



CONTENTS	PAGE NUMBER
Notice to Shareholders	- 1
Directors' Report	- 6
Corporate Governance Report	- 32
Management Discussion and Analysis Report	- 42
Auditors' Report	- 44
Standalone Balance Sheet	- 48
Standalone Profit and Loss Statement	- 50
Standalone Cash Flow Statement	- 52
Notes forming part of the Financial Statements	- 54
Auditors' Report on Consolidated Financial Statement	- 84
Consolidated Balance Sheet	- 87
Consolidated Profit and Loss Statement	- 89
Consolidated Cash Flow Statement	- 91
Notes forming part of the Consolidated Financial Statements	- 93

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.	Non Executive Women Director
Mr.G.Suresh, B.E., M.B.A.	Managing Director & CEO
Mr.P.S.Subramanian	Chief Financial Officer
Mr.Harcharan J	Company Secretary & Compliance Officer

STATUTORY AUDITORS

M/s. N. C. Rajan & Co
Chartered Accountants
Selekt Enclave, First Floor,
16, Dr. Munusamy Garden Street, Avinashi Road
Coimbatore – 641 018.

SECRETARIAL AUDITOR

Manimekala V Raj
Company Secretary
26B/2, 1st Floor, Bharathi Colony, Peelamedu,
Coimbatore-641 004.

REGISTRARS & SHARE TRANSFER AGENTS

S.K.D.C. Consultants Limited
Kanapathy Towers, 3rd Floor
1391/A-1 Sathy Road, Ganapathy
Coimbatore 641 006.

REGISTERED OFFICE

171, Mettupalayam Road
Coimbatore 641 043
INDIA
CIN: L30009TZ1994PLC005568

BRANCH**Coimbatore**

S.F.No.174/2, Thiruvalluvar Street,
Vellakinar Pirivu Road,
G.N.Mills Post,
Coimbatore – 641 029.

New Jersey

116, Village Boulevard,
Suite No.200, Princeton,
New Jersey - 08540, USA

BANKERS

State Bank of India
ICICI Bank Limited
HDFC Bank Limited
Bank of America
Citibank. N.A.

SUBSIDIARY

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

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

NOTICE is hereby given that the 23rd Annual General Meeting of CG-VAK SOFTWARE AND EXPORTS LIMITED will be held on Monday the 24th day of September, 2018 at 3.00 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 Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31st March, 2018 including audited Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors (“the Board”) and Auditors thereon
2. To declare dividends, if any.
3. To appoint a Director in the place of Mr. G. Suresh (DIN 00600906), who retires by rotation, and being eligible, offers himself for reappointment.
4. To ratify the appointment and to appoint N. C. Rajan & Co, Chartered Accountants (Firm Registration No: 003426S) Statutory Auditors of the Company for the remaining period.

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

“RESOLVED THAT in partial modification of the Ordinary Resolution passed at 21st Annual General Meeting of the Company held on September 30, 2016 for appointment of N. C. Rajan & Co, Chartered Accountants (Firm Registration No: 003426S) to hold office from the conclusion of the said meeting until the conclusion of 26th Annual General Meeting of the Company and in accordance with amendment to Section 139 of the Companies Act, 2013 read with relevant Rules made thereunder, the approval of the shareholders be and is hereby accorded to continue the appointment of N. C. Rajan & Co, Chartered Accountants (Firm Registration No: 003426S) as Statutory Auditors of the Company, at such remuneration as may be decided by the Board of Directors of the Company, till the conclusion 26th Annual General Meeting of the Company and that the said appointment would not be subject to ratification at every subsequent Annual General Meeting.”

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 INSTRUMENT APPOINTING THE PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.
2. Members/proxies/representatives should bring the Attendance Slip, duly filed in for attending the meeting.
3. Details pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Paragraph 1.2.5 of Secretarial Standard on General Meetings, in respect of Director seeking reappointment at the Annual General Meeting are separately annexed hereto for item no.3.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 18th September, 2018 to Monday, the 24th September, 2018 (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, 2013-14, 2014-15, 2015-16 and 2016-17 is held in separate Bank accounts and the shareholders who have not received the dividend/encashed the warrants are advised to write to the Company with complete details. There are no amounts to be transferred to IEPF during the year under review.
10. 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 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, 2013-14, 2014-15, 2015-16 and 2016-17 is held in separate Bank accounts and the shareholders who have not received the dividend/encashed the warrants are advised to write to the Company with complete details.
12. The Company has appointed Mrs.Manimekala V Raj, Practicing Company Secretary (Membership No.F5163), to act as the Scrutinizer for conducting the electronic voting process 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, 2018 at 9:00 a.m. and ends on 23rd September, 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 17th September, 2018, 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 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<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 member id / folio number 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.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xiii) Click on the EVSN for the relevant <CG VAK SOFTWARE AND EXPORTS LIMITED> on which you choose to vote.
- (xiv) 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.
- (xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xvi) 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.
- (xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take print out of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xix) 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.

(xx) 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 Corporate.
- 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 the compliance user should be created using the admin login and password. The Compliance user 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.

- (xxi) 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. Once the vote on the resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
15. The Scrutinizer shall immediately after the conclusion of the voting at General meeting, first count the votes cast at the meeting, and thereafter unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any within Three days of Conclusion of the Meeting, to the Chairman of the meeting. The Chairman shall declare the results of the voting forthwith. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website and on the website of CDSL, immediately, after the Chairman declares the result.

(By Order of the Board)

For CG-VAK SOFTWARE AND EXPORTS LIMITED

Place: Coimbatore
Date : 28th May, 2018

Harcharan J
Company Secretary
ACS No. 33394

PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND PARAGRAPH 1.2.5 OF SECRETARIAL STANDARDS, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE REAPPOINTED, VIDE ITEM NO.3.

Name of the Director	Mr.G. Suresh
DIN	00600906
Age	54 years
Date of appointment on Board	01/09/1995
Date of last reappointment	01/09/2016
Expertise in specific functional areas	He has 30 years of rich experience on various fields like IT, General Management, Production, Marketing and Finance.
Qualification	B.E., M.B.A.
No. of Equity Shares held in Company	9,52,060 Equity Shares (as on 31.03.2018)
Number of Meetings of the Board attended during the year 2017-2018	Four Board Meetings
Terms and conditions of appointment or reappointment along with details of remuneration sought to be paid and the remuneration last drawn	Terms and conditions as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Since Mr. G. Suresh is the Managing Director & CEO, remuneration sought to be paid is as per the resolution passed in 21st Annual General Meeting, and remuneration last drawn was Rs. 6,50,000 per month.
List of outside Directorships in Public/Private Companies	1. 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 he/she is a Director	NIL
Relationship with other Directors	Son of Mr.C.Ganapathy, Executive Chairman & Spouse of Mrs. S. Latha, Women Director.

(By Order of the Board)

For CG-VAK SOFTWARE AND EXPORTS LIMITED

Place: Coimbatore
Date : 28th May, 2018

Harcharan J
Company Secretary
ACS No. 33394

DIRECTORS' REPORT

To the Members,

The Board of Directors of your Company take pleasure in presenting the 23rd Annual Report on the business and operations of your Company and the Audited Financial Accounts for the year ended 31st March 2018.

FINANCIAL RESULTS 2017-18

During the year under review, your Company has achieved a turnover of Rs.1425.81 lakhs as against Rs.1161.77 lakhs in the previous year. There is a net Profit of Rs.108.29 lakhs as against the net profit of Rs.36.17 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.3042 lakhs as compared to Rs.3234 lakhs in the previous year. The drop in global revenue is due to lower business done by the subsidiary.

STATE OF AFFAIRS OF THE COMPANY

In the financial year 2017-18, despite challenging business environment, your company continued the growth momentum and achieved a growth of 23% in the total revenue and the net profit has increased significantly to Rs 108.29 lakhs.

The contribution of business from various Geographical areas were:

North America contributed to 75% and Rest of the World 25% of the business.

During the year under review Business from Offshore Software Services is Rs.1302.11 lakhs as against Rs.1077.71 lakhs in the previous year. The increase has been at 21% as compared to previous year. There has been a steady growth in the offshore component of the business.

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.

Out-sourced Product development (OPD) market space continues to be the focus area for the Company as we have achieved significant success. The performance in Cloud practice has been very good and it is expected to grow at the same pace. Apart from strengthening the presence in the markets the company operates now, plans are in place to penetrate into newer geographies globally.

We expect a positive growth this year and the Company should perform better in the ensuing FY 2018-19.

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 9001:2015 standards.

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.30.39 lakhs inclusive of tax amount of Rs.5.14 lakhs. During the previous year ended 2016-2017, your Company has paid a dividend of Rs.25.25 lakhs.

As per Companies (Accounting Standards) Amendment Rules, 2016, dividend and tax thereon will be recognized as liability on approval of shareholders at the ensuing Annual General Meeting.

The dividend, if approved by the shareholders, will be paid to those members whose names appear in the Register of Members as on the date of the Annual General Meeting

TRANSFER TO RESERVES

No amount has been transferred to the general reserve.

FORFEITURE

After giving enough opportunities and sending various reminder notices requesting the shareholders holding partly paid shares to pay the allotment money due, your Directors at their meeting held on 11th November, 2015 has forfeited 9800 equity shares in the capital of the Company for non-payment of allotment money of Rs.5/-per share in compliance with the provisions of the Listing Agreement, Articles of Association of the Company read with Regulation 29 of Schedule I of Table A of the Companies Act, 1956 and Regulation 28 of Table F of the Companies Act, 2013. Notices if such forfeiture were also given to the defaulting Equity Shareholders. The BSE has approved the forfeiture of equity shares.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and on the date of this report.

DEPOSITORY SYSTEM

The trading in the Equity Shares of your Company is under compulsory dematerialization mode. As on 31st March, 2018, Equity Shares representing 91.21% of the equity share capital are in dematerialized form. As the depository system offers numerous advantages, members are requested to take advantage of the same and avail of the facility of dematerialization of the Company's shares.

LISTING OF SHARES

The Equity Shares of your Company continue to remain listed with BSE Limited. The listing fees for the year 2018-19 have been paid to the Stock Exchange. The Shares of the companies are compulsorily tradable in dematerialized form.

INSURANCE

The assets of the Company are adequately insured against fire and such other risks, as are considered necessary by the Management.

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

At CG-VAK, Corporate Governance is not just a legal obligation, the frame work ensures that all the disclosures and information's provided are precise and time bound. Transparency, Accountability, Integrity and Independence are the bottom-line of our Governance. The Company will continue to uphold the true spirit of Corporate Governance and implement best governance practices.