS America Infotech Private Limited to sync in line with the 'Brand' in the US Market. Subsequently, our Company was converted into Public Limited Company, the Certificate for conversion from Private Limited Company to Public Limited Company was issued by the Registrar of Companies on July 7, 2006.

We started our business in October, 2003 with outsourcing contracts for Business development Services and Back Office work from US based clients. Our Company has, over the years, evolved into an IT outsourcing service provider with a number of services that meet most of its client's outsourcing needs. GSS America is now a global provider of customized solutions and software services to clients in USA. It was promoted in 2003 by Mr. Bhargav Marepally and Mr. Ramesh Yerramsetti. We provide software solutions across a host of technologies and platforms.

Major events in the history of our Company are given below:

Year	Major event
2003	<ul style="list-style-type: none"> Company was founded with offshore Business development contract from GSS America Inc.,
2005	<ul style="list-style-type: none"> Achieved Revenues of Rs. 596 lacs Declared a dividend of 3000% in the second year
2006	<ul style="list-style-type: none"> Acquired 60% stake in the US based company and made it a subsidiary Made Bonus issue of 499:1 Achieved consolidated revenues of in excess of Rs. 6300 lacs Achieved a Profit of over Rs.1100 lacs Bonus Issue of 4:10 Declared a dividend of 10% Acquired US based consulting company Infospectrum Consulting Inc., with Projected Revenues of US\$17 Million for the current year through the US Subsidiary GSS America Inc., Acquired the balance 40% Stake in the US subsidiary GSS America Inc. by outright purchase and made it as 100% subsidiary of our company and in turn Infospectrum Consultancy Inc., as 100% subsidiary as well.
2007	<ul style="list-style-type: none"> Expanded geographically by opening up new branch offices in US and Dubai. Stock Purchase Agreement to acquire System Dynamix Corporation, through our wholly owned subsidiary GSS America Inc, effective January 01, 2008. Received CMMI Level 3 certification Declared a dividend of 15%

Main objects of Our Company:

To carry on the business to develop, import, export and deal in Computer Software & Hardware, establish and run data processing and computer centres and to offer consultancy and data processing, to provide consultancy and contractual services and other services that are normally offered by data processing and computer centres to individuals and business organisations and other type of customers.

To carry on the business in manufacturing, developing, improving, maintaining, servicing, buying, selling, importing, exporting, exchanging and otherwise deal in all kinds of power supplies of general or any customised specifications and all kinds of computer and micro processors based systems, their parts, components and systems, computer hardware and accessories, and related equipment, Printed Circuit Board, Mother Board, computerized magnetic tapes, magnet drums, magnetic discs, magnetic cards, magnetic core, magnetic tools and buy, sell or other wise deal in all kinds of computer hardware, software, their programs and accessories including security systems, diagnosis to set up training institution and consultancy in computer and allied fields.

To carry on the business in floating, promoting, form subsidiary and assist company, body corporate, firm, association, society or any other organisation for the prosecuting or execution or

undertaking works, projects or enterprises or any description and in connection therewith to prepare complete schemes, plans, designs, drawings and estimates for factories, plants, information solutions and services and to take jobs for design, manufacture, supply, erection and commission of plants, hardware, software and equipment on a turnkey basis

To carry on the business of R & D in the field of computer software, hardware and allied items, office, industry and domestic automation equipment; robotics; development of new product lines; and to use the technologies so developed for industrial and commercial in India and abroad and to give franchises; right to use our Technologies, R & D; plants and equipment; for commercial exploitations to other person parties and receive royalties, fees, considerations for the same in India and abroad.

To carry on the business or vocation of acting as advisers and consultants on all matters and problems relating to the Technical industries, civil, administration, finance and organisation, management, commencement or expansion of industry, purchasing techniques and business (including construction of plants and buildings), production, purchases, sales, material and cost control, marketing, advertisement, publicity, personnel, export and import to and for institutions, concerns, bodies, associations (incorporated or unincorporated), departments and services of the Government, public or local authorities, trusts, scientific research and development centres, and to be appointed as technical, financial, industrial administration, civil consultants.

Changes in Memorandum and Articles of Association of our Company

Since incorporation of the Company, the following changes have been made to the Memorandum of Association:

Date of Change	Particulars of changes
December 28, 2005	Consolidation of Authorised, Issue and Paid up capital comprising of 1,00,000 Equity Shares of Re. 1 each to 10,000 of Rs. 10 each and Increase in Authorised Capital from 10,000 Equity Shares of Rs 10/- each aggregating to Rs 1,00,000 to 80,00,000 Equity Shares of Rs 10/- each aggregating to Rs 8,00,00,000
June 21, 2006	Substitution of existing Articles of Association of our company with a new set of Articles upon conversion of our company into a Public Limited Company
July 21, 2006	Increase in Authorised Capital from 80,00,000 Equity Shares of Rs 10/- each aggregating to Rs 8,00,00,000 to 1,50,00,000 Equity Shares of Rs 10/- each aggregating to Rs 15,00,00,000
July 21, 2006	Amendment to Articles to suit the requirement of the Securities Contract Regulation (Act), 1956 and Stock Exchange Requirements

Changes in the Registered office of our Company

The Registered office of the Company was changed from Plot No.189, Road No.72, Prashasan Nagar, Jubilee Hills, Hyderabad - 500 033 to Wing – 2, 3rd Floor, Block B, Cyber Gateway, Hitech City, Madhapur, Hyderabad- 500 081 on February 6, 2007.

OUR SUBSIDIARIES

GSS America Inc.

GSS America Inc. was incorporated on May 12, 1998 with the object of providing Software services. The registered office of the Company is located at 220 W Campus Drive, Suite 104, Arlington Heights, Illinois 60004, USA.. GSS America Inc became our subsidiary w.e.f. January 30, 2006.

Shareholding Pattern

The Equity Shares of the Company are not listed on any Stock Exchange. The Shareholding Pattern of Equity Shares of GSS America Inc. is set forth below:

Name of Shareholder	Number of Equity Shares	Percentage of Shareholding %
GSS America Infotech Limited	1,24,950	99.96
Mr. Bhargav Marepally	25	Negligible
Mr. Ramesh Yerramsetti	25	Negligible
Total	1,25,000	100.00

Board of Directors

The Board of directors of GSS America Inc. comprises of:

1. Mr. Bhargav Marepally
2. Mr. Ramesh Yerramsetti

Financial Information

Amounts (Rs. in Lacs)

Particulars	December 31, 2007	March 31, 2007	March 31, 2006
Equity Capital	53.03	22.31	22.31
Reserves (excluding revaluation reserve)	7,432.04	2,999.83	694.53
Income / Sales	20,355.77	16,418.06	6,312.77
Profit / Loss After Tax	2,871.45	2,232.06	141.65
Earning Per Share (Rs.)	2,297.16	4,464.12	283.30
Book Value Per Share (Rs.)	5,988.05	6,044.28	1,433.68

Infospectrum Consulting Inc.

Infospectrum Consulting Inc. was incorporated on April 20, 1998, in the State of Illinois, United States of America, with the object of providing software services. The registered office of the Company is located at 220 W Campus Dr., Suite 104, Arlington Heights, IL,60004, USA. Infospectrum Consulting Inc. became the subsidiary of our company w.e.f. April 1, 2006.

Shareholding Pattern

The Equity Shares of the Company are not listed on any Stock Exchange. The Shareholding Pattern of Equity Shares of Infospectrum Consulting Inc. is set forth below:

Name of Shareholder	Number of Equity Shares	Percentage of Shareholding %
GSS America Inc.	100	100%
Total	100	100%

Board of Directors

The Board of directors of Infospectrum Consulting Inc. comprises of:

1. Mr. Bhargav Marepally
2. Mr. Ramesh Yerramsetti

Financial Information

Amounts (Rs. in Lacs)

Particulars	December 31, 2007	March 31, 2007
Equity Capital	0.04	0.04
Reserves (excluding revaluation reserve)	2,668.57	1592.63

Income / Sales	7,595.38	5,796.88
Profit / Loss After Tax	1,244.72	1400.97
Earning Per Share (Rs.)	12,44,720	14,00,970
Book Value Per Share (Rs.)	26,68,610	15,92,670

System Dynamix Corporation

System Dynamix Corporation was incorporated on August 25, 1995 in the State of Connecticut, United States of America, with the object of providing IT services. The registered office of the company is situated at 41B New London Turnpike, Glastonbury, CT 06033. The Company has become our subsidiary by virtue of acquisition made by GSS America Inc. (our subsidiary) w.e.f. January 01, 2008.

Shareholding Pattern

The Equity Shares of the Company are not listed on any stock Exchange. The Shareholding Pattern of Equity Shares is set forth below:

Name of Shareholder	Number of Equity Shares	Percentage of Shareholding %
GSS America Inc.	200	100%
Total	200	100%

Board of Directors

The Board of directors of System Dynamix Corporation comprises of:

1. Mr. Bhargav Marepally
2. Mr. Ramesh Yerramsetti

Financial Information

We have not disclosed the financial information of System Dynamix Corporation since it has become our subsidiary w.e.f. January 01, 2008.

OTHER VENTURES WITH WHICH OUR PROMOTERS ARE ASSOCIATED

Arani Power Systems Limited (formerly GSS Power Systems Limited)

Arani Power Systems Limited (Arani) was originally incorporated as GSS Power Systems Limited on August 21, 2006. The name of the company was changed from GSS Power Systems Limited to Arani Power Systems Limited w.e.f. June 18, 2007. Mr. Bhargav Marepally and Mr. Ramesh Yerramsetti were two of the seven signatories to the Memorandum of Association.

On September 10, 2006 Mr. Bhargav Marepally and Mr. Ramesh Yerramsetti resigned from the board of the company. The shareholding pattern of the company as on March 31, 2007 is as under:

Name of the Shareholder	No. of Shares	Percentage of Shareholding
Mr. K. Ch. Peraiah	14,04,000	96.82%
Mr. Ramesh Yerramsetti	22,998	1.59%
Mr. Bhargav Marepally	22,998	1.59%
Mrs. Usha Yerramsetti	1	Negligible
Mrs. Nandita Marepally	1	Negligible
Ms. G. Vijayakumari	1	Negligible
Ms. Madhavi Latha	1	Negligible
Total	14,50,000	100.00%

Arani Power Systems Limited is a venture promoted by Mr. K. Ch. Peraiah and focuses on manufacture and servicing of power generation equipments. Mr. K. Ch. Peraiah is father-in-law of Mr. Ramesh Yerramsetti, one of the promoters of GSS America Infotech Limited. Mr. Ramesh Yerramsetti and Mr. Bhargav Marepally had acted as signatories to the Memorandum of Association of Arani Power Systems Limited as it required 7 subscribers for being incorporated as a public limited company. The board of directors of Arani Power Systems Limited as on March 31, 2007 consists of:

Name of the Director	Type of Directorship
Mr. K. Ch. Peraiah	Managing Director
C. K. Khot	Director
Edward M. Bennett	Director

The Following is the information as per clause 6.10.3 of the DIP guideline for the last three years, based on the audited statements, is as follows:

- a) Name of the Company : Arani Power Systems Limited (Formerly GSS Power Systems Limited)
- b) Date of Incorporation : August 21, 2006
- c) Nature of activities : The main objects of the company are:
 - i. To supply "Steam turbine – Generator islands" for various applications.
 - ii. To design, Manufacture, import, test, assemble and sell the steam turbines both with in and outside India and to engineer and outsource balance of plant like generators, condensers, heat exchangers, electrical panels etc.
 - iii. To provide engineering development services relating to power equipment in India and abroad; to promote, own, acquire, erect, construct, establish, use, develop computerized techniques like embedded solutions to maintain, improve, manage, operate, alter, carry on, control, take on hire/lease power plant equipments.

- iv. To manufacture, construct, establish, operate equipments and machinery parts with or without the use of computerized techniques related to Power Stations, Boiler Houses, Steam Turbines, Gas Turbines, Diesel Generators, Switch Yards, Transformer Yards, Sub stations, Transmission Lines, Accumulators, Workshops Dams, Reservoirs, etc., of principals, contractors or otherwise, to buy, sell, deal in, import, export, design, fabricate, assemble, manufacture, maintain, service or otherwise deal in the machinery, equipment, material, convenience, provisions and required for Power Projects and all such works necessary for generating, accumulating, distributing and supply of electricity, to construct, lay down, establish, fix, erect generating machinery and all other types of plant and machinery, electrical equipment and cables, computer and control equipment, transmission lines, accumulators, fittings and apparatus in the capacity things used or capable of being used in the generation of power.
- v. To carry on the business of consultants and contractors in setting up all types of plants for production of Electrical Energy and also to undertake Research and Development Programmes in the field of Electricity, Electronics and other allied fields, refurbishing, renovating, reforming etc., of old power projects; to market reputed OEM's steam turbines or customer's requirements that fall beyond the scope of ARANI Power and to engineer and supply the balance of plant; to provide integrated services right from concept to commissioning and beyond up to the life for the ARANI Power's supplies.

- d) Equity Capital :As on March 31, 2007, the share capital of the Company is Rs. 1,45, 00,000
- e) Reserves (excl revaluation res.) : Nil
- f) Sales : Nil
- g) Profit after tax (PAT) : Nil
- h) Earnings per share (EPS) : Nil
- i) Net Asset Value (NAV) : Rs. 9.84
- j) The shares of the Company are not listed on any Stock Exchange.
- k) The company has not made any public or rights issue in the preceding three years.
- l) The Company had not become a sick company with in the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 or is under winding up.
- m) The company has not made any losses in the immediately preceding year as the company has not yet started any commercial production as at the end of the immediately preceding financial year.
- n) There are no litigations against the Company and the Company has not instituted any litigations.

We confirm that neither Arani Power Systems Ltd. nor Mr. K. Ch. Peraiah have been restrained from accessing the Capital Markets.

Shareholding Pattern of Arani Power Systems Limited at the time of incorporation

At the time of Incorporation of Arani, the subscription to its Memorandum was as follows:

Name of the Shareholder	No. of Shares held	% of Shares
Mr. K. Ch. Peraiah	4,000	8.00%
Mr. Ramesh Yerramsetti	22,998	46.00%
Mr. Bhargav Marepally	22,998	46.00%
Mrs. Usha Yerramsetti	1	Negligible

Mrs. Nandita Marepally	1	Negligible
Ms. G. Vijayakumari	1	Negligible
Ms. Madhavi Latha	1	Negligible
Total	50,000	100.00

Reason for Change in the shareholding pattern

On October 7, 2006 the company allotted 14,00,000 Equity Shares to Mr. K.Ch. Peraiah, the Promoter of Arani Power Systems Limited. After the said allotment, the shareholding structure of the company was as under:

Name of the Shareholder	No. of Shares	% of total share capital
Mr. K. Ch. Peraiah	14,04,000	96.82%
Mr. Ramesh Yerramsetti	22,998	1.59%
Mr. Bhargav Marepally	22,998	1.59%
Mrs. Usha Yerramsetti	1	Negligible
Mrs. Nandita Marepally	1	Negligible
Ms. G. Vijayakumari	1	Negligible
Ms. Madhavi Latha	1	Negligible
Total	14,50,000	100.00%

Relation between the Promoters of Issuer Company and Arani Power Systems Limited

The person who is in the control of Arani Power Systems Limited, Mr. K.Ch. Peraiah is the Father – in Law of our promoter Mr. Ramesh Yerramsetti.

Development in Arani Power Systems Limited which shows linkage / delinkages between the our promoters and Arani Power Systems Limited

Mr. Bhargav Marepally and Mr. Ramesh Yerramsetti were two of the seven signatories to the memorandum of Association of Arani Power Systems Limited. At the time of incorporation of Arani Power Systems Limited our Promoters, Mr. Bhargav Marepally and Mr. Ramesh Yerramsetti were jointly holding around 92% of the total share capital of the company and were also the first directors the company. On September 10, 2006 Mr. Bhargav Marepally and Mr. Ramesh Yerramsetti have resigned from the Board of Directors of the Company. Further, due to allotment of 14,00,000 Equity shares to Mr. K.Ch. Peraiah, their combined shareholding in the company had came down to 3.18%

OTHER AGREEMENTS

Share Purchase agreement between GSS America Infotech Limited and GSS America Inc.

On January 30, 2006, GSS America Inc (Company) entered into a Purchase Agreement with GSS America Infotech Limited (Purchaser) that provides for the sale of common stock to the Purchaser for gross proceeds to the company of \$500,000. Pursuant to the terms of the Agreement, the company will issue to the Purchaser, an aggregate of 30,000 New Shares or the Common Stock at a purchase price per share equal to \$16.66, comprising of \$1 per share for Face Value of each share and \$15.66 per share as Securities Premium. The consideration for the transaction was paid by adjusting the accounts payable by the company to the purchase to the tune of \$500,000.

Further, the Promoters have sold 20,000 shares in GSS America Inc. on January 5, 2007 at a price of US\$ 16.66 to the company thus making GSS America Inc. a 100% subsidiary of the company.

Share Purchase Agreement between GSS America Infotech Limited, Promoters and TARA India Fund III, a scheme of IL&FS Private Equity Trust

Share Purchase Agreement between GSS America Infotech Ltd (Company) and Mr. Bhargav Marepally & Mr. Ramesh Yerramsetti (Promoters) and TARA India Fund III, a scheme of IL&FS Private Equity Trust, a trust created under the Indian Trust Act, 1882 and a venture capital fund registered with Securities and Exchange Board of India (Investor).

The aforesaid agreement dated January 22, 2007 confirms and records the terms and conditions according to which Tara India Fund III will acquire 12,52,505 Equity Shares of Rs. 10 each at a premium of Rs. 229.50 per Equity Share aggregating to Rs. 3000 Lacs in the Company, the manner in which the Investor, Promoters and other shareholders will participate in the business of the Company and act in the operation, administration and management of the Company and other terms and conditions relating thereto.

Stock Purchase Agreement by GSS America Inc.

GSS America Inc. has entered into a Stock Purchase Agreement to acquire System Dynamix Corporation situated at 41 B, New London Turnpike, Glastonbury, CT – 06033 on 14.12.07 for a purchase consideration of \$6 mn. of cash and \$6 mn. of Net Current Assets. As per the terms of this agreement the acquisition will be effective from January 01, 2008. Consequently System Dynamix will become wholly owned subsidiary of GSS America Inc.

Agreements with Microsoft Corporation, TIBCO Software Inc. and BEA Systems Inc.

We are Microsoft Gold Certified Partner, BEA Select Partner and TIBCO Alliance Partner. These Partner Programs provide us a platform to keep abreast the latest technology developments that happen in these organisations so that we can continue to provide solutions in the latest software releases.

OUR MANAGEMENT

The Board of Directors constitute of the following Directors:

1. Mr. Bhargav Marepally – Managing Director & CEO
2. Mr. Ramesh Yerramsetti – Managing Director
3. Mr. PVRK Prasad – Non- Executive Independent Director
4. Mr. K Vasudeva Rao – Non- Executive Independent Director
5. Mr. Keerthy Jaya Tilak – Non- Executive Independent Director
6. Mr. Guhan Subramaniam – Non-Executive Non Independent Director

S No.	Name, Designation, Address, Occupation	Age	Qualification	Date of Appointment	Other Directorships
1	Mr. Bhargav Marepally <i>Managing Director & CEO</i> Plot No. 204, Prashasan Nagar, Jubilee Hills, Hyderabad – 500 033 Occupation: Service DIN No: 00505098	36	M.Sc & MMS	October 13, 2003	<ul style="list-style-type: none"> GSS America Inc Infospectrum Consulting Inc.
2	Mr. Ramesh Yerramsetti <i>Managing Director</i> Flat No. 307, MIG 587, Krishna Residency Road No. 1, KPHB Colony, Hyderabad – 500 072 Occupation: Service DIN No: 00379850	36	M.Sc (Tech) & Masters in Systems and Information	October 13, 2003	<ul style="list-style-type: none"> GSS America Inc Infospectrum Consulting Inc.
3	Mr. K Vasudeva Rao Non- Executive Independent Director 301, Prithvi mansions Badamigalli, Domalguda Hyderabad 500 029 Occupation: Service DIN No: 00086483	43	B. Sc & FCA	June 21, 2006	<ul style="list-style-type: none"> XL Telecom and Energy Ltd. NEST Ltd.
4	Mr. Keerthy Jaya Tilak* Non- Executive Independent Director Add: 16, Meghana Paradise, Ishaq Colony, Secunderabad- 500015 Occupation: Service DIN No: 00278137	61	PGDBM from IIM , Calcutta	July 21, 2006	<ul style="list-style-type: none"> Jaytee Management Consultants Private Limited
5	Mr. PVRK Prasad Non-Executive Independent Director Plot No: 70, Road No: 3, Banjara Hills, Hyderabad- 500034 Occupation: Service DIN No: 00009817	66	IAS (Retd) M.A, L.L.B, Post Graduate Diploma in Development Administration from University of Cambridge	June 21, 2006	<ul style="list-style-type: none"> Facor Alloys Limited.

S No.	Name, Designation, Address, Occupation	Age	Qualification	Date of Appointment	Other Directorships
6.	Mr. Guhan Subramaniam <i>Non-Executive Non Independent Director</i> 565/1, 15 Main Road, 4 th Block, Koramangala, Bangalore – 560034 Occupation : Service DIN No: 00131687	52	B.A. (Economics) MBA from Symbiosis Institute of Management	February 5, 2007	<ul style="list-style-type: none"> • EBS Worldwide Services Pvt. Ltd. • Si2 Microsystems Ltd (formerly Sun Electronic Technologies Ltd) • Mindteck (India) Ltd • Sark Systems Ltd • IPF Online Ltd

The overall management of our Company is vested in the Board of Directors. Mr. Bhargav Marepally, Managing Director and CEO of our Company, under the guidance and supervision of the Board, manages the affairs of the Company. Given that Mr. Ramesh Yerramsetti manages the operations of the Company as Managing Director and President.

* Mr. Keerthy Jaya Tilak is also associated with Arani Power Systems Limited (A Venture with which Promoters of GSS America Infotech Limited are associated) and is designated as Sr. Vice President - Corporate Affairs. He qualifies to be an Independent Director in the Issuer Company. A Legal opinion in this regard has been obtained from M/s Dua & Associates, Legal Advisors to the Issue and the same has been made a material document and is available for public inspection.

Board of Directors as on the date of this Red Herring Prospectus are as follows:

BRIEF PROFILE OF THE DIRECTORS

Mr. Bhargav Marepally, 36, is a technocrat and first generation entrepreneur. He holds M.Sc (Hons) degree from BITS Pilani along with an MMS and has about 14 years of experience in IT Industry. He has exposure as an Engineer in IT before getting into business. He started his career as a Factory Manager with Brook Bond Lipton in the year 1992. In 1993, he joined Expert Infotech Ltd as Head of Business Unit. In the year 1996, he alongwith Mr. Ramesh Yerramsetti ventured into Business by co-founding Global Software Solutions. In 1998, he floated GSS America Inc. in USA. He co-founded Mayes Technologies Private Limited in 2003. The name of Mayes Technologies Pvt. Ltd was changed to GSS America Infotech Private Limited which was converted into a Public Limited Company He along with co-founder Mr. Ramesh Yerramsetti, has been instrumental in building GSS America to its current level of operations.

Mr. Ramesh Yerramsetti, aged 36 years, has studied M.Sc. in Engineering from BITS, Pilani, India and Masters in Systems and Information from BITS Pilani. He worked as Scientist in Council of Scientific and Industrial Research from 1992 to 1994. He worked as IT consultant in Indian National Science Academy from 1994 to 1995, in IBM from 1995 to 1997 and in Morgan Stanley Dean Witt in 1997 - 1998,. Having gained international experience both in Science and Technology, Mr Ramesh Yerramsetti ventured into Business by co-founding Global Software Solutions in 1996. He then floated GSS America Inc. in 1998 along with Mr Bhargav Marepally. He co-founded Mayes Technologies Private Limited in 2003. The name of Mayes Technologies Pvt. Ltd was changed to GSS America Infotech Private Limited which was converted into a Public Limited Company.

Mr. PVRK Prasad, is an LLB from Nagpur University and aged 65 years, is a Retired IAS Officer. Currently he is associated with Facor Alloys Limited as a Director. He has exposure to Public

Administration of over 40 Years in Central Government of India and Andhra Pradesh State Government. He has also worked as secretary to Chief Minister, Andhra Pradesh and Information Advisor to Prime Minister.

Mr. K Vasudeva Rao aged 43 years, is B.Sc., FCA with about 20 years of experience in Corporate Management. Mr. Vasudeva Rao is currently Executive Director of XL Telecom Ltd. He worked as Corporate Finance Officer with Kirloskar Electric Limited from 1988 to 1992. He served XL Telecom Ltd as Sr. VP Corporate Finance from 1992 to 1998. He was an Executive Director with Goldstone Technologies Ltd from 1998 to 2004. Since 2005 he is on the board of XL Telecom Ltd as Executive Director. He has been in Telecom Industry for over 13 years focusing Operations and Software for over 6 years.

Mr. Keerthy Jaya Tilak aged 61 years, is an IIM, Calcutta Graduate, having 35 years of experience in marketing, developing marketing strategies, establishing systems and procedures and business promotion. He has worked at various senior positions with Escorts Ltd, LML Ltd, Essar Group and Nagarjuna group. From 1986 to 1990 he was associated with Dataquest Management Consultants Ltd., He was Director of XL Telecom Ltd from 1990 – 1992. From 1992 to 2001 he was associated with Essar World Trade Ltd, SJB Tubes Ltd, Sampark Marketing and Advertising and Avantel Softech Ltd. Presently he is a Director on the Board of Jaytee Management Consultants Pvt. Ltd. As an independent Consultant, he executed many projects for SMEs for Project Funding, Rehabilitation, New Product Launches and Mergers. Since 2006 he is working as freelance consultant in the area of manpower recruitment at middle and senior level to MNCs.

Mr. Guhan Subramaniam aged 52, is a Managing Partner at IL&FS Investment Managers Limited. He is an experienced professional and a senior member of the IL&FS Private Equity team. He has 28 years experience. His experience has predominantly been in Information Technology and Software Solutions, Product and Services both in India and Global markets. His career spans from Sales, Marketing, Business Development, Human Resources Development to Business Planning. He has held senior management positions in Modi Zerox Ltd from 1985 to 1990, in Wipro Information Technology Ltd from 1990 to 1997, in Ashok Leyland Information Technology Ltd from 1997 to 1999, in BPL Innovision Technologies Pvt. Ltd from 1999 to 2000 and in IL&FS Investment Managers Ltd from December 2000 till date.

Details of borrowing powers:

No resolution has been passed by our shareholders in terms of the provisions of Section 293 (1) (a) and 293(1)(d) of Companies Act, 1956, for authorising our Board to borrow sums of money for the purpose of the Company.

COMPENSATION OF MANAGING DIRECTORS/ WHOLE TIME DIRECTORS

Mr. Bhargav Marepally & Mr. Ramesh Yerramsetti were appointed as Managing Directors of the Company by the Board of Directors at their meeting held on May 29, 2006. The Board of directors of the Company at their meeting held on July 22, 2006 has convened an Extra Ordinary General Meeting (EGM) of members of the Company to ratify the appointment of Managing Directors. The shareholders of the Company at their EGM held on August 25, 2006 have approved the appointment of Managing Directors and payment of remuneration to them on such terms and conditions as may be decided by the Remuneration Committee. The Remuneration Committee at its meeting held on October 29, 2006 has approved the terms of payment of remuneration to the Managing Directors w.e.f. November, 2006 in accordance with Schedule XIII, Section 198, 269 and other applicable provisions of the Companies Act, 1956. However, the same was altered by the Remuneration Committee in their Meeting held on January 20, 2007. The Amended and restated terms of appointment of Managing Directors are as follows

The following remuneration shall be payable to Mr. Bhargav Marepally, Managing Director w.e.f. January 22, 2007

The Company shall, for the services rendered by Managing Director to the Company, pay to the Managing Director during the Employment Period, the following remuneration, subject to the provisions of the Income-Tax Act, 1961, with effect from the Commencement Date.

- a) Salary

Rupee Three lakhs per month, with such increase as the Board may from time to time sanction pursuant to the authority conferred on the Board by the shareholders in a general meeting.

b) Perquisites

- i. Medical benefit for Managing Director and family: Any sums paid/ payable by Managing Director in respect of any expenditure on the medical treatment for self, spouse, children in India or abroad, and payment of medical insurance premium under the "Medicclaim Plan".
- ii. Leave Travel Concession: Full cost of travel for self, spouse and children, once a year, to and fro any place in India.
- iii. 30 days leave for each 11 months of completed service. On 1st April of each year and on termination of this Agreement, the Managing Director shall be entitled to encash the accumulated leave standing to his credit calculated on the basis of the average salary drawn by him during the preceding financial year. Managing Director shall be entitled to paid sick leave benefits during the Employment Period in accordance with the Company Policies
- iv. Personal Accident Insurance: The benefit of personal accident insurance policy the premium of which shall not exceed Rs. 5 Lakhs per annum to the Company.
- v. Free use of Company's telephone at Managing Director's own residence or at Company provided accommodation. Since the telephone will be installed at the residence owing to business needs, this will not be considered as perquisite in line with the treatment accorded under the Income-tax Act, 1961 in respect of perquisite valuation. However, personal long distance calls shall be billable by the Company to the Managing Director.
- vi. Payment of Annual Membership fees of two clubs. This will not include admission and life membership fee.
- vii. Car: Provision of Company car along with driver for the Company use.

c) Commission

The Managing Director shall be paid a Commission of 1% of the net profits of the Company determined in accordance with Section 349 of the Act. Net profits shall mean profits before Income Tax and Commission but after extra-ordinary items, all other remuneration to all directors, prior year adjustment, penalties and interests under various statutes.

d) Reimbursement of out of pocket expenses:

The Company shall reimburse the Managing Director for all reasonable expenses incurred by the Managing Director in connection with the performance of Managing Director's duties hereunder up to and in accordance with the limits prescribed by the Company and upon presentation by the Managing Director to the Chief Financial Officer of the Company of relevant documentation, including, without limitation, expense statements, vouchers and other supporting information as may be requested in accordance with the Company's standard reimbursement procedures and practices in effect from time to time.

The following remuneration shall be payable to Mr. Ramesh Yerramsetti, Managing Director w.e.f. January 22, 2007

The Company shall, for the services rendered by Managing Director to the Company, pay to the Managing Director during the Employment Period, the following remuneration, subject to the provisions of the Income-Tax Act, 1961, with effect from the Commencement Date.

a) Salary

Rupee Three lakhs per month, with such increase as the Board may from time to time sanction pursuant to the authority conferred on the Board by the shareholders in a general meeting.

b) Perquisites

- i. Medical benefit for Managing Director and family: Any sums paid/ payable by Managing Director in respect of any expenditure on the medical treatment for self, spouse, children in India or abroad, and payment of medical insurance premium under the "Medicclaim Plan".

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- ii. Leave Travel Concession: Full cost of travel for self, spouse and children, once a year, to and fro any place in India.
 - iii. 30 days leave for each 11 months of completed service. On 1st April of each year and on termination of this Agreement, the Managing Director shall be entitled to encash the accumulated leave standing to his credit calculated on the basis of the average salary drawn by him during the preceding financial year. Managing Director shall be entitled to paid sick leave benefits during the Employment Period in accordance with the Company Policies
 - iv. Personal Accident Insurance: The benefit of personal accident insurance policy the premium of which shall not exceed Rs. 5 Lakhs per annum to the Company.
 - v. Free use of Company's telephone at Managing Director's own residence or at Company provided accommodation. Since the telephone will be installed at the residence owing to business needs, this will not be considered as perquisite in line with the treatment accorded under the Income-tax Act, 1961 in respect of perquisite valuation. However, personal long distance calls shall be billable by the Company to the Managing Director.
 - vi. Payment of Annual Membership fees of two clubs. This will not include admission and life membership fee.
 - vii. Car: Provision of Company car along with driver for the Company use.

c) Commission

The Managing Director shall be paid a Commission of 1% of the net profits of the Company determined in accordance with Section 349 of the Act. Net profits shall mean profits before Income Tax and Commission but after extra-ordinary items, all other remuneration to all directors, prior year adjustment, penalties and interests under various statutes.

d) Reimbursement of out of pocket expenses:

The Company shall reimburse the Managing Director for all reasonable expenses incurred by the Managing Director in connection with the performance of Managing Director's duties hereunder up to and in accordance with the limits prescribed by the Company and upon presentation by the Managing Director to the Chief Financial Officer of the Company of relevant documentation, including, without limitation, expense statements, vouchers and other supporting information as may be requested in accordance with the Company's standard reimbursement procedures and practices in effect from time to time.

CORPORATE GOVERNANCE:

Our company is in compliance of the provisions for corporate governance as stipulated in the SEBI Guidelines, listing agreements with the stock exchanges including with respect to the appointment of independent Directors to our Board and the constitution of Audit Committee, the Investor Grievances Committee and the Remuneration committee.

The Board of Directors comprises of Six Directors, out of which two directors are Executive Directors and the other four directors are Non Executive – Independent Directors.

COMPANY'S PHILOSOPHY

Our Company continues to emphasize on its philosophy of achieving corporate goals through good corporate governance practices. We believe that such a philosophy can enable us to serve our stakeholders - customers, vendors and shareholders - better, and enhance value through greater transparency, accountability and integrity. Our Company believes in the principles of responsibility and commitment, which ensure a better relationship with shareholders, customers, the government, lenders and the community at large. It also provides stability to the expectations of various associate groups mentioned earlier. Its aim is to be progressive and trustworthy in all its transactions with stakeholders and customers alike. Our Company has duly implemented all relevant provisions of the corporate governance guidelines as suggested by SEBI.

GSS America's reliance and belief in corporate governance principles are based on the commitment to enrich itself with the best management practices and to fulfil its vision with the attainment of the highest levels of fidelity, accountability and transparency.

The details of committees constituted as per the provision of Clause 49 of the Listing Agreements are as under:

Audit Committee

The terms of the Audit Committee comply with the requirements of Section 292A of the Companies Act and Clause 49 of the listing agreement to be entered with the Stock Exchanges. The Audit Committee consists of 3 non-executive independent directors and an executive director.

Audit Committee was constituted on July 22, 2006. Presently, the Audit Committee comprises of:-

Name of the Directors	Designation	Nature of Directorship
Mr. PVRK Prasad	Chairman	Non- Executive, Independent
Mr. Keerthy Jaya Tilak	Member	Non- Executive, Independent
Mr. K Vasudeva Rao	Member	Non- Executive, Independent
Mr. Bhargav Marepally	Member	Executive, Promoter group

The purposes for which the committee was constituted and the general business transacted by the committee was as follows:

- To have discussion with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the half-yearly and annual financial statements before submission to the Board of Directors.
- To review the Company's systems of internal control and to ensure that adequate system of internal audit exists and is functioning.
- To investigate into any matter as may be referred to it by the Board of Directors
- To recommend the appointment of internal auditors and statutory auditors
- To establish accounting policies
- To review officer's expense accounts
- To review and approve signatories to various bank accounts
- To provide the company's statutory auditors and internal auditors with the normal and easy access to the Board of Directors
- To serve as an informed voice on the Board of Directors in support of the financial and accounting departments of the Company
- Other functions as may be assigned by the Board of Directors and applicable statutory enactment.

Quorum: The quorum for the committee meeting shall be the presence of any two of the members.

Chairman: In the absence of the Chairman of the audit committee from the meeting, the members of the Audit Committee shall elect one of its members as the Chairman of that Committee Meeting.

Decisions of the Committee: Decisions at the committee meetings shall be by a majority of the votes of members present at the meeting and in the event of equality of votes, the chairman shall have a second or casting vote.

Remuneration Committee

The Remuneration Committee was constituted on July 22, 2006. The Remuneration Committee comprises of three members

Name of the Director	Designation	Nature of Directorship
Mr. PVRK Prasad	Chairman	Non-Executive, Independent
Mr. K Vasudeva Rao	Member	Non-Executive, Independent
Mr. Keerthy Jaya Tilak	Member	Non- Executive, Independent

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

Share Transfer and Shareholders/ Investors Grievance Committee

The Share Transfer and Shareholders / Investors Grievance Committee was constituted on July 22, 2006 and comprises of three members:-

Name of the Director	Designation	Nature of Directorship
Mr. K Vasudeva Rao	Chairman	Non-Executive, Independent
Mr. Bhargav Marepally	Member	Executive, Promoter group
Mr. Ramesh Yerramsetti	Member	Executive, Promoter group

The purposes for which the committee was constituted and the general business transacted by the committee was as follows:

1. To accept the Share Applications along with share application money
2. To reject to the share applications as may be deem fit and proper
3. To allot the shares as may be deemed fit and proper.
4. To affix common seal of the Company on the Share Certificates in presence of Mr. M Bhargav, Managing Director and Mr. Y Ramesh by engraving their facsimile signatures on the share certificates.
5. The share certificates should be duly stamped as per respective state stamp Act.
6. The share certificate should be autographically signed by either Mr. Ravi Shankar Chivukula, DGM- Finance or by Mr. Kamal Kishore Avutapalli, Company Secretary or such other official as may be authorized by the Share Allotment, Transfer and Investors Grievances Committee from time to time.
7. To do all works relating to registration of transfer, transmission, consolidation, split and issue of duplicate shares of the Company and also authorized to do all necessary works relating to equity shares of the company subject to the provisions of the various enactments.
8. To do all necessary things as may be required from time to time under the Companies Act, 1956 and other related enactments."

Quorum: The quorum for the committee meeting shall be the presence of any two of the members. During the year, all complaints and/or grievances as received from the investors were promptly responded to and satisfactorily replied.

Shareholding of Directors

DIRECTORS' SHARE HOLDING AS ON DATE IS AS FOLLOWS:

Name of the Directors	No. of Shares	% age of the share capital
Mr. Bhargav Marepally	30,89,200	31.51
Mr. Ramesh Yerramsetti	30,89,200	31.51
Mr. K. Vasudeva Rao	1,52,000	1.55

For details regarding Equity Shares held by the promoters and their families and entities controlled by them, please refer "Capital Structure of the Company" on page 14 of this Red Herring Prospectus.

INTEREST OF PROMOTERS, DIRECTORS AND KEY MANAGERIAL PERSONNEL

All our Directors, including Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them under the Articles of Association. The Managing Directors are interested to the extent of remuneration paid to them for services rendered by them as officers or employees of our Company.

All Directors, including Independent Directors, may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in the Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of this Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Directors, including Independent Directors, may also be regarded as interested in the Equity Shares, if any held by or that may be held by and allotted to the Companies, firms and trust, in which they are interested as Directors, members, partners or trustees.

Some of our Directors, may be deemed to be interested to the extent of consideration received / paid or any loans or advances provided to any body corporate including companies and firms, and

trusts, in which they are interested as directors, members, partners or trustees. For further details refer to the section titled “Financial Statements – Related Party Transactions” on page 115 of this Red Herring Prospectus.

Except as stated otherwise in this Red Herring Prospectus, the Company has not entered into any contract, agreements or arrangement during the preceding two years from the date of this Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them. Please refer to Other Agreements on page 77.

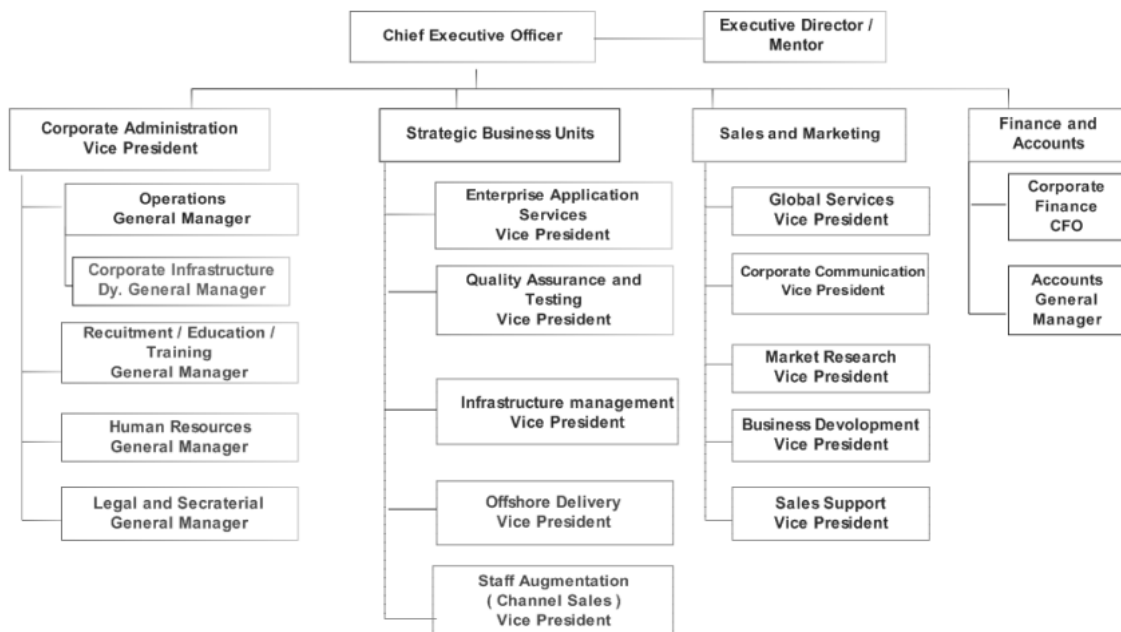
Changes in the Board of Directors in the last three years are as follows:

Name	Date of Appointment	Date of Cessation	Reasons
Mrs. N. Madhavi Latha	October 13, 2003	June 21, 2006	Resignation
Mrs. Vijaya Kumari Gajula	October 13, 2003	June 21, 2006	Resignation
Mr. P.V.R.K. Prasad	June 21, 2006	--	Appointment
Mr. K. Vasudeva Rao	June 21, 2006		Appointment
Mr. Keerthy Jaya Tilak	July 21, 2006	--	Appointment
Mr. Guhan Subramaniam*	February 5, 2007	--	Appointment

* Mr. Guhan Subramaniam was appointed as Additional Director of the Company on February 5, 2007 and his terms expired on the date of Annual General Meeting being August 8, 2007. In the same Annual General Meeting he was appointed as an ordinary director liable to retire by rotation.

MANAGEMENT ORGANSATIOAN CHART

GSS America -- Organization Structure



BRIEF PROFILE OF KEY MANAGERIAL PERSON

Key Managerial Persons of GSS America Infotech Limited

Mr. Mohammed Abdul Qadeer, aged 30, joined GSS America Infotech Ltd. in March 2005, assuming charge of the HR Department. He is responsible for the HR and Admin Teams at GSS America. He was previously working with Crestcom and has a total experience of 10 years. A Commerce graduate, Mr. Mohammed Abdul Qadeer holds a double MBA in HR & Marketing. His compensation is Rs. 14.40 Lacs per annum.

Mr. Vinod Rao Raghunandan, aged 37, is the General Manager - Client Relations. A Postgraduate from Vivekananda school of Post Graduate Studies; Hyderabad. Mr. Vinod Rao has over 14 years of IT experience with Aptech, STG International and Ram Informatics Ltd spanning business development, seeding and growing new ventures, and handling key verticals. He is responsible for international operations and alliances, leading thought leadership initiatives, and managing Competency at GSS America. Prior to joining GSS America, Mr. Vinod Rao was Sr. Manager with Narven Consulting Pvt. Ltd (A Division of Terasoft Ltd.) where he was responsible for International Business Development and operations. During his tenure with Ram Informatics Ltd, he was the Centre Head/Manager – Business Development, and was responsible for developing new franchises, establishing Regional Offices and Heading Oracle Authorized Training Center. His compensation is Rs. 8.43 lacs per annum.

Mr. Rakesh Naidu, aged 31, is the General Manager – Sales of the Company. He comes with over a decade of experience in Pre-sales, Sales and Marketing and Post sales of concepts, products and services in the IT domain in domestic and international market. His core competence has been in ERP Sales and Marketing working closely with products such as SAP R/3 and Oracle Applications in the past. As one of the key members of the Sales team, his primary contribution are developing marketing mix and strategies based on the market trends, client prospecting and nurturing through 'Account Management Strategies, building 'Business Continuity Plan' and Identifying and widening Market base. His compensation is Rs. 8.90 lacs per annum.

Mr. Ravi Sankar Chivukula is the Chief Financial Officer of the Company. He is a graduate from Dr. L.B.College, Andhra University, and an associate member of the Institute of Chartered Accountants of India and Cost and Works Accountants of India. Mr. Ravi has over 9 years of experience in Finance and Accounts. He is responsible for all the activities relating to finance and accounts division including, the treasury operations, cost control and Statutory Compliances. Prior to joining GSS America, Mr. Ravi was the in charge of the Finance Department of Velagapudi Steels Ltd. where he was responsible for Capital restructuring of the company and dealing with banks for Project Appraisal. During his tenure with Fabmall (India) Pvt Ltd. he was responsible for treasury operations, cost control, inventory control and MIS reporting. Prior to that he was in charge of the Hyderabad office for Strategic Capital Corporation for their debt market operations. His compensation is Rs. 6.75 lacs per annum.

Mr. Kamal Kishore Avutapalli is the Company Secretary & Compliance Officer of GSS America Infotech Limited. He is a commerce graduate and an associate member of the Institute of Company Secretaries of India. Mr. Kamal Kishore is responsible for all the activities relating to the secretarial and legal divisions of the Company including compliances under SEBI Regulations, Companies Act, 1956 and other relevant legislations applicable to the Company. He has experience in corporate laws, financial legislations, Economic and Labour Laws, Foreign Exchange Laws and securities market enactments. Prior to joining GSS America Infotech Limited Mr. Kamal Kishore was with National Stock Exchange of India Limited (NSE). His compensation is Rs. 5.22 lacs per annum.

Mr. Suresh Kantamneni joined GSS America Infotech Ltd. in November, 2003, assuming charge of the Network & IT infrastructure. He is responsible of Organization's Network and IT Infrastructure. Prior to joining GSS America, he was working with S K Technologies and has a total experience of 8 years. An M.A & MBA (systems) graduate, Mr. Suresh also holds MCSE (Microsoft certified system Engineer) and CCNA (Cisco certified network associate) diplomas. His compensation is Rs. 4.86 lacs per annum.

Mr. Ajay Ray joined GSS America Infotech Ltd. in December, 2006, assuming charge of the Corporate Communication Team. He is responsible of Organization's Advertising & Brand Building, Media Relations, Internal & External Communication and Public Relations. He was previously working with Satyam Computers Limited and has a total experience of 8 years. He is an MBA in IT Management. His compensation is Rs. 10.00 lacs per annum.

Mr. Anjan Kumar is Vice President and Head of the Global Development Centre located at Hyderabad, India. Mr. Kumar comes to GSS America with more than 12 years of IT experience, having worked with companies like Infosys Technologies Ltd. In his most recent position as Delivery Head at Infosys, Kumar was accountable for delivering solutions to two of our company's top five clients over the past four years. Following his initial Customer Service positions as Account Manager and Lead Consultant at Infosys, Mr. Kumar was responsible for setting up IBM MQ WebSphere Practice and Seebeyond Practice as Practice Manager. Mr. Kumar holds a BE degree in Mechanical Engineering from Bangalore University. His compensation is Rs. 45.00 lacs per annum.

Mr. Ganji Nagender is the Vice President & Head - BDC of the Company. He is a graduate in Bachelors of Computer Science from Osmania University. Mr. Nagender has over 14 years of experience in Sales, Business Development and Operations. He is responsible for all the activities relating to the business development out of India and recruitment of employees in US. Prior to joining GSS America, Mr. Nagender was the Director (Operations) in Cybercom Resources Pte Ltd, Singapore, where he was in charge of the operations for their Singapore unit. Prior to his association with Cybercom he worked as Sr. Manager Business Development in Asia Novasoft Technologies Singapore. His compensation is Rs. 18.00 lacs per annum.

All the above Key Management Personnel are permanent employees of GSS America Infotech Limited and none of Directors or key management personnel are related to each other.

Key Employee of our subsidiaries GSS America Inc.

Mr. Richard A. Capalby is Vice President Corporate Affairs of GSS America, Inc/ Infospectrum Consulting, Inc. A graduate of the Loyola University Chicago School of Law, Mr. Capalby has over 10 years of business development and general counsel experience. Mr. Capalby has served as the Legal Counsel for GSS America, Inc. for 2 plus year before beginning his current role as Vice President Corporate Affairs, where along with his previous responsibilities he is responsible for the day-to-day management and growth planning of our newly acquired subsidiary Infospectrum Consulting Inc. Before joining GSS America Inc., Mr. Capalby served as an Associate with Thorelli & Associates a Chicago law firm focused on the legal needs of international organizations with expanding U.S. presence, where he was head of the immigration practice group. Prior to obtaining his law degree Mr. Capalby served as a Sales Manager for CP Ships (formerly Canada Maritime) responsible for the operations of the Cleveland area office. His compensation is USD 1.05 lacs per annum.

Ms. Parul Patel, an Indian national, is the General Manager of GSS America Inc. A graduate from Rachana Sansad (affiliated with University of Mumbai) and Magadha University. Ms. Patel has 10 years of business development experience in the IT industry in India and overseas. She is responsible for overseeing and enhancing domestic and international operations, with a focus on best practices in governance, customer satisfaction, education and ROI for our company's staff and clientele. By researching, identifying and translating emerging trends in diversified fields into new business opportunities for GSS, Ms. Patel works on building strategic alliances to increase channel revenue and maximize core business value. Prior to joining GSS America, Ms. Patel was Account Manager at Parth Consulting Inc. (PCI) in Chicago, where her role encompassed supervision of our company's IT consulting and Human Resources departments. His compensation is USD 0.80 lacs.

Mr. Raghu Adlakonda is the Deputy General Manager- Finance of GSS America Inc. Mr. Adlakonda manages all the financial operations of GSS America Inc. including the analysis of development investments, the structure of those developments and their risks. Mr. Adlakonda is responsible for the management, acquisition, negotiation, recommendation and maintenance of organization banking relationship, including the coordination of line of credit and all account reconciliation, administration and continued development of the financial reporting systems of US and India operations; including being charged with identifying and implementing opportunities to increase the efficacy and cost effectiveness of reporting in both US and India Operations and supervising those systems. Prior to joining GSS America Inc. Mr. Adlakonda served as the Senior Executive, International Accounts with S Cube Solutions Limited of India, a position he held from August 1998 to Dec 2003. In that position, Mr. Adlakonda was the senior manager responsible for the maintenance of all accounts of the organization both in India and the UK. His compensation is USD 0.75 lacs per annum.

Mr. Mike Anderson is Vice President of Worldwide Sales and Marketing for GSS America. Mr. Anderson brings over 20 Years of Experience as an Entrepreneur in the Computer Software and Services arena. Prior to his current position, Mr. Anderson was the Founder of Infospectrum, a Software and Services company acquired by GSS America Inc in April of 2006. Mr. Anderson is a graduate of the University of Nebraska-Lincoln. His compensation is USD 1.20 lacs per annum.

Mr. Jeff Hood is the Director of Global Services. Mr. Hood brings over 12 years of experience in the offshore outsourcing market. Prior to working for GSS America Mr. Hood held senior Sales positions with several Indian owned services companies including HCL and Zensar, as well as owned his own successful consulting company based out of St Petersburg Russia. Mr. Hood attended Brookhaven College in Texas. His compensation is USD 0.75 lacs per annum.

Infospectrum Consulting Inc.

Mr. Tim Fox is Director of the Infrastructure Management Solutions business unit for GSS America. Mr. Fox brings over 20 years of experience in the computer software and services arena. Prior to his current position, Mr. Fox has held positions as Regional Manager in sales and services with software development firms, as well as management positions within IT centres in the telecommunications industry. His total remuneration for the last financial year was USD 1.20 lacs

Shareholding of Key Employees

None of the key managerial persons (except the Executive Director of our company) hold any equity shares in our Company

Changes in Key Managerial Employees:

Sr. No.	Name	Designation	Date of Appointment	Whether continuing, if not, date of Cessation	Reasons
1.	Navneet Chandra	Global Head-Talent Acquisition	October 26, 2005	January 5, 2007	Resignation
2.	Ganji Nagender	General Manager – Operations	October 13, 2003	May 3, 2006	Resignation
3.	D Satya Kumar Rao	Vice President (Planning)	August 11, 2006	May 18, 2007	Resignation
4.	Kamal Kishore Avutapalli	Company Secretary & Compliance Officer	September 4, 2006	Continuing	Appointment
5.	Michael Anderson	Vice President – Business Development	June 30, 2006	Continuing	Appointment
6.	Jeff Hood	Director of Solutions Sales	October 31, 2006	Continuing	Appointment
7.	Anjan Kumar	Vice President – Head of Development Centre	February 1, 2007	Continuing	Appointment
8.	Mr. Sanjay Emanuel	DGM, Human Resources	November 24, 2003	June 15, 2007	Resignation
9.	Ganji Nagender	Vice President & Head - BDC	July 30, 2007	Continuing	Appointment

Except the above there has been no change in the key Managerial personnel.

There is no arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any person was selected as director or member of senior management. None of the key managerial personnel have any relationship with the promoters or directors of our company. None of the key management personnel

Employee Stock Option Scheme

We have constituted an ESOP Trust known as GSS America ESOP Trust (“ESOP Trust”). This trust was constituted on November 20, 2006 to be the custodian of Employee Stock Options to be allotted to the permanent employees of the Company as well as the permanent employees of its Subsidiary Companies.

Trustees of the ESOP Trust

1. Mr. Bhargav Marepally S/o Mr Raghunadha Rao Marepally aged about 36 years residing at Plot No.204, Prashasan Nagar, Jubilee Hills, Hyderabad – 500 033.
2. Mr. K. Vasudeva Rao S/o Mr. K. Lakshminarayana aged about 43 years residing at 301, Prithvi mansions, Badamigalli, Domalaguda, Hyderabad 500 029.
3. Mr. Keerthy Jaya Tilak S/o Mr. Late K.B. Kuppuswamy aged about 61 years residing at 16, Meghana Paradise, Ishaq Colony, Secunderabad- 500 015.

The salient features and objects of the trust deed are as follows:

1. The purpose of the Trust is acquiring and holding shares, warrants or other securities of the Company for the purpose of implementing the Company’s ESOP Scheme(s).
2. On February 12, 2007 Company had allotted 3,50,000 Equity Share at a price of Rs. 10 (at par) to the trust.

The Trustees shall hold the shares for the benefit of all beneficiaries (“beneficiaries” shall mean a person including an employee admitted for the benefits of ESOP Scheme). For Details, please refer to page 23, of this Red Herring Prospectus.

Payment or benefit to officers of our company

Except the normal remuneration / commission for the services rendered as Directors, Officers or employees and options granted under ESOPs, no amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any of the officers.

OUR PROMOTERS AND THEIR BACKGROUND

Our Company has been promoted by Mr. Bhargav Marepally and Mr. Ramesh Yerramsetti and their brief background is as under:-

Mr. Bhargav Marepally



Permanent Account Number: AJSPM0914A

Passport Number: Z1528781

Voter ID: Not Available

Driving License: Not Available

Bank Account No.: 737010050410 – ING Vysya Bank

Address: Plot No.204, Prashasan Nagar, Jubilee Hills, Hyderabad – 500 033

Mr. Bhargav Marepally, 36, is a technocrat and first generation entrepreneur. He holds M.Sc (Hons) degree from BITS Pilani along with an MMS and has about 14 years of experience in IT Industry. He has exposure as an Engineer in IT before getting into business. He started his career as a Factory Manager with Brook Bond Lipton in the year 1992. In 1993, he joined Expert Infotech Ltd as Head of Business Unit. In the year 1996, he alongwith Mr. Ramesh Yerramsetti ventured into Business by co-founding Global Software Solutions. In 1998, he floated GSS America Inc. in USA. He co-founded Mayes Technologies Private Limited in 2003. The name of Mayes Technologies Pvt. Ltd was changed to GSS America Infotech Private Limited which was converted into a Public Limited Company. He along with co-founder Mr. Ramesh Yerramsetti, has been instrumental in building GSS America to its current level of operations.

Mr Ramesh Yerramsetti



Permanent Account Number: ABEPY9309B

Passport Number: E1916399

Voter ID: Not Available

Driving License: Not Available

Bank Account No.: 631201509099 – ICICI Bank

Address: Flat No. 307, MIG 587, Krishna Residency Road No. 1, KPHB Colony, Hyderabad – 500 072.

Mr. Ramesh Yerramsetti, aged 36 years, has studied M.Sc. in Engineering from BITS, Pilani, India and Masters in Systems and Information from BITS Pilani. He worked as Scientist in Council of Scientific and Industrial Research from 1992 to 1994. He worked as IT consultant in Indian National Science Academy from 1994 to 1995, in IBM from 1995 to 1997 and in Morgan Stanley Dean Witt in 1997- 1998. Having gained international experience both in Science and Technology, Mr Ramesh Yerramsetti ventured into Business by co-founding Global Software Solutions in 1996. He then floated GSS America Inc. in 1998 along with Mr Bhargav Marepally. He co-founded Mayes Technologies Private Limited in 2003. The name of Mayes Technologies Pvt. Ltd was changed to GSS America Infotech Private Limited which was converted into a Public Limited Company.

We confirm that the permanent Account Number, Bank Account Number and passport Number of the promoters as applicable have been submitted to BSE and NSE at the time of filing of the Draft Red Herring Prospectus.

Common Pursuits:

There are no common pursuits amongst GSS America and any other group companies since no other entity is engaged in the line of activity in which company is engaged. However the

Company's 100% subsidiary GSS America Inc. and Infospectrum Consulting Inc. are engaged in the IT Services business.

Interest in the Promotion of our Company

Our company has been promoted by Mr. Bhargav Marepally and Mr. Ramesh Yerramsetti. For this purpose they have subscribed to our Memorandum of Association and had subscribed to the initial issue of our Equity Shares. They may be deemed to be interested to the extent of shares held by them, or by their relatives, and benefits arriving from their holding directorship in our company.

Payment of benefits to our Promoters during the last two years

Except as stated in the section titled "Financial Information – Related Party Transactions" and Other Agreements beginning on page 115 and 77 respectively of this Red Herring Prospectus, there has been no payment of benefits to our Promoters during the last two years from the date of filing of this Red Herring Prospectus.

On January 30, 2006 the Company acquired 30,000 shares of US\$1 of GSS America Inc. by capitalizing export proceed receivables of US\$ 500,000 which were due from GSS America Inc. (then an entity of the promoters). Further the Company acquired the balance 40% shares in GSS America Inc. from the Promoters on January 5, 2007 at a price of US\$ 16.66, consequentially making GSS America Inc. a wholly owned subsidiary of the Company.

Further, our Promoters have confirmed that they have not been detained as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities Laws committed by them in the past or are pending against them.

We confirm that the Permanent account number, Bank account number and the Passport number of the promoters have been submitted to BSE & NSE at the time of filing the Draft Red Herring Prospectus.

Promoter Group

In terms of 6.8.3.2(m) Explanation II of the DIP Guidelines, the following persons form part of our Promoter Group.

Name	Relation
Mrs. N Madhavi Latha	Sister of Mr Bhargav
Mrs. G Vijaya Kumari	Sister of Mr Ramesh
Ms. Vidyavati Marepally	Mother of Mr. Bhargav
Ms. Nandita Marepally	Wife of Mr. Bhargav
Ms. Usha Yerramsetti	Wife of Mr. Ramesh
Ms. Jhansi Laxmi Yerramsetti	Mother of Mr. Ramesh
M/s Arani Power Systems Limited	NA

None of the above mentioned persons have been restrained from accessing the capital market for any reasons by SEBI or any other authorities.

The promoters, their relatives, our company, its group and associate companies are not detained as wilful defaulters by RBI/ Government authorities and there are no violations of securities laws committed by them in the past or pending against them.

Ventures with which promoters have disassociated in the last 3 years:

Our Promoters have not disassociated themselves from any of the companies / firms during preceding three years However the Company's has acquired 100% stake in GSS America Inc. by way of Subscription and subsequent transfer of shares by the promoters. GSS America Inc. is now a 100% subsidiary of our company.

Companies of the promoter group/subsidiaries referred to BIFR / under winding up / having negative net worth

There are no companies of the promoter group, which are either referred to BIFR or under winding up or have negative net worth.

Sales or Purchases between companies in the Promoter Group

The sales or purchases between companies in the promoter group are as detailed in "Related Party Transactions" on page 115 of this Red Herring Prospectus.

Payment of Benefits to Officers of our Company

No amount or benefit has been paid or given or is intended to be paid or given during the preceding two years to any of our officers except the normal remuneration rendered as Directors, officers or employees. Except statutory benefits, no officer of our Company is entitled to any benefit upon his termination from the employment of our Company or superannuation.

RELATED PARTY TRANSACTIONS

Our Company has entered into certain related party transactions. The related party transactions cover the financial transactions carried out in the ordinary course of business and /or discharge of contractual obligations. There are no common pursuits among the group companies and all the transactions are at Arm's length and are subject to Transfer pricing regulations. The details of the transactions as certified by the auditors of the company are as follows. As required by Accounting Standard 18.

FY 2007-08 (for 9 months ended December 31 2007)

(a) Names of related parties and nature of relationship

<u>Category of related parties</u>	<u>Names</u>
Holding Companies	Nil
Subsidiaries of the Company	GSS America Inc., Infospectrum Consulting Inc.,
Associates	Nil
Key Management Personnel and their relatives	
- Executive Directors	
- Non Executive Directors	M Bhargav Y Ramesh

(b) Significant Related Party Transactions during the period:
Revenues generated from the above 2 subsidiaries are as under:

GSS America Inc	Rs. 2037.06
Infospectrum Consulting Inc	Rs. 944.03

Details of Managerial Remuneration paid : Rs.54 Lakhs

FY 2006-07

(a) Names of related parties and nature of relationship

<u>Category of related parties</u>	<u>Names</u>
Holding Companies	nil
Subsidiaries of the Company	GSS America Inc., Infospectrum Consulting Inc.,
Associates	nil
Key Management Personnel and their relatives	
- Executive Directors	
- Non Executive Directors	M Bhargav Y Ramesh

(b) Significant Related Party Transactions during the period:
Revenues generated from the above 2 subsidiaries are as under:

GSS America Inc	:Rs. 1669.10
Infospectrum Consulting Inc	:Rs. 731.09

Details of Managerial Remuneration: Rs.60.12 Lakhs

FY 2005-06

(a) Names of related parties and nature of relationship

Category of related parties	Names
Holding Companies	nil
Subsidiaries of the Company	GSS America Inc.,
Associates	nil
Key Management Personnel and their relatives	
- Executive Directors	M Bhargav
	Y Ramesh
- Non Executive Directors	

(b) Significant Related Party Transactions during the period: The revenues of the Indian company that are derived from the group company, GSS America Inc for services rendered is Rs 1207.34 Lakhs.

FY 2004-05

(a) Names of related parties and nature of relationship

Category of related parties	Names
Holding Companies	Nil
Subsidiaries of the Company	Nil
Associates Companies	GSS America Inc.,
Key Management Personnel and their relatives	
- Executive Directors	M Bhargav
	Y Ramesh
- Non Executive Directors	

(b) Significant Related Party Transactions during the period: The Revenues from group Company, GSS America Inc is to the extent of Rs. 551.63 lakhs.

(c) The unsecured loans payable to Mr. M Bhargav is a related party transaction

Details of Managerial Remuneration: nil

FY 2003-04

(b) Names of related parties and nature of relationship

Category of related parties	Names
Holding Companies	Nil
Subsidiaries of the Company	Nil
Associates Companies	GSS America Inc.,
Key Management Personnel and their relatives	
- Executive Directors	M Bhargav

	Y Ramesh
- Non Executive Directors	

(c) Significant Related Party Transactions during the period: The Entire Revenues are from the group Company GSS America Inc to the extent of Rs. 33.90 lakhs.

(d) The unsecured loans payable to Mr. M Bhargav is a related party transaction

Details of Managerial Remuneration: nil

DIVIDEND POLICY

Dividends, other than interim dividends, will be declared at the annual general meeting of the shareholders based on the recommendation of the Board of Directors. The Board may, at its discretion, recommend dividends to be paid to our shareholders. Generally, the factors that may be considered by the Board of Directors before making any recommendations for the dividend include, without limitation, our future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also from time to time pay interim dividends to our shareholders. Our company has declared dividends for the last three years. However the dividend payments in the past is not necessarily indicative of our dividend amounts, if any, or our dividend policy, in the future.

The Summary of dividends declared by our company is as follows:

Period/Year Ended	31.03.2007	31.03.2006	31.03.2005	31.03.2004
Face Value of Equity Share (Rs. per share)	10	10	1	1
Dividend including Dividend Tax (in Rs. Lacs)	167.66	57.01	342.07	NIL
Dividend per Equity Share (Rs.)	1.50/-	1.00/-	300/-	NIL
Dividend Rate (%)	15%	10%	30000%	NIL

SECTION V: FINANCIAL INFORMATION

AUDITORS' REPORT (CONSOLIDATED)

To,

**The Board of Directors,
GSS America Infotech Limited,
Cyber Gateway, Block B, 3rd Floor
HITEC City, Madhapur
Hyderabad – 500 081.**

- A. a) We have examined the annexed Consolidated financial information of GSS America Infotech Limited for the four financial years ended March 31st, 2007 and the first 9 months ending 31st December 2007 of financial year 2007-08, being the last date to which the accounts of the Company have been made up and audited by us.
- b) In accordance with the requirements of
1. Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956;
 2. The securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('the SEBI Guidelines') issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments and
 3. Our terms of reference given vide the Company's letter dated January 03, 2008 requesting us to carry out work in connection with the Issue as aforesaid.

We report that the restated consolidated assets and liabilities of the Company and its subsidiaries as at March 31st, 2004, 2005, 2006, 2007 and 31st December 2007 are as set out in Annexure I to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and notes to account as appearing in Annexure III.

We report that the restated consolidated profits of the Company and its subsidiaries for the financial years ended March 31st, 2004, 2005, 2006 2007 and the first 9 months ending 31st December 2007 are as set out in Annexure II to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and notes to accounts as appearing in Annexure III to this report.

- B. We have examined the following financial information relating to the Company proposed to be included in the Prospectus, as approved by you and annexed to this report:

1. Statement of Cash Flow as appearing in Annexure IV to this report;
2. Statement of Debtors enclosed as Annexure V to this report;
3. Details of loans and advances as appearing in Annexure VI to this report;
4. Statement of Secured Loans as appearing in Annexure VII to this report.
5. Statement of Unsecured Loans as appearing in Annexure VIII to this report;
6. Statement of Operational Income as appearing in Annexure IX to this report;
7. Statement of Other Income as appearing in Annexure X to this report;
8. Details of Contingent Liabilities as appearing in Annexure XI to this report;
9. Accounting Ratios as appearing in Annexure XII to this Report;
10. Capitalisation Statement as at December 31, 2007 as appearing in Annexure XIII to this report;
11. Statement of cash and cash equivalents as appearing in Annexure XIV to this report;

- C a) In our opinion the financial information of the Company as stated in Para A and B above read with Significant Accounting Policies enclosed in Annexure III to this report, after

making adjustments / restatements and regroupings as considered appropriate and subject to certain matters as stated in Notes to the Statements, has been prepared in accordance with Part II of Schedule II of the Act and the SEBI Guidelines.

- b) This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **BVR & Associates**
Chartered Accountants

B.V. Rama Rao

Proprietor
Membership No. 28483

Place: Hyderabad
Date: January 14th 2008

ANNEXURE – I

Statement of Consolidated Restated Assets and Liabilities

Particulars	9 Months ended 31.12.2007	(Rs. In Lakhs) As at March, 31 st			
		2007	2006	2005	2004
Fixed Assets (A)					
Gross Block	2615.84	2569.38	140.90	26.17	14.76
Less Depreciation	541.70	152.77	72.00	7.30	2.06
Net Block (A)	2074.13	2416.61	68.90	18.87	12.70
Investments (B)	0.00	0.00	0.00	0.00	0.00
Current assets , Loans and Advances (C)					
Sundry Debtors	8935.18	5270.46	1010.76	74.27	0.00
Cash and Bank Balances	3906.42	3547.82	967.32	256.39	2.11
Loans and Advances	303.27	206.98	27.16	6.32	3.33
Total (C)	13144.87	9025.26	2005.24	336.98	5.44
Liabilities and Provisions (D)					
Minority Interest	0.00	0.00	286.74	0.00	0.00
Unsecured Loans	0.00	0.00	0.00	0.75	10.13
Current Liabilities and Provisions	2451.37	2875.99	531.81	201.48	4.60
Total (D)	2451.37	2875.99	818.55	202.23	14.73
Net worth (A+B+C-D) = (E)	12767.64	8565.88	1255.59	153.62	3.41
Represented By					
1. Share Capital	980.25	980.25	500.00	1.00	1.00
2. Share Application Money	0.00	0.00	0.00	0.00	0.00
3. Reserves	11787.49	7585.73	755.71	152.76	2.57
Net worth	12767.74	8565.98	1255.71	153.76	3.57
Less: Miscellaneous Expenses	0.10	0.10	0.12	0.14	0.16
Net worth	12767.64	8565.88	1255.59	153.62	3.41

Note:

1. The fixed assets have not been revalued during any of the period under reporting.

For **BVR & Associates**
Chartered Accountants

B.V. Rama Rao

Proprietor
Membership No. 28483

Place: Hyderabad
Date: January 14th 2008

ANNEXURE – II

Statement of Consolidated Restated Profit and Losses

(Rs. In Lakhs)

Particulars	9 Months ended 31.12.2007	Period Ended 31 March			
		2007	2006	2005	2004
Income					
Sales :					
Software Services	20382.85	16428.73	6312.77	596.89	33.90
Other income	78.23	35.07	4.08	0.02	0.00
Total	20461.08	16463.80	6316.85	596.91	33.90
Expenditure					
Staff Costs	13856.72	11247.79	4672.70	73.15	17.37
Depreciation	388.93	95.40	22.35	5.24	2.06
Administration Expenses	1231.20	1306.42	509.62	24.93	11.89
Interest	0.00	13.14	0.73	0.00	0.00
Business Development Expenses	30.71	40.47	10.12	1.29	0.00
Miscellaneous Expenditure Written Off	0.00	0.02	0.02	0.02	0.02
Total	15507.56	12703.24	5215.54	104.63	31.34
Net Profit before tax and extraordinary items	4953.52	3760.56	1101.31	492.28	2.56
Taxation	574.41	46.96	7.69	0.01	0.00
Net Profit before deferred tax	4379.11	3713.60	1093.62	492.27	2.56
Add/Less deferred Tax	3.21	3.89	0.00	0.00	0.00
Net Profit after adjusting deferred tax	4375.90	3709.71	1093.62	492.27	2.56
Cash Profit Generated	4764.83	3805.11	1115.99	497.53	4.64

For **BVR & Associates**
Chartered Accountants

B.V. Rama Rao

Proprietor
Membership No. 28483

Place: Hyderabad
Date: January 14th 2008

Annexure – III

Significant Accounting Policies and Notes to Accounts

(1) Significant Accounting Policies

1. Principles of Consolidation:

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

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

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

2 Use of Estimates:

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

3 Revenue recognition:

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

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

4 Expenditure:

All items of expenditure are accounted on accrual basis. Provisions are made for all known losses and liabilities.

5 Fixed Assets, Intangible Assets and Capital work in progress:

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

The net fixed assets of GSS America Inc as per the Indian GAAP for the year ended March 31, 2006 was erroneously calculated as Rs. 33,32,864/-. the correct value of Net Fixed Assets as on March 31, 2006 is Rs.76,49,552/-. The error is due to the accumulated depreciation till March 31, 2006 as per the Indian GAAP not being calculated correctly. Due to this the accumulated depreciation as on March 31, 2006 is overstated by Rs. 43,16,688/-. This amount is adjusted as 40% in Minority Interest and 60% in capital reserve (as this difference is prior to the acquisition of shares in GSS America Inc.) Consequently, Minority interest is increased by Rs. 17,26,675/- and capital reserve is increased by Rs. 25,90,013/-.

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

6. Depreciation and Amortization:

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

Depreciation for assets purchased/ sold during the period is proportionately charged. Individual low cots assets (acquired for less than Rs.5000/-) are depreciated in the same year of acquisition. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis commencing from the date the asset is available to the company for its use.

7 Foreign Currency Transactions:

Integral operations:

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

Non-integral operations:

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

8 Change in Accounting Policy

There is no change in accounting policy in the reporting years, except for the depreciation, which from the FY 2005-06 is charged Assets at the rates specified in Schedule XIV to the Companies Act 1956. Prior to that the depreciation was charged as per the rates specified under the Income Tax Act, 1961.

9 Earning per Share:

Particulars	9 months ended 31.12.2007				
		2007	2006	2005	2004
Face value per Share (Rs.)	10.00	10.00	10.00	1.00	1.00
(A) Weighted average number of equity shares					

1. Number of Equity Shares at the beginning of the year	9802505	50,00,000	10,000	1,00,000	1,00,000
2. Number of Equity Shares at the end of the year	9802505	9802505	5,000,000	100,000	100,000
3. Weighted average number of Equity shares outstanding during the year (On annualized basis)	9802505	9802505	5,000,000	100,000	100,000
(B) Net profit after tax available for Equity Shareholders (Rs. in Lakhs)	4375.89	3709.71	1093.62	492.27	2.56
(C) Basic and diluted earning per share (in Rs.) (annualized)	59.52	37.84	21.87	492.27	2.56

10 **Change in the status and Name:**

The Company was originally incorporated as a Private Limited company under the provisions of the Companies Act, 1956 on 13th day of October 2003 as "Mayes Technologies Private Limited" with The Registrar of Companies, Andhra Pradesh, Hyderabad and subsequently the name of the company was changed to "GSS America Private Limited" on 15th day of June 2006. Later, the Company was converted into a Public Limited Company by the name "GSS America Limited" vide fresh Certificate of Incorporation dated 7th day of July, 2006 obtained from the said Registrar of Companies.

- 11 In the consolidated balance sheet, the payment of purchase consideration for acquisition of Infospectrum Consulting Inc was accounted as advance payment grouped under accounts payable. Now, the difference in the net assets of Infospectrum Consulting Inc and purchase consideration is accounted as goodwill w.e.f. FY 2006-07 and the revised annual report is filed with the registrar of companies.

12 **Particulars of Associates and Related Party Transactions**

Related Party Transactions Disclosures: The Company has entered into certain related party transactions. The related party transactions cover the financial transactions carried out in the ordinary course of business and /or discharge of contractual obligations. There are no common pursuits among the group companies and all the transactions are at Arm's length and are subject to Transfer pricing regulations. The details of the transactions as certified by the auditors of the company are as follows. As required by Accounting Standard 18.

FY 2007-08 (for 9 months ended December 31 2007)

- (a) Names of related parties and nature of relationship

There are no related party transactions except for the managerial remuneration as stated below:

Details of Managerial Remuneration: Rs.54 Lakhs

FY 2006-07

- (a) Names of related parties and nature of relationship

There are no related party transactions except for the managerial remuneration as stated below:

Details of Managerial Remuneration: Rs.60.12 Lakhs

FY 2005-06

(a) Names of related parties and nature of relationship

There are no related party transactions

FY 2004-05

(a) Names of related parties and nature of relationship

There are no related party transactions except for point (b) and (c) below

(b) Significant Related Party Transactions during the period: The Revenues from group company GSS America Inc is to the extent of Rs 551.63 lakhs.

(c) The unsecured loans payable to Mr. M Bhargav is a related party transaction

FY 2003-04

(a) Names of related parties and nature of relationship

There are no related party transactions except for point (b) below

(b) Significant Related Party Transactions during the period: The Entire Revenues are from the group Company GSS America Inc to the extent of Rs 33.90 lakhs.

(c) The unsecured loans payable to Mr. M Bhargav is a related party transaction

- 13 The Company operates in single segment of IT Services.
- 14 In the opinion of the Board the current assets, loans and advances are approximately of the value stated and are realizable in the ordinary course of business. The provision for all known liabilities is adequate.
- 15 The previous year's figures have been regrouped and rearranged, wherever necessary

For **BVR & Associates**

Chartered Accountants

B.V. Rama Rao

Proprietor

Membership No. 28483

Place: Hyderabad

Date: January 14th 2008

Annexure – IV

Statement of Cash Flow

Rs. in Lakhs

Particulars	9 months ended 31.12.2007	Period Ended 31 March			
		2007	2006	2005	2004
Cash Flow from Operating Activities (A)					
Profit before Tax	4953.52	3760.55	1101.31	492.28	2.56
Adjustments for:					
Depreciation and Amortisation	388.93	95.40	22.35	5.24	2.06
Interest and financial charges	0.00	13.14	0.73	0.00	0.00
Miscellaneous Expenditure Written Off	0.00	0.02	0.02	0.02	0.02
Operating Profit before Working Capital Changes	5342.45	3869.11	1124.41	497.54	4.64
Adjustments for:					
(Increase) / Decrease in Debtors	(3664.72)	(4259.70)	(936.49)	(74.27)	0.00
(Increase) / Decrease in Loans and Advances	(96.30)	(179.82)	(20.84)	(2.99)	(3.33)
(Increase) / Decrease in Current Liabilities and Provisions	(816.24)	2217.84	469.40	0.80	4.60
Tax Paid	(18.34)	7.69			
Cash Generated from Operations	746.85	1655.13	636.48	421.08	5.91
Net Cash Flow from Operating Activities	746.85	1655.13	636.48	421.08	5.91
Cash Flow from investing Activities (B)					
(Investment) / Sale of Capital Commitments (net)	(46.45)	(2485.96)	(114.73)	(11.41)	(14.76)
(Decrease)/ Increase in Minority Interest	0.00	(286.74)	286.74	0.00	0.00
(Cost)/ Reserves due to Acquisition	46.52	133.98	100.00	0.00	0.00
Preliminary Expenses	0.00	0.00	0.00	0.00	(0.18)
Foreign Exchange Translation Reserve	(220.66)	73.24	0.00	0.00	0.00
Net Cash Flow from Investing Activities	(220.59)	(2565.48)	272.01	(11.41)	(14.94)
Cash Flow from Financing Activates (C)					
Proceeds from Issue of Share Capital	0.00	180.25	0.00	0.00	1.00
Proceeds from Share Application Money	0.00	0.00	0.00	0.00	0.00
Proceeds from Share Premium	0.00	3380.75	0.00	0.00	0.00
Payment of Dividend	(147.04)	(50.00)	(154.00)	(146.00)	0.00
Payment of Dividend Tax	(20.62)	(7.01)	(42.08)	0	0.00
Proceeds from Unsecured Loans	0.00	0.00	(0.75)	(9.39)	10.13
Interest Paid	0.00	(13.14)	(0.73)	0.00	0.00
Net Cash Flow from Financing Activities	(167.66)	3490.85	(197.56)	(155.39)	11.13
Net (Decrease) / (Increase) in Cash and Cash Equivalents (A+B+C)	358.60	2580.50	710.93	254.28	2.10
Cash and Cash Equivalents at the Beginning of the Year	3547.82	967.32	256.39	2.10	0.00
Cash and Cash Equivalents at the end of the Year	3906.42	3547.82	967.32	256.38	2.10

Annexure –V

Statement of Sundry Debtors (Unsecured and Considered Good)

(Rs. in Lakhs)

Particulars	9 months ended 31.12.2007	2007	2006	2005	2004
Exceeding Six Months	13.26	9.89	0.00	0.00	0.00
Other Debts	8921.91	5260.57	1010.76	74.27	0.00
Total	8935.17	5270.46	1010.76	74.27	0.00

Note: No debtors are related to with directors/ promoters of the company

Annexure – VI

Statement of Loans and Advances

(Rs. in Lakhs)

Particulars	9 months ended 31.12.2007	2007	2006	2005	2004
Advance recoverable in cash or kind or for value to be received	128.14	77.73	12.75	0.00	0.00
Deposits	59.59	66.94	14.41	6.32	3.33
Advance to Employees	115.54	62.31	0.00	0.00	0.00
Advance Tax	0.00	0.00	0.00	0.00	0.00
Total	303.27	206.98	27.16	6.32	3.33

Note: No loans and advances that have been given are related to with directors/ promoters of the company

Annexure – VII

Statement of Secured Loans

There are no secured loans for the entire period

Annexure – VIII

Details of Unsecured Loans

(Rs. in Lakhs)

Particulars	9 months ended 31.12.2007	2007	2006	2005	2004
M Bhargav	0.00	0.00	0.00	0.75	10.14
Mangala Shrimal	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.75	10.14

Note: As at the end of FY 2004 and 2005, the unsecured loans payable to Mr. M Bhargav is a related party transaction

Annexure – IX

Statement of Operational Income

(Rs. in Lakhs)

Particulars	9 months ended 31.12.2007	FY 2007	FY 2006	FY 2005	FY 2004
Income from Software Services	20382.85	16428.73	6312.77	596.91	33.90
Net Operational Income	20382.85	16428.73	6312.77	596.91	33.90

Annexure – X

Statement of Other Income

(Rs. in Lakhs)

Particulars	9 months ended 30.12.2007	FY 2007	FY 2006	FY 2005	FY 2004
Interest Received	78.23	34.11	0.02	0.02	0.00
Foreign Exchange Fluctuation Gain	0.00	0.00	4.07	0.00	0.00
Miscellaneous Income		0.96	0.00	0.00	0.00
Total	78.23	35.07	4.09	0.02	0.00

Note on other income: Other income includes interest earned on cash management operations from sweep in deposit which are in the nature of cash and cash equivalents

Annexure – XI

Statement of Contingent Liabilities

There are no contingent liabilities

Annexure XII

Statement of Accounting Ratios

Particulars	9 months ended 31.12.2007	FY 2007	FY2006	FY2005	FY2004
Face Value per Share (Rs)	10.00	10.00	10.00	1.00	1.00
Earnings Per Share (Rs) (Annualized for the 2008)	59.52	37.84	21.87	492.27	2.56
Cash Earnings Per Share (Rs) (Annualized for the 2008)	64.81	38.82	22.32	497.53	4.64
Return on Networth (%)	34.27%	43.31%	87.10%	320.45%	136.07%
Net Asset Value Per Share (Rs)	130.25	87.38	25.11	153.62	3.41

Notes:

The Ratios have been calculated as below

EPS = a/b

Return on Net worth = a/d %

Net asset Value Per share = e/b

- Net Profit after Tax
- number of Equity shares outstanding during the year
- Cash earning = Net Profit after tax add depreciation, preliminary expenses written off and deferred tax liability
- Net worth=Equity share Capital plus reserve and surplus less miscellaneous expenditure to the extent not written off
- Net Asset=Equity share capital plus reserve and surplus less miscellaneous expenditure to the extent not written off

Annexure – XIII

Statement of Capitalisation

Particulars	Pre-Issue As at December 31, 2007	Rs in Lakhs Post Issue*
Debt		

Short-term Debt	0.00	
Long -term Debt	0.00	
Total (A)	0.00	
Shareholders' Funds		
Share Capital	980.25	[•]
Share Application Money Pending allotment	0.00	
Reserves and Surplus		
Reserves and Surplus after deducting Miscellaneous Expenditure not written off	11787.39	[•]
Total Shareholders' Funds (B)	12767.64	[•]
Long Term Debt / Total Shareholders' Funds (A/B)	-	

* Information pertaining to Share Capital and Reserves post-Issue can be ascertained only after completion of Book Building process.

Annexure – XIV

Statement of Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	9 months ended 31.12.2007	FY 2007	FY 2006	FY 2005	FY 2004
Cash Balance	0.74	0.19	0.12	0.14	0.17
Balances in Current Accounts with Banks	2386.21	447.63	967.20	256.24	1.93
Sweep in Deposits	1519.47	3100.00	0.00	0.00	0.00
Total	3906.42	3547.82	967.32	256.38	2.10

Note to cash and cash equivalents: Interest earned on cash management operations from sweep in deposit which are in the nature of cash and cash equivalents is forming part of operating activity under cash flow statement in Annexure IV.

For **BVR & Associates**
Chartered Accountants

B.V. Rama Rao

Proprietor
Membership No. 28483

Place: Hyderabad
Date: January 14th 2008

AUDITORS' REPORT (STANDALONE)

To,

**The Board of Directors,
GSS America Infotech Limited,
Cyber Gateway, Block B, 3rd Floor
HITEC City, Madhapur
Hyderabad – 500 081.**

- A. a) We have examined the annexed financial information of GSS America Infotech Limited for the four financial years ended March 31st 2004, March 31st 2005, March 31st 2006 and March 31st 2007 and the first nine months ending 31st December 2007 of financial year 2007-08, being the last date to which the accounts of the Company have been made up and audited by us.
- b) In accordance with the requirements of
1. Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956;
 2. The securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('the SEBI Guidelines') issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments and
 3. The terms of reference given vide the Company's letter dated January 03, 2008 requesting us to carry out work in connection with the Issue as aforesaid.

We report that the restated assets and liabilities of the Company as at March 31st, 2004, 2005, 2006, 2007 and for the nine months ending 31st December 2007 are as set out in Annexure I to this report after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and notes to accounts as appearing in Annexure III.

We report that the restated profits of the Company for the financial years ended March 31st, 2004, 2005, 2006, 2007 and for the nine months ending 31st December 2007 are as set out in Annexure II to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies and notes to accounts as appearing in Annexure III to this report.

B. We have examined the following financial information relating to the Company proposed to be included in the Prospectus, as approved by you and annexed to this report:

1. Statement of Cash Flow as appearing in Annexure IV to this report;
2. Statement of Debtors enclosed as Annexure V to this report;
3. Details of loans and advances as appearing in Annexure VI to this report;
4. Statement of Secured Loans as appearing in Annexure VII to this report.
5. Statement of Unsecured Loans as appearing in Annexure VIII to this report;
6. Statement of Operational Income as appearing in Annexure IX to this report;
7. Statement of Other Income as appearing in Annexure X to this report;
8. Details of Contingent Liabilities as appearing in Annexure XI to this report;
9. Accounting Ratios as appearing in Annexure XII to this Report;
10. Capitalisation Statement as at December 31, 2007 as appearing in Annexure XIII to this report;
11. Statement of cash and cash equivalents Annexure XIV to this report;

- C a) In our opinion the financial information of the Company as stated in Para A and B above read with Significant Accounting Policies enclosed in Annexure III to this report, after making adjustments / restatements and regroupings as considered appropriate and subject to certain

matters as stated in Notes to the Statements, has been prepared in accordance with Part II of Schedule II of the Act and the SEBI Guidelines.

- b) This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **BVR & Associates**
Chartered Accountants

B.V. Rama Rao

Proprietor
Membership No. 28483

Place: Hyderabad
Date : January 14th 2008

ANNEXURE - I

Statement of Restated Assets and Liabilities (for the Company)

(Rs. In Lakhs)

Particulars	9 Months ended 31.12.2007	As at March, 31 st			
		2007	2006	2005	2004
Fixed Assets (A)					
Gross Block	189.58	175.29	53.49	26.17	14.76
Less Depreciation	84.78	52.49	17.92	7.30	2.06
Net Block (A)	104.80	122.80	35.57	18.87	12.70
Investments (B)	2172.56	375.88	223.12	0.00	0.00
Current assets , Loans and Advances (C)					
Sundry Debtors	2422.11	2326.09	253.14	74.27	0.00
Cash and Bank Balances	2947.75	3230.88	601.45	256.39	2.11
Loans and Advances	190.28	150.95	6.02	6.32	3.33
Total (C)	5560.14	5707.92	860.61	336.98	5.44
Liabilities and Provisions (D)					
Unsecured Loans	0.00	0.00	0.00	0.75	10.13
Current Liabilities and Provisions	382.37	286.98	70.70	201.48	4.60
Total (D)	382.37	286.98	70.70	202.23	14.73
Net worth (A+B+C-D) = (E)	7455.13	5919.62	1048.60	153.62	3.41
Represented By					
1. Share Capital	980.25	980.25	500.00	1.00	1.00
2. Share Application Money	0.00	0.00	0.00	0.00	0.00
3. Reserves	6474.98	4939.47	548.72	152.76	2.57
Net worth	7455.23	5919.72	1048.72	153.76	3.57
Less: Miscellaneous Expenses	0.10	0.10	0.12	0.14	0.16
Net worth	7455.13	5919.62	1048.60	153.62	3.41

Note:

1. The fixed assets have not been revalued during any of the period under reporting.

For **BVR & Associates**

Chartered Accountants

B.V. Rama Rao

Proprietor

Membership No. 28483

Place: Hyderabad

Date: January 14th 2008

ANNEXURE - II

Statement of Restated Profit and Losses

(Rs. In Lakhs)

Particulars	9 Months ended 31.12.2007	Period Ended 31 March			
		2007	2006	2005	2004
Income					
Sales :					
Software Services	3008.17	2410.87	1207.33	596.89	33.90
Other income	78.23	35.07	4.08	0.02	0.00
	3086.40	2445.94	1211.41	596.91	33.90
Expenditure					
Staff Costs	760.74	564.67	193.91	73.15	17.37
Depreciation	32.30	34.56	10.62	5.24	2.06
Administration Expenses	529.34	340.77	53.27	24.93	11.89
Interest	0.00	6.53	0.00	0.00	0.00
Business Development Expenses	1.01	6.04	1.61	1.29	0.00
Miscellaneous Expenditure Written Off	0.00	0.02	0.02	0.02	0.02
Total	1323.39	952.59	259.43	104.63	31.34
Net Profit before tax and extraordinary items	1763.01	1493.34	951.98	492.28	2.56
Taxation	224.29	11.80	0.01	0.01	0.00
Net Profit before deferred tax	1538.72	1481.54	951.98	492.27	2.56
Add/Less deferred Tax	3.21	3.89	0.00	0.00	0.00
Net Profit after adjusting deferred tax	1535.51	1477.65	951.98	492.27	2.56
Cash Profit Generated	1567.81	1516.21	962.60	497.51	4.62

For **BVR & Associates**
Chartered Accountants

B.V. Rama Rao

Proprietor
Membership No. 28483

Place: Hyderabad
Date: January 14th 2008

Annexure – III

Significant Accounting Policies and Notes to Accounts

1) Significant Accounting Policies

1.1) Accrual system of accounting:

The financial statements are prepared in accordance with Indian Generally accepted principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards issued by Institute of chartered Accountants of India (ICAI), the provisions of the Companies act 1956.

1.2) Use of Estimates:

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

1.3) Revenue recognition:

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

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

1.4) Expenditure:

All items of expenditure are accounted on accrual basis. Provisions are made for all known losses and liabilities.

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

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

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

1.6) Investments:

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

1.7) Depreciation and Amortization:

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

Depreciation for assets purchased/ sold during the period is proportionately charged.

Individual low cost assets (acquired for less than Rs.5000/-) are depreciated in the same year of acquisition. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis commencing from the date the asset is available to the company for its use.

1.8) Foreign Currency Transactions:

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

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

1.9) Taxes on Income:

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

GSS America Infotech Ltd enjoys Income Tax Benefits as per the provisions of Section 10 A of the Income Tax Act and is not subject to Taxes on Income to the extent of 100% of its profits up to end of financial year 2008 and at 50% for the financial year ended 31.03.2009. Deferred tax liability is recognized on the timing difference during the years 2006.07 and 2007.08. Minimum alternate Tax as per the provisions of the IT Act is provided for the period ended 31.12.2007.

1.10) Research and Development:

Revenue expenditure incurred on research and development is charged to revenue in the year/period in which it is incurred. Assets used for research and development activities are included in fixed assets.

2) Change in Accounting Policy

There is no change in accounting policy in the reporting years., except for the depreciation, which from the FY 2005-06 is charged Assets at the rates specified in Schedule XIV to the Companies Act 1956. Prior to that the depreciation was charged as per the rates specified under the Income Tax Act, 1961

3) Change in the status and Name

The Company was originally incorporated as a Private Limited company under the provisions of the Companies Act, 1956 on 13th day of October 2003 as "Mayes Technologies Private Limited" with The Registrar of Companies, Andhra Pradesh, Hyderabad and subsequently the name of the company was changed to "GSS America Private Limited" on 15th day of June 2006. Later, the Company was converted into a Public Limited Company by the name "GSS America Limited" vide fresh Certificate of Incorporation dated 7th day of July, 2006 obtained from the said Registrar of Companies.

4) Particulars of Associates and Related Party Transactions

Related Party Transactions Disclosures: The Company has entered into certain related party transactions. The related party transactions cover the financial transactions carried out in the ordinary course of business and /or discharge of contractual obligations. There are no common pursuits among the group companies and all the transactions are at Arm's length

and are subject to Transfer pricing regulations. The details of the transactions as certified by the auditors of the company are as follows. As required by Accounting Standard 18.

FY 2007-08 (for 9 months ended December 31 2007)

(a) Names of related parties and nature of relationship

<u>Category of related parties</u>	<u>Names</u>
Holding Companies	Nil
Subsidiaries of the Company	GSS America Inc., Infospectrum Consulting Inc.,
Associates	Nil
Key Management Personnel and their relatives	
- Executive Directors	
- Non Executive Directors	M Bhargav Y Ramesh

(b) Significant Related Party Transactions during the period:
Revenues generated from the above 2 subsidiaries are as under:

- GSS America Inc : Rs. 2037.06
- Infospectrum Consulting Inc : Rs. 944.03

Details of Managerial Remuneration paid : Rs.54 Lakhs

FY 2006-07

(a) Names of related parties and nature of relationship

<u>Category of related parties</u>	<u>Names</u>
Holding Companies	nil
Subsidiaries of the Company	GSS America Inc., Infospectrum Consulting Inc.,
Associates	nil
Key Management Personnel and their relatives	
- Executive Directors	
- Non Executive Directors	M Bhargav Y Ramesh

(b) Significant Related Party Transactions during the period:
Revenues generated from the above 2 subsidiaries are as under:

GSS America Inc : Rs. 1669.10
Infospectrum Consulting Inc : Rs. 731.09

Details of Managerial Remuneration: Rs.60.12 Lakhs

FY 2005-06

(a) Names of related parties and nature of relationship

<u>Category of related parties</u>	<u>Names</u>

Holding Companies	nil
Subsidiaries of the Company	GSS America Inc.,
Associates	nil
Key Management Personnel and their relatives	
- Executive Directors	M Bhargav
	Y Ramesh
- Non Executive Directors	

(b) Significant Related Party Transactions during the period: The revenues of the Indian company that are derived from the group company, GSS America Inc for services rendered is Rs 1207.34 Lakhs.

FY 2004-05

(a) Names of related parties and nature of relationship

Category of related parties	Names
Holding Companies	Nil
Subsidiaries of the Company	Nil
Associates Companies	GSS America Inc.,
Key Management Personnel and their relatives	
- Executive Directors	M Bhargav
	Y Ramesh
- Non Executive Directors	

(b) Significant Related Party Transactions during the period: The Revenues from group Company, GSS America Inc is to the extent of Rs. 551.63 lakhs.

(c) The unsecured loans payable to Mr. M Bhargav is a related party transaction

Details of Managerial Remuneration: nil

FY 2003-04

(a) Names of related parties and nature of relationship

Category of related parties	Names
Holding Companies	Nil
Subsidiaries of the Company	Nil
Associates Companies	GSS America Inc.,
Key Management Personnel and their relatives	
- Executive Directors	M Bhargav
	Y Ramesh
- Non Executive Directors	

(b) Significant Related Party Transactions during the period: The Entire Revenues are from the group Company GSS America Inc to the extent of Rs. 33.90 lakhs.

(c) The unsecured loans payable to Mr. M Bhargav is a related party transaction

Details of Managerial Remuneration: nil

- 5) The company has passed a resolution in the Meeting of the Board of Directors of the company held on 27th November, 2007 for further investment of 50,000 equity shares in GSS America Inc for an amount of USD 3 Million.
- 6) The Company operates in single segment of IT Services.
- 7) In the opinion of the Board the current assets, loans and advances are approximately of the value stated and are realizable in the ordinary course of business. The provision for all known liabilities is adequate.
- 8) The previous year's figures have been regrouped and rearranged, wherever necessary

For **BVR & Associates**
Chartered Accountants

B.V. Rama Rao

Proprietor
Membership No. 28483

Place: Hyderabad
Date: January 14th 2008

Annexure – IV

Statement of Cash Flow

Particulars	9 months ended 31.12. 2007	FY 2007	FY 2006	FY 2005	FY 2004
Cash Flow from Operating Activities (A)					
Profit before Tax	1763.01	1493.35	951.98	492.28	2.56
Adjustments for:					
Depreciation and Amortisation	32.30	34.56	10.62	5.24	2.06
Interest and financial charges	0.00	6.53	0.00	0.00	0.00
Miscellaneous Expenditure Written Off	0.00	.02	0.02	0.02	0.02
Operating Profit before Working Capital Changes	1795.31	1534.46	962.62	497.54	4.64
Adjustments for:					
(Increase) / Decrease in Debtors	(96.02)	(2072.95)	(178.87)	(74.27)	0.00
(Increase) / Decrease in Loans and Advances	(39.34)	(144.93)	0.30	(2.99)	(3.33)
(Increase) / Decrease in Current Liabilities and Provisions	47.35	89.96	8.28	0.80	4.60
Tax Paid	(11.80)	0.00	0.00	0.00	0.00
Cash Generated from Operations	1695.50	(593.46)	792.33	421.08	5.91
Net Cash Flow from Operating Activities	1695.50	(593.46)	792.33	421.08	5.91
Cash Flow from investing Activities (B)					
(Purchase) / Sale of Fixed Assets (net)	(14.29)	(121.80)	(27.33)	(11.41)	(14.76)
Preliminary Expenses	0.00	0.00	0.00	0.00	(0.18)
(Purchase) / Sale of Investments (net)	(1796.68)	(152.76)	(223.12)	0.00	0.00
Net Cash Flow from Investing Activities	(1810.97)	(274.56)	(250.45)	(11.41)	(14.94)
Cash Flow from Financing Activates (C)					
Proceeds from Issue of Share Capital	0.00	180.25	0.00	0.00	1.00
Proceeds from Share Premium	0.00	3380.75	0.00	0.00	0.00
Payment of Dividend	(147.04)	(50.00)	(154.00)	(146.00)	0.00
Payment of Dividend Tax	(20.62)	(7.01)	(42.07)	0	0.00
Proceeds from Unsecured Loans	0.00	0.00	(0.75)	(9.39)	10.13
Interest Paid	0.00	(6.53)	0.00	0.00	0.00
Net Cash Flow from Financing Activities	(167.66)	3497.46	(196.82)	(155.39)	11.13
Net (Decrease) / (Increase) in Cash and Cash Equivalents (A+B+C)	(283.13)	2629.44	345.06	254.28	2.10
Cash and Cash Equivalents at the Beginning of the Year	3230.88	601.44	256.38	2.10	0.00
Cash and Cash Equivalents at the end of the Year	2947.75	3230.88	601.44	256.38	2.10

Annexure –V

Statement of Sundry Debtors (Unsecured and Considered Good)

Rs. in Lakhs)					
Particulars	9 months ended 31.12. 2007	FY 2007	FY 2006	FY 2005	FY 2004
Exceeding Six Months	0.00	187.44	0.00	0.00	0.00
Other Debts	2422.11	2138.65	253.14	74.27	0.00
Total	2422.11	2326.09	253.14	74.27	0.00

Note: other than the below, there are no sundry debtors that are related to the promoters or promoters group:
Details of related party debtors

Rs. in Lakhs)					
Particulars	9 months ended 31.12.2007	FY 2007	FY 2006	FY 2005	FY 2004
GSS America Inc	1522.69	1589.81	253.14	74.27	0.00
Infospectrum Consulting Inc	898.34	724.52	0.00	0.00	0.00
Total	2421.03	2314.33	253.14	74.27	0.00

Annexure – VI

Statement of Loans and Advances

(Rs. in Lakhs)					
Particulars	9 months ended 31.12. 2007	FY 2007	FY 2006	FY 2005	FY 2004
Advance recoverable in cash or kind or for value to be received	127.63	77.69	0.49	0.00	0.00
Deposits	52.15	57.10	5.49	6.32	3.33
Advance to Employees	10.50	16.16	0.04	0.00	0.00
Advance Tax	0.00	0.00	0.00	0.00	0.00
Total	190.28	150.95	6.02	6.32	3.33

Note: There are no loans and advances that are related to the promoter or the promoter group

Annexure – VII

Statement of Secured Loans

There are no secured loans for the entire period

Annexure – VIII

Details of Unsecured Loans

Particulars	9 months ended 31.12.2007	FY 2007	FY2006	FY2005	FY2004
M Bhargav	0.00	0.00	0.00	0.75	10.13
Mangala Shrimal	0.00	0.00	0.00	0.00	0.00

Note: As at the end of FY 2004 and 2005, the unsecured loans payable to Mr. M Bhargav is a related party transaction

Annexure – IX

Statement of Operational Income

(Rs. in Lakhs)

Particulars	9 months ended 31.12.2007	FY 2007	FY 2006	FY 2005	FY 2004
Income from Software Services	3008.17	2410.87	1207.34	596.89	33.90
Net Operational Income	3008.17	2410.87	1207.34	596.89	33.90

Annexure – X

Statement of Other Income

(Rs. in Lakhs)

Particulars	9 months ended 31.12.2007	FY 2007	FY 2006	FY 2005	FY 2004
Interest Received	78.23	34.11	0.02	0.02	0.00
Foreign Exchange Fluctuation Gain	0.00	0.00	4.07	0.00	0.00
Miscellaneous Income	0.00	0.96	0.00	0.00	0.00
Total	78.23	35.07	4.09	0.02	0.00

Note on other income: Other income includes interest earned on cash management operations from sweep in deposit which are in the nature of cash and cash equivalents

Annexure – XI

Statement of Contingent Liabilities

There are no contingent liabilities

Annexure XII

Statement of Accounting Ratios

Particulars	9 months ended 31.12.2007	Period ending 31st March			
		FY2007	FY2006	FY2005	FY2004
Face Value per Share (Rs)	10.00	10.00	10.00	1.00	1.00
Earnings Per Share (Rs) (Annualized for the 2008)	20.88	15.07	21.87	492.27	2.56
Cash Earnings Per Share (Rs) (Annualized for the 2008)	21.32	15.47	22.32	497.53	4.64
Return on Net worth (%) (Annualized for 2007)	20.60%	24.96%	87.10%	320.45%	136.07%
Net Asset Value Per Share (Rs)	76.05	60.39	25.11	153.62	3.41

Notes:

The Ratios have been calculated as below

EPS = a/b

Return on Net worth = a/d %

Net asset Value Per share = e/b

- Net Profit after Tax
- Number of Equity shares outstanding during the year
- Cash earning = Net Profit after tax add depreciation, preliminary expenses written off and deferred tax liability
- Net worth=Equity share Capital plus reserve and surplus less miscellaneous expenditure to the extent not written off
- Net Asset=Equity share capital plus reserve and surplus less miscellaneous expenditure to the extent not written off

Annexure – XIII

Statement of Capitalization

(Rs. In Lacs)

PARTICULARS	Pre-Issue As at December 31, 2007	Post Issue*
Debt		
Short-term Debt	0.00	
Long -term Debt	0.00	
Total (A)	0.00	
Shareholders' Funds		
Share Capital	980.25	[•]
Share Application Money Pending allotment	0.00	
Reserves and Surplus after deducting Miscellaneous Expenditure not written off	6474.88	[•]
Total Shareholders' Funds (B)	7455.13	[•]
Long Term Debt / Total Shareholders' Funds (A/B)	-	

* Information pertaining to Share Capital and Reserves post-Issue, can be ascertained only after completion of Book Building process.

Annexure – XIV

Statement of Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	9 months ended Dec 31 2007	FY 2007	FY 2006	FY 2005	FY 2004
Cash Balance	0.74	0.19	0.12	0.14	0.17
Balances in Current Accounts with Banks	1427.54	130.69	601.33	256.24	1.93
Sweep in Deposits	1519.47	3100.00	0.00	0.00	0.00
Total	2947.75	3230.88	601.45	256.38	2.10

Note to cash and cash equivalents: Interest earned on cash management operations from sweep in deposit which are in the nature of cash and cash equivalents is forming part of operating activity under cash flow statement in Annexure IV.

For **BVR & Associates**

Chartered Accountants

B.V. Rama Rao

Proprietor

Membership No. 28483

Place: Hyderabad

Date: January 14th 2008

FINANCIAL STATEMENTS OF GSS AMERICA INC AND ITS SUBSIDIARIES

Balance Sheet

(Rupees in lakhs)

PARTICULARS	SCH.	As at December 31 2007	As at March 31 2007	As at March 31 2006
<u>SOURCES OF FUNDS</u>				
Shareholders' Funds				
Share Capital	1	53.02	22.31	22.31
Share Application Money		-	-	-
Reserves & Surplus	2	7,432.04	2,999.83	694.53
Loan Funds				
Secured Loans	3	-	-	-
Unsecured Loans	4	-	-	-
TOTAL		7,485.06	3,022.14	716.84
<u>APPLICATION OF FUNDS</u>				
Fixed Assets				
Gross Block		2426.70	2,394.09	87.41
Less: Depreciation		457.37	100.28	54.08
Net Block		1969.33	2,293.81	33.33
Investments				
Investments	5	-	-	-
Current Assets, Loans and Advances				
Sundry Debtors	6	8,934.09	5,258.70	1,010.75
Deposits, Loans and Advances	7	112.98	56.03	21.14
Cash and Bank Balances	8	958.68	316.94	365.87
Total Current Assets, Loans and Advances		10,005.75	5,631.67	1397.76
Less: Current Liabilities and Provisions	9	4,490.02	4,903.34	714.25
Net Current Assets		5,515.73	728.33	683.51
TOTAL		7,485.06	3,022.14	716.84

FOR GSS AMERICA INC.

BHARGAV MAREPALLY
DIRECTOR

RAMESH YERRAMSETTI
DIRECTOR

Date: January 14, 2008
Place: Hyderabad

GSS America Inc and its Subsidiaries

Profit and Loss Account

(Rupees in lakhs)

PARTICULARS	SCH.	9 months ended December 31, 2007	year ended March 31, 2007	year ended March 31, 2006
<u>INCOME</u>				
Sales Revenue	10	20,355.76	16,418.05	6,312.77
Other Income	11	0.01	0.01	-
TOTAL	(A)	20,355.77	16,418.06	6,312.77
<u>EXPENSES</u>				
Human Resources Cost	12	16,077.06	13,083.32	5,686.13
General Administration & Selling Expenses	13	731.58	1,000.08	464.85
TOTAL	(B)	16,808.64	14,083.40	6,150.98
Profit / (Loss) before Depreciation and Interest	(A) - (B)	3,547.13	2,334.66	161.79
Less: Depreciation		356.63	60.84	11.73
Less: Interest		-	6.61	0.73
Profit / (Loss) before Taxation		3,190.50	2,267.21	149.33
Provision for Current Tax		319.05	35.15	7.68
Provision for Deferred Tax		-	-	-
Profit / (Loss) after Tax		2,871.45	2,232.06	141.65

FOR GSS AMERICA INC.

BHARGAV MAREPALLY
DIRECTOR

RAMESH YERRAMSETTI
DIRECTOR

GSS America Inc and its Subsidiaries

Schedules forming part of the Accounts

SCHEDULE 1 - Share Capital

(Rupees in lakhs)

PARTICULARS	9 months ended Dec 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006
<u>Issued, Subscribed and Paid Up Share Capital</u> Equity Share Capital (125,000 Equity Shares of US \$.1/- each, Fully Paid up)	53.03	22.31	22.31
TOTAL	53.03	22.31	22.31

SCHEDULE 2 - Reserves and Surplus

(Rupees in lakhs)

PARTICULARS	9 months ended Dec 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006
Retained Earnings	5,557.31	2,716.92	484.87
Securities Premium	2,022.15	209.67	209.66
Foreign Exchange Translation Reserve	(147.42)	73.24	-
TOTAL	7,432.04	2,999.83	694.53

SCHEDULE 3 - Secured Loans

(Rupees in lakhs)

PARTICULARS	9 months ended Dec 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006
	-	-	-
TOTAL	-	-	-

SCHEDULE 4 - Unsecured Loans

(Rupees in lakhs)

PARTICULARS	9 months ended Dec 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006
	-	-	-
TOTAL	-	-	-

SCHEDULE 5 – Investments

(Rupees in lakhs)

PARTICULARS	9 months ended Dec 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006
			-
TOTAL			-

SCHEDULE 6 - Sundry Debtors

(Rupees in lakhs)

PARTICULARS	9 months ended Dec 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006
Debts- Unsecured, considered good	8934.09	5258.70	1010.75
TOTAL	8934.09	5258.70	1010.75

SCHEDULE 7 - Loans and Advances

(Rupees in lakhs)

PARTICULARS	9 months ended Dec 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006
Advances Recoverable (<i>Cash/ Kind/ value to be received</i>)	-	-	-
Rental & Others Deposits	7.43	9.84	8.93
Advances To Employees	105.04	46.15	11.30
Other Current Assets	0.51	0.04	0.91
TOTAL	112.98	56.03	21.14

SCHEDULE 8 - Cash and Bank Balances

(Rupees in lakhs)

PARTICULARS	9 months ended Dec 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006
Balances with Banks			
- In Current Account	958.68	316.94	365.87
Cash in hand	-	-	-
TOTAL	958.68	316.94	365.87

Schedule 9 - Current Liabilities and Provisions

(Rupees in lakhs)

PARTICULARS	9 months ended Dec 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006

Current Liabilities			
Accounts Payable	3332.23	3741.26	277.11
Salary Payable	750.99	790.46	423.43
Other Current Liabilities	406.80	371.62	13.71
TOTAL	4490.02	4903.34	714.25

GSS America Inc and its Subsidiaries

Schedules forming part of the Accounts

Schedule 10 – Sales Revenue

(Rupees in lakhs)

PARTICULARS	9 months ended Dec 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006
Income from Software Services	20,355.76	16,418.05	6,312.77
TOTAL	20,355.76	16,418.05	6,312.77

Schedule 11 - Other Income

(Rupees in lakhs)

PARTICULARS	9 months ended Dec 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006
Interest Income	0.01	0.01	-
TOTAL	0.01	0.01	-

Schedule 12 - Human Resources Cost

(Rupees in lakhs)

PARTICULARS	9 months ended Dec 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006
Salaries & Allowances	10,434.43	7,909.17	4,275.50
Sub-Contractor Fees	3,517.01	3,353.15	1,346.16
Software Expenses	2,081.63	1,726.29	-
Recruitment & Training	8.98	15.65	3.58
Relocation expenses	17.20	47.43	35.52
Employee Welfare Exp.	17.81	31.63	25.37
TOTAL	16,077.06	13,083.32	5,686.13

Schedule 13 - General Administration & Selling Expenses

(Rupees in lakhs)

PARTICULARS	9 months ended Dec 31, 2007	Year ended March 31, 2007	Year ended March 31, 2006

Finance Charges	1.18	0.61	0.62
Insurance	130.77	213.78	141.43
Internet & Web Expenses	15.40	24.98	10.58
Legal Expenses	2.31	0.06	0.16
License, Immigration & Permits	79.79	226.29	98.10
Local Conveyance & Vehicle Maintenance	3.05	4.46	2.37
Miscellaneous Expenses	-	0.57	-
Office Expenses	12.05	31.12	7.31
Partnership Certification Fees	30.06	1.46	11.54
Payroll Processing Fees	4.81	6.54	3.86
Postage & Delivery	6.99	6.86	4.77
Printing & Stationery	4.54	4.30	1.38
Professional Fees	36.18	34.20	8.86
Rates & Taxes	0.04	3.12	2.11
Rent	83.39	125.77	73.41
Repairs & Maintenance	24.72	9.24	2.31
Telephone Expenses	34.07	28.06	17.66
Travel Expenses	226.25	229.50	59.20
Utilities	6.28	13.80	10.68
Loss on sale of assets	-	0.93	-
Advertisement & Business Promotion	23.34	34.43	6.94
Bad Debts	6.36	-	1.56
TOTAL	731.58	1,000.08	464.85

FINANCIAL STATEMENTS OF INFOSPECTRUM CONSULTING INC.

Balance Sheet

(Rupees in lakhs)

PARTICULARS	SCH.	As at December 31 2007	As at March 31 2007
<u>SOURCES OF FUNDS</u>			
Shareholders' Funds			
Share Capital	1	0.04	0.04
Share Application Money		-	-
Reserves & Surplus	2	2,668.57	1592.63
Loan Funds			
Secured Loans	3	-	-
Unsecured Loans	4	-	-
TOTAL		2668.61	1592.67
<u>APPLICATION OF FUNDS</u>			
Fixed Assets			
Gross Block		206.33	201.49
Less: Depreciation		71.60	40.05
Net Block		134.73	161.44
Investments			
Investments	5	-	-
Current Assets, Loans and Advances			
Sundry Debtors	6	4307.43	2,266.98
Deposits, Loans and Advances	7	75.56	172.07
Cash and Bank Balances	8	408.62	198.44
Total Current Assets, Loans and Advances		4791.61	2637.49
Less: Current Liabilities and Provisions	9	2257.73	1206.53
Net Current Assets		2533.88	1430.96
TOTAL		2,668.61	1502.34

FOR INFOSPECTRUM CONSULTING INC.

BHARGAV MAREPALLY
DIRECTOR

RAMESH YERRAMSETTI
DIRECTOR

Date: January 14, 2008.
Place: Hyderabad.

INFOSPECTRUM CONSULTING INC

Profit and Loss Account

(Rupees in lakhs)

PARTICULARS	SCH.	9 Months ended December 31, 2007	Year ended March 31, 2007
<u>INCOME</u>			
Sales Revenue	10	7,595.37	5,796.87
Other Income	11	0.01	0.01
TOTAL	(A)	7,595.38	5,796.88
<u>EXPENSES</u>			
Human Resources Cost	12	5,986.78	4069.74
General Administration & Selling Expenses	13	194.75	248.60
TOTAL	(B)	6181.53	4,318.34
Profit / (Loss) before Depreciation and Interest	(A) - (B)	1,413.85	1,478.54
Less: Depreciation		30.83	40.05
Less: Interest		-	0.64
Profit / (Loss) before Taxation		1,383.02	1,437.85
Current Tax		138.30	36.88
Provision for Deferred Tax		-	-
Profit / (Loss) after Tax		1,244.72	1,400.97

FOR INFOSPECTRUM CONSULTING INC.

BHARGAV MAREPALLY
DIRECTOR

RAMESH YERRAMSETTI
DIRECTOR

INFOSPECTRUM CONSULTING INC
Schedules forming part of the Accounts

SCHEDULE 1 - Share Capital

(Rupees in lakhs)

PARTICULARS	9 months ended December 31, 2007	Year ended March 31, 2007
<u>Issued, Subscribed and Paid Up Share Capital</u> Equity Share Capital (100 Equity Shares of US \$.1/- each, Fully Paid up)	0.04	0.04
TOTAL	0.04	0.04

SCHEDULE 2 - Reserves and Surplus

(Rupees in lakhs)

PARTICULARS	9 months ended December 31, 2007	Year ended March 31, 2007
Retained Earnings	2788.74	1544.04
Securities Premium	-	-
Foreign Exchange Translation Reserve	(120.17)	48.59
TOTAL	2668.57	1592.63

SCHEDULE 3 - Secured Loans

(Rupees in lakhs)

PARTICULARS	9 months ended December 31, 2007	Year ended March 31, 2007
TOTAL	-	-

SCHEDULE 4 - Unsecured Loans

(Rupees in lakhs)

PARTICULARS	9 months ended December 31, 2007	Year ended March 31, 2007
TOTAL	-	-

SCHEDULE 5 - Investments

(Rupees in lakhs)

PARTICULARS	9 months ended December 31, 2007	Year ended March 31, 2007
TOTAL	-	-

SCHEDULE 6 - Sundry Debtors

(Rupees in lakhs)

PARTICULARS	9 months ended December 31, 2007	Year ended March 31, 2007
Debts- Unsecured, considered good	4307.43	2,266.98
TOTAL	4307.43	2,266.98

SCHEDULE 7 - Loans and Advances

(Rupees in lakhs)

PARTICULARS	9 months ended December 31, 2007	Year ended March 31, 2007
Advances Recoverable (<i>Cash/ Kind/ value to be received</i>)	-	-
Rental & Others Deposits	-	0.54
Advances To Employees	75.05	1.74
Other Current Assets	0.51	170.07
TOTAL	75.56	172.35

SCHEDULE 8 - Cash and Bank Balances

(Rupees in lakhs)

(Rupees in lakhs)

PARTICULARS	9 months ended December 31, 2007	Year ended March 31, 2007
Balances with Banks		
- In Current Account	408.62	198.44
Cash in hand	-	-
TOTAL	408.62	198.44

Schedule 9 - Current Liabilities and Provisions

(Rupees in lakhs)

(Rupees in lakhs)

PARTICULARS	9 months ended December 31, 2007	Year ended March 31, 2007
Current Liabilities		
Trade Creditors	1923.48	989.10
Salary Payable	87.44	185.62
Other Current Liabilities	246.81	31.81
TOTAL	2257.73	1206.53

INFOSPECTRUM CONSULTING INC

Schedules forming part of the Accounts

Schedule 10 - Sales Revenue

(Rupees in lakhs)

PARTICULARS	9 months ended December 31, 2007	Year ended March 31, 2007
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Income from Software Services	7595.37	5,796.87
TOTAL	7595.37	5,796.87

Schedule 11 - Other Income

(Rupees in lakhs)

PARTICULARS	9 months ended December 31, 2007	Year ended March 31, 2007
Interest Income	0.01	0.01
Miscellaneous Income		-
TOTAL	0.01	0.01

Schedule 12 - Human Resources Cost

(Rupees in lakhs)

PARTICULARS	9 months ended December 31, 2007	Year ended March 31, 2007
Salaries & Allowances	2625.35	1,359.02
Software Expenses	2081.63	1,726.29
Sub-Contractor Fees	1279.39	976.77
Recruitment & Training	0.40	6.65
Relocation expenses	-	-
Employee Welfare Exp.	-	1.01
TOTAL	5,986.78	4,069.74

Schedule 13 - General Administration & Selling Expenses

(Rupees in lakhs)

PARTICULARS	9 months ended December 31, 2007	Year ended March 31, 2007
Finance Charges	0.06	-
Insurance	44.19	47.91
Internet & Web Expenses	7.89	14.25
Legal Expenses	-	-
License, Immigration & Permits	0.83	-
Local Conveyance & Vehicle Maintenance	-	-
Miscellaneous Expenses	-	0.57
Office Expenses	0.64	16.37
Partnership Certification Fees		-
Payroll Processing Fees	1.16	1.35
Postage & Delivery	0.57	1.14
Printing & Stationery	0.25	1.58

Professional Fees	7.61	-
Rates & Taxes	0.04	3.91
Rent	-	0.61
Repairs & Maintenance	12.30	2.61
Telephone Expenses	3.75	3.45
Travel Expenses	103.52	132.46
Utilities	-	-
Advertisement & Business Promotion	7.81	22.39
Bad Debts	4.13	-
TOTAL	194.75	248.60

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(As Reflected In the Restated Financial Statements)

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Red Herring Prospectus. You should also read the section titled "Risk Factors" beginning on page vi of this Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to GSS America Infotech Limited on a consolidated basis, and, unless otherwise stated, is based on our restated consolidated financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act, 1956, and the SEBI guidelines.

The financial statements have been prepared in accordance with the Indian GAAP, the Companies Act, and the SEBI Guidelines and restated as described in the report of our statutory auditor M/s. B.V.R. Associates, Chartered Accountants dated January 14, 2008 in the section titled "Financial Statements" on page 98 of the Red Herring Prospectus.

Our financial year ends on March 31st of each year. Our historical financial performance may not be considered as indicative of future financial performance.

Overview of the business

We are a total IT solution provider Company. Our operations can be classified into two areas namely Enterprises Application Integration,(EAI) Infrastructure Management and Managed Services (IM/MS). Our delivery is divided into three divisions. Firstly, strategy team provides a blue print and a road map for EAI. Secondly, implementation team uses the Global Delivery Model on an Onsite Offshore Basis. Finally, IM/MS team manages these projects from offshore.

GSS America Infotech Ltd (GSS) is an Information Technology services provider, specializing in IT Consulting, IT Infrastructure Management Services and Enterprise Application Integration. Our Company is a global provider of IT services that drives better business management and performance. With expertise in IT Consulting, Enterprise Application Integration, and IT Infrastructure Management, GSS America has established itself as an IT services provider that transforms company performance and operational effectiveness.

Our clientele include major Fortune 1000 companies like Ernst & Young, Blue Cross Blue Shield of NC, BMC Software, Thomson, WR Grace & Co, TDS Telecom, Pepsi Co, etc. As a strategy to de-risk, the Company has diversified its portfolio of service offerings by acquiring profit making IT services companies in USA.

Mr. Bhargav Marepally and Mr. Ramesh Yerramsetti, Promoters and Directors of our company have more than thirteen years experience in technology and enterprise IT infrastructures, successfully implementing, managing and consulting on complex IT and business systems for global businesses. The promoters have succeeded in imbuing a unique culture that fosters growth through commitment to technology, quality & employee relationships. They are assisted by a professionally qualified team of people with high level of expertise in the industry.

The knowledge and experience gained by our team drive us to many new and exciting developments. Our blend of academic and technical knowledge allows us to provide range of IT services. Headquartered in Hyderabad, with three offices in North America, GSS America provides professional IT services to global clients. Our solutions together with our expertise, drives our clients to become a value based, performance-focused organizations.

We offer IT solutions in e-business, Enterprise Application Integration, IT Infrastructure Management, Product Development and Data Warehousing. GSS America focuses on customized IT solutions for industries in the areas of Financial services, Insurance, Telecom, Manufacturing, Transportation, Healthcare, Legal and Power. GSS America's complete range of IT Services and solutions addresses the needs of both technology and business requirements to help organizations towards business improvement. We offer services in Application Development, Application Maintenance, Application re-engineering, and Outsourcing/Offshore Development.

We have business transactions with Fortune 1000 companies and have worked with other organizations too. Our commitment to client satisfaction strengthens and extends our relationships.

IT Infrastructure Management Services and Enterprise Application Integration remains the core business activity of our company. Our IT Infrastructure Solution Portfolio helps the customers to assess, build, deploy and optimize IT Infrastructure for mission critical applications. The business also includes system integration, facilities management, software services and outsourcing.

As GSS America matured as an IT services provider, we decided to expand our software services business by focusing on certain niche vertical industries in the domestic and overseas markets. We are Microsoft Gold Certified Partner, BEA Select Partner and TIBCO Alliance Partner. These Partner Programs provide us a platform to keep abreast of the latest technology developments that happen in these organisations so that we can continue to provide solutions in the latest software releases. We have software development centres in Hyderabad and Chicago.

We are in a knowledge-driven industry and we believe that our employees are key contributors to our business success. To achieve this, we focus on attracting and retaining the best people possible. We believe that a combination of our working environment and competitive compensation programs, allow us to attract and retain people. All the employees for our operations are directly hired on the rolls of our company. Multi stage induction and skill enhancement training programs are conducted to prepare our employees for the desired performance levels. We have a performance appraisal system, which plays a key role in identifying and encouraging employees with required skill sets and by rewarding exemplary performance. Employees are offered cross-functional responsibilities to enhance the skills and an entrepreneurial culture has ensured that the job content is deeply enriching for our employees.

GSS America was originally incorporated under the name Mayes Technologies Private Limited on October 13, 2003 with the Registrar of Companies, Hyderabad, as a private limited company. The name of the Company was changed to GSS America Infotech Pvt Ltd on June 15, 2006. Thereafter it was converted into a public limited company after passing the necessary resolution in the Extra Ordinary General Meeting held on June 21, 2006 and the Registrar of Companies, Andhra Pradesh, Hyderabad had issued a fresh certificate of incorporation consequent on such conversion on July 7th 2006.

Significant developments subsequent to the last Balance Sheet date

There are two significant developments subsequent to the last audited balance sheet for the period ending 31.12.2007, the details of which are as under:

1. We have entered (through our subsidiary, GSS America Inc.) into Stock Purchase Agreement to acquire System Dynamix Corporation. As per the terms of this agreement the acquisition will be effective from January 01, 2008. Consequently System Dynamix will become wholly owned subsidiary of GSS America Inc.
2. On January 16 2008 and January 17, 2008, The Promoters of our company have transferred 13,80,000 shares to various entities. For details please refer to note no. 26 of capital structure appearing on page 22 of the RHP.

Factors that may affect results of the operations

Except as otherwise stated in this Red Herring Prospectus, the Risk Factors given in this and the following important factors could cause actual results to differ materially from the expectations include, among others:

- General economic and business conditions;
- Company's ability to successfully implement its strategy and its growth and expansion plans;
- Factors affecting software services activity;
- Increasing competition in the industry;
- Increases in labour costs, prices of facilities and insurance premia;
- Defects or bugs with Company's software and products or incidents caused by human error;
- Changes in the value of the Indian rupee and other currencies, in particular, the U.S. Dollar;
- Cyclical or seasonal fluctuations in the operating results;

- Amount that the Company is able to realize from the clients;
- Changes in laws and regulations that apply to the software industry;
- Changes in fiscal, economic or political conditions in India;
- Social or civil unrest or hostilities with neighbouring countries or acts of international terrorism;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

Discussion on Results of Operations

A summary of our past financial results based on our Consolidated Restated Accounts is given below:

Particulars	9 Months ended 31.12.2007	Period Ended 31 March			
		2007	2006	2005	2004
Income					
Sales :					
Software Services	20382.85	16428.73	6312.77	596.89	33.90
Other income	78.23	35.07	4.08	0.02	0.00
Total	20461.08	16463.80	6316.85	596.91	33.90
Expenditure					
Staff Costs	13856.72	11247.79	4672.70	73.15	17.37
Depreciation	388.93	95.40	22.35	5.24	2.06
Administration Expenses	1231.20	1306.42	509.62	24.93	11.89
Interest	0.00	13.14	0.73	0.00	0.00
Business Development Expenses	30.71	40.47	10.12	1.29	0.00
Miscellaneous Expenditure Written Off	0.00	0.02	0.02	0.02	0.02
Total	15507.56	12703.24	5215.54	104.63	31.34
Net Profit before tax and extraordinary items	4953.52	3760.56	1101.31	492.28	2.56
Taxation	574.41	46.96	7.69	0.01	0.00
Net Profit before deferred tax	4379.11	3713.60	1093.62	492.27	2.56
Add/Less deferred Tax	3.21	3.89	0.00	0.00	0.00
Net Profit after adjusting deferred tax	4375.90	3709.71	1093.62	492.27	2.56
Cash Profit Generated	4764.83	3805.11	1115.99	497.53	4.64

Review of Consolidated results of operations

The nine months period ended December 31, 2007

(The revenues and expenditure for the nine months period ended December 31, 2007 may not be considered representative of the entire year.)

The financial statements for 9 Months Period ending December 31, 2007 have been prepared for the purpose of filing the Red Herring Prospectus.

Operational Income

The operational income for the first nine months period ending ,December 31, 2007 stood at Rs.20,382.85 Lacs

Other Income

Other Income for the 9 Month Period ending December 31, 2007 stood at 78.23 Lacs. Other Income normally includes only the Interest received on the Fixed Deposits of the Company which is non-recurring in nature.

Expenditure

During the first 9 Months ending December 31, 2007 the direct employee cost stood at Rs. 13856.72 lacs, our company did see an increase in employee expenditure, which largely can be attributed to increased manpower requirements and higher wage bills.

Administrative Costs

During the first 9 Months ending December 31, 2007 the Administrative costs stood at Rs.1231.20 lacs constituting 6.04% to the Operational Income from our company did see a decrease in expenditure.

Depreciation

In absolute terms depreciation for the nine months stood at Rs.388.93 Lacs., which has increased due to amortisation of goodwill and increase in the fixed assets.

Profit before Tax

Our Company's net profit before tax for the first 9 months in absolute term stood at Rs. 4953.52 lacs. The Profit in percentage terms is 24.21% of the total income.

Comparison of FY 2006-2007 with FY 2005-2006

Operational Income

The operational income for FY 2006-2007 stood at Rs.16428.73 Lacs showing significant growth over the previous full year revenues of Rs. 6312.77 Lacs. This shows a growth rate of over 160% over the previous year. This growth is attributed to the following factors:

- 1) In organic growth through Acquisition of Infospectrum Consulting Inc.
- 2) Contracts entered with new clients giving additional revenue.
- 3) Organic Growth of the organization including renewal of existing contracts.

Other Income

Other Income for the FY 2006-2007 stood at 35.07 Lacs as compared to the previous year figure of Rs.4.08 lacs. Other Income normally includes only the Interest received on the Fixed Deposits of the Company which is non-recurring in nature.

Expenditure

During the FY 2006-2007 the direct employee cost stood at 68.46% to the Income from Operations and compared to the previous full year figure of 74.02%, our company did see marginal savings in employee expenditure, which largely can be attributed to incremental scale of operations and post Infospectrum acquisition increased margins

Administrative Costs

During the FY 2006-2007, the Administrative costs stood at Rs.1306.42 Lacs constituting 7.95% to the Income from Operations and compared to the previous full year figure of 8.07%, Our company did see marginal decrease in expenditure, which largely can be attributed to the cost management initiatives by us.

Depreciation

In absolute terms depreciation for FY 2006-2007 stood at Rs. 95.40 Lacs. Our company has witnessed increase in absolute percentage by about 327% compared to the previous year. This is largely due to the increased capital expenditure and acquisition of Infospectrum Consulting Inc. in US

Profit before Tax

Our Company's net profit before tax for the FY 2006-2007 in absolute term stood at Rs.3,760.56 lacs compared to Rs.1101.31 lacs for the previous full year. Our company improved Profit in percentage terms to 22.84% on the total income compared to previous year figure of 17.43%, showing an improvement of 5.41% in overall performance of our company.

Comparison of FY 2005 -06 with FY 2004 - 05**Operational Income**

The operational income from Software Services for the year stood at Rs.6312.77 Lacs.

The Growth in the topline is of the order of 958% from the previous year revenues of Rs.596.89 lacs. Our Company has largely seen good growth in the revenues due to increased demand for its services and due to inorganic growth. Our company has acquired a majority stake in US Based Company GSS America Inc during the year 2005-06.

Other Income

Other Income for the Financial year 2005- 06 stood at Rs. 4.08 Lacs compared to the previous year of Rs.0.02 Lacs, it has shown in absolute terms abnormal growth rate over previous year. Other Income normally include only the Interest received on the Fixed Deposits of the Company which is non-recurring in nature.

Expenditure

During the financial year 2005-06 the direct employee cost stood at 74.02% to the Income from Operations and compared to the previous year figure of 12.25%. The increase in employee costs in absolute terms increased from Rs. 73.15 to Rs. 4672.70 lakhs, this is due the increase in the number of employees from 44 to 292.

Administrative Costs

During the financial year 2005-06 the Administrative costs increased from 26.22 lacs to Rs. 519.74 Lacs. Insurance costs, Travel & immigration, telephone & internet expenses were the major contributor for the rise in expenses. These expenses have increased mainly due to the consolidation of financials of the US entity, GSS America Inc., with the Company.

Depreciation

In absolute terms depreciation for the financial year 2005-06 stood at Rs.22.35 Lacs. Our company has witnessed increase in absolute percentage by about 400% compared to the previous year. This is largely due to the fact that during the current year our company has acquired the GSS America Inc in US and the depreciation includes the merged entity.

Profit before Tax

Our Company's net profit after tax for the financial year 2005-06 in absolute term stood at Rs.1101.31 lacs compared to Rs.492.28 lacs for the previous year. Our company did show excellent growth of 123% while looking in absolute percentage due to acquisition of the US Subsidiary.

Comparison of FY 2004 -05 with FY 2003 - 04**Operational Income**

The operational income from Software Services for the year 2004-05 stood at Rs.596.89 Lacs.

The Growth in the topline is of the order of 1660% from the previous year revenues of Rs.33.90 lacs. Our Company has largely seen good growth in the revenues due to increased demand for its services and being the first full year of operations cannot be compared with the previous partial year.

Expenditure

During the financial year 2004-05 the direct employee cost stood at Rs. 73.15 lacs. Current year being the first full year of operations it is difficult to compare the figures with the previous partial year.

Administrative Costs

During the financial year 2004-05 the Administrative costs stood at Rs.26.22 Lacs compared to the previous year figure of Rs.11.89 Lacs, our company did see marginal increase in expenditure, which largely can be attributed to full year of operations and establishing and creating the administrative departments and recruitment cost.

Profit before Tax

Our Company's net profit after tax for the financial year 2004-05 in absolute term stood at Rs.492.27 lacs compared to Rs.2.56 lacs for the previous year. Our company did show excellent growth of 2000% while looking in absolute percentage. However, this being the first full year of operation it is difficult to compare with the previous year.

Financial Year 2003-04

This being the first year of operation and hence it is not comparable. Our company achieved revenues of Rs. 33.90 Lacs and profit of Rs. 2.56 lacs.

FACTORS THAT MAY AFFECT OUR RESULTS OF OPERATIONS

Unusual or infrequent events or transactions

During the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

Significant economic changes

There have been no significant economic changes during the periods under review that have materially affected or are likely to affect our income from continuing operations.

Known trends or uncertainties

To our knowledge, except as disclosed in this Red Herring Prospectus, there are no known factors which we expect to have a material adverse impact on our revenues or income.

Future relationship between costs and revenues

We are continuously working to create efficient processes resulting in cost reduction and have a better control over its activities. Other than as described in this Red Herring Prospectus, to our knowledge, there are no known factors, which will affect the future relationship between the costs and income, or which will have a material impact on the our operations and finances.

Increase in revenues

The increase in turnover is mainly on account of increase in sales volume and addition of newer clients and projects.

Total turnover in each industry segment

Our Company is operating only in software services segment, however the domain in which we operate in are not strictly comparable to any other player due to the customized nature of our industry.

New products or business segments

We have not announced and do not expect to announce in the near future any new products or business segments, except in the ordinary course of our business.

Seasonality

Our results of operations do not generally exhibit seasonality. However, there may be variation in our quarterly income or profit after tax as a result of various factors, including the general economic conditions and factors those are described in this Red Herring Prospectus

Dependence on certain clients

We provide services to a varied client base and the dependence to any customer is not exceeding 10% of the consolidated revenue. Our company does not foresee business risk arising from the customers.

Competitive conditions

We expect competition from other Indian IT services companies and foreign IT services companies to intensify. For further details, see “Risk Factors” and “Our Business-Competitive Strengths” beginning on page 65 of this Red Herring Prospectus.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS / DISPUTES/ DEFAULTS

Litigation involving Our Company

There are no pending litigations against our company.

There are no outstanding litigations, defaults etc pertaining to matter likely to affect operations and finances of our company including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act 1956 (1 of 1956).

There are no such cases of pending litigations, defaults etc in respect of Companies / firms / ventures with which the promoters were associated in the past but are no longer associated, and their names continue to be associated with particular litigation.

No disciplinary action / investigation has been taken by Securities and Exchange Board of India (SEBI) / Stock Exchanges against the Company, its directors, promoters and their other business ventures (irrespective of the fact whether or not they fall under the purview of section 370(1B) of the Companies Act 1956).

There are no cases against the Company or its Promoters of economic offences in which penalties were imposed on promoters.

Our Company, confirms that there are no pending litigations, defaults, non payment of Statutory dues, proceedings initiated for economic offences/civil offences, any disciplinary action taken by the Board /Stock Exchanges against the Company / Promoters and their business ventures/Directors other than those mentioned in this Red Herring Prospectus and undertakes to update any litigation arising post the filing of this Red Herring Prospectus. Our Company and its Directors take full responsibility of the information mentioned in the Offer Document.

There are no creditors having an outstanding balance for more than six months as on December 31, 2006.

Litigations against our Promoters and Directors

Except as under, there are no outstanding litigations, disputes, defaults, non-payment of statutory dues, violation of statutory regulations, criminal offences, over dues to banks and / or FIs, defaults against banks and/or FIs, proceedings initiated for economic / civil / any other offences (including past cases where penalties may /may not have been awarded and irrespective of whether they are specified under paragraph (1) of Part (1) of schedule XIII of Companies Act 1956 against our Promoters and Directors.

Mr. D. R. Garg has filed a civil suit bearing O S No. 218 of 2007 against Mr. Bhargava Marepally the Promoter, before the Court of the Chief Judge, City Civil Court, Hyderabad in respect of property being a house bearing No. 8-2-293/82 constructed on Plot No. 204, forming part of Survey No. 403, T S No. 1, plot No. 9, Block F, Shaikpet Village, Hyderabad

It is alleged in the Suit plaint that the Mr. Bhargava Marepally failed to pay the balance sale consideration and get a sale deed executed and registered within the time agreed under the Agreement

Mr. Bhargava Marepally appeared and filed his written statement in the Suit repudiating the claims of the Mr. D. R. Garg and asserting that he has always been ready to perform his part of the contract and it was only due to lapses on the part of Mr. D. R. Garg that the sale deed could not be registered within the time specified in the Agreement and made a counter claim on the Mr. D. R. Garg to register the sale deed at the earliest after accepting the balance sale consideration.

The suit is pending before the Court.

Litigations against Group Companies / Associate Concerns

There are no criminal, securities, statutory or other litigations against any of the Group / Associate Companies. There are no outstanding litigations, disputes, defaults in dues towards instrument holders like debenture holders, fixed deposits, arrears in cumulative preference shares penalties including tax liabilities economic offence, criminal/civil prosecutions for any offence irrespective of whether specified under any enactment in

paragraph (1) of Part (1) of schedule XIII of Companies Act 1956 against the Group companies / Associate Concerns promoted by the Promoters of our company.

There are no outstanding litigations, defaults, etc., pertaining to matters likely to affect operations and finances of the Company including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII to the Companies Act, 1956 (1 of 1956).

Amounts Owed to Small Scale Undertakings and Other Creditors

No amount is due to small-scale undertakings for more than 30 days.

Material Developments since the Last Balance Sheet Date

Stock Purchase Agreement between GSS America Inc. and Shareholders of System Dynamix Corporation

Pursuant to the Stock Purchase Agreement between GSS America Inc. (our subsidiary) and the shareholders of System Dynamix Corporation, Connecticut, USA, GSS America Inc has acquired 100% stake in System Dynamix Corporation. The acquisition is effective from January 01, 2008.

Transfer of shares by the Promoters of the Company

On January 16 2008 and January 17, 2008, The Promoters of our company have transferred 13,80,000 shares to various entities. For details please refer to note no. 26 of capital structure appearing on page 22 of the RHP.

GOVERNMENT APPROVALS

Our Company has received all the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies / certification bodies required for our business and no further approvals are required by our company for carrying on the present as well as proposed business activities of the Company. It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further major approvals from any statutory authority are required to continue those activities.

The following statement sets out the details of licenses, permissions and approvals taken by the Company under various Central and State Laws for carrying out its business.

Approvals Material to the Issue

We have received the following material approvals relating to the Issue:

1. Letter dated April 2, 2007 Issued by the Bombay Stock Exchange Limited giving our company the in-principle approval for the issue of Equity Shares.
2. Letter dated April 25, 2007 Issued by the National Stock Exchange of India Limited giving our company the in-principle approval for the issue of Equity Shares.

Corporate Approvals

Sr. No.	Issuing Authority	Date	Registration No.	Nature of Registration
1.	Registrar of Companies, Andhra Pradesh	October 13 th , 2003	U72200AP2003P TC041860	Certificate of Incorporation
2.	Registrar of Companies, Andhra Pradesh	June 15, 2006	U72200AP2003P TC041860	Certificate of Name Change from Mayes Technologies Pvt. Ltd to GSS America Infotech Pvt. Ltd
3.	Registrar of Companies, Andhra Pradesh	July 7, 2006	U72200AP2003P LC041860	Certificate for Conversion from Private Limited Company to Public Limited Company
3.	Income Tax Department	-	AADCM6759Q	Permanent Account Number
4.	Income Tax Department	-	HYDM02755E	TAN : Tax Deduction Account Number

GENERAL APPROVALS FOR OUR EXISTING OPERATIONS

Issuing Authority	Approval Number	Date of Issue	Validity	Description
Concept QA Labs Pvt. Ltd.	NA	October 26, 2007	October 26, 2010	CMMI Level 3 certification
TUV India Pvt. Ltd	44 100 074114-E3	May 10, 2007	May 9, 2007	ISO Certification 9001:2000
Software Technology Parks of India	STPH/IMSC/2003-2004/1194/10346	January 22, 2004	5 years	For establishment of an STP Unit for production of "Computer Software" at Plot No. 189, Prashasan Nagar, Road No. 72, Jubilee Hills, Hyderabad
Software Technology Parks of India	STPH/105-1/2006-2007/7562	July 26, 2006	-	No objection for change of name of the Company to 'GSS America Infotech Limited'
Software Technology Parks of India	STPH/7562/2006-2007	August 10, 2006	-	No objection for (a) expansion of operations to new premises situated at Wing-2, 3rd Floor, Block-B, Cybergateway, Hitech City, Madhapur, Hyderabad-500 081 and (b) obtaining Customs Bonded Warehouse License for the above mentioned new premises.
Deputy Commissioner of Customs and Central Excise Division - E : Hyderabad-II Commissionerate, Hyderabad	No.22/2004	February 26, 2004	January 22, 2009 (after renewal)	Private Bonded Warehouse and In Bond Manufacturing Licence for manufacturing computer software Ground, 1st & 2nd Floor, Plot No. 189, Prashasan Nagar, Road No.72, Jubilee, Hyderabad - 500 033
Deputy Commissioner of Customs and Central Excise Division - E : Hyderabad-II Commissionerate, Hyderabad	55/2006	August 24, 2006	January 21, 2009	Private Bonded Warehouse and In Bond Manufacturing Licence for manufacturing computer software in the premises situated at Wing-2, 3rd floor, Block-B, Cyber gateway, Hitech City, Madhapur - 500 081
Assistant Commissioner of Central Excise	AADCM6759QXM002	August 24, 2006	Till cancelled	For operating an export oriented undertaking at Wing-2, 3rd floor, Block-B, Cyber gateway, Hitech City, Madhapur, Jubilee Hills, Hyderabad, Hyderabad Urban, Andhra Pradesh - 500 081
Assistant Commissioner of Central Excise	AADCM6759QXM001	August 17, 2006	Till cancelled	For operating an export oriented undertaking at Plot No.189, Road No.72, Prashasan Nagar, Jubilee Hills, Hyderabad, Hyderabad Urban, Andhra Pradesh - 500 033.

Issuing Authority	Approval Number	Date of Issue	Validity	Description
Commercial Taxes Department	28341133434	December 11, 2006	Till cancelled	Registration under the Andhra Pradesh Value Added Tax Act
Commercial Taxes Department	28341133434	December 11, 2006	Till cancelled	Registration under the Central Sales Tax (Registration and Turnover) Rules, 1957
Joint Director General of Foreign Trade, Ministry of Commerce Government of India	0903013126	February 6, 2004	-	Importer Exporter Code
Office of the Inspector and Deputy Commissioner of Labour, Hyderabad	DCL/HYD/87/2003	January 1, 2005	December 31, 2007	Renewal of Certificate of Registration under the Andhra Pradesh Shops & Establishments Act, 1988 in respect of the Jubilee Hills Office.
Office of the Inspector and Deputy Commissioner of Labour, Hyderabad	C/163/DELRRZ/2006	December 11, 2006	December 31, 2007	Certificate of Registration under the Andhra Pradesh Shops & Establishments Act, 1988 in respect of the Cyber Gateway Office.
Andhra Pradesh Tax on Professions, Trades, Callings and Employments	PJT/10/1/R/1517/2003-2004	August 18, 2006		Certificate of Registration in favour of GSS America Infotech Limited
Andhra Pradesh Tax on Professions, Trades, Callings and Employments	PJT/10/1/E/3517/2006-2007	December 4, 2006	Till cancelled	Certificate of Enrolment in favour of GSS America Infotech Limited, including the Cyber Gateway Office.
Office of the Commissioner of Central Excise and Customs	AADCM6759QST001	December 5, 2006	Till cancelled	Registration for payment of service tax
Assistant Commissioner of Central Excise, Hyderabad	C No. VIII/40/20/2004	August 17, 2006		For change of Name of the Company acknowledged by the Authority and accepting the revised B-17 Bond for an amount of Rs.5,00,000.
Software Technology Parks of India				Demand of service of service charges
Office of the Regional Provident Fund Commissioner	AP/HY/56027/ Cin-I/Enf/T-6/Z-V/2006/4277	December 18, 2006	-	Registration under the Employees Provident Fund and Miscellaneous Provisions Act, 1952

SECTION VII OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors of our Company, pursuant to resolution passed at its meeting held on January 5, 2007, authorised the issue of Equity Shares subject to the approval of the shareholders of the Company under Section 81(1A) of the Companies Act.

The shareholders have authorised the Issue by a Special Resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra-Ordinary General Meeting of the Company held on January 30, 2007 at Hyderabad.

We have obtained all necessary governmental, regulatory consent and approvals and have received all contractual consent required for the Issue. For further details, see section titled "Government and Other Approvals" on page 144.

Prohibition by SEBI

Our Company, Directors, Promoters, Directors or person(s) in control of our Promoters, our group companies, other companies promoted by our promoters and companies with which the Company's directors are associated as directors or as promoters are not prohibited from accessing the capital markets under any order or direction passed by SEBI. None of our directors have been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Further, our promoters and Promoter group entities have confirmed that none has been detained as wilful defaulters by RBI or any other governmental authority and there are no violations of securities laws committed by them in past or are pending against them

Eligibility of the Company to enter the Capital Market

Our Company does not comply with the provisions of Sub clause (a), Sub - clause (c) and Sub - clause (e) of Clause 2.2.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000.

Clause 2.2.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, indicates that a Company would be eligible to make an initial public offer of its Equity Shares only if it meets all the following conditions:

- (a) *The company has net tangible assets of at least Rs. 3 crores in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets:*

Provided that if more than 50% of the net tangible assets are held in monetary assets, the company has made firm commitments to deploy such excess monetary assets in its business/project;

- (b) *The company has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years:*

Provided further that extraordinary items shall not be considered for calculating distributable profits in terms of section 205 of Companies Act, 1956;

- (c) *The company has a net worth of at least Rs. 1 crore in each of the preceding 3 full years (of 12 months each);*
- (d) *In case the company has changed its name within the last one year, at least 50% of the revenue for the preceding 1 full year is earned by the company from the activity suggested by the new name; and*
- (e) *The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e. offer through offer document + firm allotment + promoters' contribution through the offer document), does not exceed five (5) times its pre-issue net worth as per the audited balance sheet of the last financial year.*

Since, the eligibility criteria as enumerated under Clause 2.2.1 are not complied with; the Company is making an offering of Equity Shares through Compulsory Book Building Route in terms of Clause 2.2.2 as follows:

- (a) The issue is made through the book – building process, with at least 50% of the net offer to public being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be responded.
- (b) The minimum post – issue face value capital of our company shall be Rs. 10 Crores. The post – issue face value capital of our company will become Rs. 13.30 Crores.

DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE PUBLIC ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, RELIGARE SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED PUBLIC ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER RELIGARE SECURITIES LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 20, 2007 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

- (i) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID PUBLIC ISSUE;**
- (ii) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE PUBLIC ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.**

WE CONFIRM THAT:

- (A) THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPER RELEVANT TO THE PUBLIC ISSUE;**
- (B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID PUBLIC ISSUE, AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED PUBLIC ISSUE;**
- (D) BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATIONS ARE VALID; AND**

(E) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.

THE FILING OF DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN WILL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THE PUBLIC ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, HYDERABAD, ANDHRA PRADESH IN TERMS OF SECTION 60B OF THE COMPANIES ACT, 1956. ALL LEGAL REQUIREMENTS PERTAINING TO THE PUBLIC ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE REGISTRATION OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, HYDERABAD, ANDHRA PRADESH IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT, 1956.

Disclaimer statement from the Issuer and Lead Manager

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company and will not offer, sell, pledge or transfer the Equity Shares of the Company to any person who is not eligible under applicable laws, rules, regulations, guidelines to acquire Equity Shares of the Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

Our Company, the Directors and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or the advertisements or any other material issued by or at the instance of the Company and any one placing reliance on any other source of information, including our website www.gssamerica.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in terms of the Memorandum of Understanding entered into among the BRLMs and us dated December 27, 2007 and the Underwriting Agreement to be entered into among the Underwriters and us.

All information shall be made available by us and the BRLMs to the public and investors at large and no selective or additional information would be available for the section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at the bidding centres, etc.

The Issuer and BRLMs are obliged to update the Red Herring Prospectus and keep the public informed of any material changes till the listing and trading commencement.

Neither the Company, nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the MOU entered into between the BRLMs and the Issuer Company dated January 31, 2007, and the Underwriting Agreement

to be entered into between the Underwriters and the Issuer Company.

All information shall be made available by our company and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding centers or elsewhere.

The Issuer Company, its Directors and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including the Issuer Company's website, www.gssamerica.com, would be doing so at his or her own risk.

Neither our Company nor the Underwriters is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Disclaimer In Respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, scheduled commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or Trusts (registered under the applicable trust law and who are authorised under their constitution to hold and invest in shares), multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, Foreign Venture Capital funds registered with SEBI, State Industrial Development Corporation, permitted Insurance companies, Provident Funds with minimum corpus of Rs. 250 million and Pension Funds with minimum corpus of Rs. 250 million, and to non-residents including NRIs and FIIs. This Red Herring Prospectus does not, however, constitute an invitation to subscribe to shares offered hereby in any other jurisdiction or to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about it, and to observe, any such restrictions. Any dispute arising out of the Issue will be subject to the exclusive jurisdiction of appropriate court(s) in Hyderabad, India only.

No action has been or will be taken to permit a public Issue in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus was filed with SEBI for observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Investors may please note that Central Government/ RBI does not take any responsibility for the financial soundness or correctness of the statements disclosed in this Red Herring Prospectus.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to "qualified institutional buyers", as defined in Rule 144A under the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further each Bidder where required must agree in the CAN that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the United States Securities Act, 1933.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to National Stock Exchange of India Limited ("NSE"). NSE has given, vide its letter dated April 25, 2007, permission to us to use NSE's name in this Draft Red Herring Prospectus as one of the stock exchanges on which the Company's securities are proposed to be listed subject to, the Company fulfilling the various criteria for listing including the one related to paid up capital (i.e. the paid up capital shall not be less than Rs. 1000 Lacs) and market capitalization (i.e., market capitalization shall not be less than Rs. 2500 lacs at the time of the listing). NSE has scrutinised this Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. It is to be distinctly understood that the aforesaid permission given by the NSE should not in any way be deemed or construed to mean that this Draft Red Herring Prospectus has been cleared or approved by the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that our securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquires any of our securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription or acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever. The disclaimer clauses given above will be updated on receipt of in-principle approval from the NSE.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. BSE has given, vide its letter dated April 02, 2007, permission to the Company to use BSE's name in this Draft Red Herring Prospectus as one of the stock exchanges on which our securities are proposed to be listed. BSE has scrutinised this Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. BSE does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; or
- Warrant that this company's securities will be listed or will continue to be listed on BSE; or
- Take any responsibility for the financial or other soundness of this company, its promoters, its management or any scheme or project of this company;

and it should not for any reason be deemed or construed to mean that this Draft Red Herring Prospectus has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever. The disclaimer clauses given above will be updated on receipt of in-principle approval from the BSE.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Primary Markets Division. [SEBI Bhavan, Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Mumbai – 400051.]

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the Registrar of Companies at Kendriya Sadan, Sultan Bazar, Hyderabad, Andhra Pradesh and a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration to the RoC.

Listing

Applications have been made to the BSE and the NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The BSE shall be the Designated Stock Exchange with which the basis of allocation will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after the Company become liable to repay it (i.e. from the date of refusal or within 15 days from the Bid/Issue Closing Date, whichever is earlier), then the Company shall, on and from expiry of eight days, be liable to repay the money with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven working days of finalization and adoption of the Basis of Allotment for the Issue.

Consents

Consents in writing of: (a) Directors, the Company Secretary and Compliance Officer, the Auditors, the Legal Advisors, the Bankers to the Company and the Bankers to the Issue; and (b) the Book Running Lead Managers, Syndicate Members, the Escrow Collection Bankers and the Registrar to the Issue act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, Andhra- Pradesh located at Hyderabad, as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

M/s B.V.R. Associates, Chartered Accountant, Auditors of the Company has given its written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for filing with SEBI.

M/s B.V.R. Associates, Chartered Accountant, has given its written consent to the tax benefits accruing to our Company and its members in the form and context in which it appears in this Red Herring Prospectus and has not withdrawn such consent up to the time of delivery of this Red Herring Prospectus for filing with RoC.

Expert Opinion

We have not obtained any expert opinions.

Expenses of the Issue

ACTIVITY	(in Rs. Lakhs)		
	Estimated Amount (Rs. in Lacs)	% of Total Expenses	% of Total Issue Size*
Lead Management Fees, underwriting and selling commission	[●]	[●]	[●]
Advertisement and Marketing expenses	[●]	[●]	[●]
Printing and Stationery	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Others (legal fee, listing fee, etc)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

*Will be incorporated after finalisation of Issue Price

Fees Payable to the Book Running Lead Managers and Syndicate Members

The total fees payable to the Book Running Lead Managers and Syndicate Members (including underwriting commission and selling commission and reimbursement of their out of pocket Expenses) will be as per the various engagement letters, copy of which are available for inspection at the Company's Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/ refund order (or revised CANs, if required), preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company, a copy of which is available for inspection at the Registered Office of the Company. Our Company shall bear such expenses.

The Registrar to the Issue will be reimbursed for all out – of pocket expenses including cost of stationary, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by Registered post/ Speed Post/ Under Certificate of Posting.

Previous Public or Rights Issue (During the Last 5 Years)

Our Company has not made any public Issue of Equity Shares or a Rights Issue either in India or abroad prior to the date of this Red Herring Prospectus.

Issue otherwise than for Cash

Except as stated in the section titled “Capital Structure” beginning on page 14 of this Red Herring Prospectus our company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage on Previous Issues

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our inception.

Companies under the Same Management

There are no listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 other than the subsidiaries and group companies, details of which are provided in the section titled “Our Promoters and their background” beginning on page 91 of this Red Herring Prospectus.

Promise vis-a-vis Performance

Our Company has not made any public issue.

Outstanding Debentures or Bond Issues or Preference Shares

Our Company has no outstanding debentures or bond issues.

Stock Market Data for the Company's Equity Shares

This being an initial public offering of our Company, the Equity Shares of the Company are not listed on any stock exchange.

Other Disclosures

The Promoter Group or the Directors have not purchased or sold or sold any securities of the Company during a period of six months preceding the date on which this Red Herring Prospectus is filed with RoC except as stated in the section titled “Capital Structure” beginning on page 14 of this Red Herring Prospectus

Mechanism for Redressal of Investor Grievances by the Company

The Memorandum of Understanding between the Registrar to the Issue and the Company, will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch

of letters of refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

Disposal of Investor Grievances

We estimate that the average time required by it or the Registrar to the Issue for the redressal of routine investor grievances will be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. Kamal Kishore Avutapalli as the Compliance Officer and he may be contacted in case of any pre- Issue or post- Issue related problems. He can be contacted at: Wing – 2, 3rd Floor, Block B, Cyber Gateway, Hitech City, Madhapur, Hyderabad – 500 081 Tel: +91 40 4002 8700 / 1 / 2; Fax: +91 40 4002 8703; Email: kishore.avutapalli@gssamerica.com

Changes in Auditors

The auditors of our company are appointed (and reappointed) in accordance with provisions of the Companies Act and their remuneration, rights and duties are regulated by Section 224 to 233 of the Companies Act.

There has been no change in the Auditors of GSS America in the last three years.

Details of the capitalization of the reserves by the Company in the past

Date of allotment of Bonus Shares	Date of approval to the Bonus Issue	Ratio of Bonus issue	Number of Equity Shares of Rs.10/- each issued as bonus	Amount of reserves Capitalised
January 31, 2006	January 30, 2006	499:1	49,90,000	49900000
July 22, 2006	July 21, 2006	4:10	20,00,000	20000000
December 15, 2006	December 11, 2006	1:7	10,00,000	10000000

Revaluation of Assets

There has been no revaluation of assets of the Company since incorporation.

SECTION VIII ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association of the Company, the terms of this Red Herring Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note ("CAN") and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Memorandum and Articles of Association and shall rank *pari passu* in all respects with the other existing shares of the Company including in respect of the rights to receive dividends. The allottees will be entitled to dividend or any other corporate benefits, if any, declared by the Company after the date of allotment.

Mode of payment of dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act, 1956.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and Memorandum and Articles of Association of the Company.
- Right to receive notices of General Meetings.

For a detailed description of the main provisions of the Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/ splitting, refer to the section on "Main Provisions of the Articles of Association" on page 190 in this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity shares is in dematerialised mode, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. Allotment through this Issue will be done only in electronic form in multiples of 1 Equity Share subject to a minimum Allotment of 15 Equity Shares.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first bidder, along with other joint bidder, may nominate any one person in whom, in the event of the death of sole bidder or in case of joint bidders, death of all the bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in

the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office our company or at the registrar and transfer agent of the Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the equity shares; or
- to make such allotment of the equity shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to allot the equity shares, and if the notice is not complied with within a period of ninety days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the equity shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with the Company. Nominations registered with respective DP of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective Depository Participant.

Application by Eligible NRIs / FIIs registered with SEBI and FCVIs registered with SEBI

It is to be distinctly understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or FCVIs registered with SEBI. Such Eligible NRIs, FII registered with SEBI or FCVIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation. As per RBI regulations, OCBs cannot participate in the Issue.

Jurisdiction

Exclusive jurisdiction for purposes of this Issue is with the competent courts in Hyderabad, in the state of Andhra Pradesh.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue, including devolvement of underwriters, if any, within 60 days from the date of closure of the issue, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount (i.e., 60 days from the Bid Closing Date), our company shall pay interest prescribed under Section 73 of the Companies Act, 1956.

If at least 50% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded.

Further, in accordance with clause 2.2.2 of SEBI (DIP) Guidelines, 2000 if the final allotment to QIBs works out to less than 50%, the entire subscription money/ bid amount shall be refunded.

Further, in accordance with clause 2.2.2A of SEBI (DIP) Guidelines, 2000, we shall ensure that the number of allottee, i.e. persons to whom the Equity Shares will be allotted under the Issue shall be not less than 1,000.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States of America and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act) except pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots

Restriction on Transfer of Shares

There are no restrictions on transfers and transmissions of share and on their consolidation / splitting except as provided in our Articles of Association. For details see the section titled "Main Provisions of our Articles of Association" beginning on page 190 of this Red Herring Prospectus.

Withdrawal of the Issue

Our Company in consultation with the Book Running Lead manager, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before Allotment, without assigning any reason therefore.

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with depository participants within two working days from the date of the finalization of basis of allocation. Applicants residing at 15 centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. We shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be send a letter through ordinary post intimating them about the mode of credit of refund within 15 days of closer of Issue.

Interest in Case of Delay in Despatch of Allotment Letters/Refund orders.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines we undertake that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid/ Issue Closing Date;
- Dispatch of refund orders, except for Bidders who have opted to receive refunds through the ECS facility, within 15 (fifteen) working days of the Bid /Issue Closing Date would be ensured; and
- We shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if Allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

We will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Bid/Issue Programme

Bid/Issue Opens On	Monday, February 11, 2008
Bid/Issue Closes On	Friday, February 15, 2008

Bids and any revision in Bids shall be accepted only between 10 a.m. and 5 p.m. (Indian Standard Time) and on the Bid/Issue Closing Date, Bids or revisions of Bids shall be accepted only between 10 a.m. and 1 p.m. during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form and uploaded till such time as permitted by the NSE and the BSE on Bid/Issue Closing Date.

Our Company in consultation with the BRLMs reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the price band advertised at least one day prior to the Bid/Issue Opening Date.

In case of revision in the Price Band, The Bidding/Issue Period will be extended for three additional working days after revision of price Band subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding / Issue Period, if applicable, will be widely disseminated by notification to the NSE and BSE, by issuing a press release, and also by indicating a change on the web site of the Book Running Lead Managers and at the terminals of the Syndicate.

ISSUE STRUCTURE

The present issue of 34,97,495 Equity Shares of Rs. 10 each at a price of Rs. [•] for Cash aggregating to Rs. [•] Million is being made through Book Building Process. The issue will constitute 26.30% the post issue equity share capital of the Company.

Particulars	Employees	QIBs	Non Institutional Bidders	Retail Individual Investors
Number of Equity Shares available for allocation	1,57,495 Equity Shares	Atleast 16,70,000 Equity Shares or Net Issue less allocation to Non – Institutional Bidders and Retail Individual Investors	Not less than 5,01,000 Equity Shares or Net Issue less allocation to QIB Bidders and Retail Individual Investors	Not less than 11,69,000 Equity Shares or Net Issue less allocation to QIB Bidders and Non – Institutional Bidders
Percentage of Issue Size	Up to 4.50 %	Atleast 50% of Net Issue	Not less than 15% of the Net Issue	Not less than 35% of Net Issue
Basis of Allocation if respective category is oversubscribed	Proportionate	Proportionate as follows : (a) Equity Shares shall be allocated on a proportionate basis to Mutual Funds in the Mutual Funds Portion; (b) Equity shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	15 Equity Shares	Such number of Equity Shares so that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 15 Equity Shares thereafter	Such number of Equity Shares so that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 15 Equity Shares thereafter.	15 Equity Shares
Maximum Bid	Such number of Equity Shares in multiple of 15 Equity Shares not exceeding 1,57,495 equity shares	Such Number of Equity shares so that the Bid does not exceed the Net Issue, subject to applicable limits	Such Number of Equity shares so that the Bid does not exceed the Net Issue, subject to applicable limits	Such Number of Equity shares so that the Bid amount does not exceed Rs. 1,00,000
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Allotment Lot	15 Equity Shares in multiple of 1 Equity Share thereafter	15 Equity Shares in multiple of 1 Equity Share thereafter	15 Equity Shares in multiple of 1 Equity Share thereafter	15 Equity Shares in multiple of 1 Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share

Who can apply	Employees and Directors of the Company and its subsidiaries who are Indian nationals based in India and are present in India on the date of submission of Bid-cum-Application Form excluding Promoter and directors and members of the promoter group.	Public Financial Institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investors registered with SEBI, venture capital funds registered with SEBI, State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs.250 million and pension funds with minimum corpus of Rs. 250 million in accordance with the applicable laws	Resident Indian Individuals, Eligible NRIs and HUF (in the name of Karta), companies, corporate bodies, scientific institutions, societies and trusts	Individuals, including Eligible NRIs and HUF (in the name of Karta) applying for Equity Shares such that the BID amount does not exceed Rs. 1,00,000 in value
Terms of Payment	Margin amount applicable to Employees at the time of submission of Bid cum Application Form to the members of the Syndicate	Margin amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate	Margin amount applicable to Non Institutional Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate	Margin amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate
Margin Amount	100 % of Bid Amount	Atleast 10% of Bid Amount	100 % of Bid Amount	100 % of Bid Amount

Subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any of the category other than QIB would be met with spill over from other categories at the sole discretion of our company in consultation with the BRLMs. In case the allotment to QIBs works out to less than 50% of the Net Offer to the Public, the entire bid amount/ application money shall be refunded. However, if the aggregate demand by Mutual Funds is less than 83,500 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will be added to the QIB portion and be allocated proportionately to the QIB Bidders.

In case the Bid Cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid Cum Application Form.

Any Under – subscription in Equity Shares, if any, reserved for Employees would be included in the Net Issue and allocated in accordance with the description in section titled “Basis of Allocation” beginning on page 183 of this Red Herring Prospectus

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid / Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE / NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid cum Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be required to be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Offer Price for all the Equity Shares allocated to such QIB. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Withdrawal of the Issue

Our Company in consultation with the Book Running Lead Managers, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before Allotment, without assigning any reason therefore. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bids after the Bid / Issue Closing Date.

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with depository participants within two working days from the date of the finalization of basis of allocation. Applicants residing at 15 centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. We shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be send a letter through ordinary post intimating them about the mode of credit of refund within 15 days of closer of Issue.

Interest in Case of Delay in Dispatch of Allotment Letters/Refund orders.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines we undertake that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid/ Issue Closing Date;
- Dispatch of refund orders, except for Bidders who have opted to receive refunds through the ECS facility, within 15 (fifteen) working days of the Bid /Issue Closing Date would be ensured; and
- We shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if Allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

We will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Bid/Issue Programme

Bid/Issue Opens On	Monday, February 11, 2008
Bid/Issue Closes On	Friday, February 15, 2008

Bids and any revision in Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) during the Bidding/ Issue period as mentioned above at the Bidding centres mentioned on the Bid-cum-Application Form except that on the Bid/Issue Closing Date, Bids or revisions of Bids shall be accepted only between 10 a.m. and 1 p.m. (Indian Standard Time) and uploaded till such time as permitted by the BSE and the NSE on Bid/Issue Closing Date.

Our Company in consultation with the Book Running Lead Managers reserve the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor price advertised at least one day prior to the Bid/Issue Opening Date.

In case of revision in the Price Band, The Bidding/Issue Period will be extended for three additional working days after revision of price Band subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding / Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE, by issuing a press release, and also by indicating a change on the web site of the Book Running Lead Managers and at the terminals of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process, wherein at least 50% of the Issue shall be allocated on a proportionate basis to QIB Bidders, out of which 5% of the QIB portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue Price. If at least 50% of the Issue cannot be allotted to QIBs, the entire application money will be refunded. Further, not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, and not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-institutional Bidders, subject to valid Bids being received at or above the Issue Price.

Investors should note that allotment of Equity Shares to all successful Bidders would only be in the dematerialised form. Bidders will not have the option of getting allotment of the Equity Shares on physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be submitted only through the members of the Syndicate. In case of QIB Bidders, our Company in consultation with the BRLMs, reserves the right to reject any Bid at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same are provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Bid-cum-Application Form

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple bids. Upon the allocation of Equity Shares, dispatch of the Confirmation of Allocation Note ("CAN"), and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorized the Company to make the necessary changes in this Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Indian public and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FIIs or Foreign Venture Capital funds, Registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis.	Blue
Bidders in the Employee Reservation Portion	Pink

Who can Bid?

- Persons eligible to invest under all applicable laws, rules, regulations and guidelines.
- Indian nationals resident in India who are majors, in single or joint names (not more than three);
- Hindu Undivided Families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;

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4. Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not permitted to participate in the Issue.
 5. Companies and corporate bodies registered under the applicable laws in India and authorised to invest in Equity Shares.
 6. Indian Mutual Funds registered with SEBI;
 7. Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI Guidelines and regulations, as applicable);
 8. FIIs registered with SEBI.
 9. Venture Capital Funds registered with SEBI;
 10. Foreign Venture Capital investors registered with SEBI;
 11. State Industrial Development Corporations;
 12. Multilateral and bilateral development financial institutions;
 13. Insurance companies registered with the Insurance Regulatory and Development Authority;
 14. Provident funds with minimum corpus of Rs. 2,500 Lacs and who are authorized under their constitution to hold and invest in Equity Shares;
 15. Pension funds with minimum corpus of Rs. 2,500 Lacs and who are authorized under their constitution to hold and invest in Equity Shares;
 16. Trust/ society registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/ society and who are authorized under their constitution to hold and invest in Equity Shares; and
 17. Scientific and/ or Industrial Research Organizations in India authorized to invest in Equity Shares.
 18. Any other QIBs permitted to invest, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals in the issue.
 19. Employees and Directors of the Company and its subsidiaries who are Indian nationals based in India and are present in India on the date of submission of Bid-cum- Application Form excluding Promoter directors

As per the existing Regulations, OCBs cannot Bid in the Issue.

Participation by Associates of the BRLMs and Syndicate Members

The BRLMs and the Syndicate Members shall not be entitled to participate in this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLMs and Syndicate Member are entitled to bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in Non-institutional Portion as may be applicable to such investors, where the allocation will be on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients.

Bidders are advised to ensure that any single Bid from then does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 83,500 Equity Shares, allocation shall be made to Mutual funds on a proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB portion, after excluding the allocation in the Mutual Funds Portion.

The Bids made by the asset management companies or custodians of Mutual Funds shall be specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids, provided that the Bids clearly indicate the scheme for which the Bid has been made.

In accordance with current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of the net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index

funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid up capital carrying voting rights.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

The Bids made by the asset management companies or custodians of mutual funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

Bids by Eligible NRIs

Bid cum Application Forms have been made available for Eligible NRIs at the Registered Office of the Company and with members of the Syndicate.

NRI applicants should note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the Eligible NRI Category. The Eligible NRIs who intend to make payment through the Non – Resident Ordinary (NRO) account shall use the application form meant for Resident Indians (white form).

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the Company's post-Issue paid-up capital (i.e., 10% of 1,33,00,000 Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the Company's total issued capital or 5% of the Company's total issued capital in case such sub account is a foreign corporate body or an individual.

As of now, the aggregate FII holding in the Company cannot exceed 24% of the Company's total issued capital. With approval of our Board and that of the shareholders of the Company by way of a special resolution, the aggregate FII holding limit can be enhanced up to 100%.

However, as of the date of this Red Herring Prospectus, no such resolution has been recommended to our shareholders for approval.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, an FII or its sub – account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity – linked notes or any other similar instruments against underlying securities listed or proposed to be listed any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of “know your client” requirements. An FII or sub – account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids by the SEBI – registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on Venture Capital Funds and Foreign Venture Capital Investors registered with the SEBI. Accordingly, the holding by any Venture Capital Fund should not exceed 25% of the corpus of the Venture Capital Fund.

As per the current regulations, any venture capital fund or foreign venture capital investors shall not invest more than 33.33% of their investible funds by way of subscription to initial public offer.

As per SEBI Guidelines, the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an initial public offering would be exempt from lock – in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft prospectus with SEBI.

As per the current regulations, OCBs cannot participate in this Issue.

Bids and revision of the Bids by Eligible NRIs and FIIs must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).
3. Eligible NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation. Other Non-Resident Bidders for a minimum of such number of Equity Shares and in multiples of 15 thereafter that the Bid Price exceeds Rs. 100,000. For further details, see the section titled “Issue Procedure” beginning on page 163.
4. Bids by Eligible NRIs and FIIs on a repatriation basis shall be in the names of individuals or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their Non-Resident External (NRE) accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Eligible NRIs and FIIs and they will be treated on the same basis with other categories for the purpose of allocation.

Further, NRIs, who are not Eligible NRIs, are not permitted to participate in this Issue.

Bids by Eligible Employees

For the purpose of the Employee Reservation Portion, Employee means all or any of the following:

- (a) An employee of the Company as of the date of submission of Bid Cum Application Form and based in, working and present in India or out of India as on the date of submission of the Bid cum Application Form.
- (b) a director of the Company, whether a whole time director except any Promoters or members of the Promoter group, part time director or otherwise and based and present in India as on the date of submission of the Bid cum Application Form.
- (c) an employee as defined in sub-clauses (a) or (b) of a Subsidiary of our Company working and present in India as on the date of submission of the Bid cum Application form.

Bids under Employee Reservation Portion by Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour Form).
- Employees, as defined above, should mention the Employee Number at the relevant place in the Bid cum Application Form.
- The sole/ first Bidder should be Employees.
- Only Employees (as defined above) would be eligible to apply in this Issue under the Employee Reservation Portion.

- Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- Employees who Bid for Equity Shares of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at Cut-off Price. This facility is not available to other Employees whose Bid Amount in any of the bidding options exceeds Rs. 100,000.
- The maximum bid under Employee Reservation Portion by an Employee cannot exceed 1,57,495 shares
- Bid by Employees can be made also in the "Net Issue" portion and such Bids shall not be treated as multiple bids.
- If the aggregate demand in this category is less than or equal to 1,57,495 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue.
- If the aggregate demand in this category is greater than 1,57,495 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, please see section titled "Basis of Allocation" on page 183.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size:

a) For Retail Individual Bidders: The Bid must be for a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter, subject to maximum Bid amount of Rs.1,00,000. In case the maximum Bid amount is more than Rs.1,00,000/- due to revision of the Bid or revision of the Price Band or on exercise of the option, then the same would be considered for allocation under the Non-Institutional Bidders category. The Cut-off option is given only to the Retail Individual Bidders indicating their agreement to bid and purchase the equity shares at the final Issue Price as determined at the end of the Book Building Process.

b) Non-Institutional Bidders and QIBs Bidders: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 15 Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by the regulatory or statutory authorities governing them. **Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date.** In case of revision of bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 100,000. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision in the price band, the same would be considered for allocation under the Retail portion. Non-Institutional Bidders and QIB Bidders are not allowed to Bid at 'cut-off'.

c) Eligible Employees: The Bid must be for a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. The allotment in the Employee Reservation Portion will be on a proportionate basis.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus. Refund amounts following a permitted withdrawal of a Bid shall be paid in the manner described under "Payment of Refund" beginning on page 176 of this Red Herring Prospectus.

Information for the Bidders

- Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.
- Our Company and the Book Running Lead Managers shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated national newspapers (one each in English and Hindi) and a regional language newspaper of wide circulation in the place where our Registered Office is situated. This advertisement,

subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XX-A of the SEBI DIP Guidelines, as amended vide SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 dated January 25, 2005.

- c) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid cum application Form can obtain the same from the Registered Office or from any of the members of the Syndicate.
- d) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of a member of the Syndicate. Bid cum Application Forms, which do not bear the stamp of a member of the Syndicate will be rejected.
- e) The Bidding/Issue Period shall be a minimum of three working days and shall not exceed seven working days. The members of the Syndicate shall accept Bids from the Bidders during the Bidding/Issue Period in accordance with the terms of the Syndicate Agreement.
- f) The Price Band has been fixed at Rs. 400 to Rs. 440 per Equity Share. The Bidders can bid at any price within the Price Band, in multiples of Re. 1 (One). In accordance with the SEBI Guidelines, our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
- g) In case the Price Band is revised, the Bidding/ Issue Period may be extended, if required, by an additional three days, subject to the total Bidding/ Issue Period not exceeding 10 working days. The revised Price Band and Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, and by issuing published in two national newspapers (one each in English and Hindi) and a regional language newspaper of wide circulation in the place where our Registered Office is situated and also by indicating the change on the websites of the Book Runners and at the terminals of the members of the Syndicate.
- h) We, in consultation with the BRLMs, can finalise the Issue Price within the Price and, without the prior approval of, or intimation to, the Bidders.

Method and Process of Bidding

- a. Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details, see the section titled "Issue Procedure - Bids at Different Price Levels" beginning on page 169 of this Red Herring Prospectus) within the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
- b. The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to a member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the section titled "Issue Procedure - Build up of the Book and Revision of Bids" beginning on page 173 of this Red Herring Prospectus.
- c. The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- d. During the Bidding Period, Bidders may approach a member of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and this Red Herring Prospectus.
- e. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Issue Procedure - Terms of Payment" beginning on page 171 of this Red Herring Prospectus.

Bids at Different Price Levels

- a. The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. **Retail Individual Bidders and Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB Bidders and Non Institutional Bidders and Employees bidding under the Employee Reservation Portion where the Bid Amount is in excess of Rs. 100,000 and such Bids from QIB Bidders, Non Institutional Bidders and Employees shall be rejected.**
- b. Retail Individual Bidders who bid at Cut-off Price and Employees bidding under the Employee Reservation Portion at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price and Employees bidding under the Employee Reservation Portion at Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut-off Price and Employees bidding under the Employee Reservation Portion at Cut-off Price (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), such Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the Escrow Account or the Refund Account, as the case may be.
- c. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Employees bidding under the Employee Reservation Portion at Cut-off Price, who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to bid at Cut-off Price), with the member of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid by a Retail Individual Bidder will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares bid for shall be adjusted down wards for the purpose of allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
- d. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Employees bidding under the Employee Reservation Portion, who have bid at Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or the Refund Account, as the case may be.
- e. The minimum application size shall be in the range of Rs. 5000 to Rs. 7000, even in case of revision in the Price Band, if any.
- f. During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band during the Bidding / Issue Period using the printed Revision Form, which is a part of the Bid cum Application Form.
- g. Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- h. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.
- i. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

- j. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- k. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

Bids and revisions of Bids must be:

- a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable [white] colour for Resident Indians and Eligible NRIs applying on a non repatriation basis; [blue] colour for Eligible NRIs, FIIs applying on a repatriation basis and [pink] colour for eligible employees applying in the Employee Reservation Portion).
- b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form.
- d) The Bids from the Retail Individual Bidders must be for a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter subject to a maximum Bid Amount of Rs.100,000.
- e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of 15 Equity Shares such that the Bid Amount exceeds Rs.100,000 and in multiples of 15 Equity Shares. Bids cannot be made for more than the Net Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.
- f) For Bidders bidding under the Employee Reservation Portion, the Bid must be for a minimum of 15 Equity Shares in multiple of thereafter subject to a maximum of Bid does not exceed 1,57,495 Equity Shares.
- g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Option to Subscribe

Equity Shares being issued through this Red Herring Prospectus can be applied for in the dematerialized form only. Bidders will not have the option of getting Allotment in physical form. The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchange(s).

PAYMENT INSTRUCTIONS

Escrow Mechanism

We shall open Escrow Accounts with the Escrow Collection Banks in whose favour the Bidders shall write the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Issue Account and the Refund Account as per the terms of the Escrow Agreement.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder shall pay the applicable Margin Amount at the time of submission of the Bid cum Application Form by way of a cheque or demand draft in favour of the Escrow Account as per the below terms:

- a) The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Issue Account. The balance amount after transfer to the Issue Account shall be transferred to the Refund Account.
- b) Each category of Bidders, i.e. QIB Bidders, Non Institutional Bidders, Retail Individual Bidders and Employees bidding under the Employee Reservation Portion would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form by way of a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid is being submitted. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Structure" beginning on page 159 of this Red Herring Prospectus. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid Price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.
- c) Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the Book Runners. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled.
- d) Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for Allotment, will be refunded to such Bidder in terms of the Red Herring Prospectus.
- e) The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - i. In case of Resident QIB Bidders: **"Escrow Account – GSS America Public Issue-QIB - R"**
 - ii. In case of non resident QIB Bidders: **"Escrow Account – GSS America Public Issue – QIB - NR"**
 - iii. In case of other resident Bidders: **"Escrow Account – GSS America Public Issue - R"**
 - iv. In case of Eligible NRIs Bidders: **"Escrow Account – GSS America Public Issue - NR"**
 - v. In case of Employees: **"Escrow Account- GSS America Public Issue - Employee"**
- f) In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE or FCNR account.
- g) In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to a Special Rupee Account.
- h) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.

- i) The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Issue Account.
- j) On the Designated Date and not later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.
- k) Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative bank), which is situated at, and is a member of or sub member of the banker's clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/stockinvest/money orders/postal orders will not be accepted.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn.

Electronic registration of Bids

- a) The members of the Syndicate will register the Bids using the on-line facilities of the BSE and the NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.
- b) The BSE and the NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding/Issue Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid /Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) The aggregate demand and price for Bids registered on the electronic facilities of the BSE and the NSE will be displayed on-line at all bidding centers and at the websites of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centers during the Bidding Period.
- d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the Bidder(s)
 - Investor category – individual, corporate, or Mutual Fund etc.
 - Numbers of Equity Shares bid for
 - Bid price
 - Bid cum Application Form number
 - Whether Margin Amount, as applicable, has been paid upon submission of Bid cum Application Form
 - Depository participant identification no. and client identification no. of the beneficiary account of the Bidder
- e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.
- f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

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- g) In case of QIB Bidders, members of the syndicate have the right to accept the bid or reject it. A rejection can be made only at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case on non-institutional Bidders and Retail Individual Bidders who Bid, Bids should not be rejected except on technical grounds as listed on page 181 of this Red Herring prospectus.
 - h) It is to be distinctly understood that the permission given by the BSE and the NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLMs are cleared or approved by the BSE and the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.
 - i) It is also to be distinctly understood that the approval given by the BSE and the NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE and the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that our Equity Shares will be listed or will continue to be listed on the BSE and the NSE.
 - j) Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for Allocation. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Build up of the book and revision of Bids

- a) Bids registered through the members of the Syndicate shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.
 - b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.
 - c) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band during the Bidding/Issue Period using the printed Revision Form, which is a part of the Bid cum Application Form.
 - d) Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
 - e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. **Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.**
 - f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
 - g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
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- h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for Allocation. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

- a) After the Bid /Issue Closing Date, the BRLMs will analyse the demand generated at various price levels.
- b) Our Company in consultation with the BRLMs, shall finalise the "Issue Price" and the number of Equity Shares to be allocated in each investor category.
- c) Any under-subscription in the Employee Reservation Portion would be included in the Net Issue. Under-subscription, if any, in any category of the Net Issue, other than the QIB Portion, would be allowed to be met with spill over from any of the other categories at the discretion of our Company in consultation with the BRLMs. However, if the aggregate demand by Mutual Funds is less than 83,500 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders.
- d) The availability for allocation in the Issue to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Issue, respectively, and the allotment to QIBs for at least 50% of the Issue, would be on a proportionate basis, in the manner specified in the SEBI Guidelines and this Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price
- e) In case of over-subscription in all categories, at least 50% of the Issue shall be available for allocation on a proportionate basis to QIB Bidders, out of which 5% shall be available to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, will be met with spill-over from any other category or combination of categories at the discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category except in the QIB category would be met with spill-over from other categories in the Company's sole discretion, in consultation with the BRLMs. If a minimum Allotment of 50% of the Issue is not made to the QIBs, the entire subscription monies shall be refunded
- f) The BRLMs, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- g) Allotment to Eligible NRIs, FIIs registered with the SEBI or Mutual Funds or FVCIs registered with the SEBI will be subject to applicable laws, rules, regulations, guidelines and approvals.
- h) We reserve the right to cancel the Issue any time after the Bid/Issue Opening Date but before the Allotment without assigning any reasons whatsoever.
- i) In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Signing of Underwriting Agreement and RoC Filing

- a) Our Company, the BRLMs and the Syndicate Members will enter into an Underwriting Agreement on finalisation of the Issue Price.

- b) After signing the Underwriting Agreement, we will update and file the Red Herring Prospectus with RoC, which then will be termed "Prospectus". The Prospectus will have details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60, and Section 60B of the Companies Act.
- d) After filing of the Prospectus with the ROC, a statutory advertisement will be issued by our Company in a widely circulated English and Hindi national newspapers, regional language newspaper with wide circulation in the place where our Registered Office is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the ROC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper, a Hindi national newspaper and a regional newspaper with wide circulation in the place where our Registered Office is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

- a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. Investors should note that the Company shall ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue;
- b) The BRLMs or members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have paid the Margin Amount into the Escrow Account at the time of bidding shall pay the balance amount payable into the Escrow Account by the Pay-in Date specified in the CAN; and
- c) Such Bidders who have been allocated Equity Shares and who have already paid the Margin Amount for the said Equity Shares into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Accounts. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.
- d) The issuance of CAN is subject to "Allotment Reconciliation and Revised CANs" as set forth below.

Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid applications received. Based on the electronic book, QIBs will be sent a CAN,, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Guidelines, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

- a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Issue Account and the Refund Account on the Designated Date, our Company would ensure the credit to the successful Bidders' depository accounts of the allotted Equity Shares to the allottees within two working days from the date of approval of the basis of Allotment.
- b) As per the SEBI Guidelines, **Equity Shares will be issued and allotted only in the dematerialised form to the allottees.** Allottees will have the option to re-materialise the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following fifteen centres: Ahmedabad, Bangalore, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned fifteen centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
2. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.
3. Direct Credit – Applicants having bank accounts with the Refund Banker(s), in this case being [•] shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
4. RTGS – Applicants having a bank account at any of the abovementioned fifteen centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

GENERAL INSTRUCTIONS

Do's:

- a) Check if you are eligible to apply.
- b) Read all the instructions carefully and complete the Bid cum Application Form (white, blue or pink in colour) as the case may be.

- c) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialized form only.
- d) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate.
- e) Ensure that you have been given a TRS for all your Bid options.
- f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS.
- g) Irrespective of the size of the bid, each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the IT Act. If you have mentioned "Applied For" or "Not Applicable", in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.
- h) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is and the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form
- i) Ensure that the Demographic Details are updated, true and correct, in all respects.
- j) QIB bidders should submit their bids only to the BRLMs.

Don'ts:

- a) Do not Bid for lower than the minimum Bid size;
- b) Do not Bid/ revise the Bid to a price that is less than the floor of the Price Band or higher than the cap of the Price Band;
- c) Do not Bid on another Bid cum Application Form after you have submitted the Bid to the members of the Syndicate;
- d) Do not pay the Bid Amount in cash, Postal Order or by Stock Invest;
- e) Do not send Bid cum Application Forms by post; instead hand them over to a member of the Syndicate only;
- f) Do not Bid at Cut-off price if you are a for Non-Institutional Bidder or a QIB bidder;
- g) Do not fill up the Bid cum Application Form for an amount that exceeds the investment limit or maximum number of equity shares that can be held by a Bidder under applicable law.
- h) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Red Herring Prospectus;
- i) Do not bid at Bid Amount exceeding Rs. 100,000 (for Retail Individual Bidders);
- j) Do not submit the Bid without the QIB Margin Amount, in the case of a Bid by a QIB;
- k) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this Ground.

Bidder's Bank Account Details

Bidders should note that on the basis of names of the Bidders, Depository Participant's name, Depository Participant Identification Number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar will obtain from the Depository the Bidder bank Account details. These bank account details would be printed on the refund order, if any, to be sent to Bidders or used for sending the refund through ECS, hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refund to Bidders at the Bidders sole risk and neither the BRLMs nor the Company shall have any responsibility and undertake any liability for the same.

Bidder's Depository Account Details and Bank Account Details

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders'

sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THE EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Bid cum Application Form, the Bidder would be deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case of Bidders receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary account number, then such Bids are liable to be rejected. Our Company in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/ or bye laws must be lodged

along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part, without assigning any reasons therefore.

In case of the Bids made pursuant to a power of attorney by FII's and VCFs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bid in whole or in part, without assigning any reasons therefore.

In case of the Bids made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bid in whole or in part, without assigning any reasons therefor.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that we or the Book Runners may deem fit.

SUBMISSION OF BID CUM APPLICATION FORM

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts equivalent to the Margin Amount shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection center of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communication will be addressed to the first Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.
3. The Registrar will obtain, from depositories, details of the applicants' address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
4. The addresses of all the applicants in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and nonnumeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of addresses and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the application processed. A print-out of the addresses will be taken to check for common names. The application with same name and same address will be treated as multiple applications.
5. The applications will be scrutinized for their DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.
6. Subsequent to the aforesaid procedures, a print out of multiple master will be taken and applications physically verified to tally signatures as also father's/husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

Bids made by Employees both under Employees Reservation Portion as well as in the Net Issue shall not be treated as multiple Bids. Our Company reserves the right to reject, in our absolute discretion, all or any multiple bids in any or all categories.

Permanent Account Number

Irrespective of the size of the bid, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. **Applications without this information and documents will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground. In case the sole/First Bidder and joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the sole/First Bidder and each of the joint Bidder(s), as the case may be, would be required to submit Form 60 (form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B of the Income Tax Rules, 1962), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule 114B of the Income Tax Rules, 1962), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) ration card (b) passport (c) driving license (d) identity card issued by any institution (e) copy of the electricity bill or telephone bill showing residential address (f) any document or communication issued by any authority of the Central Government, state government or local bodies showing residential address (g) any other documentary evidence in support of address given in the declaration.

Unique Identification Number ("UIN") - MAPIN

With effect from July 1, 2005, SEBI had decided to suspend all fresh registrations for obtaining UIN and the requirement to contain/quote UIN under the SEBI MAPIN Regulations/Circulars by its circular MAPIN/Cir-13/2005. However, in a recent press release dated December 30, 2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UINs in a phased manner. The press release states that the cut off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs.100,000 to Rs.500,000 or more. The limit will be reduced progressively. For trade order value of less than Rs.500,000 an option will be available to investors to obtain either the PAN or UIN. These changes are, however, not effective as of the date of the Red Herring Prospectus and SEBI has stated in the press release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN Regulations.

Right to Reject Bids

In case of QIB Bidders, the Company in consultation with the BRLMs may reject Bids provided that the reason for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, Bidders in the Employee Reservation Portion, we have the right to reject Bids based on technical grounds only. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

GROUND FOR TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected on, among other things, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of first Bidder not given;
3. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no such partnership firm, shall be entitled to apply;
4. Bids by Non-Residents; if not in compliance with the appropriate foreign and Indian laws;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and insane persons;
6. PAN not stated, or GIR number furnished instead of PAN. See the section titled "Issue Procedure—Permanent Account Number" beginning on page 180 of this Red Herring Prospectus;
7. Bids for lower number of Equity Shares than specified for that category of investors;
8. Bids at a price less than lower end of the Price Band;
9. Bids at a price more than the higher end of the Price Band;
10. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders and by bidders in the Employee Reservation Portion in excess of Rs. 1,00,000/-
11. Bids for number of Equity Shares, which are not in multiples of 15;
12. Category not ticked;
13. Multiple Bids as defined in this Red Herring Prospectus;
14. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
15. Bids accompanied by stockinvest/money order/postal order/cash;
16. Signature of sole and/or joint Bidders missing;
17. Bid cum Application Form does not have the stamp of the BRLMs or the Syndicate Member;
18. Bid cum Application Form does not have the Bidder's depository account details;
19. Bid cum Application Form is not delivered by the Bidder within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Form;
20. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the depository participant's identity (DP ID) and the beneficiary account number;
21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. See the details regarding the same in the section titled "Issue Procedure – Bids at Different Price Levels" beginning on page 169 of this Red Herring Prospectus;
22. Bids by OCBs;
23. Bids by U.S. persons; and
24. Bids by QIBs not submitted through members of the BRLMs.
25. Bids by Employees or Directors of the Company and/or its subsidiaries as the case may be, not eligible to apply in the Employee Reservation Portion.

Equity Shares in dematerialised form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- a. an agreement dated November 7, 2006 between NSDL, us and Registrar to the Issue;
- b. an agreement dated June 14, 2007 between CDSL, us and Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- a. A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.
- b. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
- c. Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- d. Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.
- e. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- f. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
- g. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- h. The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communication in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in respective beneficiary accounts, refund orders etc.

Disposal of Investor Grievances by our Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. Kamal Kishore Avutapalli, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Mr. Kamal Kishore Avutapalli
Company Secretary and Compliance Officer
GSS America Infotech Limited
Wing – 2, 3rd Floor,
Block B, Cyber Gateway,

Hitech City, Madhapur,
Hyderabad – 500081
Tel: +91 40 4002 8700/1/2
Fax: +91 40 4002 8703
E-mail: kishore.avutapalli@gssamerica.com

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- a. makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**
- b. otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,**

shall be punishable with imprisonment for a term which may extend to five years.”

Basis of Allocation / Allotment.

A For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Bidders and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this category is for less than or equal to 11,69,000 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the valid Bids in this category are for more than 11,69,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 15 Equity Shares and in multiples of 1 Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

B For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid Bids in this category is for less than or equal to 5,01,000 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.
- In case the valid Bids in this category are for more than 5,01,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 15 Equity Shares and in multiples of 1 Equity Share thereafter. For the method of proportionate basis of allocation refer below.

C For QIB Bidders

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- At least 50% of the Net Issue shall be allotted to the QIB Bidders, failing which the full subscription monies shall be refunded.
 - Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the QIB Bidders will be made at the Issue Price.
 - The Issue size less allocation to Non-Institutional Portion and Retail Portion shall be available for proportionate allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
 - However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for an amount of up to 83,500 Equity Shares (the Mutual Funds Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e. after excluding the Mutual Funds Portion). For the method of allocation in the QIB Portion, see the paragraph titled "Illustration of Allotment to QIBs" appearing below. If the valid Bids by Mutual Funds are for less than 83,500 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders. For the purposes of this paragraph it has been assumed that the QIB Portion for the purposes of the Issue amounts to 50% of the Net Issue size, i.e. 16,70,000 Equity Shares.
 - Allotment shall be undertaken in the following manner:
 - a. In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:
 - i. In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - ii. In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
 - iii. Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;
 - b. In the second instance allocation to all QIBs shall be determined as follows:
 - i. In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids at or above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 - ii. Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - iii. Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

Except for any Equity Shares allocated to QIB Bidders due to Under-subscription in the Retail Portion and/or Non Institutional Portion, the aggregate allocation to QIB Bidders shall be made on proportionate basis. For the method of proportionate basis of allocation refer below.

D For Employee Reservation Portion

- Bids received from the Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 1,57,495 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand.
- If the aggregate demand in this category is greater than 1,57,495 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 15 Equity Shares. For the method of proportionate basis of allocation, refer below.

Only Employees (as defined above) are eligible to apply under Employee Reservation Portion.

Procedure and Time of Schedule for Allotment and demat Credit of Equity

The Issue will be conducted through a "100% book building process" pursuant to which the members of the Syndicate will accept Bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on February 11, 2008 and expire on February 15, 2008. Following the expiration of the Bidding Period, our Company, in consultation with the BRLMs, will determine the Issue Price, the basis of allocation and entitlement to Allotment based on the Bids received and subject to confirmation by the Stock Exchange(s). Successful Bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The SEBI Guidelines require the Company to complete the Allotment to successful Bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and Allotted to the investors' demat accounts maintained with the relevant Depository Participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Method of Proportionate basis of allocation in the Issue

In the event of the Issue being oversubscribed, the Company shall finalize the basis of allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other Senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that basis of allotment is finalized in a fair and proper manner. The allotment shall be in marketable lots, on a proportionate basis as explained below.

- a. Bidders will be categorized according to the number of Equity Shares applied for by them.
- b. The total number of Equity Shares to be allotted to each category, as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c. Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

In all Bids where the proportionate allotment is less than 15 Equity Shares per Bidder, the allotment shall be made as follows:

- Each successful Bidder shall be allotted a minimum of 15 Equity Shares; and
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.

If the proportionate allotment to a Bidder is a number that is more than 15 but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares. The basis of allocation on a proportionate basis shall be finalized in consultation with the Designated Stock Exchange.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

The example given below is for illustrative purposes only:

A Issue details

Sr. No.	Particulars	Issue Details
1	Issue size	200 million Equity Shares
2	Allocation to QIB (at least 50% of the Issue)	100 million Equity Shares
	Of which:	
	a. Reservation For Mutual Funds, (5%)	5 million Equity Shares
	b. Balance for all QIBs including Mutual Funds	95 million Equity Shares
3	Number of QIB applicants	10
4	Number of Equity Shares applied for	500 million Equity Shares

B Details of QIB Bids

Sr. No.	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	TOTAL	500

A1-A5: (QIB Bidders other than Mutual Funds), MF1-MF5 (QIB Bidders which are Mutual Funds)

C Details of Allotment to QIB Bidders / Applicants

Type of QIB Bidders	Shares Bid For	Allocation of 0.50 Million Equity Shares to MF proportionately (please see note 2 below)	Allocation of 9.50 Million Equity Shares to QIBs proportionately (Please see note 4 below)	Aggregate allocation of MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.5	3.74	4.24
MF5	20	0.5	3.74	4.24
	500	5	95	42.42

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "Issue Structure" beginning on page 159 of this Red Herring Prospectus.
2. Out of 100 million Equity Shares allocated to QIBs, 5 million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 million shares in the QIB Portion.
3. The balance 95 million Equity Shares [i.e. 100 - 5 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 500 million Equity Shares (including 5 Mutual Fund applicants who applied for 200 million Equity Shares).

4. The figures in the fourth column titled "Allocation of balance 95 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:
- (1) For QIBs other than Mutual Funds (A1 to A5)= Number of Equity Shares Bid for X 95 /495
 - (2) For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e., in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 95/495
 - (3) The numerator and denominator for arriving at allocation of 95 million Equity Shares to the 10 QIBs are reduced by 5 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND REFUND ORDERS

We shall give credit of Equity Share allotted to the beneficiary account with Depository Participants within 15 working days of the Bid Closing Date / Issue Closing Date. Applicants residing at 15 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through ECS only (subject to availability of all information for crediting the refund through ECS).

In case of other applicants, the Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post, except for Bidders who have opted to receive refunds through the ECS facility.

Applicants to whom refunds are made through Electronic transfer of funds will be send a letter through ordinary post intimating them about the mode of credit of refund within 15 working days of closure of Issue.

We shall ensure dispatch of refund orders, if any, by "Under Certificate of Posting" or registered post or speed post or ECS, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer.

We shall ensure dispatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the finalization of the basis of allotment to the Stock Exchanges within 2 (two) working of the finalization of the basis of allotment.

We shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 7 (seven) working days of the finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines we undertake that:

- Allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid/ Issue Closing Date;
- Dispatch of refund orders, except for Bidders who have opted to receive refunds through the ECS facility, within 15 (fifteen) working days of the Bid /Issue Closing Date would be ensured; and
- We shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if Allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertaking by the Company

Our Company undertakes as follows:

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- a. that the complaints received in respect of this Issue shall be attended to by it expeditiously and satisfactorily;
 - b. that the Company shall take all steps for the completion of the necessary formalities for listing and commencement of trading at BSE and NSE, where the equity shares are to be listed within seven working days of finalisation of the basis of allotment;
 - c. that the Company shall take all steps to ensure that the dispatch of refund orders and demat credit is completed and the allotment and listing documents submitted to stock exchanges within seven working days of finalization of basis of allotment;
 - d. that the funds required for dispatch of refund orders or allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by it;
 - e. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Final Transaction Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
 - f. that the refund orders or allotment advice to the NRIs or FIIs shall be dispatched within the specified time; and
 - g. that no further Issue of equity shares shall be made until the equity shares offered through this Red Herring Prospectus are listed or until the Bid moneys are refunded on account of non-listing, under-subscription, etc.

Utilisation of Issue Proceeds

The Board of Directors of the Company certifies that:

- a. all monies received out of the Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- b. details of all monies utilised out of Issue referred to above shall be disclosed under an appropriate separate head in the Balance Sheet of the Company indicating the purpose for which such monies have been utilised; and
- c. details of all unutilised monies out of the Issue, if any, referred to above, shall be disclosed under an appropriate separate head in the Balance Sheet of the Company indicating the form in which such unutilised monies have been invested.
- d. Our Company shall not have any recourse to the Issue proceeds until approval for the trading of equity shares from all the stock exchanges where listing is sought is received.
- e. The utilization of monies received under the Reservation Portion shall be disclosed under an appropriate head in the balance sheet of the Company indicating the purpose for which such monies have been utilized.

Withdrawal of the Issue

Our Company in consultation with the BRLMs reserve the right not to proceed with the Issue at anytime including after the Bid/ Issue Opening Date, without assigning any reason thereof. In terms of the SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of Government of India notified through press noted and press releases issued time to time and FEMA and its Regulations. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of the Government of India ("FIPB") and the Reserve Bank of India ("RBI"). As per the current foreign investment policies, foreign direct investment in IT sector is allowed up to 100% under the automatic route.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public Issue without prior RBI approval, so long as the price of equity shares to be issued is not less than the price at which equity shares are issued to residents.

The transfer of Equity Shares of NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and Multilateral and Bilateral Development Financial institutions shall be subject to the conditions as may be prescribed by the government of India or RBI while granting such approvals.

Subscription by NRIs / FIIs

Under the FEMA, FIIs and NRIs are permitted to subscribe for shares of an Indian Company making a public offer without prior RBI approval.

It is to be distinctly understood that there is no reservation for Non-residents, NRIs and FIIs and all Non-Resident, NRI and FII applicants will be treated on the same basis as other categories for the purpose of allocation.

As per the RBI regulations, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States of America and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act) except pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-issue paid up capital of the Company. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital of our company where such sub-account is a foreign corporate or an individual.

With the approval of the Directors and the shareholders of our company by way of a special resolution, the aggregate FII holding limit has been increased to 49%.

Subject to compliance with all applicable Indian Laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations, 1995, an FII or its sub account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favor of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

The SEBI (Venture Capital) Regulations, 1996, and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with the SEBI. Accordingly, the holding by any venture capital fund should not exceed 25% of the corpus of such venture capital fund.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws and regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their own independent investigations and ensure that the number of Equity Shares bid for does not exceed the applicable limits under relevant laws or regulations. However, we shall update this Red Herring Prospectus and keep the public informed of any material changes in matters concerning the business and operations until the listing and commencement of trading of the Equity Shares.

SECTION IX: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Described below is the material information concerning our share capital and a brief summary of the material provisions of the Companies Act, 1956 and our charter documents. Certain provisions will be applicable upon our Equity Shares being listed on the Stock Exchanges. The following description is not complete and should be read with our Memorandum of Association and our Articles of Association and the relevant provisions of the Companies Act.

A) Rights of the Members

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and Memorandum and Articles of Association of the Company.
- Right to receive notices of General Meetings

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY:

The Articles of Association of the Company, inter alia, includes the following clauses:

ARTICLES OF ASSOCIATION OF GSS AMERICA INFOTECH LIMITED

4. The holders of preference shares shall be entitled to be paid out of the profits which the Director shall determine by way of dividend at such rate per annum, free of Company's tax but subject to deduction of tax at the prescribed rate and to a right in a winding up to be paid all arrears preferential Dividend whether earned, declared or not, upto the date of commencement of the winding up to be paid all arrears or preferential rate dividend whether earned, declared or not, upto date of commencement of the winding up in priority to the Equity shares but shall not confer any further right to participate in the profits or assets of the Company.
5. Subject to the provisions of Section 80 of the Act, and these Articles, the company shall have power to issue Preference Shares carrying right to redemption out of profits or out of the proceeds of a fresh issue of shares made for the purposes of such redemption or liable to be so redeemed at option of Company.
6. With the previous authority of this Company in General Meeting and the sanction of the court and upon otherwise complying with section 79 of the Act, it shall be lawful for the Board of Directors to issue at a discount shares of a class already issued.
7. (1) Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares then:
 - (a) Such further shares shall be offered to the person who, at the date of the offer are holders of the of the equity shares of the company, in proportion as nearly as circumstances admit, to the capital paid up on those shares at that date;
 - (b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of offer within which the offer, if not accepted, will be deemed to have been declined
 - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) shall contain a statement of this right;
 - (d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the board of directors may dispose of them in such manner as they think most beneficial to company

- (2) Notwithstanding anything contained in sub clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub clause (1) hereof) in any manner whatsoever.
- (a) If a special resolution to that effect is passed by the company in general Meeting, or
 - (b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxies, exceeds the votes if any, cast against the proposal by members, so entitled and voting and the central government is satisfied, on an application made by the board of directors in this behalf, that the proposal is most beneficial to the company.
 - (c) Nothing in sub clause(c) of (1) hereof shall be deemed:
 - (i) To extend the time within which the offer should be accepted; or
 - (ii) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has decline to take shares comprised in the renunciation
 - (d) Nothing in this article shall apply to the increase of the subscribe capital of the company caused by the exercise of an option attached to the debenture issued by the company:
 - (i) To convert such debenture or loans into shares in the company; or,
 - (ii) To subscribe for shares in the company

PROVIDED THAT the terms of issue of such debenture or terms of such loans include a term providing for such option and such terms:

- (a) Either has been approved by the central government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
 - (b) In the case of the debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government on this behalf, has also been approved by the special resolution passed by the Company in General Meeting before the issue of the loans
8. Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.
9. The Directors are hereby authorised to issue Equity shares or Debentures (whether or not convertible into equity shares) for offer and allotment to such of the, employees and workers of the Company as the Directors may select or the trustees of such trust as may be set up for the benefit of the officers, Employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the Stock Exchanges and of the Securities and Exchange Board of India, the Directors may impose the condition that the shares in or debentures of the Company so allotted shall not be transferable for a specified period.
10. Subject to the provisions of Sections 153A 153B and 187B of the Act, and except as required by law, no person shall be recognised by the Company as holding any shares upon any trust, and the Company shall not, save as ordered by court of competent jurisdiction, be bound by or be compelled in any way to recognise (even when having notice thereof) any benami, equitable, contingent, future or partial interest in any share or any interest in any fractional part of share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right thereby in the person or from time to time registered as the holder thereof.

11. The directors may allot and issue shares in the Capital of the Company in payment or part payment for any property sold or transferred, goods or machinery supplied or for service rendered to the Company in or about the formation or promotion of the Company, or the conduct of its business and any shares, which may be so allotted, may be issued as fully paid up shares and if so issued shall be deemed to be fully paid up shares.

Brokerage and Commission:

12. The Company may on any issue of shares or debenture pay such brokerage as may be reasonable and lawful.
13. In addition to the payment of any reasonable sums as brokerage, the company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debenture or debenture-stock in the Company but so that (if the commission shall be paid or payable out of the capital) the commission shall not exceed 5(five) percent of the price at which the shares are issued or 2 ½ percent of price at which debentures are issued.
14. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the other.
15. Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denominations registered on his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be. Every certificates of share shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder.

Dematerialisation of Securities:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities in a dematerialized form pursuant to the Depositories Act, 1996.

Options for Investors

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Rights of Depositories to be in fungible form

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153,153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial Owners

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the company. The beneficial owner of the securities shall be +entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities that are held by depository.

Service of Documents

Notwithstanding anything contained in the Act or these Articles to the contrary, Where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or delivery of floppies or discs.

Transfer of securities

Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of the depository.

Allotment of Securities dealt with in a depository

Notwithstanding anything contained in the Act or these Articles, Where securities are dealt with by a depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive numbers of securities held in a depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with depository.

Register and Index of beneficial owners

The Register and Index of beneficial owners maintained by a depository under Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

NOMINATION FACILITY TO THE SHAREHOLDERS / DEBENTURES HOLDERS

(1) Every shareholder or debenture holder of the company may at any time nominate a person, to whom his shares or debentures shall vest, in the event of his death in such manner as may be prescribed under the Act.

(2) Where the shares and debentures of the Company are held by more than one person jointly, all the joint holders may collectively nominate a person to whom all the rights in the shares or debentures as the case may be, shall vest with such nominated person, in the event of death of all the joint holders in such manner as may be prescribed under the Act.

(3) Unless a nomination previously made is cancelled, notwithstanding anything contained in any law for the time being in force or in any disposition whether testamentary or otherwise, any other person becomes entitled to the rights and other privileges conferring on any share or debenture on the death of holder of such share or debenture as the case may be, only the nominee registered with the company shall to the exclusion of all others be entitled to all the rights and privileges attached to such share or debenture.

(4) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures to the nomination to appoint any person to act on behalf of the minor in the manner prescribed under the Act, in the: event of his death, during the minority.

II A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either.

- 1) To register himself as holder of the share or debenture, as the case may be; or

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- 2) To transfer the shares and/or debentures, as the deceased shareholder or debenture holders as the case may be, could have made.
- III (1) If the nominee elects himself to be registered as holder of the shares or debentures, as the case may be, he shall deliver or send to the company a notice in writing signed by him stating that he so elected and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be.
- (2) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.
- Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures and if the notice is not complied with in ninety days, the board may thereafter withhold payment of the all dividends, bonuses or others in respect of the shares or debentures until the requirements of the notice have been complied with.
16. Every share Certificate shall be numbered shall specify the amount paid up thereon, and shall be issued under the common seal of the Company and shall be signed by two Directors and Secretary or any other person authorised for the purpose by the Board of Directors. Particulars of every share certificate issued shall be entered in the register of members against the name of the person to whom it has been issued indicating the date of issue.
17. In respect of any share or share held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for share to one of several jointly—holders shall be sufficient delivery to all such holders.
18. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 2/- for each certificate) as the directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out, or where there is no further space on back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable thereof in this behalf. The provision of this Article shall *Mutatis Mutandis* apply to debentures of the Company.
19. If any share stands in the names of two or more persons, the persons first named in the register shall, as regards receipt of dividend, the service of notice, and subject to the provisions of these Articles, all or any other matter connected with the Company, except the issue of shares certificates, voting at meetings, and transfer of the shares, be deemed the sole holder thereof.
20. The Board of Directors may, from time to time, make calls upon the shareholders in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on made on him to the persons and at the time and place appointed by the Board. A call may be made payable by instalments.
21. A call shall be deemed to have been made at the time when the resolution of the Board of directors authorising such call was passed.
22. At least thirty clear days notice of any call shall be given by the company (either by letter to members) specifying the time and place of payment and to whom such call shall be paid.
23. (I) If by the terms of issue of any shares or otherwise any amount is made payable on allotment or at any fixed time or by installments at fixed times, whether on account of the nominal amount of the share or by
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way of premium, every such amount or installment shall be deemed to be a call duly made and shall be payable by virtue of a call duly made and notified.

(II) In the case of non-payment of such sum all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

24. If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall be due shall pay interest for the same at the rate of 9 percent per annum or at such rate as the Directors may determine from time to time, from the day appointed for the payment thereof to the time of actual payment. The Directors shall be at liberty to waive payment of any such interest, wholly or in part.
25. The directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum advance and the directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

26. The joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and installments and calls due in respect of such shares.
27. On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that name of the member used is entered in the register as the holder, or one of the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member sued, in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matter whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

FORFEITURE, SURRENDER AND LIEN

28. (1) If a member fails to pay any call, or installment, on or before the day appointed for payment thereof, the directors may at any time thereafter during such time as the call or installment remains unpaid, serve notice on him to pay the same together with any interest that may have accrued, and any expenses that may have been incurred by the company by reason of such non payment.
- (2) The notice aforesaid shall state that in the event of non-payment on or before some day to be named in the notice (such day not being less than fourteen days from the date of service of such notice.) and at some place (either the Office or a Bank) named in such notice, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
29. If the requirements of such notice are not complied with, any share in respect of each such notice has been given may at any time thereafter, before payment of all calls, installments, interest and expenses due in respect thereof, may be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and actually paid before the date of forfeitures.
30. The forfeiture of share shall involve the extinction of all interest in and also of all claims and demands against the company in respect of the share, and all other rights incidental to the share, except only such or those rights as by these Articles are expressly saved.
31. A person, whose shares shall be so forfeited, shall cease to be a member in respect of the forfeited share. But shall notwithstanding the forfeiture, be liable to pay to the company all calls or installment, interest, and expenses owing upon or in respect of such shares at the time of forfeiture until payment at the rate of 12

percent per annum, or at such rate as the directors may determine. The liability of such person shall cease if and when the company shall have received payment in full of all such moneys in respect of the shares.

32. Any share so forfeited shall be deemed to be the property of the company and the board of directors may sell, re-allot or otherwise dispose of the same in such manner as they think fit.
33. The Directors may at any time before any share so forfeited shall have the shares sold, re allotted, or otherwise disposed of or annul the forfeiture thereof upon such conditions as they think fit.
34. A duly verified declaration in writing that the declarants a Director, or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitle to the share.
35. The Company shall have first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures⁰ registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares / debentures. The directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.
36. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien. Provided that no sale shall be made:
 - a) Unless a sum in respect of which the lien exists is presently payable, or
 - b) Until the expiration of fourteen days after a notice in writing demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reasoned of his death or insolvency and stating that if the amount so demanded is not paid within the period specified at the Registered office of the company, the said shares shall be sold.
37. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchase's name to be entered in the register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person.
38. (1) The net proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(2) The residue, if any, subject to a like lien for sums not presently payable as existed upon the shares at the date of sale, be paid to the persons entitled to the shares at the date of sale.
39. a) Subject to the provisions of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed of all or any of his shares.

b) Funds of the Company may be applied in the purchase of any shares of the Company subject to the provisions of the Companies Act, 1956 (as amended) in this regard for the time being in force.

SHARE WARRANTS

40. The company may issue warrants to its members or any category of members or non-members with absolute and irrevocable right to exercise the option to subscribe and acquire and be allotted equity share with in a predetermined time period from the date of allotment of such warrants (in full or part or otherwise) at a predetermined price or predetermined pricing formula as recommended by the board and approved by the members of the company.
41. (1) The bearer of share warrant may at any time deposit the warrant at the office of the company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition

for calling a meeting of the company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.

(2) Not more than one person shall be recognized as depositor of the share warrant.

(3) The Company shall, on two days written notice return the deposited share warrants to the depositor.

42. (1) Subject as herein otherwise expressly provided, no person shall as bearer of a share warrant, sign a requisition for calling a meeting of the company, or attend, or vote or exercise any other privilege of members at a meeting of the company, or be entitled to receive any notice from the company.

(2) Not more than one person shall be recognised as depositor of the share warrant.

(3) The company shall, on two days written notice, return the deposited share warrant to the depositor.

43. The board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original.

44. The company shall keep a "Register of Transfer", and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

45. (1) The instrument of any share in the company shall be executed by or on behalf of both the transferor and the transferee.

The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

46. "The instrument to Transfer shall be in writing and all the provisions of section 108 of the companies Act 1956 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof".

47. Unless the directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer the Directors shall give notice by letter sent by registered acknowledgement due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within ten days from the posting of such notice to home shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the directors shall be deemed to have decided not to give notice and in any event thereon, receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the company or the directors in respect of such non receipt.

48. The Board may subject to the right of appeal conferred by section 111 of the Companies Act, and provisions of section 22(a) of the securities contracts regulations act, 1956, decline

a) The transfer of share not being a fully paid up share, to a person of whom they do not approve

b) Any transfer of shares on which the company has lien. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person persons indebted to the company on any account whatsoever except a lien on the shares.

49. Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of or the transmission by operation of law of the right to, any shares or any interest of a Member in the debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of refusal to the transferee and the transferor or to the person giving intimation of such transmission, or to the person giving intimation of such transmission, as the case may be, giving reasons for such, refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has lien on shares.

50. No share shall in any circumstance be transferred to any infant, insolvent or person of unsound mind.

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51. All instruments of transfer, which are retained by the company, may be destroyed upon the expiration of such period as the board may from time determine. Any instrument of transfer, which the board declines to register, shall (except in any case of fraud) be returned to the person depositing the same.
52. The registration of transfers may be suspended at such times and for such periods, as the board may from time to time determine; provided that such registration shall not be suspended for more than forty-five days in the aggregate in a year
53. The company shall not charge a fee for registration of transfer, transmission, every probate, letters of administration, certificate of death of or marriage, power of attorney or other similar instrument.
54. (1) On the death of a member, the survivors, where the member was a joint holder, and his legal representatives where he was a sole holder shall be the only person recognised by the company as having any title to his interest in the shares.
(2) Nothing in (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
55. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the board and subject as hereinafter provided, elect, either –
(a) To be registered himself as holder of the share; or
(b) To make such transfer of the share as the deceased or insolvent member could have made.
(2) The board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had himself transferred the share before his death or insolvency.
56. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
1) If the persons aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
2) All the limitations, restriction and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer were a transfer signed by the member.
57. On the transfer of the share being registered in his name a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would have been entitled if he were the registered holder of the share, and that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meeting of the company.
- Provided that the board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied within ninety days the board may three after withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements, of the notice have been complied with.
58. Where the company has knowledge through any of its principal officers within the meaning of section 2 of the Estate Duty Act, 1973 of the death of any members of the debenture holder in the company, it shall furnish to the controller within the meaning of such section the prescribed particulars in accordance with that Act and the rules made there under, and it shall not be lawful for the company to register the transfer of any shares or debentures standing in the name of the deceased, unless the transferor has acquired such shares for valuable consideration or certificate from the controller is produced before the company to the effect that the Estate duty in respect of such shares or debentures has been paid or will be paid or that none is due, as the case may be.
59. The company shall incur no liability whatever in consequence of its to be made by any apparent legal owner owners thereof (as shown or appearing in the register of members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, not with standing that the company may have had notice of such equitable right title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any books of the company, and the company shall not be bound or required to regard or attend or give effective to any notice which may be given to it of any
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equitable right titles or interest or be under any liability what so ever for refusing or neglecting so to do though it may have been entered or referred to in some book of the company, but the company though not bound so to do shall be at liberty to give regard and attend to any such notice and give effect thereto if the board shall so think fit.

ALTERATION OF CAPITAL:

60. The company may for time to time by ordinary resolution increase its share capital by such, to be divided into shares of such amount, as the resolution shall specify.
61. Except as otherwise provided by or pursuant to these regulations or by the conditions of issue of any new shares; shall be equity and / or preference shares, and shall be subject to the provisions with these regulations with reference to the payments of calls, transfer, forfeiture, lien and otherwise.
62. The company may, by ordinary resolution:
- (a) Consolidate and divide all or any of its capital into shares of larger amount than its existing shares:
 - (b) Sub-divide its shares or any of them, into shares of smaller amount than is fixed by the memorandum, so however that in the sub division the proportions between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
 - (c) Cancel any share, which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the share so cancelled.
63. The company may from time to time, by special resolution and on compliance with the provisions of section 100 of the Act, reduce its share capital and any capital reserve fund or share premium account.
64. The company may convert all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination.
65. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit, provided that the board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
66. The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
67. Such of the regulations of the company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock and the word 'shares' and 'share holders' in those regulation shall include 'stock' and 'stock holder' respectively.

BORROWING POWER:

68. Subject to the provisions of these Articles and of the Act, the Directors may exercise all the powers of the company to borrow money, and to mortgage or charge its undertaking, property (both present and future) and uncalled capital, or any part thereof and to issue debenture-stock and other securities whether outright or as security for and debt, liability or obligation of the company or of any third party.
69. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the board may think fit, and in particular by a resolution passed at a meeting of the board (and not by circulation) by the issue of debentures-stock of the company, charged upon all or any part of the property of the company, (both present and future), including its uncalled capital for the time being.

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70. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise debentures with the right to conversion into allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
71. All cheques, promissory notes, nudies, bills of exchange and other negotiable instruments, and all receipts for money paid to the company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such person and in such manner as the board may from time to time by resolution determine.
72. The directors may, subject to the provisions of section 293 of the Act, borrowed sum of money and where the moneys to be borrowed together with the moneys already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, the sanction of the General meeting should be obtained and every resolution passed by the company in relation to the exercise of the power referred to in the Article shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

GENERAL MEETINGS:

73. The board of Directors shall call Annual General Meeting of the company in accordance with provisions of Section 166 of the companies Act.

All General Meetings other than the Annual General Meetings of the company shall be called Extra-ordinary General Meetings.

74. 1) The Board may, whenever it thinks fit, call an extraordinary general meeting.
2) If at any time there are not within India directors capable of acting who are sufficient in number to form a quorum, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
3) The Board of Directors of the company shall, on the requisition of such number of members of the company as is specified in subsections (4) of section 169 of the Act, forthwith proceed duly to call Extraordinary General Meeting of the company and the provisions of section of the Act shall apply thereto.
75. Five members personally present shall be the quorum for a General Meeting no business shall be transacted at any General Meeting unless the quorum requisite shall be present at the commencement of the meeting.
76. The Chairman of the Board of Directors shall be entitled to take the time appointed for holding such meeting or is unwilling to act, the members present shall choose another director as chairman and if no director be present or if all the directors present decline to take the char, then the members present shall choose one of their member entitled to vote to be the Chairman.
77. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case, it shall stand adjourned to the same day in the next week, as the board may by notice appoint and if at such adjourned meeting be not present, those members who are present shall be a quorum and may transact the business for which the meeting was called.
78. The Chairman with the consent of the meeting, may adjourn any General Meeting from time to time and place, but no business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General from which the adjournment took place, and which might have been transacted at the meeting. It shall be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.
79. Except where otherwise provided by the Companies Act, 1956 or by these presents every question to be decided by any Meeting shall, in the first instance, be decided by a show of hands. In case of an equality of

votes, the chairman shall both on a shows of hands and at a poll have a casting vote, in addition to vote or cotes to which he may be entitled as a member.

80. Poll may be demanded, and taken in accordance with and subject to the provisions of Sections 179, 180, 184 of the Companies Act, 1956.
81. Unless a poll is demanded, in accordance with Section 179 of the companies Act, 1956 before or on the declaration of the result by the show of hands, a declaration of the chairman, that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority and an entry to that effect in the minutes or the proceedings of the meeting, shall be sufficient evidence of the fact o declared, without proof of the numbers or proportion of the votes given for or against the resolution.
82. If a poll is demanded as aforesaid it shall be taken subject to Section 180 to 185 of the Companies Act, 1956 in such manner and at such time and place, as the Chairman of the meeting directs, and either at once or after an interval or adjournment or otherwise, and results of the poll shall be deemed to be the resolution of the meeting at which the poll was demand. The demand for a poll may be withdrawn.
83. The Company shall cause minutes of all proceedings of every general meetings and of its Board of Directors or of every committee of the Board, to be kept by making within fourteen days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such books shall be initialled or signed and the last page of the record of proceedings of each meetings in such books shall be dated and signed.
 - (a) In the case of minutes of proceedings of a meeting of the board or of committee thereof by the Chairman of the said meeting or the chairman of the next succeeding meeting.
 - (b) In the case of minutes of proceedings of a General /Meeting by the chairman of the same meting within the aforesaid period of fourteen days or in the event of the death or inability of that chairman within that period by a Director duly authorised by the Board for the purpose. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
84. On a show of hand, every member present in person, or by proxy, or attorney, and holder of (ordinary) shares, and entitled to vote shall have on vote. On a poll the voting rights of member shall be as laid down in the Act. Preference shareholders shall have right to vote in accordance with the provisions of Section 87 of the Act.
85. If two or more persons are jointly registered as holders of any one share, any such person may vote at any meeting, either personally, or by proxy, or attorney, as if he were solely entitled thereto, and if more than one of such joint-holders be present at any meeting personally or by proxy, 1956 or any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in General Meeting, subject nevertheless to such regulations, not inconsistent with the aforesaid provisions, as may be prescribed by the company in General Meeting, but no such regulations shall invalidate any prior act of the Directors which would have been valid id that regulation had not been made.
86. No member shall be entitled to be present, or to vote at any General Meeting, either personally, or by proxy, or attorney whilst any call or other sum is due and presently payable to the company, or in regard to which the Company has, and has exercised, any right of lien.
87. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may on a poll, vote by proxy.
88.
 - 1) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
 - 2) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
89. Subject to section 176 of the Companies Act, 1956 votes may be given either personally or by proxy, or by agent acting under a duly executed power of Attorney.

90. The instrument appointing a proxy, and every power of attorney or other authority, (if any), under which it is signed, or notarially certified copy of that power of authority, shall be deposited at the registered office of the Company, not less than 48 hours before the time for holding the meeting, at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
91. An instrument appointing a proxy shall be in either of the forms in schedule IX to the Act or a form as near thereto as circumstances admit.
92. Any member of the company entitled to attend the vote at the meeting of the company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself be a member but a proxy so appointed shall not have any right to speak at the meeting
93. A vote given in accordance with the terms of an instrument of proxy or a power of attorney shall be valid not with standing the previous death of the principle, or revocation of the proxy or power of attorney, or transfer of the share in respect of which the vote is given, unless an intimation in writing of the death, revocation, or transfer shall have been received at the office of the company before the commencement of meeting.

MANAGEMENT

Board of Directors

94. The business of the company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the Companies Act, 1956 or any statutory modification thereof for the time being in force, or by these articles required to be exercised by the company in General Meeting, subject nevertheless to such regulations, not inconsistent with the aforesaid provisions, as may be prescribed by the company in General Meeting, but no such regulations shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
95. (1) Unless otherwise determined by the company in General Meeting the number of Directors shall be not less than 3 nor more than 12 including special, technical, additional, alternate, nominated by any debenture directors, if any.
(2) The first directors of the company shall be

MR BHARGAV MAREPALLY
MR RAMESH YERRAMSETTI
96. The quorum for a meeting of board of Directors shall be one third of its total strength (any fraction contained in that one third being rounded of as one) or two Directors, whichever is higher.
97. A Director shall not be required to hold any share qualification.
98. (1) Directors Fee and other remuneration.
 - a) The remuneration of the Directors shall in so far it consists of a monthly payment be deemed to accrue from day to day.
 - b) The sitting fee to Directors may be paid in conformity with the provisions of the Companies Act, 1956 as may be applicable from time to time and approved by the Board.
 - c) In additions to the remuneration payable to them in pursuance of the Act, Directors may be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board of Directors or any committee there of or general meeting of the Company, or in connection with the business of the Company.
99. The Directors may subject to the provisions of Sections 198 and 309 of the Companies Act, 1956, also receive remuneration or commission, or participation of profits or partly in one way or partly in another, and such remuneration shall be divided among the Directors, equally or in such other proportions as they determine from time to time.
100. Notwithstanding anything to the contrary contained in these articles, so long as any moneys remain owing by the company to the Industrial Development Bank India (IDBI), Industrial Finance corporation of India

Limited (ICICI), and Life Insurance corporation of India (LIC), or to any other financing company or body out of any loans granted by them to the company or so loans as IDBI, IFCL, ICICI, LIC and Unit Trust of India (UTI) or any other financing Corporation or Credit Corporation or Credit Corporation or any other Financing company or Body is hereinafter in this Article referred to as "the Corporation") continue to hold debenture in the company by direct subscription or private placement, or any guarantee furnished by the corporation shall have a right to appoint from time to time, any person or persons as Director of Directors, whole time or non-whole time, (which Director or director is/ are hereinafter referred to as "Nominee Directors") on the Board of the company and to remove from such office any person or persons so shall have a right to appoint from time, any person or persons as a Director or Directors is / are hereinafter referred to as "Nominee Directors") on the Board of the company and to remove for such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the company shall have no power to remove from office the Nominee Directors. At the option of the corporation such Nominee Directors shall not be required to hold any share qualification in the company. Also at the option of the Corporation such Nominee directors shall not be liable to retirement by the rotation of Directors. Subject as aforesaid, the Nominee Directors shall be entitled to the same rights and privileges and be subject to the same obligations as any other director of the company.

The Nominee Directors so appointed shall hold the said office only so long as any moneys remain owing by the company to the corporation holds debentures in the company as a result of the director subscription or private placement or so long as the corporation holds shares in the company as a result of underwriting of director subscription or the liability of the company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the money owing by the to the corporation are paid off or on the corporation ceasing to hold debentures/shares in the company or on the satisfaction of the liability of the company arising out of the guarantee furnished by the corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notice of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the nominee director/s is / are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The company shall pay to the Nominee director/s sitting fees and expenses to which the other Directors of the company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the company the fees, commission, monies and remuneration in relation to such nominee director/s shall accrue to the corporation and the same shall accordingly be paid by the company directly to the corporation.

Any expenses that may be incurred by the corporation or such nominees director/s in connection with their appointment or directorship shall also be paid or reimbursed by the company to the corporation or, as the case may be, to such nominee director/s.

Provided that if any such nominee director is an officer of the corporation the sitting fees, in relation to such nominee directors shall also accrue to the corporation directly to the corporation.

In the event of the nominee director/s being appointed as whole time director/s, such nominee director/s shall exercise such powers and have such rights and are usually exercised or available to a whole time Director in the management of the affairs of the company. Such whole time director/s shall be entitled to receive such remuneration, fees, commission, and monies as may be approved by the corporation.

101. (1) The Board of Directors may appoint an alternate Director to act for a Director (hereinafter called the Original director) during his absence for a period of not less than three months from the state in which the meetings of the board are ordinarily held.
 - (2) An alternate Director appointed under sub-clause (1) above shall vacate office if and when the original director returns to the state in which the meetings of the board are ordinarily held.
 - (3) If the term of office of the Original Director is determined before he so returns to the state aforesaid, provision for the automatic re-appointment, shall apply to the original and not to the Alternate director.

102. Subject to the provisions of Section 260 of the companies Act, 1956, the Board may appoint additional directors.
103. The company may, by ordinary resolution, remove an ordinary director other than a Director appointed by the Central Government, in pursuance Section 408, before the expiry of his period of office and fill up the vacancy thus created in the manner and subject to the provisions of Section 284 of the Companies Act, 1956.
104. Any casual vacancy occurring among the directors may be filled up by the Board, but any person so chosen shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred. Provided that the directors may not fill a casual vacancy by appointing any person who has been removed from the office of the Company under the preceding Article.
105. The continuing Director may act, notwithstanding any vacancy in their body; but so that if the number falls below the minimum fixed, the directors shall not, except for the purpose of filling vacancies, act so long as the number is below the minimum.
106. At the annual general meeting of the company to be held in every year, one-third of such of the directors as are liable to retire by rotation for the time being or if their number is not three or a multiple of three, than the number nearest to one-third shall retire from office, and they will be eligible for re-election in accordance with the provisions of section 256 of the Act, provided nevertheless that the Managing Director or Director appointed as a debenture director, special or an additional Director under Articles 98, 99C, 100 and 101 here of shall not retire by rotation under this article nor shall they be included in calculating the total number of directors of whom one-third shall retire from office under this Article.
107. Subject to the provisions of section 297 of the Act, a director or his relative a firm in which such Director or his relative is a partner, any other partner in such a firm or a Private Company, of which such director is a member or director may enter into a contract with the company for the sale, purchase or any supply of goods,, materials or service or for underwriting the subscription of any shares in, or debenture of the company provided that the consent of the directors is obtained by a resolution passed at a meeting of the directors before the contract is entered into or within three months of the date on which it was entered into. No such consent, however, shall be necessary to any such contract or contracts for the purchase or supply of goods and materials at prevailing market price or for the sale, purchase or supply of goods, materials or services in which either the company or the directors, firm, partner or private company as the case may be regularly trades or does business provided that the value of such goods and the costs of such services do not exceed five thousand rupees in the aggregate in any calendar year comprised in the period of the contract or contracts. The directors so contracting or being so interested shall not be liable to the company for any profit realised by any such contract or the fiduciary relation there by established.
108. No director shall as director, take any part in the discussion; or vote on any contract or arrangement entered into by or on behalf of the company; if he is in any way, whether directly or in-directly, concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussions of vote; and if he does vote, his vote shall be void; provided, however, that nothing herein contained shall apply to:
 - a) Any contract of indemnity against any loss, which the directors, or any one or more of them suffer by reason of becoming or being surety for the company.
 - b) Any contract or arrangement entered into or to be entered into with a public company or a private company, which is subsidiary of a public company in which, the interests of the director consists solely.
 - i) in his being :-
 - a) A director of such company, and
 - b) The holder of not more than shares of such number or value or value therein as required to qualify to qualify him for appointment as a Director thereof, he having been nominated as such director by the company, or
 - ii) in his being a member holding not more than two percent of its paid up share capital.
109. The board of directors may elect a director as chairman of the board and the chairman shall not be liable to retire by rotation.

110. Subject to the provisions of Section 292 of the Act of the Act, the Directors may delegate any of their powers to a committee consisting of such number of members of their body as they think fit, or to any category of managerial personnel or to any principal officer of the Company or to principal officer of the Branch of Company, Any such committee or delegates shall, in exercise of the powers so delegate, confirms to any regulations that may FROM time to time imposed on them by the Directors.
111. The meeting and proceeding of any such committee consisting of two or more members shall be governed by the provisions herein before contained for regulating the meeting and proceedings of the directors, so far as the same are applicable thereto and are not superseded by any regulations made by the directors under the last proceedings clause.
112. All minutes shall be signed by the chairman of the meeting at which the same are recorded by the person who shall preside as chairman at the NEXT ensuring meeting, and all minutes purporting to be so signed shall for all purposes whatever the prima-facie evidence of the actual passing of the resolutions RECORDED, and the actual and regular transaction or occurrence of the proceedings to so be recorded, and of the regularity of the meeting at which the same shall appear to have taken place.
113. Subject to the provisions of the Act, the Board shall have power to appoint/ from time to time one or more of their body to the office of the vice Chairman/Managing Director/Executive Director (whole time Director) for such period and on such terms they think fit such period not exceeding five years at time. A Director so appointed shall not whilst holding shall not whilst holding that office be subject to retirement by rotation. The board may by resolution vest in such vice chairman/managing director/ executive director such of the powers hereby vested in the board as it thinks fit, and such conditions and subject to such restrictions, as it may determine. The remuneration of the vice chairman/Managing Director/(whole time Director) may be by way of monthly payment, participating in profits or by either or both of these modes or any other mode not expressly prohibited by the Act.
114. The Vice Chairman/Managing Director/Executive Director shall not exercise the powers to:
- a) Make calls on share holders in respect of money unpaid on their shares in the company and
 - b) Issue debentures;
 - c) And except to the extent mentioned in a resolution passed pursuant to Section 292 of the Act, the Managing Director shall also not exercise the powers to
 - Borrow moneys
 - Invest the funds of the Company, and
 - Make loans.

SEAL

115. (1) The Directors shall provide a Common Seal for the purpose of the Company, and shall have power time to time to destroy the same and substitute a new seal in lieu thereof. The Directors shall provide for the safe custody of the Seal for the time being be used, except by the authority of the Board.
- (2) Subject to any statutory requirements as to share Certificates or otherwise the seal of the company shall not be fixed to any instrument except by authority of a resolution of the board or of a committee of the board authorised by it in that behalf, and except in the presence of atleast one Director and the secretary or of two Directors who shall sign every instrument to which the seal of the company is so affixed in their presence.
- (3) The Board shall also be at liberty to have an official seal in accordance with Section 50 of the Act for use, in any territory or place outside India.
116. 1) A Manager or Secretary of the Company may be appointed by the Board on such terms, such remuneration and upon such conditions as it may think fit, and any manager or secretary so appointed may be removed by the Board.
- 1) A Director may be appointed as Manager or Secretary, subject to the provisions of the Act

ACCOUNTS, AUDIT AND DIVIDENDS:

(1) Accounts:

117. Books of account shall be kept at the registered office of the Company, or at such other place in India as the Directors any think fit.

118. The directors shall, from time to time, determine whether and to what extent and at what time and place under what conditions or regulation the accounts and books of the company or any of them shall be open to inspection of members not being Directors. No member (not being a Director) shall have any right to inspect the same except as conferred by the Companies Act, or authorised by the Board of Directors, or by any resolution of the Company in General Meeting.

2) Audit:

119. Once at least in every year the accounts of the company shall be examined, and the correctness thereof and of the balance sheet and profit and loss account ascertained by one or more Auditor or Auditors.

120. As regards the appointment and remuneration, qualification and disqualification removal, powers, rights and duties and duties of Auditors, the Directors and the Auditors shall have regard to section 224 to 231 of the Companies Act, 1956.

121. Every account of the company when audited and approved by a General Meeting shall be conclusive, except so far as regards any error discovered therein before or at the audit of the next account, and whenever such error is discovered within that period the account shall be forthwith corrected and thenceforth shall be conclusive. (3) Capitalisation Profits.

Capitalisation of Profits

122. (1) The company in General Meeting may, upon the recommendation of the board of Directors, resolve.
a) That is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the SAME proportions.

(2) The sum aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards,

a) Paying up any amounts for the time being unpaid or any shares held by such member respectively:

b) Paying up in full, un issued shares or debentures of the company to be allotted and distributed, credited as fully paid-up to and amongst such members in the proportions a aforesaid: or

c) Partly in that specified in sub-clause (a) and partly in that specified in sub-clause (b).

(1) A share premium account and a capital redemption reserve fund may, for the purpose of this article, only be applied in the paying up of unissued shares to be issued to members of the company as fully paid up bonus shares.

(2) The Board of Directors shall give effect to the resolution passed by the company in pursuance of this article.

123. Whenever such a resolution as aforesaid shall have been passed, the Board of Directors shall -

1) a) Make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issue of fully paid-up shares or debenture, if any; and

b) Generally do all acts and things required to give effect thereto.

2) The Board of Directors shall have full power -

a) To make such provision by the issue of fractional certificates or by payment in cash or otherwise as it think fit, in the case of shares or debentures becoming distributable in fractions: and also

b) To authorise any person to enter on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the company on behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares.

3) Any agreement made under such authority shall be effective and binding on all such members.

4) **Reserve and Depreciation Funds:**

124. The Directors may from time to time set apart any and such portion of the profits of the company as they think fit, as reserve fund applicable, at their discretion for the liquidation of any debentures, debts or other liabilities of the company, for equalisation of dividends, or for any other purposes of the company, with full power to employ the assets constituting the Reserve Fund in the business of the company, and that without being bound so keep the same separate from the other assets.
125. The Directors may also carry forward any profits, which they may think prudent not to divide, without setting them aside as a reserve.
126. The directors may from time to time set apart any and such portion of the profits of the company as they think fit, as a Depreciation Fund applicable at the discretion of the Directors, for rebuilding, restoring, replacing, or altering any part of the building, works, plant, machinery or other property of the Company destroyed or damaged by fire, flood, storms, tempest, accident, riot, wear and tear, or other means, for repairing, altering and keeping in good condition the property of the company, or for extending and enlarging the buildings, machinery and property of the company, with full power to employ the assets constituting such depreciation fund in the business of the company, and that without being bound to keep the same separate from the other assets.
127. All moneys carried to the Reserve Fund and Depreciation Fund respectively shall nevertheless remain and be profits of the company applicable, subject to due provision being made for actual loss or depreciation, for the payment of dividends, and such moneys and all the other moneys of the company, not immediately required for the purpose of the company, may be invested by the Board of Directors in or upon such investment or securities, as they may select or may be used as working capital or may be kept at any bank on deposit or otherwise as they from time to time think proper.

DIVIDENDS

128. a) The Company in Annual General Meeting declare a dividend to be paid to the members according to their rights and interests in the profits, and for the purpose of the equalisation of dividends any sums from time to time in accordance with these presents carried to the reserve, depreciation, or the special funds may be applied in payment thereof. The dividends so declared by the general body shall not exceed the amount so recommended by the Directors.
b) Interim Dividend The Board may from time to time pay to the members such interim dividend as appear to which to be justified by the profit of the company.
129. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
130. If and whenever any bonus on shares is declared out of the profits and whether alone or in addition to any dividend thereon, the bonus shall for all purposes whatsoever be deemed to be a dividend on the shares.
131. When any shareholder is indebted to the Company for calls or otherwise, all dividends payable to him, or a sufficient part thereof, may be retained and applied by the Directors in or towards satisfaction of the debt, liabilities or engagements.
132. No dividends shall be payable except out of the profits of the year or any other undistributed profits, and no larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend. Before declaring any dividend, the Company shall have regard to the provisions of section 205 of the Act.
133. Subject to the provisions of Section 208 of the Act, the Company may pay interest on so much of the share capital as is for the time being paid up, for the period and subject to the conditions and restriction mentioned in Section 208 and charge the sum so paid by way of interest, to capital as part of the cost of Construction of the work or building or the provisions of the plant.
134. No dividend shall be payable except in cash provided that nothing shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the Purpose of issuing paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.

135. In case two or more persons are registered as the joint-holders of any share, any of such persons may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.
136. Any Annual General Meeting declaring dividend, may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time so as the dividend may. If so arranged between the Company and the member, be set off against call.
137. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer
138. Unless otherwise directed by the Company in General Meeting, any dividend may be paid in cash or by cheque or warrant or money order sent through the post within forty-two days of the date of such declaration to the registered address of the member entitled, or in the case of joint-holders, to the registered address of that one whose name stands first on the register in respect of the joint-holding and every cheque so sent shall be made payable to the order of the person to whom it is sent.
139. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "GSS AMERICA INFOTECH LIMITED Unpaid Dividend Account"

Any money transferred to the unpaid dividend account of a Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by a Company to the Fund known as Investor Education and Protection Fund established under Section 205C of the Act.

No unclaimed or unpaid dividend shall be forfeited by the Board.

140. Unpaid dividends shall never bear interest as against the Company

SERVICE OF DOCUMENTS AND NOTICES:

141. A document may be served by the Company on any member either personally or by sending it by post to him to his registered address or if he has no registered address in India to the address, if any, within India supplied by him to the Company for the giving of notices to him.
142. Where a document is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and pasting a letter containing the documents, provided that where a member has intimated to the Company in advance that the document should be sent to him under Certificate of posting or by Registered post with or without Acknowledgement Due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and such service shall be deemed to have been effected, in the case of a notice of a meeting at the expiration of forty-eight hours after the letter entering the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.
143. If a member has no registered address in India has not supplied to the Company an address within India for the giving of notice to him a document or notice of meeting advertised in a Newspaper circulating in the neighborhood of the Registered Office of the Company shall be deemed to be duly given to him on the day on which the advertisement appears.
144. A document may be served by the Company on the joint-holders of a share by serving it on the joint-holder named first in the Register in respect of the Share.
145. A document may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter to be addressed to them by name, or by the title of representatives of the deceased or assign of the insolvent or by any like description as the address (if any) in India supplied for the purpose by the persons, claiming to be so entitled or until such an address has been given if the death or insolvency had not occurred.

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146. Notice of every meeting shall be given to every member of the Company in any manner authorised by Articles 149 to 151 here of and also to every person entitled to a share in consequence of the death, or insolvency of a member who but for his death or would be entitled to receive notice of the meeting
 147. Any notice required to be given by the Company to the members or any of them and not expressly provided for by the Act or by these presents shall be sufficiently given if given by advertisement.
 148. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the register shall be duly given to the person from whom he derives his title to such share.
 149. Any notice or document delivered or sent by post or left at the registered address of any member in pursuance of the presents shall, notwithstanding such member be then deceased and whether or not the Company have notice of his decease be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member. Until some other person be registered in his stead as the holder, joint-holder thereof and such service shall, for the purpose of these presents, be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any jointly interested with him or her in any such share.
 150. The accidental omission to give notice to or non-receipt of notice by any member or other to whom it should be given shall not invalidate the proceedings at the meeting winding up.
 151. The Signature in any notice to be given by the Company may be written or printed.
 152. In a Winding up the Liquidator may, irrespective of the powers conferred on him by the Companies Act, and as an additional power, with the authority of a special Resolution, sell undertaking of the Company or the whole or any part of its assets, for shares fully or partly paid up or the obligations of or other interests in any other company and may by the contract of sale agree for the allotment to the members direct of the proceeds of sale in preparation to their respective interests in the Company. Any such sale in or arrangement or the Special Resolution confirming the same may, subject to the provisions of Article 12 here of, provide for the distribution or appropriation of the shares or other benefits to be received in compensation otherwise than in accordance with the legal rights of the contributors of the Company and in particular any classes may be given preferential or special rights, or may be excluded altogether or in part, and further by the contract a time may be limited as the expiration of which shares, obligations or other interests not accepted or required to be and sold shall be deemed to have been refused, and be at the disposal of the Liquidator or the purchasing Company.
 153. (1) If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution and any other required by the Companies Act 1956 divide amongst the members in specie or kind the whole or any part of the assets, of the Company whether they shall consists of property of the same kind or not.
(2) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
(3) The Liquidator may with the like sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit for the contributories as the Liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

SECRECY

154. No member or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the company's premises or properties of the company without the permission of the Directors of the company for the time being or subject to these Articles to require discovery of any information respecting any detail of the company's business, trading, or customers or any matter which is or may be in the nature of a trade secret, mystery of trades or secret process or any matter whatsoever which may relate to the conduct of the business of the Company or which in the opinion of the Directors or Managing Agents it will be inexpedient of the Company to communicate to the public.

INDEMNITY

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155. Subject to section 201 of the Companies Act, 1956 every Director, Secretary, Auditor, Officer or servants of the Company shall be indemnified out its funds for all costs, charges, traveling or other expenses, losses and liabilities incurred by them or him in the conduct of the Company's business or in the discharge of their or his duties, and neither the Managing Agents nor any Director, officer or servant of the Company shall be held liable for joining in any receipt or other act for conformity's sake or for any loss or expenses happening to the Company by insufficiency or deficiency of any security on, in or upon which any of the moneys of the Company shall be invested, or for any loss or damages, arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys securities or effects, shall be deposited or for any other loss or damage or misfortune whatsoever, which shall happen in the execution of their or his, office or in relation thereto, unless the same shall happen through their or his willful act, neglect or default.

SECTION X OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the Registrar of Companies, Hyderabad for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company from 10.00 a.m. to 4.00 p.m. from the date of this Red Herring Prospectus until the Bid/ Issue Closing Date.

Material Contracts

1. Memorandum of Understanding dated January 31, 2007 entered into between Our Company and Religare Securities Ltd, to act as the Book Running Lead Managers.
2. Memorandum of Understanding dated July 7, 2006 entered into between Our Company and Bigshare Services Private Limited, to act as the Registrar to the Issue.
3. Supplemental Memorandum of Understanding dated December 27, 2007 entered into between Our Company, Religare Securities Limited and Edelweiss Capital Limited.
4. Lease agreements for properties acquired on lease by the company.
5. Share Purchase Agreement between Company, Promoters and TARA India Fund III, a scheme of IL&FS Private Equity Trust
6. Subscription agreement dated January 30, 2006 by GSS America Infotech Limited for investment in GSS America Inc.

Documents for Inspection

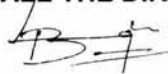
1. Our Memorandum and Articles of Association (as amended from time to time).
2. Certificate of incorporation
3. Resolution passed by the shareholders of the Company at the Extra Ordinary General Meeting held on January 30, 2007 pursuant to Section 81(1A) of the Companies Act, 1956.
4. Copies of Annual reports of GSS America Ltd. for the financial years ended March 31, 2004, 2005, 2006, and 2007.
5. Copy of the reports of the Auditors on the restated financial information, dated January 14, 2008.
6. Copy of the tax benefit report dated December 10, 2007 from our Auditors.
7. Consents of Auditors, Bankers to the Company, BRLMs, Legal Advisor to the Issue, Directors, Company Secretary, Registrars, Compliance Officer as referred to, in their respective capacities.
8. Listing application filed with BSE and NSE
9. In Principle Approval received from BSE dated April 2, 2007.
10. In Principle Approval received from NSE dated April 25, 2007
11. SEBI Observation Letter dated November 21, 2007.
12. Copy of the Service Agreement entered into with the Managing Directors.
13. Letters received from Central Govt. for the approval of appointment of Managing Directors.
14. Legal Clearance Certificate from Legal Advisors to the Issue dated January 18, 2008.
15. Resolution of the Meeting of the Board of Directors held on July 22, 2006 for the formation of the Company's Audit Committee, Investors Grievances Committee, and Remuneration Committee.
16. Tripartite agreement between the NSDL, our Company and Bigshare Services Private Limited dated November 7, 2006
17. Tripartite agreement between the CDSL, our Company and Bigshare Service Private Limited dated June 14, 2007;
18. Due Diligence Certificate dated March 20, 2007 to SEBI from Religare Securities Limited.
19. Valuation certificates dated January 30, 2006 and October 1, 2006 from M/s B.V.R. & Associates, Chartered Accountants for the valuation of GSS America Inc.
20. Legal Opinion from M/s Dua & Associates dated July 16, 2007 to consider Mr. Keerthy Jaya Tilak as an Independent Director on the Board of GSS America Infotech Limited.

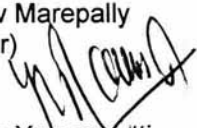
Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statute.

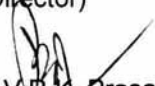
DECLARATION

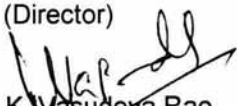
All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or the guidelines issued, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

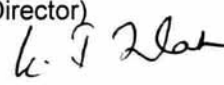
SIGNED BY ALL THE DIRECTORS OF THE COMPANY



Mr. Bhargav Marepally
(Director)


Mr. Ramesh Yekramsetti
(Director)


Mr. P.V.R.K. Prasad
(Director)

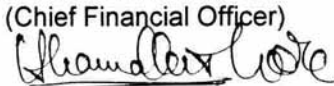

Mr. K. Vasudeva Rao
(Director)


Mr. Keerthy Jaya Tilak
(Director)


Mr. Guhan Subramaniam
(Director)


Mr. Bhargav Marepally
(Chief Executive Officer)


Mr. Ravi Sankar Chivukula
(Chief Financial Officer)


Mr. Kamal Kishore Avutapalli
(Company Secretary & Compliance Officer)

Place: Hyderabad
Date: January 25, 2008