

19th Annual Report 2014



CG-VAKTM
SOFTWARE & EXPORTS LTD.

An ISO 9001 : 2008 Certified Company



CONTENTS	PAGE NUMBER
Notice to Shareholders	- 1
Directors' Report	- 9
Corporate Governance Report	- 15
Management Discussion and Analysis Report	- 23
Auditors' Report	- 25
Standalone Balance Sheet	- 28
Standalone Profit and Loss Statement	- 29
Standalone Cash Flow Statement	- 30
Notes forming part of the Financial Statements	- 32
Auditors' Report on Consolidated Financial Statement	- 44
Consolidated Balance Sheet	- 45
Consolidated Profit and Loss Statement	- 46
Consolidated Cash Flow Statement	- 47
Notes forming part of the Consolidated Financial Statements	- 49

BOARD OF DIRECTORS

Mr.C. Ganapathy, B.Sc., Agri.

Executive Chairman

Mr.M. Durairaj, M.Sc., B.Ed.

Independent Director

Mr.S. Mohan, B.E.

Independent Director

Mr.S. Muthukumar B.Sc., B.E., M.B.A.

Independent Director

Mr.A.Sankar B.A.

Independent Director

Mrs.S.Latha B.Sc.

Additional Director w.e.f 28.05.2014

Mr.G.Suresh, B.E., M.B.A.

Managing Director & CEO

CHIEF FINANCIAL OFFICER

Mr.P.S. Subramanian

COMPANY SECRETARY

Mr. Shainshad Aduvanni

AUDITORS

M/s. S. Lakshminarayanan Associates

Chartered Accountants

'Lakshya'

1056/1, Avinashi Road,

Coimbatore 641 018

REGISTERED OFFICE**Unit I**

171, Mettupalayam Road

Coimbatore 641 043

INDIA

Unit II

S.F.No. 174/2, Thiruvalluvar Street

Vellakinar Pirivu Road, G.N.Mills Post

Coimbatore – 641029, INDIA

SUBSIDIARY (USA)

CG-VAK Software USA Inc.,

1661, Tice Valley Blvd,

Suite#101, Walnut Creek,

California – 94595

CG-VAK Software USA Inc.,

100, Overlook Centre

2nd Floor, Princeton

New Jersey - 08540

REGISTRARS & SHARE TRANSFER AGENTS

S.K.D.C. Consultants Limited

Kanapathy Towers,

3rd Floor, 1391/A-1 Sathy Road,

Ganapathy

Coimbatore 641 006

BANKERS

State Bank of India

Union Bank of India

Indian Overseas Bank

Bank of America

CG-VAK SOFTWARE AND EXPORTS LIMITED
Registered Office: 171, Mettupalayam Road, Coimbatore – 641 043
Web:www.cgvak.com,Email:investorservices@cgvak.com
CIN : L30009TZ1994PLC005568

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 19th Annual General Meeting of CG-VAK Software And Exports Limited will be held on Friday the 26th day of September, 2014 at 4.30 PM at Ardra Hall, Kaanchan, 9, North Huzur Road, Coimbatore -641 018, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, the accounts of the Company for the year ended 31st March 2014 and Auditors' Report thereon.
2. To declare dividend, if any.
3. To appoint a Director in the place of Mr.C.Ganapathy (DIN 00735840), who retires by rotation and is eligible for reappointment.
4. To appoint the Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Mrs. S.Latha (DIN 07193433), be and is hereby appointed as Non- executive and Women Director liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.
"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act and Clause 49 of the Listing Agreement, Mr.A.Sankar (DIN 03535173), a Director of the Company, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for a term upto 2 (two) consecutive years commencing from 26th September, 2014, not liable to retire by rotation."
7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.
"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act and Clause 49 of the Listing Agreement, Mr.M.Durairaj (DIN 02440888), a Director of the Company, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for a term upto 5 (five) consecutive years commencing from 26th September, 2014, not liable to retire by rotation."
8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.
"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act and Clause 49 of the Listing Agreement, Mr.S.Muthukumar (DIN 00758407), a Director of the Company, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for a term upto 5 (five) consecutive years commencing from 26th September, 2014 not liable to retire by rotation."

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act and Clause 49 of the Listing Agreement, Mr.S.Mohan (DIN 00761357), a Director of the Company, be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office for a term upto 5 (five) consecutive years commencing from 26th September, 2014 not liable to retire by rotation.”

NOTES

1. ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special business to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of the Notice.
3. Details pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/reappointment at the Annual General Meeting are separately annexed hereto for item no.3, 5, 6, 7, 8 & 9.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from **Monday, the 15th September, 2014 to Friday, the 26th September, 2014 (both days inclusive)**.
5. The dividend if declared at the Annual General Meeting will be paid within 30 days from the date of the Annual General Meeting.
6. Members who are holding shares in physical form are requested to intimate/update immediately their change of address / change of bank account/ email ID, if any, to **M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1 Sathy Road, Ganapathy, Coimbatore 641 006**, our Registrar & Share Transfer Agents. Please quote your Folio Number and our Company’s name in all your correspondence.
7. Members who are holding shares in Electronic Form are requested to intimate/update immediately their change of address / change of bank account/ email ID, if any, to their respective Depository Participant.
8. The practice of distributing copies of Annual Reports at the Annual General Meeting has been discontinued in view of the high cost of paper and printing. Shareholders are therefore, requested to bring their copy of the Annual Report to the meeting.
9. In terms of Sections 124(6) of the Companies Act, 2013, as amended the amount of dividend remaining unpaid or unclaimed for a period of seven (7) years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). The Unclaimed dividend for the year 2012-13 is held in separate Bank account and the shareholders who have not received the dividend / encashed the warrants are advised to write to the Company with complete details.
10. The Notice is being sent to all the Members, whose names appeared in the Register of Members as on 22nd August, 2014 (cut-off date). The Notice of the Meeting is also displayed/posted on the websites of the Company www.cgvak.com and that of Central Depository Services (India) Limited (“CDSL”) www.evotingindia.com.
11. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, the Company is pleased to offer the facility of voting through electronic means or through post, as an alternate, to all its Members to enable them to cast their votes electronically or through post instead of casting their vote at the Meeting. Please note that the voting through electronic means is optional for the Members.
12. The Company has appointed Mrs.Manimekala V Raj, Practicing Company Secretary (Membership No.F5163), to act as the Scrutinizer for conducting the voting through electronic means or through post in a fair and transparent manner.

13. The procedure and instructions for voting through electronic means are, as follows:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 20th September, 2014 at 9:00 a.m. and ends on 22nd September, 2014 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "CG-VAK Software and Exports Limited" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the Demat account / Folio number in the PAN field. • In case the Folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant "CG VAK SOFTAWRE AND EXPORTS LIMITED" on which you choose to vote.

- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed.
If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created who would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
14. Members who do not have access to e-voting facility, may send the duly completed Ballot Form (enclosed with the Annual Report) to reach the Scrutinizer appointed by the board of Directors of the Company, Mrs.Manimekala V Raj, Practicing Company Secretary (Membership No.F5163) at the Registered Office of the Company not later than 22nd September, 2014 by 5.00 p.m.
Members may request for physical copy of the Ballot Form by sending an e-mail to investorservices@cgvak.com by mentioning their Folio / DP ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than 22nd September, 2014 by 5.00 p.m. Ballot forms received after this date will be treated as invalid.
A member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid. Please note the unsigned Ballot Form will be rejected. Scrutinizer's decision on the validity of the Ballot Form shall be final.
15. Once the vote on the resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
16. The Scrutinizer will submit his report to the Chairman or the Managing Director after completion of the scrutiny. The result of the voting on the resolutions at the AGM, shall be announced by the Chairman or Managing Director or any person authorized by him at the AGM. The results declared along with the Scrutinizer's report, will be posted on the Company's website within two days of passing of the resolution at the AGM.

(By Order of the Board)

for CG-VAK SOFTWARE & EXPORTS LIMITED

Place: Coimbatore
Date : 28th May, 2014

Shainshad Aduvanni
Company Secretary

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / REAPPOINTED, VIDE ITEM NO. 3, 5, 6, 7, 8 & 9.

i	Name of the Director	Mr.C.Ganapathy
	Age	74 years
	Date of appointment on Board	01/12/1995
	Date of last reappointment	30/08/2010
	Expertise in specific functional areas	He has 35 years of valuable Experience in various fields like General Management, Production, Marketing and Finance.
	Qualification	B.Sc (Agri)
	No.of Equity Shares held in Company	4,06,350 Equity Shares (as on 31.03.2014)
	List of outside Directorships in Public/Private Companies	1. G2 Technology Solutions India Private Limited 2. Sindhu And Gowtham Securities And Investments Private Limited
	Chairman/Member of the Committees of Board of Directors of the Company	1. Member of Stakeholders Relationship Committee
	Chairman/Member of the Committees of Board of Directors of other Companies in which he is a Director	NIL
	Relationship with other Directors	Father of Managing Director & CEO Mr.G.Suresh & Father in Law of Additional Director Mrs.S.Latha

ii.	Name of the Director	Mrs.S.Latha
	Age	45 years
	Date of appointment on Board	28/05/2014
	Date of last reappointment	NA
	Expertise in specific functional areas	Business
	Qualification	B.Sc.,
	No. of Equity Shares held in Company	3,55,686 Equity Shares (as on 31.03.2014)
	List of outside Directorships in Public/Private Companies	1. G2 Technology Solutions India Private Limited 2. Sindhu And Gowtham Securities And Investments Private Limited
	Chairman/Member of the Committees of Board of Directors of the Company	NIL
	Chairman/Member of the Committees of Board of Directors of other Companies in which She is a Director	NIL
	Relationship with other Directors	Spouse of Managing Director & CEO Mr.G.Suresh & Daughter in Law of Mr.C.Ganapathy, Executive Chairman

iii.	Name of the Director	Mr.A.Sankar
	Age	64 years
	Date of appointment on Board	30/05/2011
	Date of last reappointment	NA
	Expertise in specific functional areas	Has vast experience in Banking. Has expertise in General Management, Accounting and Finance.
	Qualification	B.A.
	No.of Equity Shares held in Company	NIL Equity Shares (as on 31.03.2014)
	List of outside Directorships in Public / Pvt Companies	NIL
	Chairman/Member of the Committees of Board of Directors of the Company	Member of the Audit Committee, Member of Stakeholders Relationship Committee & Member of the Nomination and Remuneration Committee.
	Chairman/Member of the Committees of Board of Directors of other Companies in which he is a Director	NIL
	Relationship with other Directors	NIL

iv.	Name of the Director	Mr.M.Durairaj
	Age	64 years
	Date of appointment on Board	02/08/1995
	Date of last reappointment	26/08/2008
	Expertise in specific functional areas	Educationist based at Dubai. Has expertise in General Administration and Management.
	Qualification	M.Sc., B.Ed.,
	No.of Equity Shares held in Company	10,000 Equity Shares (as on 31.03.2014)
	List of outside Directorships in Public / Pvt Companies	NIL
	Chairman/Member of the Committees of Board of Directors of the Company	NIL
	Chairman/Member of the Committees of Board of Directors of other Companies in which he is a Director	NIL
	Relationship with other Directors	NIL

v.	Name of the Director	Mr.S.Muthukumar
	Age	53 years
	Date of appointment on Board	23/09/2002
	Date of last reappointment	23/08/2013
	Expertise in specific functional areas	Business
	Qualification	B.Sc., B.E., M.B.A
	No. of Equity Shares held in Company	2,500 Equity Shares (as on 31.03.2014)
	List of outside Directorships in Public / Pvt Companies	NIL
	Chairman/Member of the Committees of Board of Directors of the Company	Chairman of the Audit Committee, Chairman of Stakeholders Relationship Committee & Chairman of the Nomination and Remuneration Committee.
	Chairman/Member of the Committees of Board of Directors of other Companies in which he is a Director	NIL
	Relationship with other Directors	NIL

vi.	Name of the Director	Mr.S.Mohan
	Age	53 years
	Date of appointment on Board	28/10/2004
	Date of last reappointment	21/09/2012
	Expertise in specific functional areas	Marketing and General Administration
	Qualification	B.E.,
	No. of Equity Shares held in Company	1,000 Equity Shares (as on 31.03.2014)
	List of outside Directorships in Public Companies	NIL
	Chairman/Member of the Committees of Board of Directors of the Company	Member of the Audit Committee, Member of Stakeholders Relationship Committee & Member of the Nomination and Remuneration Committee.
	Chairman/Member of the Committees of Board of Directors of other Companies in which he is a Director	NIL
	Relationship with other Directors	NIL

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE OF THE 19th ANNUAL GENERAL MEETING OF THE COMPANY IN RESPECT OF ITEM NO. 5, 6, 7, 8 & 9 OF NOTICE DATED 28th MAY 2014

Item No. 5

At the meeting of the Board of Directors of the Company held on 28th May, 2014, Mrs.S.Latha was appointed as an Additional Director of the Company and holds office upto the date of the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 (Act) read with Article 145 of the Articles of Association of the Company.

Pursuant to Section 160 of the Act, the Company has received notice, together with requisite deposit of Rs.1 lakh, from a member signifying his intention to propose Mrs.S.Latha as candidate for the office of Director of the Company, liable to retire by rotation.

Mrs.S.Latha is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act.

Mrs.S.Latha is interested in the Resolution set out at Item No.5 of the accompanying Notice, since it relates to her appointment. Non of the Directors apart from Mr.G.Suresh and Mr.C.Ganapathy, Key Managerial Personnel (KMP) being relatives of Mrs.S.Latha are interested in the Resolution.

The brief profile of Mrs.S.Latha, the nature of expertise, the names of companies she holds directorships, is included in the Notice. In the opinion of the Board, Mrs.S.Latha fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as a Director of the Company

The Board recommends the passing of the Resolution set out in Item No.5 of the accompanying Notice.

Item No. 6 to 9

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Mr.A.Sankar, Mr.M.Durairaj, Mr. S.Muthukumar and Mr.S.Mohan, Independent Directors were appointed / re-appointed by the Members of the Company in the AGM. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In the transition to the Companies Act, 2013, which is effective 1st April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. This is consistent with the provisions of Companies Act, 2013. In effect, the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceed five years.

In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Mr.A.Sankar as Independent Director on the Board of the Company for a term upto two consecutive years commencing from 26th September, 2014 and Mr.M.Duraiaraj, Mr. S.Muthukumar and Mr.S.Mohan, as Independent Directors on the Board of the Company for a term upto five consecutive years, commencing from 26th September, 2014. A brief profile of proposed Independent Directors, including nature of their expertise, is provided in this Annual Report.

Notices have been received from Members along with the deposit of the requisite amount of Rs.1 Lakh pursuant to Section 160 of the Companies Act, 2013, proposing the candidature of each of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, Mr.A.Sankar, Mr.M.Duraiaraj, Mr. S.Muthukumar and Mr.S.Mohan fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolutions as set out at item no. 6 to 9 for approval of the Members.

(By Order of the Board)

for CG-VAK SOFTWARE AND EXPORTS LIMITED

Place: Coimbatore
Date : 28th May, 2014

Shainshad Aduvanni
Company Secretary

DIRECTORS' REPORT

To the Members,

The Board of Directors of your Company take pleasure in presenting the 19th Annual Report on the business and operations of your Company and the Audited Financial Accounts for the year ended 31st March 2014.

FINANCIAL RESULTS 2013-14

During the year under review, your Company has achieved a turnover of **Rs.895.12** Lakhs as against Rs.869.21 Lakhs in the previous year. There is a net Profit of **Rs.65.06** Lakhs as against the net profit of Rs.102.54 Lakhs in the previous year.

GLOBAL REVENUE

The global revenues for the Company including the business done by the Wholly Owned Subsidiary for the year under review is **Rs.3153** Lakhs as compared to previous year was Rs. 2305 Lakhs.

REVIEW OF BUSINESS

The contributions of business from various Geographical area were:

North America contributed to 80% and Rest of the World 20%. Business from Offshore Software Services was **Rs.878.32** Lakhs during the year 2013-2014 as against Rs.854.77 Lakhs in the previous year. The increase has been at 2.76% compared with previous year.

QUALITY

Your company has a strict quality assurance and control programs to ensure that high level of Quality service is delivered to the customers. Matured and proven quality management systems are in place based on the requirements of ISO 9001:2008 standards.

FUTURE PLANS

The global market for IT services is expected to expand and corporations are increasingly using offshore service providers to meet their IT service needs. This increases the addressable market for offshore software services providers like us. The company has been growing positively in the offshore software services business and this momentum is likely to continue this year.

Our client retention and client satisfaction levels have been growing steadily. We have received many client appreciations and significant amount of repeat business. In addition to North America, our business and customer base from Australia, Africa and Europe is also expanding as planned.

Our mobility practice has been growing significantly and we expect a good growth in this offering. The company will continue its focus on the in OPD (Out-sourced Product development) market space where it has achieved significant success. Geographically the company is planning to strengthen its presence in the markets it is operating.

We expect a positive growth this year and the Company should perform better in the ensuing Financial Year 2014-15.

DIVIDEND

Your Directors recommended a dividend of Rs. 0.50 per equity share (i.e. 5% on each equity share having Face value of Rs. 10 each), subject to the approval by the shareholders at the ensuing Annual General Meeting. The total dividend payout will be of Rs.29.56 Lakhs inclusive of tax amount of Rs.4.29 Lakhs. During the previous year ended 2012-2013, your Company has paid a dividend of Rs.25.27 Lakhs.

The dividend, if approved by the shareholders, will be paid to those members whose names appear in the Register of Members as on 15th September 2014.

USSUBSIDIARY: CG-VAK SOFTWARE USA INC.

Your Company's Wholly Owned Subsidiary at USA, CG-VAK Software USA Inc. has made a Sales Turnover of USD 3.93 million during this year, compared to the USD 2.80 million during the previous year.

In terms of the exemption granted by the Central Government vide notification number 51/12/2007-CL-III dated February 8, 2011, the Balance Sheet and Profit and Loss Account, Report of the Board of Directors and Auditors of the Subsidiaries have not been attached with the Annual Report of the Company. However upon request by the shareholder of the Company, the annual accounts of the subsidiary companies will be made available. Pursuant to Section 212 of the Companies Act, 1956, the financial data along with equity share capital of the subsidiaries forming part of this Annual Report. Further, pursuant to Accounting Standard 21 issued by the Institute of Chartered Accountants of India, consolidated financial statement presented by the Company includes financial information of its subsidiaries.

INSPECTION UNDER SECTION 209A OF THE COMPANIES ACT, 1956

During the previous financial year (2012-13), inspection under Section 209A of the Companies Act, 1956 was carried out by the office of Ministry of Corporate Affairs and the company has provided the reply for the clarifications sought by MCA.

SEBI ADJUDICATION ORDER

During the year, SEBI had imposed a penalty of Rs.3 Lakhs on the company for delayed disclosure/reporting of purchase of shares under the SEBI PIT regulations. The penalty amount has been paid by the company.

DIRECTORS

As per the provisions of the Companies Act, 2013, Mr.C.Ganapathy, Director retire from office by rotation, and being eligible offer himself for re-appointment at the ensuing Annual General Meeting of the Company.

Mrs.S.Latha was appointed as an Additional Director of the Company w.e.f 28th May, 2014 and holds office upto the date of the ensuing Annual General Meeting. A notice has been received from a member proposing her to be appointed as a Director.

In compliance of the provisions of The Companies Act, 2013 and the Listing Agreement entered into with the Stock Exchange in which the Company's shares are listed, Independent Directors are required to be appointed for a maximum term of five years besides the other requirements. Accordingly the Board of Directors have proposed to appoint Mr.A.Sankar, Director, as Independent Director for a term of 2 consecutive years w.e.f. 26th September, 2014. Further Mr.M.Durairaj, Mr.S.Muthukumar and Mr.S.Mohan, Directors are proposed for appointment as Independent Directors of the Company for a term of five consecutive years w.e.f. 26th September, 2014. Your Directors recommends their appointment.

Brief particulars of Directors eligible for reappointment in terms of Clause 49 of the Listing Agreement are annexed to the Notice dated 28th May, 2014 convening the 19th Annual General Meeting.

AUDITORS

The Statutory Auditors of the Company M/s. S.Lakshminarayanan Associates, Chartered Accountants, Coimbatore, retire at the conclusion of the ensuing Annual General Meeting. The Statutory Auditors have confirmed their eligibility and willingness to accept the office on re-appointment. The Board recommends their re-appointment for the next term.

PUBLIC DEPOSIT

The Deposits accepted by your Company are within the prescribed limits and the provision of Section 58-A of the Companies Act, 1956, and the rules framed there under are complied with. There are no unclaimed deposits as on 31.03.2014. The Company has decided not to accept/renew any Deposits commencing from 01st April, 2014.

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

As per the requirement of Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, the information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are appended hereto and form part of this report.

INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956

As the Company has no employee drawing a salary of Rs.5,00,000/- per month or above or Rs.60,00,000/- per annum or above during the year 2013-2014, there are no particulars to be furnished under section 217(2A) of the Companies Act, 1956.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors have:

1. Followed in the preparation of the Annual Accounts, the applicable accounting standards.
2. Selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the financial position of the Company for the period.
3. Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
4. Prepared the attached statement of accounts for the year ended 31st March 2014 on a going concern basis.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared in accordance with the applicable Accounting Standards forms a part of this Annual Report.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance. Company continues to be compliant with the requirements enshrined in clause 49 of the Listing Agreement which relates to Corporate Governance.

A Report on Corporate Governance as stipulated under clause 49 of the Listing Agreement forms part of the Annual Report. A certificate from the Statutory Auditors of the Company, confirming compliance with the conditions of Corporate Governance, as stipulated under clause 49 forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement is presented in a separate section forming part of the Annual Report.

ACKNOWLEDGMENT

The Directors of your Company would like to take this opportunity to thank one and all associated with it enabling it to scale greater heights and emerge as a recognized software solutions vendor in the industry. The faith and confidence shown on your Company by banks, global clients, government authorities and shareholders has propelled our enthusiasm and strengthen our determination to achieve our vision.

Finally, your Directors would like to express their sincere thanks to the dedication and committed hard work of the employees working in India, USA and at various client locations to reach our corporate vision.

(By Order of the Board)
for CG-VAK SOFTWARE AND EXPORTS LIMITED

Place: Coimbatore
Date : 28th May, 2014

C.GANAPATHY
Chairman

**Addendum to the Auditors' Report to the members of
M/s. CG-VAK Software And Exports Limited**

- 1 With reference to the auditors' remark on non provision of gratuity claim (note no.4.13, of the notes forming part of accounts), we wish to state that no provision has been made as the terms of appointment of former Managing Director does not contain provisions for payment of gratuity; The Assistant Commissioner, Labour has already dismissed the claim. The Complainant has preferred an appeal against the order of the Asst Commissioner and the Appeal is pending. The company has disputed the claim;
- 2 With reference to the auditors' remark on non provision of gratuity claim (note no.4.14, of the notes forming part of accounts) , we wish to state that no provision has been made as the Director concerned was a Non Executive Director and was not drawing any salary and hence not eligible for gratuity. The company has disputed the claim and the same is pending before the Labour Court;
- 3 With reference to the auditors' remark on non provision of gratuity claim (note no.4.15, of the notes forming part of accounts), we wish to state that no provision has been made as the employee was not eligible for gratuity. The company has disputed the claim and the same is pending before the Labour Court;
- 4 With reference to the Auditors' remark on non-payment of fixed deposit (note no.4.16 of the notes forming part of accounts), we wish to state that The Fixed Deposit claim is an appeal made by a Former Managing Director and his family members before the High Court, Madras against the Company Law Board's Order. The Company Law Board had earlier passed an order that the claim was not maintainable and decided in favor of Company during June, 2011. The Company has disputed the claim before the High Court Madras.
- 5 With reference to the auditors' remark on non provision of penalty amounting to Rs. 3 lakhs (note no.4.17, of the notes forming part of accounts), we wish to state that No provision has been made on a penalty amounting to Rs. 3 lakhs imposed by the Adjudicating officer in response to a Show Cause Notice issued against the company by SEBI. The Company has appealed against the order before the SEBI Securities Appellate Tribunal. The SEBI SAT has upheld the penalty and Company has paid the Penalty on 08th May, 2014. The same would be reflected in the next financial year.
- 6 With reference to the Auditors' remark on the non-audit of wholly owned subsidiary (note no.4.18, of the notes forming part of accounts), we wish to state that Audit of the subsidiary is not mandated as per the prevailing rules and regulations in United States of America where the subsidiary is registered.

(By Order of the Board)
for **CG-VAK SOFTWARE AND EXPORTS LIMITED**

Place: Coimbatore
Date : 28th May, 2014

C.GANAPATHY
Chairman

**INFORMATION PURSUANT TO THE COMPANIES
(DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES
FORM A**

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

FORM A - **NOT APPLICABLE**

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

A.	RESEARCH AND DEVELOPMENT	The nature of the business of software development involves inbuilt, constant Research and Development as a part of its process of manufacturing (development). The Company is developing applications engines, re-usable codes and libraries as a part of its R&D activities.
B.	TECHNOLOGY ABSORPTION	The Company has not absorbed technology from outside.
C.	FOREIGN EXCHANGE EARNING AND OUTGO	
	1. Foreign Exchange Earnings:	Rs. 9,01,46,554
	2. Foreign Exchange Outgo:	
	a) Foreign Travel :	Rs. 3,41,522
	(b) Others :	Rs. 3,76,191
	Total:	Rs. 7,17,713

(By Order of the Board)
for CG-VAK SOFTWARE AND EXPORTS LIMITED

Place: Coimbatore
Date : 28th May, 2014

C.GANAPATHY
Chairman

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY

1.	Name of the Subsidiary	:	CG-VAK Software USA Inc.
2.	Financial year ended	:	31 st March, 2014
3.	No. of shares held in the Subsidiary As on the above date	:	750 equity shares of USD 1000/- each
4.	Percentage of holding of equity	:	100%
5.	Net aggregate of profits or losses for the current financial year of the Subsidiary so far as it concerns the members of the holding company	:	
	a) Dealt with or provided in the accounts of the holding company	:	Nil
	b) Not dealt with or provided in the accounts of the holding company	:	USD 87,928

6. The net aggregate of profit or losses for the previous financial years of the subsidiary so far as it concerns the members of the holding company,
- a) Dealt with or provided in the accounts of the holding company : Nil
- b) Not dealt with or provided in the accounts of the holding company : USD 5,42,863

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
 S.Muthukumar
Director

C.Ganapathy
Executive Chairman
 P.S. Subramanian
Chief Financial Officer
 Shainshad Aduvanni
Company Secretary

Place : Coimbatore
 Date : 28th May, 2014

The details of subsidiaries in terms of General Circular No.2/2011 Dated 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs under Section 212 (8) of the Companies Act, 1956 are as under:

SLNo	Subsidiary	CG-VAK Software USA Inc (INR) AS ON 31-03-2014
1	Share Capital	3,54,80,000
2	Reserves and Surplus	4,84,03,070
3	Total Assets	11,69,75,418
4	Total Liabilities	11,69,75,418
5	Details of Investments	-
6	Turnover and Other Income	22,57,80,733
7	Profit/(Loss) Before Taxation	66,95,356
8	Provision for Taxation	16,50,077
9	Profit/(Loss) After Taxation	50,45,279
10	Proposed Dividend	0
11	Reporting Currency*	US Dollar (USD)

* The Financial Statements of subsidiary whose reporting currency other than INR are converted into India Rupees on the basis of appropriate exchange rate.

The financial statements of the Subsidiary which are reported in US Dollars are converted into Indian rupees at Rs.60.75/USD (Rs.54.00/USD for the previous year ended 31st March, 2013) and translated on appropriate basis for monetary, non-monetary, income and expenditure.

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
 S.Muthukumar
Director

C.Ganapathy
Executive Chairman
 P.S. Subramanian
Chief Financial Officer
 Shainshad Aduvanni
Company Secretary

Place : Coimbatore
 Date : 28th May, 2014

REPORT OF CORPORATE GOVERNANCE
(In Compliance with Clause 49 of the Listing Agreement)

I. Company's Philosophy on Corporate Governance

Your Company believes that good Corporate Governance practice enables the Management to direct and control the affairs of the Company in an efficient manner and to achieve its ultimate goal of maximizing value for all its share holders. The Company's efforts are towards efficient conduct of its business and fulfilling its obligations towards employees and shareholders, guided by a strong emphasis on transparency, accountability and integrity.

II. Board of Directors

The Board consists of one Executive Chairman, one Managing Director and four Independent Directors. The composition of Directors and their attendance at the Board Meeting during the year and the last Annual General Meeting are as follows:

Sl No.	Name of Director	Category of Directorship	No. of Board Meetings attended (From 01.04.2013 to 31.03.2014)	Attendance at Last AGM	No. of other Directorships held in Public Companies*	No. of Membership (M)/ Chairmanship (C) in other Board Committee(s)*
					As on 31.03.2014	
1.	Mr.C. Ganapathy Executive Chairman	Promoter, Executive Director	4	Yes	Nil	Nil
2.	Mr.G. Suresh Managing Director	Promoter, Executive Director	4	Yes	Nil	Nil
3.	Mr.M. Durairaj	Independent, Non-Executive Director	1	No	Nil	Nil
4.	Mr.S. Muthukumar	Independent, Non-Executive Director	4	Yes	Nil	Nil
5.	Mr.S. Mohan	Independent, Non-Executive Director	4	Yes	Nil	Nil
6.	Mr.S. Sankar	Independent, Non-Executive Director	4	Yes	Nil	Nil

Four Board Meetings were held during the financial year ended 31.03.2014. The dates of the Board Meetings were held are 29.05.2013, 12.08.2013, 25.10.2013 and 05.02.2014.

* Directorships in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 are excluded for this purpose.

III Audit Committee

The primary objective of this committee is to monitor and provide effective supervision of the financial control and reporting process. The terms of reference of the Audit Committee are in tandem with those laid down by Stock Exchange regulations and the provisions of the Companies Act, 1956.

The Audit Committee consists of three Independent Directors. The Composition of the Committee is as below:

Sl.No	Name of the Director	No. of Meetings Held	No. of Meetings Attended
1.	Mr.S.Muthukumar, Chairman	4	4
2.	Mr.S.Mohan	4	4
3.	Mr.A.Sankar	4	4

The Committee met four times during the year on 29.05.2013, 12.08.2013, 25.10.2013 and 05.02.2014

IV Remuneration Committee

The Remuneration Committee has been constituted for the purpose of approving from time to time, the remuneration payable to the Managing Director and Executive Director's and to discharge any other statutory duties & functions as may specified under the law, or to performs such tasks as may be entrusted by the Board of Directors from time to time. The Remuneration Committee consists of Three Independent Directors. The Composition of the Committee is as below:

Sl.No	Name of the Director	No. of Meetings Held	No. of Meetings Attended
1.	Mr.S.Muthukumar, Chairman	-	-
2.	Mr.S.Mohan	-	-
3.	Mr.A.Sankar	-	-

The Committee has not met during the year under review.

Details of the remuneration paid to the Directors during the year ended 31st March 2014.

i. Executive Directors

(Rs.Lakhs)

Sl. No	Name & Position	Salary	Commission	Total Remuneration
1.	Mr.G.Suresh, Managing Director	30.00	NIL	30.00
2.	Mr.C.Ganapathy, Executive Chairman	3.00	NIL	3.00

The Company is of the opinion that the computation of net profit under Sec.349 of the Companies Act, 1956 is not required to be made as no commission is paid/payable to the Directors for the year ended 31st March 2014.

ii. Non-Executive Directors

Remuneration by way of sitting fees is paid to all non-executive directors at the rate of Rs. 3000/- per sitting for attending each meeting of the Board and w.e.f. 12.08.2013 Board recommended and paid Rs.2000/- per sitting for attending each meeting of the Committees.

Sl.No	Name	Sitting Fees (Rs)
1.	Mr.S.Muthukumar	24,000
2.	Mr. S.Mohan	24,000
3.	Mr.M.Durairaj	3,000
4.	Mr.A.Sankar	24,000

Details of Equity Shares of the Company held by Non-Executive Directors as on 31st March 2014:

Sl.No	Name	No. of Equity Shares
1.	Mr.S.Muthukumar	2,500
2.	Mr. S.Mohan	1,000
3.	Mr.M.Durairaj	10,000
4.	Mr.A.Sankar	Nil

V Share holder's/Investor's Grievance Committee

During the year 2013-2014, 9 complaints were received from shareholders/authorities to the Company. All of them were replied/resolved to their satisfaction.

The Investor's Grievance Committee consists of one Executive Director and three Independent Directors. The Chairman of the Committee is an Independent Director.

The Committee met four times during the year on 29.05.2013, 12.08.2013, 25.10.2013 and 05.02.2014

Sl.No	Name of the Director	No. of Meetings Held	No. of Meetings Attended
1.	Mr.S.Muthukumar, Chairman	4	4
2.	Mr. C.Ganapathy	4	4
3.	Mr. S.Mohan	4	4
4.	Mr.A.Sankar	4	4

Mr. Shainshad Aduvanni, Company Secretary is the Compliance Officer of the Company.

The Company has exclusively designated the following e-mail id for Investor Relations: investorservices@cgvak.com.

VI Annual General Meetings:

Year	Type	Location	Date	Time	Special Resolutions passed by the Shareholders
2011	AGM	Hotel Annalakshmi, 106-A, Race Course, Coimbatore	26.08.2011	4.35 P.M	Re-appointment of Mr.C.Ganapathy, Executive Chairman for a period of 5 years w.e.f 01.07.2011
2012	AGM	Hotel Annalakshmi, 106-A, Race Course, Coimbatore	21.09.2012	4.30 P.M	None
2013	AGM	Ardra Hall, Kaanchan, 9, North Huzur Road, Coimbatore -641 018	23.08.2013	4.30 P.M	Re-appointment of Mr.G.Suresh, Managing Director for a period of 3 years w.e.f 01.09.2013

Postal Ballot

No resolutions were passed by Postal Ballot in the year under review.

VII Code of Conduct

- The company is adopting Code of Conduct for all the Directors and Senior Management Personnel. The CEO Certificate on Compliance is furnished separately.
- CEO / CFO Certification
CEO / CFO Certification under the Corporate Governance Guidelines prescribed by SEBI have been submitted to the Board by the CEO and CFO

VIII Disclosures

- There are no materially significant related party transactions that may have potential conflict with the interests of Company at large
- There has been one instance where SEBI has imposed penalty of Rs.3,00,000/- on the Company for violation of SEBI PIT Regulation during the year 2013-2014. Apart from this there has been any instance of any penalty / stricter imposed on the Company by Stock Exchanges / SEBI / any statutory authorities on any matter relating to capital market, during the last three years. The Bombay Stock Exchange has issued a show cause notice vide their letter dated 18th November, 2010 and subsequently issued an order dated 17th May, 2011 and has suspended trading of securities for 5 days from 25th May, 2011 to 31st May, 2011 for various non-compliances.
- During the year 2012-2013, inspection under Section 209A of the Companies Act, 1956 was carried out by the office of Ministry of Corporate Affairs and the company has provided the reply for the clarifications sought by MCA.

- (d) The Company is not implementing whistle blower Policy. However no personnel have been denied access to the Audit Committee of the Company.
- (e) The Company has implemented all mandatory requirement of Clause 49 of the listing agreement. Details of Compliance of non mandatory requirement are given below.

- | | |
|---------------------------|---|
| 1. Chairman of the Board | The Company has an Executive Chairman. |
| 2. Remuneration Committee | The Company has formed remuneration committee. Details of the committee are given in point No.IV of the report on Corporate Governance. |

IX Means of Communications

- (a) Periodical Financial results are published in the pro-forma prescribed by Stock Exchanges in English Newspaper “Trinity Mirror” and Tamil Newspaper “Makkal Kural”. As the Company publishes the audited results within the stipulated period of 60 days from the date of the close of financial year as required by Listing Agreement with the Stock Exchanges, the unaudited results for the last quarter of the financial year are not published. The results are also displayed on the Company’s website at www.cgvak.com.
- (b) The Company is filing/submitted its Shareholding Pattern, Financial Results and Report on Corporate Governance on quarterly basis to the Stock Exchange.

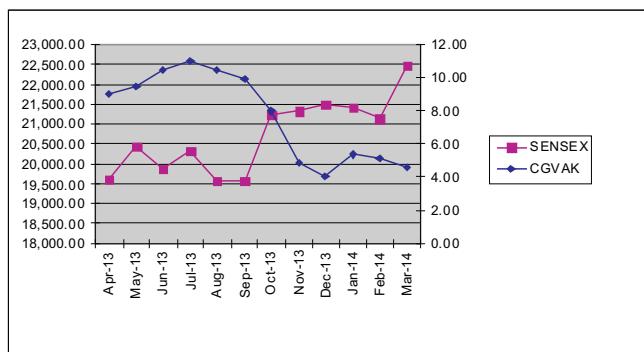
X General Information for Shareholders:

- | | |
|--|---|
| 1. AGM – Date , Time & Venue | 26 th September, 2014
4.30 PM
Ardra Hall, Kaanchan
9, North Huzur Road
Coimbatore -641 018 |
| 2. Financial Calendar for the year 2014-2015 | Will be published on or before: |
| Results for Quarter Ending June 30, 2014 | 14 th August, 2014 |
| Results for Quarter Ending September 30, 2014 | 14 th November, 2014 |
| Results for Quarter Ending December 31, 2014 | 14 th February, 2015 |
| Results for Quarter Ending March 31, 2015 | 30 th May, 2015 |
| 3. Date of Book Closure | 15 th September, 2014 to 26 th September, 2014
(Both days inclusive) |
| 4. Dividend payment due date | Dividend, if declared at the AGM, will be paid within
30 days from the date of AGM. |
| 5. Listing on Stock Exchange | Bombay Stock Exchange, P.J. Towers, Dalal Street,
Mumbai – 400 001. |
| Type of Security | Equity |
| 6. Stock Code | 531489, CG VAK SOF E |
| ISIN | INE084D01010 |
| 7. Securities and Exchange Board of India vide order no WTM/ /RKA/MRD/12 /2013 dated 03 rd April, 2013 passed exit order in respect of Coimbatore Stock Exchange Limited. Accordingly your Company ceased to be listed with Coimbatore Stock Exchange Limited | |

8. Market Price Data
Monthly Share Price for the year 2013-2014

Month	High	Low	Close
April 2013	9.00	9.00	9.00
May 2013	9.45	9.45	9.45
June 2013	10.49	9.30	10.49
July 2013	11.00	10.00	10.00
August 2013	10.50	10.00	10.00
September 2013	9.90	8.14	8.14
October 2013	8.00	4.84	5.08
November 2013	4.84	3.44	3.44
December 2013	4.03	3.16	4.03
January 2014	5.34	4.02	5.34
February 2014	5.12	4.39	4.75
March 2014	4.58	4.00	4.41

9. Movement of Share Price - BSE during 2013 - 2014



10. Registrar and Share Transfer Agents

S.K.D.C. Consultants Ltd.,
 Kanapathy Towers,
 3rd Floor 1391/A-1 Sathy Road, Ganapathy
 Coimbatore 641 006. Ph: 0422-6549995
 Email id: info@skdc-consultants.com

11. Share Transfer System

The Company's shares are required to be compulsorily traded in the stock exchanges in dematerialized form. Shares in Physical mode which are lodged for transfer are processed and returned within the stipulated time, if the documents are complete in all respects. Physical shares received for dematerialization are processed and completed within the stipulated time if the documents are complete in all respects. Bad deliveries are promptly returned to Depository Participants (DP'S) under advice to share holders. The company obtains from Practicing Company Secretary, Coimbatore the following certificates:

- a. Pursuant to clause 47 (C) of the listing agreement with the stock exchanges, on half-yearly basis, for due compliance of share transfer formalities by the company through RTA.

- b. Pursuant of SEBI (Depositories and Participants) Regulations, 1996, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited (NDSL) and Central Depository Services (India) Limited (CDSL) with the total issued/Paid-up capital of the company.

12. Distribution of Shareholding as on 31st March, 2014.

Value (Rs.)	No. of Share Holders	%	Amount(Rs.)	%
Upto - 5,000	2774	82.26	53,06,380	10.49
5,001 -- 10,000	317	9.40	27,40,170	5.41
10,001 -- 20,000	122	3.62	19,26,980	3.81
20,001 -- 30,000	62	1.84	15,51,310	3.07
30,001 -- 40,000	13	0.39	4,62,130	0.91
40,001 -- 50,000	21	0.62	9,49,760	1.88
50,001 -- 1,00,000	28	0.83	21,67,600	4.28
1,00,001 AND ABOVE	35	1.04	3,54,95,670	70.15
TOTAL	3372	100.00	5,06,00,000	100.00

Shareholding Pattern as on 31st March 2014.

Category	No. of Shares	Percentage of Shares holding
Promoter and Promoter Group	1891899	37.39
Domestic Bodies Corporate	62918	1.24
Non Resident Indians	12723	0.25
Indian Public and Others	3092460	61.12
Total	5060000	100.00

13. **Shares dematerialised as on 31.03.2013** : **89.49%**
- Shares Dematerialised with : National Securities Depository Limited,
Trade World, 4th Floor, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
- : Central Depository Services (India) Limited,
P.J.Towers, 28 th Floor, Dalal Street,
Mumbai – 400 001.
- Dematerialisation of shares : Commenced with effect from March 2001.
14. **Address for Correspondence :**
M/s. S.K.D.C. Consultants Limited,
Kanapathy Towers, 3rd Floor
1391/A-1 Sathy Road, Ganapathy
Coimbatore 641 006.
Phone : 0422 – 6549995, 2539835, 2539836
Fax : 0422 – 2539837
e-mail : info@skdc-consultants.com
15. **Address for Communication to the Company :**
CG - VAK Software And Exports Limited
171, Mettupalayam Road,
Coimbatore - 641043.
Phone : 0422-2434491/92/93
Fax : 0422 - 2440679
e-mail : investorservices@cgvak.com
16. **Website of the Company : www.cgvak.com**

17. Plant Location : (The Company does not have Plants and the addresses given below are only offices of the Company)

India	New Jersey (WOS-USA)	California (WOS-USA)
<u>Unit I</u> CG-VAK Software & Exports Ltd., 171, Mettupalayam Road, Coimbatore – 641043.	CG-VAK Software USA Inc. 100, Overlook Centre, 2 nd Floor, Princeton, New Jersey – 08540.	CG-VAK Software USA Inc., 1661, Tice Valley Blvd, Suite#101, Walnut Creek, California - 94595.
<u>Unit II</u> CG-VAK Software & Exports Ltd., S.F.No. 174/2, Thiruvalluvar Street Vellakinar Pirivu Road, G.N.Mills Post Coimbatore – 641029.		

(By the Order of Board)
for CG-VAK SOFTWARE AND EXPORTS LIMITED

Place : Coimbatore
Date : 28th May, 2014

C.GANAPATHY
Chairman

CODE OF CONDUCT- DECLARATION UNDER CLAUSE 49 (I) (D) OF THE LISTING AGREEMENT

This is to certify that:

1. In pursuance of provisions of Clause 49 (I)(D) of the Listing Agreement with the Stock Exchange, a code of conduct for Board of Directors and Senior Management Personnel has been approved by the Board.
2. The said code of conduct has been uploaded on the Company's website and also circulated to the members of the Board and the Senior Management Personnel.
3. All Board members and Senior Management personnel have affirmed with said Code of Conduct for the period of 31st March, 2014.

(By the Order of Board)
for CG-VAK SOFTWARE AND EXPORTS LIMITED

Place : Coimbatore
Date : 28th May, 2014

G.SURESH
Managing Director

CEO AND CFO CERTIFICATION

To the Board of Directors
of CG-VAK Software And Exports Limited

In compliances with Clause 49 (V) of the Listing Agreement with the Stock Exchanges, we hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2014 and that to the best of their knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are to the best of our knowledge and belief, no transactions entered into by the company during the year 2013-2014 which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of internal control systems of the company and we have not observed any deficiencies in the design or operation of internal controls.
- (d) We have indicated to the auditors and the Audit committee that there are:
 - (i) No significant changes in internal control over financial reporting during the year;
 - (ii) No significant changes in accounting policies during the year; and
 - (iii) No instances of significant fraud where the involvement of the management or an employee having a significant role in the company's internal control system have been observed.

Place : Coimbatore
Date : 28th May, 2014

G.Suresh
Managing Director & CEO

P.S.Subramanian
Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**1. Industry Structure:**

The Global economy ended better in the calendar year 2013 when compared to the start of the year and the growth momentum is expected to continue during the year 2014 and the world output is expected to grow at 3.6% in 2014 when compared to 2.9% in 2013.

The spending on Global technology and technology services grew at 4.5% in 2013. USA, the world's largest IT market grew at 5.6%.

Companies worldwide are increasingly turning to offshore technology service providers to meet their technology service needs and to improve their cost effectiveness. Technology has also evolved from driving just cost effectiveness to adding tangible business value.

North American market continues to be the major contributor to India's IT service exports and companies are increasingly making investments in technology to drive growth in their business.

2. Operational performance

During the year under review your Company has achieved a turnover of Rs.895.12 lakhs as against Rs. 869.21 lakhs in the previous year. The net profit for the year is Rs. 65.06 lakhs as against the net profit of Rs. 102.54 lakhs in the previous year. The company strengthened its focus on the offshore software services and Outsourced Product Development (OPD) market segment.

3. Segment-wise Performance

The contributions of business from various Geographical area were:

North America contributed to 80% and Rest of the world 20 %. The company has strategically increased the focus on offshore software services and the onsite service business is NIL. The business from Offshore Software Services was Rs.878.32 lakhs during the year 2013-2014 as against Rs. 854.77 in the previous year. The increase has been at 2.76% compared with previous year.

4. Opportunities, Threats, Risks and Concerns

The company is seeing good traction on the Mobility practice and Outsource Product Development (OPD) market segment from North America. The IT spend is expected to grow once the global economic recovery process gathers speed and the levels of discretionary spending increases. We seek to strengthen the client relationships by improving the value we offer to our clients and we expect a good growth in the repeat business we get. The sales pipeline has been growing well and this provides good opportunities for growth. There is stiff competition from many Indian and International IT companies for business.

Our Industry is marked by high attrition rate and the prime challenge is to retain the best talent. We are trying to mitigate the risk by offering good HR practices and providing an opportunity to work in our US subsidiary. The company is exposed to the risks and benefits of foreign exchange fluctuations. The company is now adopting a very cautious approach in hedging the currency. High dependency on the North American market is again a risk, which we are trying to mitigate by expanding the geographical spread of our market. Currently we get over 80% of our business from the North America.

5. Outlook for the future:

The global economy is expected to improve in 2014 and the global GDP is likely to grow at 3.6% in 2014.

For the financial year 2014-15 the IT exports from India is likely to grow at the rate of 13-15%. The technology changes like Cloud, Software as a Service (SaaS), Mobility and social technologies are expected to drive the technology spending globally. CG-VAK is gearing itself to capitalize on the opportunities that are thrown open due to these changes.

The company has been building domain expertise, innovative delivery methods in the Outsourced Product Development space that has helped in differentiating our service offerings to win deals. A positive growth is expected to continue in the current year as well.

6. Internal Controls & their Adequacy

We have a good control mechanism in place at all our departments. As we are an ISO 9001:2008 Certified Company, we have a well-matured development process in place where there is an enhancement of the processes in all our departments. Every department has Performance Objectives fixed for each year and the same is reviewed every month. The Company has also a Risk Management plan in place where the potential risks are identified and a mitigation plan is also in place for each of the identified risks.

7. Human Resources

One of the top priorities for the company has been recruiting and retaining good talent. The company has made various HR initiatives to ensure that higher level of job satisfaction is attained for its engineers. Also company adopts continuous skill enhancement practice for its engineers. As of 31st March 2014 the employee strength stood at 186.

8 Caution

The views and statements expressed or implied in the Management Discussions and Analysis are based on available information, experience and our own assessments. They are subject to alterations. The Company's actual Performance may differ due to national or international ramifications, Government Regulations, Policies, Tax Laws and other unforeseen factors over which the Company do not or may not have any control.

(By Order of the Board)
for CG-VAK SOFTWARE AND EXPORTS LIMITED

Place: Coimbatore
Date : 28th May, 2014

C.GANAPATHY
Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
CG-VAK SOFTWARE AND EXPORTS LIMITED

We have examined the compliance of corporate governance by CG-VAK Software And Exports Limited for the year ended 31st March, 2014 as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by directors and the management, we certify that the company has complied with the conditions of corporate governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the shareholder/Investor grievance committee.

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

For S. Lakshminarayanan Associates
Chartered Accountants
S. Lakshminarayanan
Partner
M.No.012024
Regn.No.006609S

Place : Coimbatore
Date : 28th May, 2014

Independent Auditor's Report To the Members of CG-VAK Software And Exports Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **CG-VAK Software And Exports Limited** ('the Company') which comprise the balance sheet as at 31st March 2014, the statement of profit & loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in term of General Circular 15/2013 dated 13th September 2013 of the Ministry of Company Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards of Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statement give the information required by the act in the manner as required and give the true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2014 ;
- (ii) in the case of the Statement of Profit & Loss of the **Profit** for the year ended on that date ; and
- (iii) in the case of Cash Flow Statement of the Cash Flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

- (a) *Note Nos.4.13, 4.14 & 4.15 to the financial statements regarding Non-provision of Gratuity which describe the uncertainty relating to the outcome of the lawsuits filed against the Company by a former director and his relatives.*
- (b) *Note Nos.4.16 to the financial statements regarding the claim on non-payment of fixed deposits before the High Court, Madras which describe the uncertainty relating to the outcome of the lawsuits filed against the Company by a former director and his relatives.*
- (c) *Note No.4.17 regarding Non-provision of penalty imposed by the Adjudicating officer in response to a Show cause Notice issued against the company by SEBI.*
- (d) *Note No.4.18 - We did not audit the financials of the wholly owned subsidiary whose financials have been consolidated along with those of the company, which have been compiled by Certified Public Accountant and certified by the Management as the audit of the subsidiary is not mandated as per the prevailing rules and regulations of United States of America.*

Our Report is not qualified in respect of the above matters.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order 2003 ("the Order"), as amended, issued by the Central Government of India in terms of Subsection (4A) of Section 227 of the Act , we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by Section 227(3) of the Act, we report that
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the Books of Account;
 - d) In our opinion the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in term of General Circular 15/2013 dated 13th September 2013 of the Ministry of Company Affairs),
 - e) On the basis of written representations received from the Directors as on 31st March 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2013, from being appointed as a Director in terms of clause (g) of Subsection (1) of Section 274 of the Companies Act, 1956.

For **S. Lakshminarayanan Associates**
Chartered Accountants
S. Lakshminarayanan
Partner
M.No.012024
Regn.No.006609S

Place : Coimbatore
Date: 28th May, 2014

Annexure to the Auditors' Report:

The Annexure referred to in our report to the members of **CG-VAK Software And Exports Limited** ('the Company') for the year ended 31st March 2014. We report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year in accordance with a regular program of verification which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) No substantial part of fixed assets have been disposed off during the year.
- (ii) The Company does not hold any inventory. Clause 4 (ii) of the Companies (Audit Report) Order 2003 is not applicable.
- (iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
 - (b) The Company has not taken any loans, secured or unsecured, from companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion, according to the information and explanations given to us, the internal control procedures of the company relating to purchases of fixed assets and for sale of services are commensurate with its size and nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems.
- (v) (i) According to the information and explanations given to us, We are of the opinion that, the transactions that need to be entered in the Register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (ii) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of Contracts or Agreements entered in the Register maintained Under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevalent market prices at the relevant time.

- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the Provisions of Section 58A and Section 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 with regard to deposits accepted from the Public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company's internal audit system is commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of Cost Records under Section 209(1) (d) in respect of services carried on by the company.
- (ix)
- (a) The Company is regular in depositing with the appropriate authorities the undisputed statutory dues relating to provident fund, employees state insurance, investor education protection fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us and the records of the company examined by us there are no dues of provident fund, employees state insurance, investor education protection fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions and banks.
- (xii) The Company has not granted loans and advances on the basis of security of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to a chit fund/nidhi/mutual benefit fund/society are not applicable to the company.
- (xiv) The Company does not deal / trade in shares/ securities / debentures / other investments.
- (xv) The Company has not given guarantees for loans taken by others from bank or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purposes for which they were raised.
- (xvii) According to the cash flow statement and other records examined by us and the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act.
- (xix) The company has not issued any debentures.
- (xx) The company has not raised funds by public issues during the year covered by our audit report.
- (xxi) According to the information and explanations given to us and on the basis of our examination of books & records of the company in accordance with the generally accepted auditing practices, no fraud on or by the company has been noticed or reported during the year.

Place : Coimbatore
Date: 28th May, 2014

For S. Lakshminarayanan Associates
Chartered Accountants
S. Lakshminarayanan
Partner
M.No.012024
Regn.No.006609S

BALANCE SHEET AS AT 31ST MARCH 2014

	Note No	31-Mar-2014 Rs	31-Mar-2013 Rs	
I EQUITY & LIABILITIES:				
1 Shareholders' Funds:				
a	Share Capital	2.01	5,05,33,700	5,05,33,700
b	Reserves & Surplus	2.02	2,50,23,845	2,14,74,658
			7,55,57,545	7,20,08,358
2 Non Current Liabilities:				
a	Long Term Borrowings	2.03	19,71,462	39,41,000
b	Other Long Term Liabilities		2,94,120	2,94,120
			22,65,582	42,35,120
3 Current Liabilities:				
a	Trade Payables		19,33,501	17,97,387
b	Other Current Liabilities	2.04	74,32,247	77,07,925
c	Short Term Provisions	2.05	56,67,029	68,77,569
			1,50,32,777	1,63,82,881
			9,28,55,904	9,26,26,359
II Assets:				
1 Non Current Assets:				
a	Fixed Assets	2.06		
	- Tangible Assets		1,62,44,168	1,74,12,598
	- Intangible Assets		32,53,796	50,27,755
			1,94,97,964	2,24,40,353
b	Non Current Investments	2.07	3,31,01,761	3,31,01,761
c	Deferred Tax Asset (net)	2.08	41,58,193	39,48,718
d	Long Term Loans & Advances	2.09	17,70,427	60,71,596
2 Current Assets:				
a	Trade Receivables	2.10	2,43,45,458	1,80,82,328
b	Cash & Cash Equivalents	2.11	72,08,354	44,31,647
c	Short Term Loans & Advances	2.12	26,98,632	44,85,853
d	Other Current Assets		75,115	64,103
			3,43,27,559	2,70,63,931
			9,28,55,904	9,26,26,359

Significant Accounting Policies & Notes form an Integral part of the financial Statements

As per Report of even date

For and on Behalf of the Board of Directors

For S Lakshminarayanan Associates
 Chartered Accountant
 S Lakshminarayanan
 Partner (M.No.012024)
 Firm Regn No.006609S

G.Suresh
Managing Director

 S.Muthukumar
Director

C.Ganapathy
Executive Chairman

 P.S. Subramanian
Chief Financial Officer

Place : Coimbatore
 Date : 28th May, 2014

Shainshad Aduvanni
Company Secretary

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	Note No	31-Mar-2014 Rs	31-Mar-2013 Rs	
I	Income:			
a	Revenue from Operations	3.01	8,95,12,219	8,69,20,713
b	Other Income	3.02	36,09,796	28,12,497
			9,31,22,015	8,97,33,210
II	Expenditure:			
a	Employee Benefits Expense	3.03	6,25,20,095	5,33,21,514
b	Operating & Other Expenses	3.04	1,70,65,928	1,77,95,871
c	Finance Cost	3.05	8,48,170	21,46,697
d	Depreciation & Amortization		49,09,088	63,45,039
			8,53,43,281	7,96,09,121
III	Profit/ (Loss) Before Taxes		77,78,734	1,01,24,089
IV	Tax Expense			
a	Current Tax	25,63,675		
	Less: MAT Credit entitlement	<u>10,81,175</u>	14,82,500	21,00,000
b	Deferred Tax		(2,09,475)	(22,29,534)
			12,73,025	(1,29,534)
V	Profit / (Loss) for the Year		65,05,709	1,02,53,623
VI	Earnings Per Share (par value of Rs.10 each) (Basic & Diluted)		1.29	2.03

Significant Accounting Policies & Notes form an Integral part of the financial Statements

As per Report of even date

For S Lakshminarayanan Associates
 Chartered Accountant
 S Lakshminarayanan
 Partner (M.No.012024)
 Firm Regn No.006609S

Place : Coimbatore
 Date : 28th May, 2014

For and on Behalf of the Board of Directors

G.Suresh
Managing Director

 S.Muthukumar
Director

C.Ganapathy
Executive Chairman

 P.S. Subramanian
Chief Financial Officer

 Shainshad Aduvanni
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	31-Mar-2014 Rs	31-Mar-2013 Rs
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax and Extra-Ordinary Items	77,78,734	1,01,24,089
<u>Adjustments for</u>		
Depreciation & Amortization	49,09,088	63,45,039
(Profit) / Loss on sale of Assets	12,145	(4,223)
Provision for Bad Debts	22,65,279	39,97,218
Unrealised Foreign Exchange gain on cash and cash equivalents	(1,838)	17,786
Interest Receipts	(7,14,893)	(11,81,735)
Finance Cost	8,48,170	21,46,697
Operating Profit/ (Loss) Before Working Capital Changes	1,50,96,685	2,14,44,871
<u>Adjustments for</u>		
(Increase) / Decrease in Trade Receivables	(85,28,410)	(66,29,886)
(Increase) / Decrease in Other Current Assets	28,85,317	1,18,092
Increase / (Decrease) in Trade & Other Payables	14,99,968	4,68,854
Changes in Working Capital	(41,43,125)	(60,42,940)
Cash Generated From Operations	1,09,53,560	1,54,01,931
Direct Taxes Paid	(34,59,425)	0
Net Cash Generated from Operating Activities	74,94,135	1,54,01,931
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(20,46,463)	(22,62,159)
Interest Receipts	7,14,893	11,81,735
Sale of Fixed Assets	67,619	1,79,747
	(12,63,951)	(9,00,677)
C CASH FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Secured Long Term Borrowing	(5,90,569)	2,66,903
Increase / (Decrease) in Unsecured Long Term Borrowing	(22,29,689)	(43,80,093)
Increase / (Decrease) in Working Capital Borrowing	0	(76,60,144)
Loans Received Back from Subsidiary	31,74,274	29,04,227
Dividend Paid	(25,23,370)	0
Corporate Dividend Distribution Taxes paid	(4,28,847)	0
Increase / Decrease in Bank Balances not considered as cash & cash equivalents	(10,55,940)	(2,74,331)
Finance Cost	(8,74,900)	(26,07,505)
	(45,29,041)	(1,17,50,943)
Net Increase/(Decrease) in Cash & Cash Equivalents	17,01,143	27,50,311
Add: Opening Balance of Cash & Cash Equivalents	38,68,173	11,17,862
Closing Balance of Cash & Cash Equivalents	55,69,316	38,68,173

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	31-Mar-2014 Rs	31-Mar-2013 Rs
<u>Reconciliation of Cash and Cash Equivalents with the Balance Sheet</u>		
Cash and Cash Equivalents as per Note No.2.11	72,08,354	44,31,647
Less : Deposits maturing beyond 3 months	12,82,319	2,60,494
Less : Deposits under lien	3,54,881	3,20,766
	55,71,154	38,50,387
Unrealised Foreign Exchange Gain/Loss - Cash & Cash Equivalents	(1,838)	17,786
Cash and Cash Equivalents as restated	55,69,316	38,68,173

Notes

- 1 Cash Flow Statement prepared under Indirect Method as set out in Accounting Standard -3 (AS -3)]
- 2 Figures in brackets indicate cash outflow
- 3 Previous year figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

As per Report of even date

For S Lakshminarayanan Associates

 Chartered Accountant
 S Lakshminarayanan
 Partner (M.No.012024)
 Firm Regn No.006609S

 Place : Coimbatore
 Date : 28th May, 2014

For and on Behalf of the Board of Directors

 G.Suresh
Managing Director

 S.Muthukumar
Director

 C.Ganapathy
Executive Chairman

 P.S. Subramanian
Chief Financial Officer

 Shainshad Aduvanni
Company Secretary

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS

Note No	
1.00	<u>Significant Accounting Policies</u>
i	<u>Basis of Preparation of financial Statements</u> The financial statements have been prepared to comply with Accounting Principles generally accepted in India, the Accounting Standards notified under the Companies (Accounting Standard Rules) 2006 and the relevant provisions of the Companies Act, 1956.
ii	<u>Fixed Assets:</u> a <u>Tangible Assets</u> Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. The carrying amount of assets are reviewed at each balance sheet date if there is an indication of impairment based on internal/external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The reduction is treated as impairment loss and recognised in the statement of Profit & Loss account. b <u>Intangible Assets</u> Intangible assets are stated at cost less accumulated depreciation. The costs consists of purchase cost and any other cost directly attributable to bringing the assets to its working condition for its intended use. Subsequent expenditure incurred in relation to an item of intangible asset are added to its book value only if they increase the future benefits from the existing asset beyond the previously assessed standard of performance.
iii	<u>Investments:</u> Investments held are all long term based on Management's intention at the time of purchase. Cost of overseas investments comprise of Indian rupee value of consideration paid for the investment translated at the exchange rate prevailing at the date of investment.
iv	<u>Foreign Currency Transaction:</u> a Foreign currency denominated monetary assets are translated at the exchange rates prevailing on the date of the balance sheet. b Monetary items denominated in foreign currency at the year end are restated at year end rates. c Non Monetary item foreign currency items are stated at cost. d Items of revenue and expenditure are translated at the rates prevailing on the date of the transaction. The resultant differences are recognised in the Statement of Profit & Loss account.
v	<u>Revenue recognition:</u> a Revenue from contracts priced on time are recognised when the services are rendered and related costs are incurred. b Interest receipts are recognised on time proportion basis taking into account the amount outstanding and rate applicable. c Dividend is recognised when the right to receive payment is established.
vi	<u>Depreciation</u> Depreciation is charged on Straight Line method as per the rates prescribed. Pro rata depreciation is charged on additions during the year
vii	<u>Taxation</u> a Current Tax expense comprise of tax on income from Indian and overseas operations. Income tax payable is determined as per the provisions of the Indian Income tax Act, 1961. Minimum Alternative Tax (MAT) paid which gives rise to future economic benefits in the form of adjustment of future tax liability is considered as an asset. b Deferred Tax expense is recognised on timing difference being the difference between taxable and accounting income that originate in one period to be reversed in one or more subsequent periods. Deferred tax liability or asset are determined at the rates prevailing at the balance sheet date.
viii	<u>Employee benefits</u> a <u>Provident fund</u> Provident fund contributions are as per the rates prescribed by the Employees Provident fund act and the same is charged to the profit & loss account

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS

Note No	31-Mar-2014 Rs	31-Mar-2013 Rs
b	<u>Gratuity</u> The expenditure is recognised based on present value of obligation as determined in accordance with AS 15 on Employee benefits	
c	<u>Other short term employee benefits</u> The amount of short term employee benefits expected to be paid in exchange of services rendered by the employee is recognised during the period in which the service is rendered. The benefits include performance incentive.	
ix	<u>Derivative Instruments and hedge accounting</u> <u>Forwarding exchange Contracts entered int hedging foreign currency risk of an existing asset or liability.</u> The premium or discount arising at the inception of forward exchange contract is amortized and recognised as an expense/ income over the life of the contract. Exchange difference on such contract, except the contracts which are long term foreign currency monetary item, are recognized in the statement of profit & loss in the period in which the exchange rate change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period.	
2.01	Share Capital:	
i	<u>Authorised Capital:</u> 70,00,000 Equity Shares of Rs.10 each	
	<u>7,00,00,000</u>	7,00,00,000
ii	<u>Issued, Subscribed & Paid-Up Capital:</u> 50,60,000 Equity Shares of Rs.10 each	
	5,06,00,000	5,06,00,000
	66,300	66,300
	<u>5,05,33,700</u>	<u>5,05,33,700</u>
iii	<u>Reconciliation of number of Equity shares:-</u> Shares outstanding as at 1st April 2013/ 1st April 2014	
	50,60,000	50,60,000
	0	0
	50,60,000	50,60,000
iv	<u>List of shares held by shareholders holding more than 5% of the Aggregate shares in the company:-</u>	
	<u>Name of the Shareholder</u>	<u>Shares held</u>
	Mr.G.Suresh	9,21,677
	Mr.K.V.Kamaraj	5,21,674
	Mr.C.Ganapathy	4,06,350
	Mrs.S.Latha	3,55,686
v	The company has issued only one class of equity shares having a par value of Rs.10/share	
2.02	Reserves & Surplus:	
i	<u>General Reserve</u>	
a	1,03,00,000	1,00,00,000
b	3,00,000	3,00,000
c	1,06,00,000	1,03,00,000
ii	<u>Surplus in Profit & Loss Account</u>	
a	1,11,74,658	41,73,252
b	65,05,709	1,02,53,623
	1,76,80,367	1,44,26,875
a	3,00,000	3,00,000
b	25,27,050	25,23,370
c	4,29,472	4,28,847
	32,56,522	32,52,217
d	1,44,23,845	1,11,74,658
	<u>2,50,23,845</u>	<u>2,14,74,658</u>

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS

Note No		31-Mar-2014 Rs	31-Mar-2013 Rs
2.03	Long Term Borrowings:-		
i	<u>Secured Loans:-</u>		
	State Bank of India - Term Loan - III	5,65,962	11,56,531
a	Hypothecation of assets acquired out of bank finance		
b	Personal Guarantee of The Managing Director & Executive Chairman		
c	Equitable mortgage over land and building as collateral		
d	Interest paid @ 14.85% p.a.		
e	Total No of Instalments - 60; repayment commencing April 2012; pending instalments - 23		
f	There is no continuing default in respect of this loan		
ii	<u>Unsecured Loans:-</u>		
	Deposits from Public	14,05,500	26,35,000
a	Fixed deposits are accepted maturity ranging between 1 and 3 years		
b	Interest paid @ 11% p.a.		
c	There are no continuing defaults in respect of fixed deposits		
	Vehicle Loans - Others	0	1,49,469
		19,71,462	39,41,000
	<u>Vehicle Loans - Others</u>	<u>Pending EMI</u>	<u>Pending EMI</u>
		31-Mar-2014	31-Mar-2013
a	Kotak Mahindra Prime Ltd-II	1	13
b	Kotak Mahindra Prime Ltd-III	4	16
		0	11,390
		0	1,38,079
		0	1,49,469
c	Interest rates range between 5.93 % to 9.58 % on the above vehicle loans		
d	Current maturity of long term debt reported under current liabilities		
	Details of Non Current & Current Borrowings		
		31-Mar-14	31-Mar-14
		Non Current	Current
			Total
a	State Bank of India - Term Loan - III	5,65,962	6,00,000
b	Deposits from Public	14,05,500	11,97,800
c	Vehicle Loans	0	1,49,469
		19,71,462	19,47,269
			39,18,731
		31-Mar-13	31-Mar-13
		Non Current	Current
			Total
a	State Bank of India - Term Loan - III	11,56,531	6,00,000
b	Deposits from Public	26,35,000	15,90,320
c	Vehicle Loans	1,49,469	6,07,669
		39,41,000	27,97,989
			67,38,989
2.04	Other Current Liabilities		
i	<u>Secured Current Maturities of Long term Debt</u>		
a	State Bank of India - Term Loan - III	6,00,000	6,00,000
	Hypothecation of assets acquired out of bank finance		
	Personal Guarantee of The Managing Director & Chairman		
ii	<u>Unsecured Current Maturities of Long Term Debt:</u>		
a	Deposits from Public	11,97,800	15,90,320
b	Vehicle Loans - Other than Bank	1,49,469	6,07,669
iii	<u>Interest Accrued But not due on Fixed Deposits</u>	82,584	1,09,316

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS

Note No		31-Mar-2014 Rs	31-Mar-2013 Rs
iv	Other payables		
a	Advance received from Customers	0	11,880
b	Salary Payable	41,42,111	33,20,185
c	Other payables	12,60,283	14,68,555
		74,32,247	77,07,925
2.05	Short Term Provisions		
i	Provision for Income Tax (net)	1,23,075	21,00,000
ii	Provision for Employee Benefits	25,87,432	18,25,352
iii	Proposed Dividend	25,27,050	25,23,370
iv	Provision for Tax on Dividend	4,29,472	4,28,847
		56,67,029	68,77,569

2.06 Fixed Assets

Particulars	COST BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Cost As at 01- Apr- 13	Additons during the year	Sales/ Withdrawal	Cost as at 31- Mar- 14	upto 01- Apr- 13	Depreciation for the year	Sales/ Withdrawal	upto 31- Mar- 14	WDV 31- Mar- 14	WDV 31- Mar- 13
Tangible Fixed Assets										
Freehold Land	63,75,000	0	0	63,75,000	0	0	0	0	63,75,000	63,75,000
Freehold Building	46,60,178	0	0	46,60,178	12,08,322	1,77,225	0	13,85,547	32,74,631	34,51,856
Plant & Equipment	3,59,32,171	11,40,820	78,81,866	2,91,91,125	3,16,12,675	14,21,830	78,81,866	2,51,52,639	40,38,486	43,19,496
Vehicles	60,05,831	0	2,70,000	57,35,831	29,84,099	4,74,422	1,90,236	32,68,285	24,67,546	30,21,732
Furniture & Fittings	77,69,207	2,39,996	99,764	79,09,439	75,24,693	3,96,005	99,764	78,20,934	88,505	2,44,514
Sub Total - Tangible Assets	6,07,42,387	13,80,816	82,51,630	5,38,71,573	4,33,29,789	24,69,482	81,71,866	3,76,27,405	1,62,44,168	1,74,12,598
Previous YE										
31-Mar-2013	6,75,96,339	21,61,574	90,15,526	6,07,42,387	4,88,04,469	33,65,321	88,40,002	4,33,29,788	1,74,12,599	1,87,91,870
Intangible Fixed Assets										
Software	3,54,11,291	6,65,647	0	3,60,76,938	3,03,83,536	24,39,606	0	3,28,23,142	32,53,796	50,27,755
Sub Total - Intangible Assets	3,54,11,291	6,65,647	0	3,60,76,938	3,03,83,536	24,39,606	0	3,28,23,142	32,53,796	50,27,755
Previous YE										
31-Mar-2013	3,53,10,706	1,00,585	0	3,54,11,291	2,74,03,818	29,79,718	0	3,03,83,536	50,27,755	79,06,888
Grand Total	9,61,53,678	20,46,463	82,51,630	8,99,48,511	7,37,13,325	49,09,088	81,71,866	7,04,50,547	1,94,97,964	2,24,40,353
Previous YE 31-Mar-2013	10,29,07,045	22,62,159	90,15,526	9,61,53,678	7,62,08,288	63,45,039	88,40,002	7,37,13,325	2,24,40,353	2,66,98,757

2.07 Non-Current Investments: (Valued At Cost) - Other Investments

i	<u>Investment in Equity Instruments:- (Fully paid - quoted)</u>		
a	100 Equity Shares of Rs.10 each - Union Bank of India	1,600	1,600
ii	<u>Investment in Equity Instruments:- (Fully paid - Unquoted)</u>		
a	750 Equity Shares of USD 1,000 each CGVAK Software USA Inc CGVAK Software USA Inc is a wholly owned subsidiary.	3,31,00,161	3,31,00,161
		3,31,01,761	3,31,01,761

	Quoted	Quoted
Aggregate Cost of Quoted Investments	1,600	1,600
Face Value of Quoted Investments	1,000	1,000
Aggregate Market Value of Quoted Investments	13,720	21,805

	Unquoted	Unquoted
Aggregate Cost of Unquoted Investments	3,31,00,161	3,31,00,161
Face Value of Unquoted Investments	3,31,00,161	3,31,00,161

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS

Note No		31-Mar-2014 Rs	31-Mar-2013 Rs
2.08	Deferred Tax Asset:-		
	Opening Balance	39,48,718	17,19,184
	Add/(Less): Provision for the Year	2,09,475	22,29,534
		41,58,193	39,48,718
	<u>Deferred Tax Assets (net)</u>		
	Fixed Assets	8,69,857	3,97,194
	Employee Benefits	8,90,413	6,54,930
	Trade Receivable	23,97,923	28,96,594
		41,58,193	39,48,718
2.09	Long Term Loans & Advances:- (Unsecured Considered good)		
i	Loan to Subsidiary	0	32,04,994
ii	Other Long term Advances		
	- Related party - Rental advance	11,00,000	11,00,000
	- Others - Rental advance	0	34,000
iii	Other Advances	92,000	92,000
iv	MAT Credit entitlement	1,55,547	12,36,722
v	Deposits	4,22,880	4,03,880
		17,70,427	60,71,596
2.10	Trade Receivables - Unsecured		
i	<u>Considered Good</u>		
a	Outstanding for a period less than 6 months	1,94,85,440	1,62,17,734
b	Other debts	48,60,018	18,64,594
ii	<u>Considered Doubtful</u>	77,60,270	93,74,092
	Less: Provision for Doubtful Debts		
	- Upto last year	9374092	
	- For the year	2265280	
		11639372	
	Less: Written off during the year	3879102	(93,74,092)
		(77,60,270)	(93,74,092)
		2,43,45,458	1,80,82,328
iii	<u>Provision for Doubtful Debts</u>		
	The Company evaluates all customer dues for collectability. The need for provisions is assessed based on various factors including collectability, present market indicators pertaining to the relevant country which could affect the ability to settle. Provisions are made for debtor dues exceeding one year or longer from the date of invoice as at the date of the balance sheet. The company pursues all recovery of dues irrespective of provisions made.		
2.11			
i	<u>Cash & Cash Equivalents:</u>		
a	Cash in hand	1,22,138	47,362
b	Balance with Banks in Current accounts	14,68,360	12,79,945
c	Balance with Cash Credit Account	39,80,656	25,23,080
d	Other Bank balances	16,37,200	5,81,260
		72,08,354	44,31,647
	<u>Details of Balances with banks as on the date of the balance sheet are as follows:-</u>		
ii	<u>Balances with Bank in Current Accounts</u>		
a	Indian Overseas Bank	8,463	9,053
b	State Bank of India Current A/c	3,22,773	16,781
c	State bank of India EEFC (USD)	60,003	53,336

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS

Note No	31-Mar-2014 Rs	31-Mar-2013 Rs
d	38,650	38,650
e	14,648	24,684
f	10,23,823	11,37,441
	14,68,360	12,79,945
iii	<u>Balance with Cash Credit Account</u>	
	State bank of India Cash Credit (Sanctioned Limit of Rs.1 Crore)	
	39,80,656	25,23,080
a	Hypothecation of entire stocks(Raw Materials, Stock in process, Finished goods both present and future), receivables and other current assets of the unit.	
b	Personal Guarantee of The Managing Director & Executive Chairman	
c	Equitable mortgage over land and building as collateral	
d	There is no continuing default in respect of this loan	
iv	<u>Other Bank Balances - Deposit Accounts</u>	
a	2,94,792	2,80,766
b	13,42,408	3,00,494
	16,37,200	5,81,260
	<u>Deposit Accounts</u>	
a	3,54,881	3,20,766
b	12,82,319	2,60,494
	16,37,200	5,81,260
	<u>Deposit Accounts maturity beyond 1 year</u>	
a	14,85,001	3,78,578
b	1,52,199	2,02,682
	16,37,200	5,81,260
2.12	Short Term Loans & Advances:	
	<u>Unsecured - Considered Good</u>	
i	0	19,39,998
ii	26,761	94,168
iii	21,36,720	21,06,000
iv	1,29,026	1,88,200
v	4,06,125	1,57,487
	26,98,632	44,85,853
3.01	Revenue From Operations	
i	8,78,31,557	8,54,77,282
ii	16,80,662	14,43,431
	8,95,12,219	8,69,20,713
3.02	Other Income:	
i	7,14,893	11,81,735
ii	28,43,376	15,67,139
iii	800	800
iv	0	4,223
v	50,727	58,600
	36,09,796	28,12,497
	<u>Interest Receipts</u>	
	80,558	60,002
	6,34,335	11,21,733
	7,14,893	11,81,735

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS

Note No		31-Mar-2014 Rs	31-Mar-2013 Rs
3.03	Employee Benefits Expense		
i	Salary & Incentives	5,35,48,008	4,59,91,472
ii	Director Remuneration	33,00,000	33,00,000
iii	Staff Welfare	25,50,146	15,89,952
iv	Contribution to PF & ESI	22,88,808	21,62,458
v	Retirement Benefits	8,33,133	2,77,632
		6,25,20,095	5,33,21,514
3.04	Operating & Other Expense		
i	Rent	19,41,450	23,82,556
ii	Professional Charges	24,66,310	16,27,753
iii	Power & Fuel	18,60,605	23,99,089
iv	Communication Expenses	13,71,837	12,38,905
v	HRD Expenses	5,49,213	6,93,482
vi	Travelling Expenses	22,25,790	17,05,066
vii	Taxes & Licences	3,59,983	3,87,099
viii	Building Repairs	2,34,838	2,89,069
ix	Vehicle Repairs	3,17,473	4,49,894
x	Machinery Repairs	8,87,636	5,73,616
xi	Provision for Doubtful Debts	22,65,279	39,97,218
xii	Audit Fees	1,50,000	1,00,000
xiii	Other Fees paid to Auditors	1,06,462	70,230
xiv	Share Demat Expenses	1,28,938	1,28,661
xv	Bank Charges	5,71,322	5,54,004
xvi	Business Promotion & Marketing Expenses	2,73,895	1,06,130
xvii	Printing & Stationery	1,90,915	1,84,002
xviii	Legal & Consultancy	4,13,912	2,11,554
xix	STPI Service Charges	3,11,799	1,92,192
xx	Donation	1,600	55,000
xxi	Loss on Sale of Assets	12,145	0
xxii	Other Administrative Expenses	4,24,526	4,50,351
		1,70,65,928	1,77,95,871
3.05	Finance Cost		
i	Interest paid to Bank - Cash Credit	1,90,582	8,37,042
ii	Interest paid to Bank - Term Loan	2,14,253	2,57,194
iii	Interest paid on Fixed Deposits	3,69,256	8,87,760
iv	Interest paid on Vehicle Loans - Other Than Banks	74,079	1,64,701
		8,48,170	21,46,697
4.01	Depreciation has been provided on straight line method as per the rates specified under Schedule XIV of the Companies Act, 1956. Pro rata depreciation has been charged on additions during the year. During the year Assets which were determined to be impaired to the extent of Rs. 79.82 Lakhs have been reduced from the cost of assets and depreciation.		
4.02	Quantitative details are not furnished as the company is engaged in the development of computer software, providing services in IT and ITES.		

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS

Note No		31-Mar-2014 Rs	31-Mar-2013 Rs
4.03			
i	Earnings in foreign currency		
a	Sales	8,95,12,219	8,69,20,713
b	Interest	6,34,335	11,21,733
		9,01,46,554	8,80,42,446
ii	Expenditure in foreign currency		
a	Traveling	3,41,522	1,65,272
b	Other Administration Expenses	3,76,191	3,20,288
		7,17,713	4,85,560
4.04	Income tax assessments have been completed upto Asst Year 2011-2012		
4.05	Basic and Diluted Earnings Per share of Rs.10 each		
	Total Equity Shares outstanding at the end of the year (in Nos)	50,46,740	50,46,740
	Net Profit / (Loss) After Tax	65,05,709	1,02,53,623
	Earnings per Share - Basic & Diluted	1.29	2.03
4.06	Remuneration Paid to Directors		
i	Mr.G.Suresh	30,00,000	30,00,000
ii	Mr.C.Ganapathy	3,00,000	3,00,000
		33,00,000	33,00,000
a	Mr.C.Ganapathy, Executive Chairman and Mr.G.Suresh, Managing Director have been paid the minimum remuneration.		
b	Mr.C.Ganapathy, Executive Chairman and Mr.G.Suresh, Managing Director have waived the commission due to them at 1% on Net Profits.		
4.07	Auditors Remuneration		
i	Audit Fees	1,50,000	1,00,000
ii	Tax Audit Fees	50,000	25,000
iii	Certification Fees	28,250	26,500
iv	Service Tax	28,212	18,730
		2,56,462	1,70,230

4.08 Segmental Analysis for the Year Ended 31st March 2014 - Geographical Segment

Sl.No.	Particulars	31-Mar-2014 (Audited)	31- Mar-2013 (Audited)
a	Segment Revenue		
i	North America	7,14,53,728	6,69,15,288
ii	Rest of the World	1,80,58,490	2,00,05,426
iii	Less: Inter Segment Revenue	0.00	0.00
	Net Sales / Income from Operations	8,95,12,218	8,69,20,714
b	Segment Result (Profit before Tax & Interest from each segment)		
i	North America	38,57,640	72,69,221
ii	Rest of the World	11,59,468	21,89,068
	Total	50,17,108	94,58,289

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS

Note No		31-Mar-2014 Rs	31-Mar-2013 Rs
SL.No.	Particulars	31-Mar-2014 (Audited)	31-Mar-2013 (Audited)
	iii Less: Interest	8,48,170	21,46,697
	iv Less: Other un-allocable expenditure	0.00	0.00
	v Add: Other un-allocable income	36,09,796	28,12,497
	Profit before Tax & Extraordinary Items	77,78,734	1,01,24,089
c	Capital Employed		
	i North America	6,74,93,412	6,32,52,903
	ii Rest of the World	80,64,132	87,55,454
	Total	7,55,57,544	7,20,08,357

Note: Segmentwise results are furnished on geographical basis as the company has only one reportable material primary segment.

4.09 Disclosure in respect of related parties pursuant to Accounting Standard 18

i List of related parties over whom control exists

a	Wholly owned subsidiary	CGVAK Software USA Inc.,		
b	Key Managerial Personnel (KMP)	Mr G Suresh, Managing Director Mr C Ganapathy, Executive Chairman		
c	Relatives of Key Managerial Personnel	G Saraswathy S Latha S Sruthi S Gowtham		

ii During the year the following transactions were carried out with related parties in the normal course of business:-

	Subsidiary	KMP	Relatives of KMP
a	Interest Receipts	6,34,335	
b	Salary		33,00,000
c	Rent		17,56,920
d	Interest paid on fixed deposits		1,51,458
e	Advance repaid	19,39,998	
f	Loan repaid	31,74,274	
g	Fixed Deposits accepted during the year		2,00,000
h	Fixed Deposits repaid during the year		14,95,000
		31-Mar-2014	31-Mar-2013
iii	Amount due to related parties	25,33,298	38,30,716
iv	Amount due from related parties		
a	Wholly owned Subsidiary - Loan	21,36,720	53,10,994
b	Wholly owned Subsidiary - Advance	0	19,39,998
v	The Managing Director & Executive Chairman have given their personal guarantee for the Term loan and cash credit facilities availed from State Bank of India		

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS

Note No	31-Mar-2014 Rs	31-Mar-2013 Rs
4.10		
Disclosure under Accounting Standard 15 on Employee Benefits		
Disclosures in respect of Defined benefit obligations in respect of gratuity pursuant to Accounting Standard 15:		
The amounts recognized in the balance sheet are as follows		
Present value of obligation	25,87,432	18,20,803
Fair value of plan assets	Nil	Nil
Net surplus in the Balance sheet (Grouped under Prepaid expenses)	Nil	Nil
<u>The amount recognized in the statement of profit and loss are as follows:</u>		
Current service cost	6,12,699	3,97,948
Interest on obligation	1,42,822	1,18,991
Expected return on plan assets	Nil	Nil
Net actuarial losses(gains) recognized in year	82,161	(68,013)
Total included in Labour cost	71,053	2,26,665
<u>Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:</u>		
Opening defined benefit obligation	18,20,803	15,98,542
Prior period adjustment	Nil	Nil
Service cost	6,12,699	3,97,948
Interest cost	1,42,822	1,18,991
Actuarial (gains) / Losses	82,161	(68,013)
Benefits paid	(71,053)	(2,26,665)
Closing defined benefit obligation	25,87,432	18,20,803
<u>Changes in the fair value of plan assets representing reconciliation of the opening and closing balance thereof are as follows:</u>		
Opening fair value of plan assets	Nil	Nil
Expected return	Nil	Nil
Actuarial (Gains) / Losses	Nil	Nil
Contribution by employer	71,053	2,26,665
Assets acquired in an amalgamation in the nature of purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Benefits paid	(71,053)	(2,26,665)
Closing fair value of plan assets	Nil	Nil
<u>Balance sheet Reconciliation</u>		
Opening Net Liability	18,20,803	15,98,542
Expenses Recognised in Profit and Loss Account	8,37,682	2,77,632
Contribution made	(71,053)	(55,371)
Closing unfunded status (Surplus-Grouped under prepaid expenses)	25,87,432	18,20,803
Principal actuarial assumptions at the balance sheet date (expressed as weighted average)		
Discount rate current	8.9%	8%
Expected return per annum on plan assets	---	---
Salary Escalation per annum	6%	6%
Attrition rate	15%	10%
The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS

Note No	31-Mar-2014 Rs	31-Mar-2013 Rs
4.11	Disclosure regarding clause 32 of the listing agreement Wholly owned Subsidiary - CGVAK Software USA Inc	
	Maximum amount due 31-03-2014	
	Loan	21,36,720
	Loan 31/03/2013	53,10,994
	Advance	0
	Advance 31/03/2013	19,39,998
	Previous Year figures are in italics	
4.12	Details of Derivative Instruments and Unhedged Foreign Currency Exposure	
a	Derivatives Outstanding as at the Balance Sheet Date	
	Forward Contract to Buy	USD
	As at 31-03-2014	2,50,000
	Rs	1,61,31,813
	No of Contracts	10
b	Particulars of Unhedged Foreign Currency Exposure as at the balance sheet date	
	Particulars	USD
	i Trade Receivables	3,33,085
	Other Currencies	-
	Total	2,43,45,458
	ii Unhedged Foreign Currency Exposure as at the balance sheet date	83,085
	Other Currencies	-
	Total	41,03,120
		41,10,525
		82,13,645
4.13	No provision has been made on a Claim for gratuity amounting to Rs.2,88,461 preferred by a former Managing Director of the company filed before the Asst Commissioner of labour. This petition was dismissed in favour of the company vide order of the Asst Commissioner dated 7th November 2012. The Complainant has preferred an appeal against the order of the Asst Commissioner and the Appeal is pending.	
4.14	No provision has been made on a claim for gratuity amounting to Rs.8,82,000 preferred by a former director of the company filed before the Asst Commissioner of labour. The company has disputed the claim and the case is pending.	
4.15	No provision has been made on a claim for gratuity amounting to Rs.7,05,000 preferred by a former employee of the company before the Asst Commissioner of Labour. The Company has disputed the claim and the case is pending.	
4.16	No provision has been made on a claim for non-payment of fixed deposit amounting to Rs.10,55,691 by 6 complainants before the High Court, the company has disputed the claim and the case is pending.	
4.17	No provision has been made on a penalty amounting to Rs. 3 lakhs imposed by the Adjudicating officer in response to a Show Cause Notice issued against the company by SEBI. The Company has appealed against the order before the SEBI Securities Appellate Tribunal. The SEBI SAT has upheld the penalty after March 2014 and the same will be considered in the next financial year.	

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS**Note No**

- 4.18** The accounts of the wholly owned subsidiary - CG-VAK Software USA Inc are compiled by a CPA in accordance with the generally accepted accounting principles prevalent in the United States of America. The audit of the subsidiary is not mandated as per the prevailing rules and regulations in United States of America. The consolidated financial statements have been prepared based on this compiled financials.
- 4.19** Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21. The subsidiary considered in the consolidated financial statement is the wholly owned subsidiary CG-VAK Software USA Inc.
- 4.20** There are no amounts due to Small and Medium Enterprises due for more than 30 days as identified by the company.
- 4.21** Previous year figures have been regrouped/reclassified wherever found necessary.
- 4.22** Figures have been rounded off to the nearest rupee.

As per Report of even date

For and on Behalf of the Board of Directors

For S Lakshminarayanan Associates
Chartered Accountant
S Lakshminarayanan
Partner (M.No.012024)
Firm Regn No.006609S

G.Suresh
Managing Director

S.Muthukumar
Director

C.Ganapathy
Executive Chairman

P.S. Subramanian
Chief Financial Officer

Place : Coimbatore
Date : 28th May, 2014

Shainshad Aduvanni
Company Secretary

**Independent Auditor's Report
To the Board of Directors of CG-VAK Software And Exports Limited****Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of **CG-VAK Software And Exports Limited** ('the Company') and its wholly owned subsidiary **CG-VAK Software USA Inc** (collectively referred to as "the Group") which comprise the Consolidated balance sheet as at 31st March 2014, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated Financial position, Consolidated Financial Performance and Consolidated Cash Flows of the Group in accordance with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
4. An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances. An Audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2014 ;
 - (ii) in the case of the Consolidated Statement of Profit & Loss of the **Profit** of the Group for the year ended on that date ; and
 - (iii) in the case of Consolidated Cash Flow Statement of the Cash Flows of the Group for the year ended on that date

Emphasis of Matter

6. (a) *We did not audit the financial statements of the wholly owned subsidiary **CG-VAK Software USA Inc**. We have relied on the unaudited financial statements of the said Subsidiary whose financial statements reflect total assets of Rs.1169.75 lacs as at 31st March 2014, total revenues of Rs.2257.84 lacs for the year ended 31st March 2014 and share of aggregate profit of Rs.50.45 lacs. These financial statements have been approved by the Board of Directors of the subsidiary company, certified by the management, compiled by other auditors whose reports have been furnished to us and our report so far as it relates to the amounts included in respect of this subsidiary is based solely on such approved unaudited financial statements.*
- (b) *We draw attention to Notes to the Consolidated Financial Statements on the following:-*
- (i) *Note Nos. 4.09, 4.10 & 4.11 to the financial statements regarding Non-provision of Gratuity which describe the uncertainty relating to the outcome of the lawsuits filed against the Company by a former director and his relatives;*
 - (ii) *Note Nos. 4.12 to the financial statements regarding the claim on non-payment of fixed deposits before the High Court, Madras which describe the uncertainty relating to the outcome of the lawsuits filed against the Company by a former director and his relatives;*
 - (iii) *Note No. 4.13 regarding Non-provision of penalty imposed by the Adjudicating officer in response to a Show cause Notice issued against the company by SEBI; which describe the uncertainty relating to the outcome of the lawsuits filed against the company by a former director and his relatives.*
- Our opinion is not qualified in respect of the above matters.

For **S. Lakshminarayanan Associates**
Chartered Accountants
S. Lakshminarayanan
Partner
M.No.012024
Regn.No.006609S

Place : Coimbatore
Date: 28th May, 2014

BALANCE SHEET AS AT 31ST MARCH 2014 (CONSOLIDATED)

	Note No	31-Mar-2014 Rs	31-Mar-2013 Rs
I Equity & Liabilities			
1 Shareholders' Funds:			
a Share Capital	2.01	5,05,33,700	5,05,33,700
b Reserves & Surplus	2.02	7,58,06,754	5,81,89,140
		12,63,40,454	10,87,22,840
2 Non-Current Liabilities:			
a Long Term Borrowings	2.03	19,71,462	39,41,000
b Other Long Term Liabilities		2,94,119	2,94,119
		22,65,581	42,35,119
3 Current Liabilities:			
a Trade Payables		1,71,91,329	85,20,388
b Other Current Liabilities	2.04	2,13,83,060	1,74,88,611
c Short Term Provisions	2.05	74,14,017	79,70,691
		4,59,88,406	3,39,79,690
		17,45,94,441	14,69,37,649
II Assets:			
1 Non-Current Assets:			
a Fixed Assets	2.06		
- Tangible Assets		1,62,44,168	1,74,12,598
- Intangible Assets		32,53,796	50,27,755
		1,94,97,964	2,24,40,353
b Non-Current Investments	2.07	1,600	1,600
c Deferred Tax Asset (net)	2.08	41,58,193	39,48,718
d Long Term Advances	2.09	21,43,736	31,98,432
2 Current Assets:			
a Trade Receivables	2.10	10,85,23,139	8,60,65,604
b Cash & Cash Equivalents	2.11	2,87,80,415	1,64,81,303
c Short Term Loans & Advances	2.12	1,14,14,279	1,47,37,536
d Other Current Assets		75,115	64,103
		14,87,92,948	11,73,48,546
		17,45,94,441	14,69,37,649

Significant Accounting Policies & Notes form an Integral part of the financial Statements

As per Report of even date

For and on Behalf of the Board of Directors

For S Lakshminarayanan Associates
Chartered Accountant
S Lakshminarayanan
Partner (M.No.012024)
Firm Regn No.006609S

G.Suresh
Managing Director

C.Ganapathy
Executive Chairman

S.Muthukumar
Director

P.S. Subramanian
Chief Financial Officer

Place : Coimbatore
Date : 28th May, 2014

Shainshad Aduvanni
Company Secretary

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014
(CONSOLIDATED)**

	Note No	31-Mar-2014 Rs	31-Mar-2013 Rs	
I	Income:			
a	Revenue from Operations	3.01	31,52,92,951	23,05,27,224
b	Other Income	3.02	29,78,772	17,63,399
			31,82,71,723	23,22,90,623
II	Expenditure:			
a	Employee Benefit Expenses	3.03	20,58,25,777	16,06,57,178
b	Operating & Other Expenses	3.04	9,22,61,358	4,83,34,634
c	Finance Cost	3.05	8,01,410	20,83,912
d	Depreciation & Amortization		49,09,088	77,38,340
			30,37,97,633	21,88,14,064
III	Profit/(Loss) Before Taxes		1,44,74,090	1,34,76,559
IV	Tax Expense			
a	Current Tax	42,13,752	31,32,577	31,07,737
	Less: MAT Credit Entitlement	10,81,175	(2,09,475)	(22,29,534)
b	Deferred Tax		29,23,102	8,78,203
V	Profit/(Loss) for the year		1,15,50,988	1,25,98,356
VI	Earnings Per Share		2.29	2.50

Significant Accounting Policies & Notes form an Integral part of the financial Statements

As per Report of even date

For S Lakshminarayanan Associates
Chartered Accountant
S Lakshminarayanan
Partner (M.No.012024)
Firm Regn No.006609S

Place : Coimbatore
Date : 28th May, 2014

For and on Behalf of the Board of Directors

G.Suresh
Managing Director

S.Muthukumar
Director

C.Ganapathy
Executive Chairman

P.S. Subramanian
Chief Financial Officer

Shainshad Aduvanni
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014 (CONSOLIDATED)

	31-Mar-2014 Rs	31-Mar-2013 Rs
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax and Extra-Ordinary Items	1,44,74,090	1,34,76,559
<u>Adjustments for</u>		
Foreign Currency Translation	90,23,148	67,89,939
Depreciation & Amortization	49,09,088	77,38,340
(Profit) / Loss on sale of Assets	12,145	(4,223)
Provision for Bad Debts	22,65,279	39,97,218
Unrealised Foreign Exchange gain on cash and cash equivalents	(1,838)	17,786
Interest Receipts	(83,868)	(60,002)
Finance Cost	8,01,410	20,83,912
Operating Profit/ (Loss) Before Working Capital Changes	3,13,99,454	3,40,39,529
<u>Adjustments for</u>		
(Increase) / Decrease in Trade Receivable	(2,47,22,815)	(78,91,050)
(Increase) / Decrease in Other Current Assets	43,49,155	(13,62,746)
Increase / (Decrease) in Trade Payables & Others	1,42,04,922	19,24,380
Changes in Working Capital	(61,68,738)	(73,29,416)
Cash Generated From Operations	2,52,30,716	2,67,10,113
Direct Taxes Paid	(44,55,635)	(2,52,135)
Net Cash Generated From Operating activities	2,07,75,081	2,64,57,978
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(20,46,463)	(23,14,321)
Interest Receipts	83,868	60,002
Sale of Fixed Assets	67,619	1,79,747
Net Cash Used From Investing activities	(18,94,976)	(20,74,572)
C CASH FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Secured Long Term Borrowing	(5,90,569)	2,66,903
Increase / (Decrease) in Unsecured Long Term Borrowing	(22,29,689)	(43,80,093)
Increase / (Decrease) in Working Capital Borrowing	0	(76,60,144)
Dividend Paid	(25,23,370)	0
Corporate Dividend Distribution Taxes paid	(4,28,847)	0
Increase / Decrease in Bank Balances not considered as cash & cash equivalents	(10,55,940)	(2,74,331)
Finance Cost	(8,28,142)	(25,44,720)
Net Cash Used From Financing activities	(76,56,557)	(1,45,92,385)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,12,23,548	97,91,021
Add: Opening Balance of Cash & Cash Equivalents	1,59,17,829	61,26,808
Closing Balance of Cash & Cash Equivalents	2,71,41,377	1,59,17,829

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014 (CONSOLIDATED)

	31-Mar-2014 Rs	31-Mar-2013 Rs
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Note No.2.11	2,87,80,415	1,64,81,303
Less: Bank Balances not considered as Cash and Cash equivalents		
- Deposits maturing beyond 3 months	12,82,319	2,60,494
- Deposits under lien	3,54,881	3,20,766
	2,71,43,215	1,59,00,043
Unrealised Foreign Exchange Gain/Loss - Cash & Cash Equivalents	(1,838)	17,786
Net Cash and Cash Equivalents at the end of the year	2,71,41,377	1,59,17,829

Notes

- 1 Cash Flow Statement prepared under Indirect Method as set out in Accounting Standard -3 (AS -3)]
- 2 Figures in brackets indicate cash outflow
- 3 Previous year figures have been regrouped and re classified wherever necessary to confirm to current year's presentation.

As per Report of even date

For S Lakshminarayanan Associates

Chartered Accountant
S Lakshminarayanan
Partner (M.No.012024)
Firm Regn No.006609S

Place : Coimbatore
Date : 28th May, 2014

For and on Behalf of the Board of Directors

G.Suresh
Managing Director

S.Muthukumar
Director

C.Ganapathy
Executive Chairman

P.S. Subramanian
Chief Financial Officer

Shainshad Aduvanni
Company Secretary

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS (CONSOLIDATED)**Note No.**

- 1.00 Principles of Consolidation**
The consolidation statements relate to CG-VAK Software and Exports Limited and its wholly owned Subsidiary CG-VAK Software USA Inc. The consolidated financial statements have been prepared on the following basis
- i The financial statements of the company and its wholly owned subsidiary are combined on a line by line basis by adding together book value of like items like assets, liabilities, income and expenses, after fully eliminating inter group balances and inter group transactions in accordance with the Accounting Standard AS 21 on Consolidated Financial Statements
 - ii As far as possible, consolidated financial statements are prepared using uniform accounting policies for like transactions and are presented in the same manner as the company's separate financial statements except specifically if any mentioned in the notes forming part of accounts
 - iii The financial statements of the subsidiary company forming part of the consolidation are drawn up to the same reporting date as that of the company.
 - iv **a Revenue recognition**
Revenue from contracts priced on time are recognised when the services are rendered and related costs are incurred. **Interest receipts** are recognised on time proportion basis taking into account the amount outstanding and rate applicable. **Dividend** is recognised when the right to receive payment is established.
b Depreciation has been provided on straight line method. Pro rata depreciation has been charged on additions during the year.
 - v **Employee benefits**
 - a **Provident fund**
Provident fund contributions are as per the rates prescribed by the Employees Provident fund act and the same is charged to the profit & loss account
 - b **Gratuity**
The expenditure is recognised based on present value of obligation as determined in accordance with AS 15 on Employee benefits
 - c **Other short term employee benefits**
The amount of short term employee benefits expected to be paid in change of services rendered by the employee is recognised during the period in which the service is rendered. The benefits include performance incentive.
 - vi **Foreign Currency Transaction:**
 - a Foreign currency denominated monetary assets are translated at the exchange rates prevailing on the date of the balance sheet.
 - b Monetary items denominated in foreign currency at the year end are restated at year end rates.
 - c Non Monetary item foreign currency items are stated at cost.
 - d Items of revenue and expenditure are translated at the rates prevailing on the date of the transaction.
The resultant differences are recognised in the Statement of Profit & Loss account.
 - vii **Fixed Assets**
 - a **Tangible Assets**
Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. The carrying amount of assets are reviewed at each balance sheet date if there is an indication of impairment based on internal/external factors.
 - b **Intangible Assets**
Intangible assets are stated at cost less accumulated depreciation. The costs consists of purchase cost and any other cost directly attributable to bringing the assets to its working condition for its intended use.
 - viii **Investment**
Investments held are all long term based on management's intention at the time of purchase.

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS (CONSOLIDATED)

Note No.	31-Mar-2014 Rs	31-Mar-2013 Rs																				
ix	Derivative Instruments and hedge accounting Forwarding exchange Contracts entered into hedging foreign currency risk of an existing asset or liability. The premium or discount arising at the inception of forward exchange contract is amortized and recognised as an expense / income over the life of the contract. Exchange difference on such contract, except the contracts which are long term foreign currency monetary item, are recognized in the statement of profit & loss in the period in which the exchange rate change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period.																					
2.01	Share Capital:																					
i	Authorised Capital:																					
a	70,00,000 Equity Shares of Rs.10 each	7,00,00,000																				
ii	Issued, Subscribed & Paid-Up Capital:																					
a	50,60,000 Equity Shares of Rs.10 each	5,06,00,000																				
b	Less: Calls in Arrears (Due from Directors - Nil)	66,300																				
		5,05,33,700																				
iii	Reconciliation of number of Equity shares:-																					
a	Shares outstanding as at 1st April 2013/ 1st April 2012	50,60,000																				
b	Changes during the year	0																				
c	Shares outstanding as at 31st March 2014/ 31st March 2013	50,60,000																				
iv	List of shares held by shareholders holding more than 5% of the Aggregate shares in the company:-																					
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Name of the Shareholder</th> <th style="width: 10%;">Nos</th> <th style="width: 20%;">Shares held</th> <th style="width: 20%;">Shares held</th> </tr> </thead> <tbody> <tr> <td>Mr.G.Suresh</td> <td style="text-align: center;">Nos</td> <td style="text-align: right;">9,36,753</td> <td style="text-align: right;">9,21,677</td> </tr> <tr> <td>Mr.K.V.Kamaraj</td> <td style="text-align: center;">Nos</td> <td style="text-align: right;">5,21,674</td> <td style="text-align: right;">5,21,674</td> </tr> <tr> <td>Mr.C.Ganapathy</td> <td style="text-align: center;">Nos</td> <td style="text-align: right;">4,06,350</td> <td style="text-align: right;">4,06,350</td> </tr> <tr> <td>Mrs.S.Latha</td> <td style="text-align: center;">Nos</td> <td style="text-align: right;">3,55,686</td> <td style="text-align: right;">3,55,686</td> </tr> </tbody> </table>		Name of the Shareholder	Nos	Shares held	Shares held	Mr.G.Suresh	Nos	9,36,753	9,21,677	Mr.K.V.Kamaraj	Nos	5,21,674	5,21,674	Mr.C.Ganapathy	Nos	4,06,350	4,06,350	Mrs.S.Latha	Nos	3,55,686	3,55,686
Name of the Shareholder	Nos	Shares held	Shares held																			
Mr.G.Suresh	Nos	9,36,753	9,21,677																			
Mr.K.V.Kamaraj	Nos	5,21,674	5,21,674																			
Mr.C.Ganapathy	Nos	4,06,350	4,06,350																			
Mrs.S.Latha	Nos	3,55,686	3,55,686																			
v	The company has issued only one class of equity shares having a par value of Rs.10/share																					
2.02	Reserves & Surplus:																					
i	<u>General Reserve</u>																					
a	General Reserve - opening balance	1,03,00,000																				
b	Add: Transfer During the year	3,00,000																				
c	General Reserve - Closing Balance	1,06,00,000																				
ii	<u>Translation Reserve</u>																					
a	Reserve on Consolidation - Opening	1,58,11,879																				
b	Add: Translation Reserve for the year	90,23,148																				
c	Reserve on Consolidation - Closing	2,48,35,027																				
iii	<u>Surplus in Profit & Loss Account</u>																					
a	Profit & Loss Account - Surplus - Opening Balance	3,20,77,261																				
b	Add/(Loss) : Profit / (Loss) for the Year	1,15,50,988																				
		4,36,28,249																				
		3,53,29,478																				

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS (CONSOLIDATED)

Note No.		31-Mar-2014 Rs	31-Mar-2013 Rs
c	Less: Transfer to General Reserve	3,00,000	3,00,000
d	Less: Proposed Dividend	25,27,050	25,23,370
e	Less: Provision for Tax on Dividend	4,29,472	4,28,847
		32,56,522	32,52,217
f	Profit & loss Account - Surplus - C/fd	4,03,71,727	3,20,77,261
		7,58,06,754	5,81,89,140
2.03	Long Term Borrowings:-		
	Secured Loans:-		
i	State Bank of India - Term Loan - III	5,65,962	11,56,531
a	Hypothecation of assets acquired out of bank finance		
b	Personal Guarantee of The Managing Director & Executive Chairman		
c	Equitable mortgage over land and building as collateral		
d	Interest paid @ 14.85% p.a.		
e	Total No of Instalments - 60; repayment commencing April 2012; pending instalments - 23		
f	There is no continuing default in respect of this loan		
	Unsecured Loans:-		
ii	Fixed Deposits	14,05,500	26,35,000
a	Fixed deposits are accepted maturity ranging between 1 and 3 years		
b	Interest paid @ 11% p.a.		
c	There are no continuing defaults in respect of fixed deposits		
iii	Vehicle Loans		
a	- Others	0	1,49,469
		19,71,462	39,41,000
	Vehicle Loans - Others	Pending EMI 31-Mar-2014	Pending EMI 31-Mar-2013
a	Kotak Mahindra Prime Ltd - II	1	13
b	Kotak Mahindra Prime Ltd - III	4	16
			0
			1,49,469
c	Interest rates range between 5.93 % to 9.58 % on the above vehicle loans		
d	Current maturity of long term debt reported under current liabilities		
	Details of Non Current & Current Borrowings		
		31-Mar-14 Non Current	31-Mar-14 Current
			31-Mar-14 Total
a	State Bank of India - Term Loan - III	5,65,962	6,00,000
b	Deposits from Public	14,05,500	11,97,800
c	Vehicle Loans	0	1,49,469
		19,71,462	19,47,269
			39,18,731

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS (CONSOLIDATED)

Note No.		31-Mar-2014 Rs	31-Mar-2013 Rs
		31-Mar-13	31-Mar-13
	Non Current Current Total		31-Mar-13
	a State Bank of India - Term Loan - III	11,56,531	6,00,000
	b Deposits from Public	26,35,000	15,90,320
	c Vehicle Loans	1,49,469	6,07,669
		39,41,000	27,97,989
2.04	Other Current Liabilities		
	i <u>Secured Current Maturities of Long term Debt</u>		
	a State Bank of India - Term Loan - III	6,00,000	6,00,000
	Hypothecation of assets acquired out of bank finance. Personal Guarantee of The Managing Director & Chairman.		
	ii <u>Unsecured Current Maturities of Long Term Debt:</u>		
	a Fixed Deposits	11,97,800	15,90,320
	b Vehicle Loans - Other than Banks	1,49,469	6,07,669
	iii <u>Interest Accrued But not due on Fixed Deposits</u>	82,584	1,09,316
	iv Other payables		
	a Advance received from Customers	0	11,880
	b Salary Payable	1,21,61,207	33,20,185
	c Other payables	71,92,000	1,12,49,241
		2,13,83,060	1,74,88,611
2.05	Short Term Provisions		
	i Provision for Income Tax	18,70,063	31,93,122
	ii Provision for Employee Benefits	25,87,432	18,25,352
	iii Proposed Dividend	25,27,050	25,23,370
	iv Provision for Tax on Dividend	4,29,472	4,28,847
		74,14,017	79,70,691

2.06 Fixed Assets (Consolidated)

Particulars	COST BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Cost As at 01- Apr- 13	Additons during the year	Sales/ Withdrawal	Cost as at 31- Mar- 14	upto 01- Apr- 13	Depreciation for the year	Sales/ Withdrawal	upto 31- Mar- 14	WDV 31- Mar- 14	WDV 31- Mar- 13
Tangible Fixed Assets										
Freehold Land	63,75,000	0	0	63,75,000	0	0	0	0	63,75,000	63,75,000
Building	46,60,179	0	0	46,60,179	12,08,322	1,77,225	0	13,85,547	32,74,632	34,51,857
Plant & Equipment	4,07,38,846	11,40,820	78,81,866	3,39,97,800	3,64,19,350	14,21,830	78,81,866	2,99,59,314	40,38,486	43,19,496
Vehicles	73,37,056	0	2,70,000	70,67,056	43,15,325	4,74,422	1,90,236	45,99,511	24,67,545	30,21,731
Furniture & Fittings	81,39,186	2,39,996	99,764	82,79,418	78,94,672	3,96,005	99,764	81,90,913	88,505	2,44,514
Sub Total - Tangible assets	6,72,50,267	13,80,816	82,51,630	6,03,79,453	4,98,37,669	24,69,482	81,71,866	4,41,35,285	1,62,44,168	1,74,12,598
Previous YE 31st March 2013	7,40,52,057	22,13,736	90,15,526	6,72,50,267	5,52,60,187	34,17,483	88,40,002	4,98,37,668	1,74,12,599	1,87,91,870
Intangible assets										
Computer Software	4,55,25,397	6,65,647	0	4,61,91,044	4,04,97,642	24,39,606	0	4,29,37,248	32,53,796	50,27,755
Sub Total - Intangible Assets	4,55,25,397	6,65,647	0	4,61,91,044	4,04,97,642	24,39,606	0	4,29,37,248	32,53,796	50,27,755
Previous YE 31st March 2013	4,54,24,812	1,00,585	0	4,55,25,397	3,61,76,785	43,20,857	0	4,04,97,642	50,27,755	92,48,027
Grand Total	11,27,75,664	20,46,463	82,51,630	10,65,70,497	9,03,35,311	49,09,088	81,71,866	8,70,72,533	1,94,97,964	2,24,40,353
Previous YE 31st March 2013	11,94,76,869	23,14,320	90,15,526	11,27,75,663	9,14,36,973	77,38,340	88,40,002	9,03,35,311	2,24,40,352	2,80,39,896

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS (CONSOLIDATED)

Note No.	31-Mar-2014 Rs	31-Mar-2013 Rs
2.07	Non-Current Investments: (Valued At Cost) - Other Investments	
	<u>Investment in Equity Instruments:- (Fully paid - quoted)</u>	
i	100 Equity Shares of Rs.10 each	
	- Union Bank of India	
	1,600	1,600
	Aggregate Cost of Quoted Investments	
	1,600	1,600
	Face Value of Quoted Investments	
	1,000	1,000
	Aggregate Market Value of Quoted Investments	
	13,750	23,485
2.08	Deferred Tax Asset:-	
	Opening Balance	
	39,48,718	17,19,184
	Add/(Less): Provision for the Year	
	2,09,475	22,29,534
	41,58,193	39,48,718
	Deferred Tax Assets (net)	
a	Fixed Assets	
	8,69,857	3,97,194
b	Employee Benefits	
	8,90,413	6,54,930
c	Trade Receivable	
	23,97,923	28,96,594
	41,58,193	39,48,718
2.09	Long Term Loans & Advances:- (Unsecured Considered Good)	
i	Other Long term Advances	
a	- Related Party - Rent advance	
	11,00,000	11,00,000
b	- Others - Rental advance	
	0	34,000
ii	Other Advances	
	92,000	92,000
iii	MAT Credit entitlement	
	1,55,547	12,36,722
iv	Deposits	
	7,96,189	7,35,710
	21,43,736	31,98,432
2.10	Trade Receivables - Unsecured - considered good	
i	Considered Good	
a	Outstanding for a period less than 6 months from	
	7,89,05,019	6,05,13,448
b	Other Debts	
	2,96,18,120	2,55,52,155
ii	Considered Doubtful	
	77,60,270	93,74,092
	Less: Provision for Doubtful Debts	
	- Upto last year	
	93,74,092	(53,76,874)
	- For the year	
	22,65,280	(39,97,217)
	1,16,39,372	
	38,79,102	
	(77,60,270)	
	10,85,23,139	8,60,65,604
iii	Provision for Doubtful Debts	
	The Company evaluates all customer dues for collectability. The need for provisions is assessed based on various factors including collectability, present market indicators pertaining to the relevant country which could affect the ability to settle. Provisions are made for debtor dues exceeding one year or longer from the date of invoice as at the date of the balance sheet. The company pursues all recovery of dues irrespective of provisions made.	

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS (CONSOLIDATED)

Note No.	31-Mar-2014 Rs	31-Mar-2013 Rs
2.11		
i		
Cash & Cash Equivalents		
a	5,29,937	6,54,078
b	2,26,32,622	1,27,22,885
c	39,80,656	25,23,080
d	16,37,200	5,81,260
	2,87,80,415	1,64,81,303
	Details of Balances with banks as on the date of the balance sheet are as follows:-	
ii		
Current Accounts		
a	8,463	9,053
b	3,22,773	16,781
c	60,003	53,336
d	38,650	38,650
e	14,648	24,684
f	10,23,823	11,37,441
	2,11,64,262	1,14,42,940
	2,26,32,622	1,27,22,885
iii		
Balance with Cash Credit Account		
State bank of India Cash Credit (Sanctioned Limit of Rs.1 Crore)	39,80,656	25,23,080
a	Hypothecation of entire stocks(Raw Materials, Stock in process, Finished goods both present and future), receivables and other current assets of the unit.	
b	Personal Guarantee of The Managing Director & Executive Chairman	
c	Equitable mortgage over land and building as collateral	
d	There is no continuing default in respect of this loan	
iv		
Other Bank Balances - Deposit Accounts		
a	2,94,792	2,80,766
b	13,42,408	3,00,494
	16,37,200	5,81,260
Deposit Accounts		
a	3,54,881	3,20,766
b	12,82,319	2,60,494
	16,37,200	5,81,260
Deposit Accounts maturity beyond 1 year		
a	14,85,001	3,78,578
b	1,52,199	2,02,682
	16,37,200	5,81,260
2.12		
Short Term Loans & Advances		
Unsecured - Considered Good		
i	26,761	17,89,891
ii	0	0
iii	1,09,81,393	1,09,93,416
iv	4,06,125	19,54,229
	1,14,14,279	1,47,37,536

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS (CONSOLIDATED)

Note No.	31-Mar-2014 Rs	31-Mar-2013 Rs
3.01 Revenue from Operations		
i Software Services	31,36,12,290	22,90,83,793
ii Business Process Outsourcing Services	16,80,661	14,43,431
	31,52,92,951	23,05,27,224
3.02 Other Income:		
i Interest Receipts	83,869	60,002
ii Foreign Exchange Income	28,43,376	15,67,139
iii Dividend Receipts	800	800
iv Profit on Sale of Assets	0	4,223
v Sundry Receipts	50,727	1,31,235
	29,78,772	17,63,399
Interest Receipts		
Interest from Fixed Deposits	83,868	60,002
3.03 Employee Benefit Expense:		
i Salary & Incentive	18,62,75,748	14,47,78,861
ii Director Remuneration	33,00,000	33,00,000
iii Staff Welfare	1,31,28,088	1,01,38,227
iv Contribution to PF & ESI	22,88,808	21,62,458
v Retirement Benefits	8,33,133	2,77,632
	20,58,25,777	16,06,57,178
3.04 Operating & Other Expense:		
i Rent	40,20,921	45,57,564
ii Professional Charges	4,60,19,012	61,92,627
iii Power & Fuel	18,60,605	23,99,089
iv Communication Expenses	30,47,571	22,58,667
v HRD Expenses	67,32,195	88,20,026
vi Traveling Expenses	69,15,251	36,98,954
vii Taxes & Licences	1,21,60,659	82,09,564
viii Machinery Maintenance	16,38,479	16,10,463
ix Building Maintenance	2,34,838	2,89,069
x Vehicle Maintenance	3,17,473	8,50,135
xi Provision for Doubtful Debts	22,65,279	39,97,218
xii Auditors Remuneration	5,51,660	4,84,100
xiii Other Fees to Auditors	1,06,462	29,780
xiv Share Demat Expenses	1,28,939	1,28,661
xv Bank Charges	6,32,944	6,11,015
xvi Business Promotion & Marketing Expenses	24,34,265	14,86,100
xvii Printing & Stationery	2,00,974	0
xviii Legal & Consultancy	7,88,030	0
xix STPI Service Charges	3,11,799	192,192
xx Donation	15,945	55,000
xxi Loss on Sale of Assets	12,145	0
xxii Other Administrative Expenses	18,65,912	24,64,410
	9,22,61,358	4,83,34,634

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS (CONSOLIDATED)

Note No.		31-Mar-2014 Rs	31-Mar-2013 Rs
3.05	Finance Cost:		
	i Interest paid to Bank - Cash Credit	1,90,582	8,37,042
	ii Interest paid to Bank - Others	1,67,493	1,94,409
	iii Interest paid on Fixed Deposits	3,69,256	8,87,760
	iv Interest paid on Vehicle Loans - Other than Bank	74,079	1,64,701
		8,01,410	20,83,912
4.01	a Depreciation has been provided on straight line method as per the rates specified under Schedule XIV of the Companies Act, 1956. Pro rata depreciation has been charged on additions during the year		
	b Depreciation on the fixed assets held by the Subsidiary are computed on straight line method over the estimated useful life of the respective assets		
4.02	Quantitative details are not furnished as the company is engaged in the development of computer software, providing services in IT and ITES.		
4.03	Basic and Diluted Earnings Per share of Rs.10 each		
	Total Equity Shares outstanding at the end of the year (in Nos)	50,46,740	50,46,740
	Net Profit / (Loss) After Tax	1,15,50,988	1,25,98,356
	Earnings per Share - Basic & Diluted	2.29	2.50
4.04	Remuneration Paid to Directors		
	i Mr.G.Suresh	30,00,000	30,00,000
	ii Mr.C.Ganapathy	3,00,000	3,00,000
		33,00,000	33,00,000
	a Mr.C.Ganapathy, Executive Chairman and Mr.G.Suresh, Managing Director have been paid the minimum remuneration.		
	b Mr.C.Ganapathy, Executive Chairman and Mr.G.Suresh, Managing Director have waived the commission due to them at 1% on Net Profits.		

4.05 Segment Analysis for the year ended 31st March 2014- Geographical Segment

Sl.No.	Particulars	31-Mar-2014 Audited	31- Mar-2013 Audited
1	SEGMENT REVENUE		
	a) North America	29,72,34,460	21,05,21,798
	b) Rest of World	1,80,58,490	2,00,05,426
	Less : Inter Segment Revenue	---	---
	Net Sales/ Income from operations	31,52,92,950	23,05,27,224
2	SEGMENT RESULT (Profit before tax and Interest from each segment)		
	a) North America	1,11,37,257	1,16,08,004
	b) Rest of the world	11,59,468	21,89,068
	Total	1,22,96,725	1,37,97,072
	Less : Interest	8,01,410	20,83,912
	Less : Other un-allocable expenditure	---	---
	Add : Other un-allocable Income	29,78,771	17,63,399
	Profit before tax & Extraordinary item	1,44,74,086	1,34,76,559
3	CAPITAL EMPLOYED		
	a) North America	11,82,76,321	9,99,67,390
	b) Rest of world	80,64,133	87,55,450
	Total	12,63,40,454	10,87,22,840

Note: Segmentwise results are furnished on geographical basis as the company has only one reportable segment.

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS (CONSOLIDATED)

Note No.	31-Mar-2014 Rs	31-Mar-2013 Rs																		
4.06	Disclosure in respect of related parties pursuant to Accounting Standard 18																			
i	List of related parties over whom control exists																			
a	Key Managerial Personnel (KMP)																			
	Mr G Suresh, Managing Director Mr C Ganapathy, Executive Chairman																			
b	Relatives of Key Managerial Personnel																			
	G Saraswathy S Latha S Sruthi S Gowtham																			
ii	During the year the following transactions were carried out with related parties in the normal course of business:-																			
	KMP	Relatives of KMP																		
a	33,00,000																			
b		17,56,920																		
c		1,51,458																		
d		2,00,000																		
e		14,95,000																		
iii	25,33,298	38,30,716																		
iv	The Managing Director & Executive Chairman have given their personal guarantee for the Term loan and cash credit facilities availed from State Bank of India																			
4.07	The unaudited financial statements of the wholly owned subsidiary have been prepared in accordance with the Generally accepted accounting principles of its country of incorporation. The differences in the policies of the company and its wholly owned subsidiary are not material																			
4.08	The subsidiary company considered in the consolidated financial statements is																			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;">Country of Incorporation</th> <th style="width: 20%; text-align: center;">Proportion of Ownership</th> </tr> </thead> <tbody> <tr> <td>CG-VAK Software USA Inc</td> <td style="text-align: center;">USA 31-Mar-2014</td> <td style="text-align: center;">100% 31-Mar-2013</td> </tr> <tr> <td>Exchange rate of USD</td> <td style="text-align: center;">60.75</td> <td style="text-align: center;">54.00</td> </tr> <tr> <td>Currency</td> <td style="text-align: center;">USD</td> <td style="text-align: center;">USD</td> </tr> <tr> <td>Extent of Holdings in Subsidiary Company</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>No of Shares held - Equity Shares of USD 1000 each</td> <td style="text-align: center;">750</td> <td style="text-align: center;">750</td> </tr> </tbody> </table>			Country of Incorporation	Proportion of Ownership	CG-VAK Software USA Inc	USA 31-Mar-2014	100% 31-Mar-2013	Exchange rate of USD	60.75	54.00	Currency	USD	USD	Extent of Holdings in Subsidiary Company	100%	100%	No of Shares held - Equity Shares of USD 1000 each	750	750
	Country of Incorporation	Proportion of Ownership																		
CG-VAK Software USA Inc	USA 31-Mar-2014	100% 31-Mar-2013																		
Exchange rate of USD	60.75	54.00																		
Currency	USD	USD																		
Extent of Holdings in Subsidiary Company	100%	100%																		
No of Shares held - Equity Shares of USD 1000 each	750	750																		
4.09	No provision has been made on a Claim for gratuity amounting to Rs.2,88,461 preferred by a former Managing Director of the company filed before the Asst Commissioner of labour. This petition was dismissed in favour of the company vide order of the Asst Commissioner dated 7th November 2012. The complainant has preferred an appeal against the order of the Asst Commissioner and the Appeal is pending.																			
4.10	No provision has been made on a claim for gratuity amounting to Rs.8,82,000 preferred by a former director of the company filed before the Asst Commissioner of labour. The company has disputed the claim and the case is pending.																			

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS (CONSOLIDATED)**Note No.**

- 4.11** No provision has been made on a claim for gratuity amounting to Rs.7,05,000 preferred by a former employee of the company before the Asst Commissioner of Labour. The Company has disputed the claim and the case is pending.
- 4.12** No provision has been made on a claim for non-payment of fixed deposit amounting to Rs.10,55,691 by 6 complainants before the High Court, the company has disputed the claim and the case is pending.
- 4.13** No provision has been made on a penalty amounting to Rs 3 lakhs imposed by the Adjudicating officer in response to a Show Cause Notice issued against the company by SEBI. The Company has appealed against the order before the SEBI Securities Appellate Tribunal. The SEBI SAT has upheld the penalty after March 2014 and the same will be considered in the next financial year.
- 4.14** Previous year figures have been regrouped/reclassified wherever found necessary.
- 4.15** Figures have been rounded off to the nearest rupee.

As per Report of even date

For and on Behalf of the Board of Directors

For S Lakshminarayanan Associates
Chartered Accountant
S Lakshminarayanan
Partner (M.No.012024)
Firm Regn No.006609S

G.Suresh
Managing Director

C.Ganapathy
Executive Chairman

S.Muthukumar
Director

P.S. Subramanian
Chief Financial Officer

Place : Coimbatore
Date : 28th May, 2014

Shainshad Aduvanni
Company Secretary



CG-VAK SOFTWARE AND EXPORTS LIMITED

Regd. Office: 171, Mettupalayam Road, Coimbatore - 641043. Tel: 0422 - 2434491/92/93.
Website: www.cgvak.com, E-mail Id: investorservices@cgvak.com
CIN: L30009TZ1994PLC005568

ATTENDANCE SLIP - 19TH ANNUAL GENERAL MEETING

I / We hereby record my presence at the 19th Annual General Meeting of the Company at Ardra Hall, Kaanchan, 9, North Huzur Road, Coimbatore – 641 043 on Friday, the 26th day of September, 2014 at 4.30 p.m.

Name of the Shareholder / Proxy :(IN BLOCK LETTERS) Signature of Shareholder/Proxy

Folio No. No. of Shares

Client ID No.* DP ID No.

* (Applicable for shareholders holding shares in dematerialized form)

Note: You are requested to sign and hand this over at the entrance.



CG-VAK SOFTWARE AND EXPORTS LIMITED

Regd. Office: 171, Mettupalayam Road, Coimbatore - 641043. Tel: 0422 - 2434491 / 92 / 93.
Website: www.cgvak.com, E-mail Id: investorservices@cgvak.com
CIN: L30009TZ1994PLC005568

PROXY FORM - 19TH ANNUAL GENERAL MEETING

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

Name of Member(s) : Folio No. / Client ID No.

Registered Address :

E mail Id :

I/We, being the member(s) holding.....Equity shares of CG-VAK Software and Exports Ltd., hereby appoint:

1. Name : E mail Id :
Address :
Signature :

or failing him/her

2. Name : E mail Id :
Address :
Signature :

or failing him/her

3. Name : E mail Id :
Address :
Signature :



as my / our Proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 19th Annual General Meeting of the Company to be held on Friday, 26th September, 2014 at 4.30.p.m at Ardra Hall, Kaanchan, 9, North Huzur Road, Coimbatore – 641 018 and at any adjournment thereof in respect of resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below

Resolutions	For	Against
1. Adoption of Audited Financial Statements of the Company for the financial year ended 31st March 2014.		
2. Declaration of Dividend		
3. Re-appointment of Mr.C.Ganapathy as a Director of the Company.		
4. Appointment of M/s. S.Lakshminarayanan Associates as Statutory Auditors		
5. Appointment of Mrs.S.Latha as a Director		
6. Appointment of Mr.A.Sankar as an Independent Director		
7. Appointment of Mr.M.Durairaj as an Independent Director		
8. Appointment of Mr.S.Muthukumar as an Independent Director		
9. Appointment of Mr.S.Mohan as an Independent Director		

Signed this day of 2014

Signature of the Shareholder:

Signature of the Proxy holder(s):

Affix Revenue Stamp of Re.1

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 171, Mettupalayam Road, Coimbatore - 641043, not less than 48 hours before the commencement of the Meeting.

**CG-VAK™****ANNUAL REPORT 2014****CG-VAK SOFTWARE AND EXPORTS LIMITED**

Regd. Office: 171, Mettupalayam Road, Coimbatore - 641043. Tel: 0422 - 2434491 / 92 / 93.
 Website: www.cgvak.com, E-mail Id: investorservices@cgvak.com
 CIN: L30009TZ1994PLC005568

POSTAL BALLOT FORM (in lieu of E-Voting)

Sr.No.....

Name of Member(s)	:	
Registered Address	:	
E-mail Id	:	
Folio No. / Client ID No.	:	
Number of Shares	:	

I / We hereby exercise my / our vote(s) in respect of the following Resolutions to be passed through Postal Ballot / e-voting as set out in the Notice dated 28th May, 2014 of the Company by conveying sending my / our assent (for) or dissent (against) the said Resolutions by placing the tick mark (✓) at the appropriate box below:

Item No.	Description	Type of Resolution (Ordinary / Special)	No. of Shares	I/We assent to the Resolution (For)	I/We Dissent to the Resolution (Against)
1	Adoption of Audited Financial Statements of the Company for the financial year ended 31 st March 2014.				
2	Declaration of Dividend				
3	Re-appointment of Mr.C.Ganapathy as a Director of the Company.				
4	Appointment of M/s. S.Lakshminarayanan Associates as Statutory Auditors				
5	Appointment of Mrs.S.Latha as a Director				
6	Appointment of Mr.A.Sankar as an Independent Director				
7	Appointment of Mr.M.Durairaj as an Independent Director				
8	Appointment of Mr.S.Muthukumar as an Independent Director				
9	Appointment of Mr.S.Mohan as an Independent Director				

Place:

Date:

Signature of the member

Notes : (i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.

: (ii) Last date for receipt of Postal Ballot Form: 22nd September, 2014 not later than 5.00 P.M.

Please read the instructions printed overleaf carefully before exercising your vote.



INSTRUCTIONS

1. General Instructions:

- a. There will be one Postal Ballot Form / e-voting for every Client ID No. / Folio No., irrespective of the number of joint holders.
- b. Members have option to vote either through Postal Ballot Form or through e-voting. If a member has opted for Physical Postal Ballot, then he / she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical postal ballot and e-voting, then vote cast through e-voting shall prevail and vote cast through Physical Postal ballot shall be considered as invalid.
- c. Voting in the Postal ballot / e-voting cannot be exercised by a proxy. However, corporate and institutional members shall be entitled to vote through their authorized representatives with proof of their authorization, as stated below.
- d. Any query in relation to the Resolutions proposed to be passed by Postal Ballot may be addressed to Mr.Shainshad Aduvanni, Company Secretary, at the Registered Office of the Company.
- e. The Scrutinizer's decision on the validity of a Postal Ballot / E-voting shall be final and binding.

2. Instructions for voting physically by Postal Ballot Form:

- a. A member desirous of exercising his/ her Vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer, Mrs.Manimekala V Raj, Practicing Company Secretary (Membership No. F5163) C/o .CG-VAK Software and Exports Limited, 171, Mettupalayam Road, Coimbatore – 641 043.
- b. This Form must be completed and signed by the Member, as per specimen signature registered with the Company or Depository Participant, as the case may be. In case of joint holding, this Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.
- c. In respect of shares held by corporate and institutional members (companies, trusts, societies, etc..) the completed Postal Ballot Form should be accompanied by a certified copy of the relevant Board Resolution / appropriate authorization, with the specimen signature(s) of the authorized signatory (ies) duly attested.
- d. Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on 22nd August, 2014.
- e. The consent must be accorded by recording the assent in the column "FOR" or dissent in the column "AGAINST" by placing a tick (✓) mark in the appropriate column in the Postal Ballot Form. The assent or dissent received in any other form shall not be considered valid.
- f. Members are requested to fill the Postal Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
- g. Duly completed Postal Ballot Form should reach the Scrutinizer not later than 22nd September, 2014 by 5.00 p.m. All Postal Ballot Forms received after this date will be strictly treated as if no reply has been received from the Member.
- h. A member may request the Company for a duplicate Postal Ballot Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.2 (g) above.
- i. Members are requested not to send any other paper along with the Postal Ballot Form. They are also requested not to write anything in the Postal Ballot Form except giving their assent or dissent and putting their signature. If any such other paper is sent, the same will be destroyed by the Scrutinizer.
- j. Incomplete, unsigned or incorrectly ticked Postal Ballot Forms will be rejected.
- k. The results would be displayed on the Company's website www.cgvak.com, besides communicating to the Stock Exchange where the Company's shares are listed.



171, Mettupalayam Road
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Ph : 91-422 - 2434491 / 92 / 93
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