

19th Annual Report 2014



CG-VAKTM
SOFTWARE & EXPORTS LTD.

An ISO 9001 : 2008 Certified Company



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BOARD OF DIRECTORS

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

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

Mr.S. Mohan, B.E.

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

Mr.A.Sankar B.A.

Mrs.S.Latha B.Sc.

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

Executive Chairman

Independent Director

Independent Director

Independent Director

Independent Director

Additional Director w.e.f 28.05.2014

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* | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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# | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <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 SOFTWARE 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 |

| | | |
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| 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 |

| | | |
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| 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 |

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| 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 |

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|-----|--|---|
| 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.