

Outcome of the Board Meeting held on 30th March, 2012- extracts of the Board Minutes

a) Internal re-organization of the wholly owned (United States of America) subsidiaries of the company

Mr. Bhargav Marepally, Managing Director and CEO, informed the Board, of the current structure of the company, and that as a part of internal re-organization/ composite restructuring arrangement within the US to evolve a simpler organization structure for better efficiencies in running various businesses and also with a view to enable the management to sell/divest a particular unit, if need be, to raise the much needed cash needed to run / grow the remaining businesses and proposed the following:

A new US subsidiary of GSS Infotech Limited, India namely GSS Infotech Inc, Delaware be formed. GSS Infotech Inc., Delaware, will acquire the existing 279,000 shares (100% equity stake) of the existing US Subsidiary, GSS Infotech Inc., Illinois and the existing 1,500 shares (100% equity stake) of another existing US subsidiary, GSS Infotech Holdings Inc., Delaware from the holding company i.e. the India Parent for a consideration to be discharged by issue of its 1,500 (100% equity stake) shares. This will be followed by a merger of GSS Infotech Inc., Illinois and GSS Infotech Holdings Inc., Delaware with GSS Infotech Inc., Delaware. As a result of the merger and restructuring, GSS Infotech Inc., Delaware will end up being the sole US subsidiary of India Parent GSS Infotech Limited, directly holding all drop down subsidiaries, which were erstwhile the subsidiaries of GSS Infotech Inc., Illinois and GSS Infotech Holdings Inc., Delaware.

The Board after due deliberations, took the above on record, and approved the same and further authorised Mr. Bhargav Marepally, CEO & Managing Director to submit necessary documents/deeds/things with the regulatory/authorities to that effect for and on behalf of the company.



b) Conversion of advances of Rs. 140,61,32,909.50 (USD 2,63,98,320) made to wholly owned subsidiary into equity share capital

Mr. Bhargav Marepally, Managing Director and CEO, informed the Board that, the company, pursuant to an agreement entered in the year 2009-10, made an advance of Rs. 140,61,32,909.50 (USD 26,398,320) to its wholly owned subsidiary i.e. GSS Infotech Inc till 31st December 2011 under the automatic approval route, for various corporate purposes including acquisitions and working capital requirements etc., and further informed that, the aforesaid funds are fully utilized by the subsidiary company for various acquisitions and working capital requirements and further requested the consent of the Board members for conversion of advances made to subsidiary into equity share capital, in order to strengthen GSS Infotech Inc's balance sheet and financial position. Post conversion, the total equity investment in GSS Infotech Inc, will be well within the overall limit of 400% of the company's net worth as per the latest audited balance sheet, as per RBI guidelines. The request for conversion of this advance into equity has been made by GSS Infotech Inc to the company.

The Board after due deliberations, took the above on record, and approved the same and further authorised Mr. Bhargav Marepally, CEO & Managing Director to submit necessary documents/deeds/things with the regulatory/authorities to that effect for and on behalf of the company.

