CG-VAK™
SOFTWARE AND EXPORTS LIMITED

03rd September, 2022

To

The Department of Corporate Services
BSE Limited
P.J.Towers,
Dalal Street
Mumbai – 400 001

Dear Sir/Madam,

Sub: Submission of Annual Report for the financial year 2021-22, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith enclosing the Annual Report for the Financial Year 2021-2022.

The aforesaid document is dispatched to all eligible shareholders and is also available on the website of the Company (www.cgvak.com)

Kindly take the same into your records.

Thank you.

Yours faithfully,
For **CG-VAK SOFTWARE AND EXPORTS LIMITED**

Har Charan J
Digitally signed by Har Charan J
Date: 2022.09.03 16:55:07 +05'30'

Harcharan. J
Company Secretary

CG-VAK SOFTWARE AND EXPORTS LIMITED
171, MTP ROAD CBE-43

Encl: As above

171, Mettupalayam Road, Coimbatore - 641 043. Ph : 91-422-2434491 / 92 / 93
Fax : 91-422-2440679 Web : www.cgvak.com
CIN : L30009TZ1994PLC005568 GST IN : 33AAACC8797M1Z2

CG-VAK™

SOFTWARE AND EXPORTS LIMITED

An ISO 9001 : 2015 Certified Company



27th ANNUAL REPORT 2021-22

CONTENTS		PAGE NUMBER
Notice to Shareholders	-	1
Directors' Report	-	16
Corporate Governance Report	-	38
Management Discussion and Analysis Report	-	53
Auditors' Report	-	55
Standalone Balance Sheet	-	62
Standalone Profit and Loss Statement	-	64
Standalone Cash Flow Statement	-	66
Notes forming part of the Financial Statements	-	68
Auditors' Report on Consolidated Financial Statement	-	96
Consolidated Balance Sheet	-	100
Consolidated Profit and Loss Statement	-	102
Consolidated Cash Flow Statement	-	104
Notes forming part of the Consolidated Financial Statements	-	106

BOARD OF DIRECTORS

Mr.C.Ganapathy, B.Sc., (Agri.)	Non Executive Chairman
Mr.G.Suresh, B.E., M.B.A.	Managing Director & CEO
Mrs.S.Latha, B.Sc.	Non Executive Women Director
Mr.R.Jayaraman M.com., CAIIB	Independent Director
Mr. R. Krishnaswamy, M.Sc, CAIIB	Independent Director
Mr. G. S. Swaminathan B.E	Independent Director
Mr.K.Kathirvel B.com.	Independent Director

Mr.P.S.Subramanian	Chief Financial Officer
Mr. Harcharan. J	Company Secretary & Compliance Officer

STATUTORY AUDITORS

M/s. SPP& Co
Chartered Accountants
No.27/9, NivedhVikas Apartments, Pankaja Mills Road,
Puliakulam, Coimbatore – 641045.

SECRETARIAL AUDITOR

Mr. D. Senthil
Practicing Company Secretary
No.114/651-C, V K KMenon Road,
New Siddhapudur,
Coimbatore-641044.

REGISTRARS & SHARE TRANSFER AGENTS

S.K.D.C. Consultants Limited
"Surya", 35, Mayflower Avenue,
Behind Senthil Nagar, Sowripalayam Road,
Coimbatore 641 028.

BANKERS

State Bank of India
ICICI Bank Limited
HDFC Bank Limited
Bank of America
Kotak Mahindra Bank Limited

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

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 27th Annual General Meeting of **CG-VAK SOFTWARE AND EXPORTS LIMITED** will be held on Wednesday 28th day of September, 2022 at 3.00 PM through Video Conferencing (VC)/Other Audio Visual Means (OAVM), to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31st March, 2022 including audited Balance Sheet as at 31st March, 2022 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 dividend, if any.
3. To appoint a Director in the place of Mr.C.Ganapathy (DIN 00735840), who retires by rotation, and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

4. To consider and if though fit, to pass with or without modifications the following Resolution as a SPECIAL RESOLUTION:

   "RESOLVED THAT pursuant to the provisions of Sections 164, 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including statutory modification(s) or reenactment(s) thereof, for the time being in force), approval of members be and is hereby accorded to re-appoint Mr. G. Suresh (DIN: 00600906) as Managing Director and CEO of the Company for a further period of 3 (three) years from 01st September 2022 to 31st August 2025 on the following terms and conditions including remuneration within the overall limits specified in Schedule V of the Companies Act 2013:

   (A) Salary

   Salary of Rs. 30,00,000/- Per month

   Commission on net profit: 1% of the net profits of the company computed in accordance with the sections 196, 197, 203 and Schedule V of the Companies Act, 2013.

   (B) Perquisites:

   (1) Conveyance: Free use of the company's car with driver for official and private purposes.

   (2) Club fees: Fees of Clubs, Subject to a Maximum of two Clubs (Excluding admission and life membership fee)

   (3) Leave Travel Concession: Entitled to travel with family by any mode ie., Air, Train, Road once in every two years for visiting any place in the world.

   Note: Family for the purpose of Leave Travel shall besides the Managing Director, Consist of Spouse, Wholly dependent parents and wholly dependent children of the Managing Director.

(4) Medical Benefit: Actual Expenses incurred for the Managing Director and his Family Members

(5) Telephone: The Company shall provide telephone and mobile phones for office use.

(6) Personal Accident Insurance.

(7) Re-imbursement of expenditure incurred on gas, water and electricity.

(8) Such other perquisites and allowances including Bonus, Commission, Performance Incentive, Ex - gratia, etc. in accordance with the rules of the Company or as may be agreed to by the Board of Directors of the Company.

Perquisites shall however be restricted to an amount equal to four months salary."

Mr.G.Suresh shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration:

1. Contribution to Provident Fund, Superannuation Fund, Annuity fund and other retirement benefits to the extent the same are not taxable under the Income-tax Act, 1961.
2. Gratuity as per the provisions of the Payment of Gratuity Act or as per the Gratuity Scheme of the Company whichever is higher.
3. Reimbursement of expenses incurred for the business of the Company.

"RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year, the Managing Director shall be paid a remuneration of the salary mentioned above and the perquisites and allowances will be within the overall ceiling as specified by section II of Part II of schedule V to the Companies Act, 2013, as in force, from time to time"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments, and writings as may be required to give effect to the aforesaid resolution."

NOTES

1. 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.
2. In view of continuing Covid-19 pandemic, Ministry of Corporate Affairs Circular Ref. Nos: 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 2/2022 dated May 5, 2022 and SEBI Circular No: SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, permitted the holding of Annual General Meeting through VC/OAVM without the physical presence of the members at the common Venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Annual General Meeting of the members of the Company is being held through VC/OAVM.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, **the facility to appoint proxy to attend and cast vote for the members is not available for this AGM.** However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020. The Notice of the AGM along with the 27th Annual Report is being sent only through electronic mode to those members whose e-mail addresses are registered with the depositories.The Notice calling the AGM has been uploaded on the website of the Company at www.cgvak.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.comrespectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
9. As per MCA General Circular No. 20/2020 dated May 5, 2020 and 2/2022 dated May 5, 2022 and SEBICircular No.SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, dispatching of physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith), such statements shall be sent only by e-mail to the members and hence sending of Annual Report by physical mode has been dispensed with.
10. The Register of Members and the Share Transfer Books of the Company will remain closed from **Thursday, the 22nd September, 2022 to Wednesday, the 28th September, 2022 (both days inclusive).**
11. The dividend if declared at the Annual General Meeting will be paid within 30 days from the date of the Annual General Meeting.
12. 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, "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam, Coimbatore 641 028,** our Registrar & Share Transfer Agents(RTA). Please quote your Folio Number and our Company's name in all your correspondence.
13. 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.
14. 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 2014-15, 2015-16, 2016-17,2017-18, 2018-19, 2019-20 and 2020-21 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/RTA with complete details.
15. 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.
16. **THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

    (I) **The voting period begins on 24th September, 2022 at 09.00 am and ends on 27th September, 2022 at 5.00 pm.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020,** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest arehttps://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded

Type of shareholders	Login Method
	in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in Demat mode with **NDSL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login Type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on "Shareholders" module.
3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

However, shareholders 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.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <CGVAK SOFTWARE AND EXPORTS LIMITED> on which you choose to vote.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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 a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investorservices@cgvak.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

17. **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at **investorservices@cgvak.com** and **harcharan@cgvak.com**. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

18. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **info@skdc-consultants.com**
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

19. Once the vote on the resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
20. The Company has appointed Mr. D. Senthil, Practicing Company Secretary (Membership No. F11240), to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
21. The Scrutinizer shall immediately after the conclusion of the voting at AGM, 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 to the Chairman of the meeting. The resultsdeclared along with the Scrutinizer's Report shall be placed on the Company's website(www.cgvak.com). Immediately, after the results are declared, the Company shall communicate the same to the Stock Exchange i.e., BSE Limited (www.bseindia.com).
22. Pursuant to the Finance Act 2020, dividend income will be taxable in the hands of members w.e.f. 1st April 2020 and the Company is required to deduct tax at source from dividend paid to members at the prescribed rates. For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and amendments thereof. The members are requested to update their PAN with Registrars & Share Transfer Agents, S.K.D.C. Consultants Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

    A Resident individual shareholder with PAN and whose dividend is likely to exceed Rs. 5,000 and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H (can be downloaded from https://www.skdc-consultants.com/client-downloads.html), to avail the benefit of non-deduction of tax at source by email to **info@skdc-consultants.com** on or before the end of the business hours of 21.09.2022. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a highest rate of 20%.

    Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, any other document which may be required to avail the tax treaty benefits by sending an email to **info@skdc-consultants.com.** The above declarations and documents need to be submitted by the members on or before the end of business hours of 21.09.2022.
23. Request to shareholders:
    Shareholders are requested to follow the general safeguards / procedures as detailed hereunder enabling the Company to serve them efficiently and avoid risks while dealing in the securities of the Company.
    Demat of Shares:
    Shareholders are requested to convert their physical holding to demat/ electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities. Any investor who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized, except for transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re-arrangement / interchanging of the order of name of shareholders) cases.
    Registration of Electronic Clearing Service (ECS) mandate:
    SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through ECS to investors wherever ECS and bank details are available. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of / change in such bank details. Members who wish to change such bank account details are therefore requested to advise their DPs about such change, with complete details of bank account. ECS helps in quick remittance of dividend without possible loss / delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS details with the STA or their respective DPs.
    Consolidation of multiple folios:
    Shareholders, who have multiple folios in identical names, are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.

Registration of nominations:
Section 72 of the Act, 2013 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the Will, etc. It would therefore be in the best interest of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed nomination facility, are requested to avail the same by submitting the nomination in Form SH13. This form will be made available on request. Investors holding shares in demat form are advised to contact their DPs for making nominations.
Updation of address:
Shareholders are requested to update their addresses registered with the Company, directly through the STA, to receive all communications promptly. Shareholders, holding shares in electronic form, are requested to deal only with their DPs in respect of change of address and furnishing bank account number, etc.
Timely encashment of dividends:
Shareholders are requested to encash their dividends promptly to avoid hassles of revalidation. As required by SEBI, shareholders are requested to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons. Shareholders are requested to note that the dividends, not claimed for a period of seven years from the date they first became due for payment, shall be transferred to IEPF in terms of Section 124(6) of the Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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

Place: Coimbatore
Date :11.08.2022

Harcharan J
Company Secretary
(A33394)

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

As approved by the shareholders at the 24th Annual General Meeting of the members of the Company Mr. G. Suresh (DIN: 00600906) holds office as Managing Director and CEO upto 31st August 2022. The Nomination and Remuneration Committee at its meeting held on 11th August 2022 has approved the terms of his reappointment as Managing Director and CEO for a further period of three years from 01st September 2022 to 31st August 2025subject to the recommendation by the Board to the shareholders and approval of the shareholders.

Mr.G.Suresh, Managing Director, will be in charge of the day-to-day management of the Company and perform his duties and exercise his powers subject to the superintendence, direction and control of the Board of Directors.

Brief profile of Mr. G. Suresh has been included in this Notice.

Mr.G.Suresh, Managing Director & CEO, is interested in this resolution as it concerns his appointment. Mr.C.Ganapathy, and Mrs.S.Latha, are interested in this resolution as Mr.G.Suresh is related to them. No other Director or other key managerial personnel of the Company or their relatives is directly or indirectly concerned or interested, financially or otherwise, in this resolution.

The Board of Directors recommends the Special Resolution set out in item No. 4 of the notice for approval of the members.

THE OTHER INFORMATION AS REUIRED UNDER SECTION II PART II OF SCHEDULE V ON THE COMPANIES ACT 2013 IS GIVEN BELOW:

I. GENERAL INFORMATION				
1. Nature of Industry	IT Software Products and Services			
2. Date or expected date of commencement of commercial Production	The Company was incorporated on 06th December, 1994 and the Commencement of Business was dated 17th February, 1995.			
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
4. Financial Performance based on given indicators	Particulars	Financial Years(in Rs Lakhs)		
		2021-22	**2020-21**	**2019-20**
	Total Revenue	3919.00	3039.19	2360.68
	Profit/(Loss) After Tax	892.28	686.38	373.01
5. Foreign investments or Collaborations, if any	CG-VAK Software USA Inc, Wholly Owned Subsidiary.			
II. INFORMATION ABOUT THE MANAGING DIRECTOR				
(A) Mr.G.Suresh				
1. Background details	Mr.G.Suresh, Managing Director & CEO is a B.E.(Mechanical) from Bangalore University and a MBA from Bharathiar University, Coimbatore . Mr.G.Suresh has over 30 years of Experience in the IT industry. He had promoted many business ventures including Computer Training, Consumer Goods Trading. Mr.G.Suresh is associated with the Company from 1994 to till date. He is the one of the founders & Promoter of the Company.			
2. Past Remuneration	Rs. 1,81,07,854/- Per Annum			
3. Recognition or awards	Mr.G.Suresh has been invited regularly to speak at many forums on the Industry and the thought leadership.			
4. Job profile and his suitability	Mr.G.Suresh has been instrumental in Promoting and building the Company since inception. Under his leadership the Company has ventured into various international markets including USA, Canada, Australia, Europe and Middle East. In last 15 years, he transformed the Company from a mere staffing organization to a successful offshore Software service provider. His vision and strategies in Marketing, HR, Software delivery, Finance have contributed to the			

	growth and stability of the Company. The systems and processes laid down by him have resulted in huge cost savings and every strategic move initiated by him has contributed in no small measure to the enhancement of the Company's stature and reputation.There is need for formulation of strategies on continuous basis and periodical review thereof for successful implementation and for sustained development of the Company in the light of highly competitive conditions prevailing in the industry necessitating increased managerial attention given to such matters. Hence the continued international experience and leadership of Mr.G.Suresh in the years ahead will be in the best interests of the Company.
5. Remuneration Proposed:	Salary of Rs. 30,00,000/- Per month. The details of proposed remuneration are presented in the resolution.Company's contribution to Provident Fund to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company applicable to senior management personnel and Reimbursement of expenses incurred for the business of the Company, shall not be included in the computation of limits for the perquisites and allowances as aforesaid.
6. Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person (in case if expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration payable to Mr.G.Suresh has been bench marked with the remuneration being drawn by similar positions in the Industry and has been considered by the Nomination and Remuneration Committee of the Company at their meeting held on 11th August, 2022.
7. Pecuniary Relationship:	Mr.C.Ganapathy, Whole Time Director (Executive Chairman, Mr.G.Suresh, Managing Director & CEO and Mrs.S.Latha, Women Director are related to each other. Mr.C.Ganapathy, Mr.G.Suresh and Mrs.S.Latha do not have any pecuniary relationship, directly or indirectly with the Company or managerial personnel except to the extent of their shareholdings in the equity share capital of the Company and the salary drawn by them as Executive Chairman and Managing Director respectively. Mrs.S.Latha is paid only sitting fee for attending the Board Meetings of the Company and also payment of rent towards the Office leased to the company. Mr.C.Ganapathy, Mr.G.Suresh and Mrs.S.Latha hold 4,06,350, 9,52,060 and 11,31,444 Equity Shares of Rs.10/- each, respectively.

III. OTHER INFORMATION	
1. Reasons for loss or inadequacy of profits:	The Company's services require more brand visibility when compared to well established global software service providers. The Company continues to invest heavily in manpower development and due to uncertainty in the international markets, high competition, the Company is unable to increase the billing rates proportionate to the increase in the costs. These have resulted in making inadequate profits by the Company.
2. Steps taken or proposed to be taken for improvement:	Marketing and Brand Building initiatives have been strengthened substantially. Steps have been taken to deliver higher value to the customers enabling the company to increase the Billing rates.Additional leadership team is in place focusing to increase order booking, revenue and optimization of costs. These will ensure overall improvement.
3. Expected increase in productivity and profits in measurable terms:	The aforesaid steps taken / to be taken by the Company are expected to improve the Company's performance and profitability in the future. A double digit growth is expected/targeted

PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND PARAGRAPH 1.2.5 OF SECRETARIAL STANDARD ON GENERAL MEETING, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/REAPPOINTED, VIDE ITEM NO. 3 & 4.

i	Name of the Director	Mr.C. Ganapathy
	DIN	00735840
	Age	83 years
	Date of appointment on Board	01/12/1995
	Date of last reappointment	30/09/2019
	Expertise in specific functional areas	He has 48 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	4,06,350Equity Shares (as on 31.03.2022)
	Number of Meetings of the Board attended during the year 2021-2022	Five Board Meetings
	Terms and conditions of appointment or reappointment along with details of remuneration sought to be paid and the remuneration last drawn	He is entitled only for the sitting fees
	List of outside Directorships in Public /Private Companies	G2 Technology Solutions India Private Limited
	Chairman/Member of the Committees of Board of Directors of the Company	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 Mr. G. Suresh Managing Director & CEO and Father in Law of Mrs. S. Latha Woman Directror

ii	Name of the Director	Mr.G. Suresh
	DIN	00600906
	Age	57 years
	Date of appointment on Board	01/09/1995
	Date of last reappointment	01/09/2019
	Expertise in specific functional areas	Business
	Qualification	B.E., M.B.A,
	No. of Equity Shares held in Company	9,52,060 Equity Shares (as on 31.03.2022)
	Number of Meetings of the Board attended during the year 2021-2022	Six 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. Mr. G. Suresh was reappointed as Managing Director & CEO of the Company on 01.09.2019 and Remuneration drawn (inclusive of perquisites) is Rs. 1,81,07,854 per annum.
	List of outside Directorships in Public /Private 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	Son of Mr.C.Ganapathy,Non-Executive Chairman and spouse of Mrs.S.Latha, Non-Executive women Director

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

Place: Coimbatore
Date :11.08.2022

Harcharan J
Company Secretary
(A33394)

DIRECTORS' REPORT

To the Members,

The Board of Directors of your Company take pleasure in presenting the 27th Annual Report on the business and operations of your Company and the Audited Financial Accounts for the year ended 31st March 2022.

FINANCIAL RESULTS 2021-22

During the year under review, your Company has achieved a turnover of Rs.3831 lakhs as against Rs. 2975lakhs in the previous year. There Profit after Tax stands at Rs.892 lakhs as against Rs.686 lakhs in the previous year. The company has achieved significant growth in the Turnover and Profits earned.

GLOBAL REVENUE

The global revenues for the Company including the business done by the Wholly Owned Subsidiary for the year under review is Rs. 5480lakhs as compared to Rs.4491 lakhs in the previous year.

STATE OF AFFAIRS OF THE COMPANY

In the financial year 2021-22, despite challenging business environment, your company achieved a growth of 29% in the total revenue and the profit after tax has increased to Rs.892lakhs from Rs. 686 lakhs. The increase has been *at 30%*as compared to previous year.

The contribution of business from various Geographical areas were:

North America contributed 80% and Rest of the World 20% of the business.

During the year under review, Business from Offshore Software Services is *Rs.3827 lakhs* as against *Rs. 2971 lakhs* in the previous year. The increase has been *at 29%*as compared to previous year. Significant growth has been achieved in the offshore component of the business.

FUTURE PLANS

Worldwide the business scenario is changing rapidly due to the pandemic. The Pandemic continues to cast its shadows on the global economy and the global GDP for the year is estimated at 4.4%. Organizations are forced to make changes to their business processes using latest technologies to adapt to the new normal. Increased Offshore work, remote delivery, new compensation models with customers are likely to happen. This provides opportunities for IT service providers like us. More and more companies from almost every part of the world are using offshore service providers to meet their software needs.

The Company is able to successfully implement the work from home model without diluting the quality of delivery. New systems and automation of processes have been put into practice to improve the efficiency and monitoring of work.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. Our clients have appreciated the way the projects are handled post pandemic. Inspite of the disruption, inflation, changes in the geo-political situations in the economies we operate, we have seen a positive growth in our business. In addition to North America, our business and customer base from Europe, Australia and Africa is also expected to grow as planned.

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

We expect a positive growth in this year and the Company should perform better in the ensuing Financial Year 2022-23.

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. 1/- per equity share (i.e. 10% 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.50.50 *lakhs*. During the previous year ended 2020-2021, your Company has paid a dividend of Rs.*50.50 lakhs.*

As per Companies (Accounting Standards) Amendment Rules, 2016, dividend 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.

TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of the Act, read with Investor Education and Protection Fund Rules, the shares on which dividends have not been claimed for 7 consecutive years are liable to be transferred in favour of IEPF Authority. The Company has uploaded the details of the shares which are subject to be transferred in favour of IEPF Authority, on the website of the Company (www.cgvak.com). Efforts are also made to coordinate with the Registrar and Share Transfer Agents to locate shareholders who have not claimed their dues.

SHARE CAPITAL

The Paid-up share capital of the Company as at 31st March, 2022 aggregates to Rs. 5,05,02,000/- comprising 50,50,200 equity shares of Rs. 10/- each fully paid up.

STATEMENT ON COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS

The Directors have devised proper system to ensure compliance with the applicable Secretarial Standards and that such systems are adequate and operating effectively. The Company has duly complied with Secretarial Standards issued by the Institute of Company Secretaries of India on the Meeting of the Board of Directors (SS-1) and General Meeting (SS-2).

HUMAN RESOURCE

Your Company firmly believes that employees are its most valued resource and their efficiency play a key role in achieving defined goals and building a competitive work environment. Many initiatives have been taken to enhance their Technical, managerial skills. Also, various employee engagement programs have helped the organization to achieve higher productivity levels. In its pursuit to attract, retain and develop best available talents, several programs are regularly conducted at various levels across the Company. Employee relations continued to be cardinal and harmonious across all levels of the Company.

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, 2022, Equity Shares representing 94.92% 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 2022-23 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.

A detailed report on Corporate Governance, pursuant to the requirements of SEBI (LODR) is available as a separate section in this Annual Report. The Auditor's report on Corporate Governance, confirming the compliance of conditions of Corporate Governance as stipulated is annexed as a part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of SEBI (LODR), Regulations 2015, the Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of this Annual Report.

DISCLOSURE REQUIREMENTS

Familiarization programme of the independent directors:
https://cgvak.com/investors/Code of Conduct and Policies
Policy on Related Party Transactions
https://cgvak.com/investors/Code of Conduct and Policies
Policy on Prevention of Sexual Harassment
https://cgvak.com/investors/Code of Conduct and Policies
Policy on Selection of Directors & remuneration
https://cgvak.com/investors/Code of Conduct and Policies

NUMBER OF MEETINGS OF THE BOARD

The Board met Six times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the periods prescribed by the Companies Act, 2013.

AUDIT COMMITTEE

The Audit committee comprised of Independent Directors namely Mr. K. Kathirvel (Chairman), Mr.R.Jayaraman, Mr. R. Krishnaswamy and Mr. G.S. Swaminathan as other Members.Mr.A.Sankar ceased to a member w.e.f 30.09.2021. All the recommendations made by the Audit Committee were accepted by the Board.

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

As per the requirement of Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, the information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given below.

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Companies (Accounts) Rules, 2014:

A) CONSERVATION OF ENERGY

Your Company uses electrical energy for its equipment such as air-conditioners, computer terminals, lighting and utilities at work places. As an ongoing process, the company continued to undertake various measures to conserve energy

B) TECHNOLOGY ABSORPTION

a) Research & 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) Information regarding imported technology (Imported during last three years)

Details of Technology imported	Technology imported from	Year of Import	Status Implementation/absorption
NIL	NA	NA	NA

C) FOREIGN EXCHANGE EARNING AND OUTGO (In Rs.)

Foreign Exchange Earnings	**38,18,03,642**
Foreign Exchange Outgo	**29,83,060**
Foreign Travel	0
Others	29,83,060

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In term of the provisions of Section 197(12) of Act read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report.

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the *Annexure -1*.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has adopted a Risk Management Policy for identifying and managing risk at the strategic, operational and tactical level. The Risk Management policy has been placed on the website of the Company. At present the Company has not identified any element of risk which may threaten the existence of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans and guarantees given or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There were no qualifications, reservations or adverse remarks made either by the Statutory Auditors or by the Practicing Company Secretary in their respective reports.

CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also in the Board for approval.

The disclosure on related party is annexed herewith as *Annexure - 2.*

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The current Policy is to have an appropriate mix of executive and independent directors to maintain the Independence of the Board and separate its functions of the governance and management. As on 31st March,2022, the Board consists of 7 members, one of whom is Non-Executive Chairman, one of whom is Executive or whole time Director, one of whom is Non-Executive Women Director and Four are Independent Directors. The Board periodically evaluates the need for change in its composition and size.

The policy of the Company on Directors' appointment and remuneration, including Criteria for determining Qualification, positive attributes, independence of a director and other matters provided under Sub-Section(3) of Section 178 of the Companies Act,2013 adopted by the Board, is appended as *Annexure 3* to the Board's Report. We affirm that the remuneration paid to the Directors is as per the terms laid out in the nomination and remuneration policy of the company.

WHOLLY OWNED SUBSIDIARY: CG-VAK SOFTWARE USA INC.

As on 31st March, 2022, your Company has only one wholly owned subsidiary. Your Company's Wholly Owned Subsidiary at USA, CG-VAK Software USA Inc. has made a Sales Turnover of *US$2.16 million* during this year, compared to the US$ *2.02* million during the previous year. There has been an increase in revenue by 7.11% over the previous financial year.

During the year, the Board of Directors reviewed the affairs of the wholly owned subsidiary. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and the wholly owned subsidiary, which forms part of the Annual Report. Further, a statement containing the salient features of the financial statement of our wholly owned subsidiary in the prescribed format AOC-1 is appended as *Annexure – 4* to the Board's Report. The statement also provides the details of performance, financial positions of the wholly owned subsidiary.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statement, including the Consolidated Financial Statements and related information of the Company and the wholly owned subsidiary are available on our website. These documents will also be available for inspection during the business hours at our Registered Office.

The Company has no other subsidiary/Joint ventures/associates other than the above mentioned.

EXTRACT OF ANNUAL RETURN

In accordance with section 92(3) of the Companies Act,2013,an extract of annual return is placed at the website of the Company (www.cgvak.com).

CORPORATE SOCIAL RESPONSIBILITY

The Provisions of CSR are applicable since 01.04.2020 and CGVAK believes in giving back to the society.A detailed report is appended as *Annexure – 5*.

DIRECTOR'S RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(3) (C) OF THE COMPANIES ACT, 2013

In accordance with the provisions of Section 134(3)(c) of the Companies Act, 2013, the Directors would like to state that:

1 In preparation of annual accounts for the financial year ended 31st March, 2022, the applicable accounting standards have been followed.

2. The Directors have 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 profit and loss of the Company for that period.

3 The Directors have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

4 The Directors have prepared the annual accounts on a going concern basis.

5 The Directors have laid down internal financial controls, which are adequate and are operating effectively.

6 The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

SIGNIFICANT AND MATERIAL ORDERS

The Regional Director (Southern Region), Ministry of Corporate Affairs, Chennai has compounded offences during the Financial Year 2021-22. The Company had paid a Compounding fees of Rs. 3,41,950, subsequent of which The Regional Director (Southern Region), Ministry of Corporate Affairs, Chennai had issued orders dated 21.09.2021 and 18.11.2021 directing The Registrar of Companies, Coimbatore, Tamil Nadu to withdraw the prosecutions filed.

PUBLIC DEPOSITS

During the year, your Company has not accepted/renewed any Deposits.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) DIRECTORS

Director liable to retirement by rotation

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

(B) KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. G. Suresh, Managing Director & CEO, Mr. P. S. Subramanian, Chief Financial Officer and Mr. Harcharan. J, Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company as at 31st March, 2022.

Brief particulars of Directors eligible for reappointment in terms of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards are annexed to the Notice dated 11th August, 2022 convening the 27th Annual General Meeting.

DECLARATION BY INDEPENDENT DIRECTORS

The company has received necessary declaration from each independent Director under section 149(7) of the Companies Act, 2013 that they meets the criteria of independence laid down in Section 149(6) of the Companies Act 2013 and SEBI (LODR) Regulations.

BOARD EVALUATION

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

1. Attendance of Board Meeting and Board Committee Meetings
2. Quality of Contribution to Board deliberations
3. Strategic perspectives or inputs regarding future growth of Company and its performance
4. Providing perspectives and feedback going beyond information provided by the management
5. Commitment to shareholders and other stakeholder interests

The evaluation involves self-evaluation by the Board Members and subsequent assessment by the Board of Directors. A member of the Board will not participate in the discussion of his/ her evaluation.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy as a mechanism for employees to report to the management concern about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct and it affirms that no personnel have been denied access to the Audit Committee. A copy of Whistle Blower Policy has been placed at our website at www.cgvak.com for reference.

AUDITORS

Statutory Auditors, M/s. SPP & Co, Chartered Accountants were appointed to hold office for a term of two consecutive years ie, from the conclusion of 26th AGM till the conclusion of 28th AGM. Consequent upon the amendments to the Companies Act, 2013, ratification of appointment of the Statutory Auditors is no longer required.

The Auditors Report for the financial year 31.03.2022 does not contain any qualification, adverse remarks, reservation or disclaimer.

SECRETARIAL AUDITOR

Mr. D. Senthil, Practicing Company Secretary is appointed to conduct the secretarial audit of the company for financial year 2022-23, as required under Section 204 of the Companies Act,2013 and Rules made there under. The secretarial audit report for FY 2021-22 forms part of the Annual Report as *Annexure 6* to the Board's Report.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirements of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to Financial Statements. Such controls were tested during the financial year and no material weakness in the design or operation was observed.

DETAILS OF FRAUDS REPORTED

The Auditors of the Company have not reported any fraud specified under Section 143(12) of the Companies, Act, 2013.

APPLICATION UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

The Company has not made any application under the Insolvency and Bankruptcy Code, 2016 during the Financial Year.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM BANKS OR FINANCIAL ISNTUTIONS ALONG WITH REASONS THEREOF

The Company has not made any such valuation during the Financial Year.

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in this place an Anti-Sexual Harassment Policy in line with the requirements of the sexual harassment of women at workplace (prevention, prohibition, redressal) Act, 2013. The Internal Complaints Committee ("ICC") has been setup to redress the complaints received regarding sexual harassment. All employees are covered under this policy.

The following are the complaints received and disposed off during the financial year 2021-22:

A.	No. of complaints received	:	0
B.	No. of complaints disposed off	:	0

ACKNOWLEDGEMENT

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 : 11th August, 2022

G.Suresh

Managing Director & CEO

DIN 00600906

Annexure - 1 to Director's Report

Particulars of Remuneration of Directors and Employees pursuant to Section 197 (12) of Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year::

S. No.	Name of the Director	Ratio
1	Mr.C.Ganapathy, Non-Executive Chairman	NA
2	Mr.G.Suresh, Managing Director & CEO	25.82
3	Mrs.S.Latha, Women Director	NA
4	Mr.R.Jayaraman, Independent Director	NA
5	Mr. K. Kathirvel, Independent Director	NA
6	Mr. R. Krishnaswamy, Independent Director	NA
7	Mr. G S Swaminathan, Independent Director	NA
8	Mr.A.Sankar, Independent Director (Ceased w.e.f 30.09.2021)	NA
9	Dr.S.Thamburaj, Independent Director (Deceased on 29.06.2021)	NA

During the year, the Non-Executive Directors received only the sitting fees as remuneration.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer (CFO), Chief Executive Officer (CEO), Company Secretary (CS) or Manager, if any, in the financial year:

S.No	Name of the Director / CFO/ CEO/CS	% Increase/(Decrease) in remuneration
1	Mr. C. Ganapathy, Non-Executive Chairman	NA
2	Mr. G. Suresh, Managing Director & CEO	0%
3	Mrs. S. Latha, Women Director	NA
4	Mr.R.Jayaraman, Independent Director	NA
5	Mr. K. Kathirvel, Independent Director	NA
6	Mr. R. Krishnaswamy, Independent Director	NA
7	Mr. G S Swaminathan, Independent Director	NA
8	Mr.A.Sankar, Independent Director (Ceased w.e.f 30.09.2021)	NA
9	Dr.S.Thamburaj, Independent Director (Deceased on 29.06.2021)	NA
10	Mr. P. S. Subramanian, CFO	14%
11	Mr. Harcharan J, CS	12%

(iii)	The percentage increase in the median remuneration of the employees in the financial year	25.39%
(iv)	Number of Permanent Employees on the rolls of the company (As on 31st March, 2022)	287
(v)	The explanation on the relationship between average increase in remuneration and company performance: The performance of the company has increased when compared with the previous year. The increase granted to employees is in line with the normal increase granted by company from time to time and is intended to compensate for inflation and motivate employees to perform at their best.	

(vi) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the company

KMP's Remuneration (including perquisites) 2021-22(Rs Lakhs)	% Increase/ (Decrease) in KMP's remuneration (2021-22 against 2020-21 including perquisites)	Sales 2021-22 (Rs in Lakhs)	% Increase/ (Decrease) in sales (2021-22 against 2020-21)
203.44	1.87%	3830.72	28.75%

(vii) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

Particulars	As on 31.03.2021	As on 31.03.2022	Variations	%+/(-)
Market Capitalization (Rs in Lakhs)	5047.67	14158.23	9110.56	180.49%
Price earnings ratio	7.35	15.87	8.51	116%

Market quotations of the shares as on 31.03.2022 (BSE)	Rs.280.35/- per share of the face value Rs.10/- per share
Market quotations of the shares when the company came out with last public offer	Public Issue in December 1995 at a price of Rs.10/- per share of the face Value Rs.10/- per share.
Percentage increase/decrease over in the market quotations of the company	The Company has come out with initial public offer in December 1995. An amount of Rs. 10/- invested in the said IPO would be worth Rs. 280.35 as on 31st March, 2022 indicating a compounded annual growth rate of 13.14% which is excluding the dividend accrued thereon.

(viii) Average percentiles increase already made in salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for the increase in the managerial remuneration:

The average percentile increase granted to employees other than the managerial personnel is 26%.

The percentile increase granted to managerial personnel is 1.87%.

(ix) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

KMP's Name & Designation	Remuneration for 2021-22 (RsLakhs)	%Increase / (Decrease) in Remuneration (2021-22 against 2020-21)	Sales (for 2021-22) (Rs in Lakhs)	%Increase in Sales (2021-22 against 20120-21)
Mr.G.Suresh, Managing Director & CEO	181.08	0%	3830.72	28.75%
Mr.P.S.Subramanian, Chief Financial Officer	12.36	14%		
Mr.Harcharan. J & Company Secretary	8.13	12%		

(x)	The key paramaters for any variable Component of remuneration availed by the Directors.	The Managing Director is eligible for 1% commission on net profits of the Company, which he has waived.
(xi)	The ratio of the remuneration of the highest paid Director to that of employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	Since the remuneration of the highest paid employee is not in excess of the highest paid Director, it is not applicable.

(xii) We affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the remuneration policy approved by the Board of Directors of the company.

(xiii) Statement of employees receiving remuneration not less than 5 lakh rupees per month : Not Applicable

NOTE:

1. Mr.C.Ganapathy , Mr.G.Suresh and Mrs.S.Latha are related to each other

2. Gross remuneration comprises salary, commission, allowance, monetary values of perquisites and the company's contribution to the provident fund, Gratuity Fund and Superannuation Fund.

3. Net remuneration is exclusive of contributions to provident fund, gratuity fund, superannuation fund and tax deducted.

(By Order of the Board)

For CG-VAK SOFTWARE AND EXPORTS LIMITED

Place: Coimbatore
Date : 11th August, 2022

G.Suresh
Managing Director & CEO
DIN 00600906

Annexure - 2 to Director's Report

Form No. AOC-2

[Pursuant to Clause(h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form of disclosure of Particulars of contracts/arrangements entered into by the company with the related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's basis:

S.No.	Name of related party and nature of relationship	Name of contracts / arrangements transactions	Duration of contracts/ arrangements/ transactions	Salient features of contracts/arrangements/ transactions, including value, if any	Justifications for entering into such contracts/arrangements/ transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in General meeting u/s 188
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Not Applicable								

2. Details of material contracts or arrangements or transactions at arm's-length basis.

S.No.	Name of related party and nature of relationship	Name of contracts / arrangements / transactions	Duration of contracts/ arrangements/ transactions	Salient features of contracts/arrangements/ transactions, including value, if any	Date(s) of approval by the Board / Audit committee	Amount paid as advances, if any
	(A)	(B)	(C)	(D)	(E)	(F)
1	S.Latha, Women Director	1) Rental Agreement renewed upto 31.05.2022	Renewed in every 11 months - Rs.3,96,000/month	Leasing of Property & Renewed in every 11 months- Rs.3,96,000/month	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not applicable. However, these are reported to Audit Committee/ Board at their meetings.	Rs.39,60,000/-
		2) Rental Agreement renewed upto15.10.2022	Renewed in every 11 months - Rs.2,24,000/month	Leasing of Property & Renewed in every 11 months- Rs.2,24,000/month		Rs.22,42,000/-
2	CG-VAK Software USA Inc (WOS)	Marketing services provided by WOS	During April 2021 to March 2022	Rs.25,13,992/-		Not Applicable

(By Order of the Board)

For CG-VAK SOFTWARE AND EXPORTS LIMITED

G.Suresh

Managing Director & CEO

DIN 00600906

Place: Coimbatore

Date : 11th August, 2022

Annexure – 3 to Director's Report

Policy for Selection of Directors and determining Directors' independence

1. Introduction

1.1 CG-VAK Software And Exports Ltd (CG-VAK) believes that an enlightened Board consciously creates a culture of leadership to provide a long term vision and policy approach to improve the quality of governance.

Towards this, CG-VAK ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

1.2 CG-VAK recognizes the importance of Independent Directors in achieving the effectives of the board. CG-VAK aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2. Scope and Exclusion:

This policy sets out the guiding principles for the Nomination and Remuneration committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

3. Terms and References:

In this policy, the following terms shall have the following meanings:

3.1 Director means a director appointed to the Board of the Company.

3.2 Nominations and Remuneration Committee means the committee constituted by CG-VAK's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

3.3 Independent Director means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.

4. Policy:

4.1. Qualification and criteria

4.1.1. The Nomination and Remuneration Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required for the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's global operations.

4.1.2. In evaluation the suitability of individual Board members, the Nomination and Remuneration committee may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3. The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or others association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

4.1.4. The Nomination and Remuneration committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

4.2.1 The Nomination and Remuneration committee shall assess the independence of Directors at the time of appointment/re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2. The criteria of independence, as laid down in Companies Act, 2013 and Clause 49 of the Equity Listing Agreement, is as below;

An independent director in relation to a company, means a director other than a managing director or a whole time director or a nominee director.

a) Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

b) i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

e) who, neither himself nor any of his relatives

i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of

A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

iii) holds together with his relatives two per cent or more of the total voting power of the company; or

iv) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

f) Shall possess such other qualifications as may be prescribed.

4.2.3. The Independent Directors shall abide by the Code for Independent Directors as specified in Schedule IV to the Companies Act, 2013.

4.3. Other directorships / committee memberships

4.3.1. The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance.

Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The Nomination and Remuneration Committees shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2. A Director shall not serve as Director in more than 20 Companies of which not more the 10 shall be Public Limited Companies.

4.3.3. A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

4.3.4. A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

POLICY ON REMUNERATION

Objectives of the policy

I. The Company's Remuneration Policy is aimed to attract and retain the best talents by ensuring a fair, transparent and equitable remuneration to employees and Directors, based inter alia on individual job requirements, responsibilities, commensurate qualifications of individuals, experience, the performance of the Company and the performance / contribution of the individual employee. The policy enables a framework that allows for fair rewards for the achievement of key deliverables, in line with industry and Group practice.

II. The Company follows a compensation mix of fixed and performance linked variable pay. Individual performance pay is measured through a structured and transparent appraisal process.

Managing Director (MD) / Executive Director (ED) / Whole-time Director (WTD)

III. When determining the remuneration for the MD / ED / WTD the Company will take into account the market sector that it operates business performance and the practices in other comparable Companies including global companies when appropriate.

IV. The Company pays remuneration by way of Salary, Perquisites and performance linked variable pay to its MD / ED / WTD, within the overall ceiling limits approved by the Shareholders of the Company, subject to the provisions of the Companies Act, 2013. The Nomination & Remuneration Committee recommends the performance linked variable pay, payable to the MD / ED/ WTD based on the profits for the financial year and as per the policy of the Group, based on the performance of the Company as well as that of the MD / ED / WTD and as prescribed under the Companies Act and within overall limits approved by the shareholders. The Board of Directors approves the variable pay payable for the year based on the recommendations of the Nomination & Remuneration Committee.

V. The Company also extends other perquisites as is applicable to the Senior Management Personnel of the Company and as per the Policy of the Company as may be approved by the Nomination & Remuneration Committee / Board of Directors from time to time.

Non-Executive & Independent Directors

The Company currently pays sitting fees for attending the meetings of the Board / Committees thereof, which includes Audit Committee, Nomination & Remuneration Committee and Stakeholder's Relationship Committee. Any change in this fee would have to be approved by the Board of Directors within the limits and provisions of the Companies Act, 2013.

The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings as and when applicable.

Key Managerial Personnel (KMP) & Senior Management Personnel (SMP)

KMP as defined in the Companies Act 2013, includes the Chief Financial Officer and the Company Secretary. The Senior Management Personnel are all those Executives who directly report to the MD / ED / WTD i.e. one level below the Board of Directors.

The Compensation package to the KMPs and the SMPs will comprise:

- Salary and applicable allowances. The annual salary revision for members of the KMPs and SMPs will be subject to approval by the Nomination and Remuneration Committee.
- A performance linked variable pay, based on the performance of the Company and the concerned individual.
- Applicable Perquisites based on HR policies.
- Pension and other retrial benefits in accordance with the relevant statutes.

Any other perquisite in accordance with the Policy of the Company and as approved by the Nomination & Remuneration Committee / Board of Directors, from time to time.

Annexure - 4 to Director's Report

Form AOC -1

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014.

Statement containing salient features of the financial statement of the subsidiary

(in Rs.)

1	Name of the Subsidiary	CG-VAK Software USA Inc.
2	Reporting Period	31st March, 2022
3	Reporting Currency	USD
4	Exchange Rate*	75.20
5	Share Capital	3,31,00,161
6	Reserves and Surplus	9,66,44,662
7	Total Assets	**13,91,92,777**
8	Total Liabilities	**13,91,92,777**
9	Details of Investments	NA
10	Turnover and Other Income	**15,86,26,775**
11	Profit / (Loss) Before Taxation	**15,74,432**
12	Provision for Taxation	5,48,665
13	Profit / (Loss) After Taxation	**10,25,767**
14	Proposed Dividend	NA
15	Percentage of Holding	100%

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.75.20/USD (Rs. 71.60/USD for the previous year ended 31st March, 2021) 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
DIN : 00600906

P.S. Subramanian
Chief Financial Officer

Harcharan J
Company Secretary

Annexure: 5

CSR REPORT (2021-22) of the company's CSR Policy

1. **Brief outline on CSR Policy of the Company.**

   The Company considers society as an importants take-holder and will strive to discharge its responsibilities to the society proactively. This policy encompasses the Company's philosophy for fulfilling its responsibility as a Corporate Citizen and lays down guidelines and mechanism for carrying out useful activities/projects/programs to make a positive contribution to the society through effective impact and sustainable development programs.

   The CSR Projects in CG-VAK SOFTWARE AND EXPORT LIMITED are implemented under the guidance of the board of directors of the company.

2. The board, among others:
   a. Formulate CSR policy.
   b. Approve the amount of expenditure to be incurred on the activities in a financial year along with the projects to be undertaken.
   c. Monitor from time to time the implementation of the CSR Projects undertaken by the Company.

   The CSR Activities of CSR Projects in CG-VAK SOFTWARE AND EXPORT LIMITED are as per the provisions of schedule VII of Companies Act 2013.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.cgvak.com/investors

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): NIL

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S.No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs
1	2020-21	NIL	NIL
	2021-22	NIL	NIL
	Total	**NIL**	**NIL**

6. Average net profit of the company as per section 135(5): Rs. 6,33,88,577/-

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 12,67,772/-
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
   (c) Amount required to be set off for the financial year, if any: NIL
   (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 12,67,772/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
12,68,000	NIL	NIL	NIL	NIL	NIL

(b) Details of CSR amount spent ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to unspent CSR account for the project as per section 135(6) (in Rs.)	Mode of Implementation -Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NA												

. (c) Details of CSR amount spent against other than ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation Direct (Yes / No.)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Promoting education	Promoting education	Yes	Coimbatore, Tamilnadu		12,68,000	No	Under Namakku Namae Thittam of Government of Tamil Nadu – Coimbatore city Corporation	
Total						12,68,000			

(d) Amount spent in Administrative Overheads : NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 12,68,000/-

(g) Excess amount for set off, if any: Rs.228/-

Sl.No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 12,67,772
(ii)	Total amount spent for the Financial Year	Rs. 12,68,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 228
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs.228

9. (a) Details of Unspent CSR amount for the preceding three financial years :

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1.	NA						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in Which the project was commenced	Project duration	Total amount allocated for the Project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing
1.	NA							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(Asset-Wise Details).

(a) Date of creation or acquisition of the capital asset(s): NA

(b) Amount of CSR spent for creation or acquisition of capital asset: NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : NA

(By Order of the Board)

For CG-VAK SOFTWARE AND EXPORTS LIMITED

Place: Coimbatore
Date : 11th August, 2022

G.Suresh
Managing Director & CEO
DIN 00600906

Annexure - 6 to Director's Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
CG-Vak Software and Exports Limited
(CIN: L30009TZ1994PLC005568)
171, Mettualayam Road,
Coimbatore – 641043.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CG-VAK Software and Exports Limited (hereinafter called the company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information and explanation provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022, accordingto the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) Other laws applicable specifically to the company

  (a) Information and Technology Act 2000 and Rules made thereunder.

  (b) Software Technology Parks of India Rules and Regulations.

  I have also examined compliance with the applicable clauses of the following:

  (I) Secretarial Standards issued by The Institute of Company Secretaries of India.

  (ii) Compliance with the applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulaions, 2015.

  During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

  (a) Mr. K. Manickam, a former Promoter, Managing Director and a shareholder of the Company who holds 1294 equity shares had filed a suit in I.A 2/2021, I.A 3/2021,I.A 4/2021,I.A 5/2021,I.A 6/2021,and I.A 7/2021 and O.S 1086/2021 against the Company in the Court of the Honorable Principal Subordinate Judge of Coimbatorepraying to declare illegal the resolutions Nos.1, 3,4,5, 6&7 set out in the Notice

convening the 26th Annual General Meeting and for seeking injunction to restrain the Company from passing the resolutionsand notice was received on 27th September 2021. The suit is still pending before the Honorable Principal Subordinate Judge of Coimbatore.

(b) Mr. K. Manickam, a former Promoter, Managing Director and a shareholder of the Company who holds 1294 equity shares had filed a suit O.S 1271/2019 against the Company on 12th September 2019 in the Court of the IV Additional District Munsiff of Coimbatore praying to declare illegal the resolutions Nos.1, 3,7,8 & 9 set out in the Notice convening the 24th Annual General Meeting and for seeking injunction to restrain the Company from passing the resolutions. The IA was dismissed by the Court in favour of the Company vide order dated 23rd September 2019. The suit is still pending before the IV Additional District Munsiff of Coimbatore.

(c) The Ministry of Corporate Affairs had conducted an inspection on the Company u/s 209A of the Companies Act 1956 in Financial Year 2012-13 pursuant to which The Registrar of Companies, Coimbatore, issued Show Cause Notices dated 23rd November 2018 to the Company for procedural non compliances under the Companies Act, 1956. The Registrar of Companies has filed complaints against the Company before the 1stAdditional Sessions Judge, Coimbatore and summons have been served on the Company and officers in default. The suit has been contested by the Company and is pendingbefore the 1st Additional Sessions Judge Coimbatore.

(d) Mr. K. Manickam, a former Promoter, Managing Director and a shareholder of the Company who holds 1294 equityshares had filed a suit O.S 1251/2018 against the Company on 14 September 2018 in the Court of the V AdditionalDistrict Munsiff of Coimbatore praying to declare illegal the resolutions Nos. 3 & 4 set out in the Notice convening the23rd Annual General Meeting and for seeking injunction to restrain the Company from passing the resolutions. The IAwas dismissed by the Court in favour of the Company vide order dated 24th September 2018. The suit is still pendingbefore the V Additional District Munsiff of Coimbatore .

(e) Mr. K. Manickam, a former Promoter, Managing Director and a shareholder of the Company who holds 1294 equityshares had filed a suit O.S 686/2017 against the Company on 18th April 2017 in the Court of the I Additional DistrictMunsiff of Coimbatore seeking not to enforce the resolutions passed at the 21 Annual General Meeting held on 30September 2016. The suit is still pending before the I Additional District Munsiff of Coimbatore.

(f) Mr. K. Manickam, a former Promoter, Managing Director and a shareholder of the Company who holds 1294 equityshares had filed a suit O.S 1396/2016 against the Company on 17th September 2016 in the Court of the I AdditionalDistrict Munsiff of Coimbatore seeking injunction to not convene the 21st Annual General meeting which wasscheduled to be held on 30th September 2016. The IA was dismissed by the Court in favour of the Company vide orderdated 30th September 2016 and the Annual General Meeting was held on 30th September 2016.The suit is still pendingbefore the I Additional District Munsiff of Coimbatore..

(g) Mr. K. Manickam, a former Promoter, Managing Director and a shareholder of the Company who holds 1294 equityshares had filed a petition before II Additional Subordinate Judge of Coimbatore vide O.S. No, 397 of 2016 against theCompany, seeking injunction for restraining the Company and the Managing Director from alienating or encumberingthe properties mentioned in the suit. The case is still pending before the Court.

(h) During the Financial Year 2015-16, the Company had paid Rs.2,88,461/- along with interest at 10% amounting toRs. 2,91,229/- to Mr. K. Manickam, former Promoter, Managing Director of Company as Gratuity as per order of theJoint Commissioner of Labour Coimbatore vide his order dated 24th July 2015; The Company had filed a writ petitionbefore the High Court challenging the above said order.

(I) A Gratuity claim of Rs. 8,82,000/- by a former Director has been disputed by the company and the case is pending beforethe Assistant Commissioner of Labour, Coimbatore.

(j) A Gratuity claim of Rs. 7,05,000/- by a former employee has been disputed by the company and the case is pendingbefore the Assistant Commissioner of Labour Coimbatore.

(k) An appeal regarding a claim by Mr. K. Manickam, former Promoter, Managing Director and his family members fornonpayment of Fixed Deposit amounting to Rs. 10,55,691/-is pending before the High Court of Madras.

(l) The Regional Provident Fund Commissioner, Coimbatore had passed an order on 29th November 2016 directing theCompany to enroll home based workers and trainees in Employee Provident Fund Organisation. The Company hadpreferred an appeal against the orders of the Regional Provident Fund Commissioner before the Employees ProvidentFund Appellate Tribunal Bengaluru, and has obtained a stay against the orders passed by the Regional Provident FundCommissioner, Coimbatore on 20th December 2016.

I further report that there were no actions/events in pursuance of:

(d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(g) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(h) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(i) The **Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**

I further declare that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the Board Meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimousand no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has not taken any action or had any specific event having a major bearing on the affairs of the Company in pursuance of the above referred Laws, Rules, Regulations and Guidelines.

Annexure-A

The Members,

CG-Vak Software & Exports Limited,

(CIN L30009TZ1994PLC005568)

171 Mettupalayam Road,

Coimbatore - 641043.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

D. Senthil
Practising Company Secretary
FCS 11240 COP: 16715
UDIN:F011240D000779986

Place : Coimbatore
Date : 11th August 2022

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

(Pursuant to Regulation 27 of SEBI (LODR) Regulations 2015)*Pursuant to Regulation 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with corporate governance provisions are not mandatory for our Company (CG-VAK Software and Exports Limited), since the Company's paid up capital is not exceeding Rs.10 crores and Net worth is not exceeding Rs.25 crores as on 31st March, 2021. However our Company has complied with the same voluntarily.*

I. Company's Philosophy on Corporate Governance

CG-VAK has a strong legacy of fair, transparent and ethical governance practices. The Company's philosophy on Corporate Governance is founded on the fundamental's ideologies viz, Trust, Value, Passion for clients and Exactness. The Company believes in ensuring Corporate fairness, transparency, professionalism, accountability and propriety in total functioning of the Company, which are pre-requisites for attending sustainable growth in this competitive Corporate World obeying the law, both in letter and spirit, is the foundation in which the Company's ethical standards are built. The Company could consistently endeavor to improve on these aspects.

Board of Directors

The Board consists of One Non-Executive Chairman, One Managing Director& CEO and Four Independent Directors and One Non-Executive Women Director. 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 01.04.2021 to 31.03.2022)	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 31.03.2022	
1.	Mr.C.Ganapathy Non-Executive Chairman	Promoter, Non-Executive Director	5	No	Nil	Nil
2.	Mr.G.Suresh Managing Director & CEO	Promoter, Executive Director	6	Yes	Nil	Nil
3.	Mrs.S.Latha	Promoter, Non-Executive Women Director	6	Yes	Nil	Nil
4.	Mr.R.Jayaraman	Independent, Non-Executive Director	3	Yes	Nil	Nil
5.	Mr.K.Kathirvel	Independent, Non-Executive Director	6	Yes	Nil	Nil
6.	Mr.R.Krishnaswamy	Independent, Non-Executive Director	6	Yes	Nil	Nil
7.	Mr.G.S.Swaminathan	Independent, Non-Executive Director	6	Yes	Nil	Nil
8.	Mr.A.Sankar (ceased w.e.f. 30.09.2021)	Independent, Non-Executive Director	2	Yes	Nil	Nil
9.	Mr.Dr.S.Thamburaj (deceased on 29.06.2021)	Independent, Non-Executive Director	0	No	Nil	Nil

Six Board Meetings were held during the financial year 2021 - 2022. The dates of the Board Meetings were held are 10.06.2021, 13.08.2021, 08.10.2021, 21.10.2021, 10.11.2021, and 11.02.2022.

*Directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 are excluded for this purpose.

Mr.C.Ganapathy, Non-Executive Chairman, Mr.G.Suresh, Managing Director & CEO and Mrs.S.Latha, Non-Executive Women Director are related to each other.

The non-Executive Independent Directors fulfill the conditions laid down for appointment / re-appointment as Independent Directors as specified in Section 149 of the Companies Act, 2013 and rules made thereunder and Regulation 25 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Familiarisation Programme

At the time of appointment of Directors a formal letter of appointment is issued, which sets out roles, functions, duties and responsibilities expected from them. The Directors have also been explained the relevant regulations. The appointments are also provided with necessary information to understand the Company's operations, products and events relating to the Company.

Code of Conduct

The Company has adopted the code of conduct for all Board Members and Senior Management as required under Regulation 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The code is posted on the company's website at www.cgvak.com. All Board Members and Senior Management personnel have affirmed compliance with the code on an annual basis and a declaration to this effect signed by the Chairman is attached to this report.

Details of Equity Shares of the Company held by Non-Executive Directors as on 31st March, 2022:

Sl.No	Name	No. of Equity Shares
1.	Mr. C. Ganapathy	406350
2.	Mrs.S.Latha	1131644
3.	Mr. Kathirvel	Nil
4.	Mr. R. Krishnaswamy	800
5.	Mr. G. S. Swaminathan	Nil
6.	Mr.A.Sankar (ceased w.e.f 30.09.2021)	Nil
7.	Dr.S.Thamburaj (deceased on 29.06.2021)	Nil

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, 2013.

During the Financial Year 2021-2022, four committee meetings were held on 09.06.2021, 12.08.2021, 09.11.2021 and 10.02.2022. The Members of the Committee are well versed in financial matters, accounts, company law and general business practices.

The Composition and attendance details of the Audit Committee are as under:

Sl.No	Name of the Director	No. of Meetings Held	No. of Meetings Attended
1.	Mr. K. Kathirvel, Chairman	4	4
2.	Mr. G. S. Swaminathan, Member	4	4
3.	Mr. R. Krishnaswamy, Member	4	4
4.	Mr. R.Jayaraman, Member	2	2
5.	Mr.A.Sankar, Member (ceased w.e.f 30.09.2021)	2	2

IV NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations 2015. The Nomination and Remuneration Committee will consider and review from time to time, the remuneration payable to all Directors, Key Managerial Personnel, and Senior Management Personnel of the Company.

The Nomination and Remuneration Committee consists of Four Independent Directors as at the year ended 31.03.2022. During the Financial Year 2021-2022, the Committee Met on 13.08.2021. The Composition and attendance of the members of the Committee are as under:

Sl.No	Name of the Director	No. of Meetings Held	No. of Meetings Attended
1.	Mr. K. Kathirvel, Chairman	1	1
2.	Mr. G. S. Swaminathan, Member	1	1
3.	Mr. R. Krishnaswamy, Member	1	1
4.	Mr. R.Jayaraman, Member	0	0
5.	Mr.A.Sankar, Member (ceased w.e.f 30.09.2021)	1	1

V REMUNERATION TO DIRECTORS

Remuneration of Executive Directors

The remuneration of the Managing Director and Executive Director is recommended by the Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macroeconomic review on remuneration packages of heads of other organizations and is decided by committee members.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components) to its Managing and Executive Director. The remuneration package of whole time Directors has been calculated in accordance with the requirements of the Companies Act, 2013.

Remuneration of Non-Executive Directors

The Non-Executive Directors do not receive any remuneration from the Company, apart from the sitting fees. No significant material transactions have been made with the Non-Executive Directors vis-à-vis the Company.

The components of the total remuneration vary for different grades of employees and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performances, etc. The annual variable pay of senior managers is linked to the Company's performance in general and their individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives. Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance incentives.

Details of the remuneration paid to the Directors during the year ended 31st March 2022.

1. **Executive Directors** **(Rs in Lakhs)**

Sl. No	Name & Position	Salary & Perquisites	Commission	Total Remuneration
1.	Mr.G.Suresh, Managing Director & CEO	181.08	NIL	181.08

The Executive Director had waived the Commission eligible to him. Hence no commission was paid to the Executive Director for the year end 31.03.2022.

2. **Non-Executive Directors**

Sl.No	Name & Position	Sitting Fees (Rs.)
1.	Mr. C.Ganapathy, Non-Executive Chairman	0.98
2.	Mrs.S.Latha, Non-Executive Women Director	0.90
3.	Mr. K. Kathirvel, Independent Director	1.58
4.	Mr. R. Krishnaswamy, Independent Director	1.58
5.	Mr. G. S. Swaminathan, Independent Director	1.58
6.	Mr.R.Jayaraman, Independent Director	0.75
7.	Mr.A.Sankar, Independent Director(ceased w.e.f 30.09.2021)	0.68
8.	Dr.S.Thamburaj (deceased on 29.06.2021)	0

VI STAKEHOLDER'S GRIEVANCE COMMITTEE

The Stakeholders' Grievance Committee consists of One Non-Executive Director and Four Independent Directors. Mr. K.Kathirvel, Independent Director is the Chairman of the Committee.

During the financial year 2021-2022, 0 complaints were received from shareholders/authorities to the Company. All of them were replied/resolved to their satisfaction. There are no pending complaints to be resolved at the end of the year.

The Committee met four times during the year on 10.06.2021, 13.08.2021, 10.11.2021 and 11.02.2022. The Composition and attendance details of the Stakeholders' Grievance Committee are as under:

Sl.No	Name of theDirector	No. of Meetings Held	No. of Meetings Attended
1.	Mr. K. Kathirvel, Chairman	4	4
2.	Mr. C. Ganapathy, Member	4	4
3.	Mr. G. S. Swaminathan, Member	4	4
4.	Mr. R. Krishnaswamy, Member	4	4
5.	Mr. R.Jayaraman, Member	4	2
6.	Mr.A.Sankar, Member (ceased w.e.f 30.09.2021)	4	2

Mr. Harcharan J, the 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.

Meeting of Independent Directors

A separate meeting of Independent Directors was held on 10.06.2021 and 11.02.2022. Four Independent Directors attended the Meeting held on 10.06.2021 and all the Independent Directors attended the Meeting held on 11.02.2022.

VII ANNUAL GENERAL MEETINGS :

Year	Type	Location	Date	Time	Special Resolutions passed by the Shareholders
2019	AGM	Ardra Hall, Kaanchan, 9, North Huzur Road, Coimbatore -641 018	23.09.2019	3.00 P.M.	1.To Consider the appointment of Mr. R. Jayaraman (DIN: 08467922), as an Independent Director of the Company 2. To Consider the appointment of Mr. S. Padmanabhan (Din: 08467788), as an Independent Director of the Company 3. To Consider the appointment of Dr. S. Thamburaj (DIN: 08467884), as an Independent Director of the Company 4. Re-appointment of Mr. C. Ganapathy (DIN 00735840) as a Non-Executive Director of the Company. 5. Re-appointment of Mr. G. Suresh (DIN 00600906) as a Managing Director & CEO of the Company. 6. To amend the object clause of the Memorandum of Association of the Company.
2020	AGM	Through VC/OAVM	30.09.2020	3.00 PM	None
2021	AGM	Through VC/OAVM	30.09.2021	3.00 PM	1. To consider the appointment of M/s. SPP & Co, Chartered Accountants, as Statutory Auditors of the Company for a period of two years. 2. To Consider the appointment of Mr. K. Kathirl (DIN: 09091676), as an Independent Director of the Company. 3. To Consider the appointment of Mr. R. Krishnaswamy (DIN: 09091695), as an Independent Director of the Company. 4. To Consider the appointment of Mr. G. S. Swaminathan (DIN: 02145687), as an Independent Director of the Company.

Postal Ballot

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

VIII MEANS OF COMMUNICATIONS

(a) Quarterly 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 SEBI (LODR) Regulations 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 filling/submitting its Shareholding Pattern, Financial Results and Report on Corporate Governance on quarterly basis to the Stock Exchanges.

IX GENERAL INFORMATION FOR SHAREHOLDERS

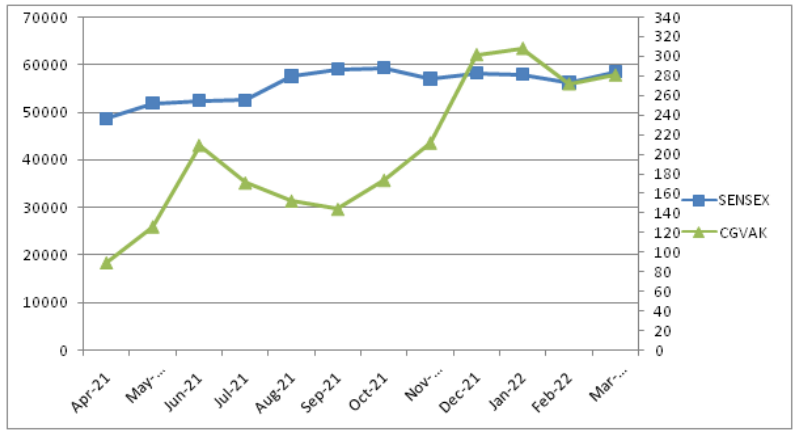
1.	AGM – Date , Time & Venue	28th September, 2022 3.00 PM Through VC/OAVM
2.	**Financial Calendar for the year 2022-2023** Results for Quarter Ending 30th June,2022 Results for Quarter Ending 30th September,2022 Results for Quarter Ending 31st December,2022 Results for Quarter Ending 31st March, 2023	**Will be published on or before:** 14th August, 2022 14th November, 2022 14th February, 2023 30th May, 2023
3.	Date of Book Closure	Thursday, the 22nd September, 2022 to Wednesday,, the 28th September, 2022(both days inclusive)
4.	Dividend payment due date	Dividend, if declared at the AGM, will be paid on or before 27th October, 2022.
5.	Listing on Stock Exchange	THE BSE LIMITED, P.J.Towers, Dalal Street, Mumbai – 400 001.
6.	Type of Security	Equity
7.	Stock Code ISIN	531489 INE084D01010

8. **Market Price Data**

Monthly Share Price for the year 2021-2022

Month	High	Low	Close
Apr-21	103.45	79.00	89.15
May-21	139.00	85.10	125.80
Jun-21	221.50	110.55	208.65
Jul-21	219.00	155.25	170.40
Aug-21	174.95	137.00	152.05
Sep-21	157.90	137.50	143.55
Oct-21	214.80	138.60	173.20
Nov-21	216.35	166.35	211.15
Dec-21	377.00	204.60	301.20
Jan-22	391.70	286.85	307.55
Feb-22	318.00	263.00	271.35
Mar-22	323.00	254.00	280.35

9. **Movement of Share Price – BSE SENSEX during 2021 – 2022**



10. **Registrar and Share Transfer Agents**

S.K.D.C. Consultants Ltd.,
"Surya" 35, Mayflower Avenue, Behind Senthil Nagar,
Sowripalayam, Coimbatore 641 028.
Ph: 0422-4958995
Email id: info@skdc-consultants.com

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, non - receipt of dividend or any other query relating to shares, please write to our Registrar and Shares Transfer Agent at their aforesaid registered address.

An exclusive e-mail ID, **investorservices@cgvak.com** for redressal of investor complaints has been created and the same is available on our website.

11. **Share Transfer System**

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. All valid transfers are processed and registered within 15 days from the date of receipt. Shares held in the dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update their records and send all corporate communication, dividend warrants, etc.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

The company obtains from Practicing Company Secretary, Coimbatore the following certificates:

a. Pursuant to Regulation 40(9) of the listing regulations, 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, 2022**

Shares - Range	No. of Share Holders	%	Total Shares	%
Upto - 500	6,010	92.60	4,91,648	9.74
500 -- 1,000	247	3.81	1,99,524	3.95
1,001 -- 2,000	121	1.87	1,83,201	3.63
2,001 -- 3,000	36	0.55	90,261	1.79
3,001 -- 4,000	16	0.25	57,118	1.13
4,001 -- 5,000	11	0.17	51,041	1.00
5,001 -- 10,000	21	0.32	1,62,730	3.22
10,001 AND ABOVE	28	0.43	38,14,677	75.54
TOTAL	6,490	100.00	50,50,200	100.00

Shareholding Pattern as on 31st March 2022

Category	No. of Shares	Percentage of Shareholding
Promoter and Promoter Group	26,82,964	53.13
Domestic Bodies Corporate	32,713	0.65
Non Resident Indians	30,504	0.60
Indian Public and Others	23,04,019	45.62
Total	**50,50,200**	**100.00**

13. **Shares dematerialised as on 31.03.2022** : **94.92%**

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,**
25th Floor, Marathon Futurex, NM Joshi Marg,
Lower Parel, Mumbai – 400 013.

Dematerialisation of shares : Commenced with effect from March 2001.

14. **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments**

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments as at end of 31st March,2022.

15. **Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**

There is no commodity price risk. Your company has a formal Board approved hedging strategy which is reviewed periodically. Judiciously hedging against adverse foreign exchange exposures helps minimize the impact of exchange fluctuations. We continue to maintain a prudent and balanced forex management policy which will help us manage risk appropriately.

16. **Plant Location :**

The Company does not have Plants and the addresses given below are only offices of the Company

CG-VAK Software and Exports Limited

INDIA		USA
Registered Office - Unit I No.171, Mettupalayam Road, Coimbatore – 641043 India	**Unit II** S.F.No.174/2, Thiruvalluvar Street, Vellakinar Pirivu Road, G.N.Mills Post, Coimbatore – 641 029 India	**New Jersey** 116, Village Boulevard, Suite No.200, Princeton, New Jersey - 08540, USA

Wholly Owned Subsidiary:

California	New Jersey
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

17.	**Address for Correspondence**	M/s. S.K.D.C. Consultants Limited, "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore 641 028. Phone : 0422 – 4958995, 2539835, 2539836 Fax : 0422 – 2539837 e-mail : info@skdc-consultants.com Website : www.skdc-consultants.com
18.	**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 Website : www.cgvak.com

X DISCLOSURES

(a) There are no materially significant related party transactions that may have potential conflict with the interests of Company at large.

(b) Policy on determination of materiality of event or information:

In accordance with requirements of the Listing Regulations, the Company has formulated a policy on determination of materiality of event or information.

A copy of Policy on determination of materiality of event or information has been placed at our website at www.cgvak.com for reference.

(c) Policy for Document Retention & Archival:

The Company has framed a record Management Policy for preservation of documents. This policy prescribes the nature of documents and period for which the same should be preserved.

A copy of Document Retention & Archival Policy has been placed at our website at www.cgvak.com for reference.

(d) The Company has adopted a Whistle Blower Policy as a mechanism for employees to report to the management concern about unethical behavior, actual or suspected fraud or violation of the company's code of conduct and it affirms that no personnel have been denied access to the Audit Committee. A copy of Whistle Blower Policy has been placed at our website at www.cgvak.com for reference.

(e) The Secretarial Auditor of the Company has issued "CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS". The said certificate forms part of the report.

(f) The Regional Director (Southern Region), Ministry of Corporate Affairs, Chennai has compounded offences during the Financial Year 2021-22. The Company had paid a Compounding fees of Rs. 3,41,950, subsequent of which The Regional Director (Southern Region), Ministry of Corporate Affairs, Chennai had issued orders dated 21.09.2021 and 18.11.2021 directing The Registrar of Companies, Coimbatore, Tamil Nadu to withdraw the prosecutions filed.

XI Declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of the Board of Directors and Senior Management is furnished separately.

XII As required under Regulation 17(8) of the Listing Regulations, the CEO and CFO of the Company have certified the accuracy of Financial Statements, the Cash Flow Statements and adequacy of Internal Control Systems for financial reporting for the year ended 31st March, 2022 and the same is annexed to this report.

XIII AUDITORS FEES ON CONSOLIDATED BASIS

The total fees for all services paid by the Company and its subsidiary on a consolidated basis to the Statutory Auditors during the year 2021-22 is as follows:

S.No.	Payment of fees towards	CG-VAK SOFTWARE AND EXPORTS LTD	CG-VAK SOFTWARE USA INC	Total
1	Statutory Audit & Limited Review	2,00,000	-	2,00,000
2	Taxation Matters	-	-	-
3	Other services	-	-	-

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (prevention, prohibition and redressal) Act, 2013.

The Company has in this place an Anti Sexual Harassment Policy in line with the requirements of the sexual harassment of women at workplace (prevention, prohibition, redressal) Act, 2013. The Internal Complaints Committee ("ICC") has been setup to redress the complaints received regarding sexual harassment. All employees are covered under this policy.

The following are the complaints received and disposed off during the financial year 2021-22:

A.	No. of complaints received	:	0
B.	No. of pending	:	0
C.	No. of complaints disposed off	:	0

(By Order of the Board)

For CG-VAK SOFTWARE AND EXPORTS LIMITED

Place: Coimbatore
Date : 11th August, 2022

G.Suresh
Managing Director & CEO
DIN 00600906

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

CG VAK SOFTWARE AND EXPORTS LIMITED

171 Mettupalayam Road,

Coimbatore - 641043

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **CG VAK SOFTWARE AND EXPORTS LIMITED** having CIN L30009TZ1994PLC005568 and having registered office at 171, Mettupalayam Road, Coimbatore - 641043 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl.No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Ganapathy Chidambaram	00735840	01/12/1995
2.	Mr.Suresh Ganapathy	00600906	01/09/1995
3.	Mrs. Latha Suresh	017934332	08/05/2014
4.	Mr.Ramasamy Jayaraman	08467922	09/08/2019
5.	Mr.Ganapathy Agraharam Sethuraman Swaminathan	02145687	31/03/2021
6.	Mr.Ramaswamy Krishnaswamy	09091695	31/03/2021
7.	Mr.Kulandaivel Kathirvel	09091676	31/03/2021
8.	Mr. Arumugam Sankar*	03535173	30/05/2011

*Ceased to be a member of Board on 30.09.2021 on completion of his tenure

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

D. Senthil
Practising Company Secretary
FCS 11240 COP: 16715
UDIN:F011240C000819388

Place : Coimbatore
Date : 11th August 2022

CEO AND CFO CERTIFICATION

[As per Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

In compliances with Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2022 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 2021-2022 which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for the financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have not observed any deficiencies in the design or operation of such 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 over financial reporting have been observed.

Place : Coimbatore
Date : 11th August, 2022

G.Suresh
Managing Director & CEO
DIN 00600906

P.S.Subramanian
Chief Financial Officer

DECLARATION BY THE CEO UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING THE COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the financial year ended 31st March, 2022.

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

Place: Coimbatore
Date : 11th August, 2022

G.Suresh
Managing Director & CEO
DIN 00600906

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
CG-VAK SOFTWARE AND EXPORTS LIMITED

1. We have examined the compliance of corporate governance by CG-VAK Software And Exports Limited (CIN: L30009TZ1994PLC005568) for the year ended 31st March, 2022 as per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable during the aforesaid period.

Management's Responsibility

2. The compliance of the conditions of corporate governance is the responsibility of the Management. The responsibility includes design, implementation and maintenance of internal control and procedures to ensure compliance with conditions of corporate governance as stated in Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Auditor's Responsibility

3. 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 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the company.
4. We have examined the books of accounts and relevant documents and records maintained by the company for the purpose of providing reasonable assurance on the compliance to corporate governance requirements of the company.
5. We have carried out an examination of the relevant records of the company in accordance with the Guidance Note on certification of corporate governance issued by the institute of chartered accountants of India (ICAI), the standard on auditing specified under section 143(10) of the companies act 2013 in so far as applicable for the purpose of this certificate and as Guidance Note on reports and certificates for special purposes issued by the ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality control (SQC) 1, Quality control for firms that perform audits and review of historical information and other assurance and related service engagements.
7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the management, we certify that the company has complied with the conditions on corporate governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and para D of Schedule V of the SEBI listing regulations during the year ended 31st March 2022, we certify that the company has complied with the conditions of corporate governance as stipulated as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.We state that no investor grievance is pending as on 31st March 2022 without response for a period exceeding one month against the company as per the records maintained by the stakeholders grievance committee.
8. 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 **M/s. SPP & Co**
Chartered Accountants
Firm Regn.No.011059S

S.Prabhu
Partner
Membership No.213598
UDIN : 22213598APERPP5438

Place : Coimbatore
Date : 11th August, 2022

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE

The global economy is still recovering from the effects of the pandemic. The global economy is expected to grow at 4.7% this year. Indian IT industry was boosted during the year by the rapid pace of digitalization and higher discretionary expenditure by enterprises. The IT industry in India is the largest employer within the private sector. The Indian technology industry crossed $200 billion revenue mark in the FY 22, with an overall growth rate of 15.5%. This is highest-ever growth rate since 2011. The IT industry makes use of new technologies and platforms like cloud services, adoption of DevOps, IoT, AI, Machine learning to help businesses to offer better customer experience and change the way business is done. Despite the pandemic, the Indian IT industry has contributed about 7.4% share to India's GDP.

India is one of the major players in the Global IT outsourcing market and has become the world's largest capability hub. FY 2021-22 has been a challenging year due to on-going pandemic, economic volatility, technological disruptions and protectionism by leading markets like USA. However, opportunities in Digital Technologies continue to grow. North American market continues to be the major contributor for India's IT exports.

2. OPERATIONAL PERFORMANCE

During the year under review your Company has achieved a turnover of Rs.3831 lakhs as against Rs. 2975lakhs in the previous year. The profit after tax for the year is Rs. 892 lakhs as against Rs. 686 lakhs in the previous year. The company strengthened its focus on the offshore software services and Outsourced Product Development (OPD) market segment.

Business Continuity

The company activated the Business Continuity Plan (BCP) and ensured that employees are able to work from home without diluting the quality of services offered to our clients and also ensuring the safety of employees. Currently almost all our employees are working from home and we have tuned our process to suit the work from home culture.

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. The revenue Offshore Software Services is Rs. 3827 lakhs for the year 2021-2022 as against Rs. 2971 lakhs in the previous financial year. The increase has been at 29% compared with previous year. The business from onsite services is NIL. This shift to offshore services over the years has benefited the company in many ways and now it has helped in minimizing the business impact due to this pandemic.

4. OPPORTUNITIES, THREATS, RISKS AND CONCERNS

New technologies are helping businesses even more in the present connected world and businesses are fast adapting to mitigate the possible disruptions in their business models. Good traction is seen in Cloud migration services, Analytics, Outsourced Product Development (OPD), Product modernization, Automation and Mobile application development services. We see good opportunities from existing customers as they continually invest in the latest technology upgradation. We have built many longstanding relationships with customers and seek to deepen the same by improving the value we offer to our clients particularly on technology adoption 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.

The pandemic continues to bring a lot of changes in the IT industry. While there is no direct impact in our business from the ongoing geo-political conflict between Russia and Ukraine, the Company continues to monitor the developments. We are closely monitoring the developments as always and will be re-strategizing our business and delivery model to mitigate the risks. 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, career growth and opportunity to work on cutting edge technologies. 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 80% of our business from North America.

5. OUTLOOK FOR THE FUTURE

TThe IT-BPM exports from INDIA for FY 2022-23 is expected to grow inspite of the continued impact in the world economy due to the pandemic. New models like remote delivery, increased offshore work, new compensation structures are likely to continue and could become the new normal. However, the Digitization initiatives by organizations worldwide is expected to continue at the same momentum. CG-VAK has successfully delivered solutions/projects in the areas like Cloud, Mobile, Social media, DevOps and Analytics. We are also investing our efforts in emerging technologies like AI, IoT and we are well positioned to capitalize on the opportunities that are thrown open due to these trends.

The Company has been investing on technology adoption, 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 financial year as well.

6. IN ACCORDANCE WITH THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS 2018) (AMENDMENT) REGULATIONS, 2018, THE COMPANY IS REQUIRED TO GIVE DETAILS OF SIGNIFICANT CHANGES (AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS. -

S.No	Ratios	31.03.2022	31.03.2021	Remarks
1.	Debtors turnover	41 days	51 days	
2.	Interest coverage	12	NA	Term Loan was taken during the FY 2021-22 for Purchase of Property.
3.	Current ratio	1.99	6.56	Cash accrued was utilized for purchase of Property in the FY 2021-22.
4.	Debt Equity ratio	0.09	0.01	Term Loan was taken during the FY 2021-22 for Purchase of Property.
5.	Operating profit margin	32%	31%	
6.	Net profit margin	24%	23%	
7.	EBITDA	35%	35%	
8.	Return on Investment	6.29%	4.74%	Consistent increase in profits
9.	Return on Capital Employed	36%	40%	
10.	Return on Equity	29%	30%	

** Ratios are based on standalone financials.
Wherever movements are not greater than 25%, they are not material.

7. DETAILS OF ANY CHANGE IN NETWORTH AS COMPARED TO IMMEDIATELY PREVIOUS FINANCIAL YEAR WITH A DETAILED EXPLAINATION THEREOF -

Return on Networth	31.03.2021	30.37%
Return on Networth	31.03.2022	29.01%

8. INTERNAL CONTROLS & THEIR ADEQUACY

We have a good control mechanism in place at all our departments. As we are an ISO 9001:2015 Certified Company, it has a well-matured development process in place where there is continuous 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.

9. 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 the company adopts continuous skill enhancement practice for its engineers. As of 31st March 2022, the employee strength stood at **287.**

10. 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 does not or may not have any control.

(By Order of the Board) (By Order of the Board)
For CG-VAK SOFTWARE AND EXPORTS LIMITED
G.Suresh
Managing Director & CEO
DIN 00600906

Place: Coimbatore
Date : 11th August, 2022

INDEPENDENT AUDITOR'S REPORT

To

The Members of M/s. CG-VAK Software and Exports Limited

Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of CG-VAK Software and Exports Limited ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies(Accounting Standards) Rules 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have no key audit matters to communicate in our report.

Other Information:

The company's Board of Directors is responsible for the preparation of the Other Information .The Other Information comprises the Information included in the Management discussion and Analysis, Board's Report including annexures to Board's Report, Corporate Governance and Shareholders' Information, but does include the financial statement and auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our report of the Financial Statements, Our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatements of the Standalone Financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting in error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedure that are appropriate in circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing an opinion on whether Company has adequate internal financial control with reference to Standalone financial statements in place and operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and the board of directors.
- Conclude on the appropriateness of Management and Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained. Whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. If a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate overall presentation, structure and content of the Standalone Financial Statements including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation; and

Materiality is the magnitude of misstatement in the Standalone Financial Statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work: and (ii) to evaluate the effect of any identified misstatement in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among others, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

A. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23 to the financial statements;

ii. The Company did not have material long term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31st March 2022.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The management, has represented that, to the best of its knowledge and belief, other than as disclosed in the note 2 to the accounts, no funds have been advanced or loaned or invested(either from the borrowed funds or share premium or any other sources or kind of funds) by the company to any person or entities, including foreign entities ("intermediaries") with the understanding whether recorded in writing or otherwise, the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or behalf of the company("ultimate beneficiaries"), or provide any guarantee, or security or the like, on behalf of the ultimate beneficiaries.

v. Also the Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note**2**to the accounts, no funds have been received from any person or entities, including foreign entities(Funding party) with the understanding whether recorded in writing or otherwise, the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("ultimate beneficiaries")or provide any guarantee or security or the like on behalf of the ultimate beneficiaries.

vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations made under rule 11(e)(i) and ii of Companies(Audit and Auditors) rules 2014 as amended contain any material misstatement.

vii. Dividend declared or paid during the year are in accordance with section 123 of Companies Act 2013.

viii. The company is using such software for maintaining its books of accounts which has edit log facility and same has been operated throughout the year and such feature has not been tampered with and the trail has been preserved by the company as per statutory requirement.

C. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act as amended;In our opinion and to the best of our information and according to the explanation given to us, remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act and is within the limit specified under the said section.

For **M/s. SPP & Co**
Chartered Accountants
Firm Regn.No.011059S

S.Prabhu
Partner
Membership No.213598
UDIN : 22213598AJPLTS8210

Place : Coimbatore
Date : 25th May, 2022

ANNEXURE "A"

The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements" in the Independent Auditor's Report of even date to the members of CGVAK Software and Exports Ltd on the Standalone Financial Statements for the year ended 31st March 2022

According to the information and explanation sought by us and given by the company and books and records examined by us during the course of our audit and to the best of knowledge and belief we report the following.

I) a) In respect of company's fixed assets
   A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment;
   B) The company is also maintaining proper records showing full particulars of Intangible assets.

   b) During the year, Property, plant and equipment have been physically verified by the management as per regular programme of verification, which in our opinion is reasonable having regard to size of the company and the nature of its assets As informed, no material discrepancies have been noticed on such physical verification.

   c) The title deeds of immovable properties recorded as Property, plant and equipment in the books of account of the company are held in the name of company.(Please refer to disclosures given in Note 2 to Audited Standalone Financial Statements)

   d) No proceeding has been initiated or pending against the company for holding any benami property under the BenamiTransactions (Prohibition) Act 1988 and the rules made thereunder. (Please refer to disclosures in Note 2 to Audited Standalone Financial Statements)

   e) The company has not revalued its property, plant and equipment or its intangible assets during the year.

ii) a) The company is providing software development services to overseas clients. Since the company is in service sector, it does not hold any physical inventories. Thus Paragraph 3(ii) of the order is not applicable to company.

   b) During the year, the company has not been sanctioned any working capital limits in excess of Rupees Five Crores from banks or financial institutions against the security of current assets.(Please refer to the disclosures given in Note 2 to Audited Standalone Financial Statements.) Hence clause 3(ii)(b) of the order is not applicable to the company.

iii) a) As informed, the Company has not made investments in, provided any security or guarantee or granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

   b) No loan or advance in the nature of loan granted which has fallen due during the year has been renewed or extended or fresh loans granted to settle the over dues of existing loan given to same parties.

   c) The company has not granted any loans or advances to promoters or other related parties in the nature of loan either repayable on demand or without specifying any terms or period of repayment

iv) The company has not advanced any loans, made any investments in subsidiaries during the year, provided any guarantee or security in connection with a loan to any other body corporate or person within the meaning of Section 185 and 186 of the Companies Act 2013.

v) The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act,2013.No amount is outstanding in respect of any advances which are deemed to be deposits under this clause.

vi) The central government has not prescribed the maintenance of cost records maintenance of cost records under section 148(1) of the Act, for any of services rendered by the company.

vii) The company is generally regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, ESI, income tax, goods and service tax, customs duty, cess and any other material statutory dues applicable to it and, according to the information and explanation given to us, no undisputed amounts payable in respect of provident fund,ESI, income tax, GST,customs duty, cess and any other material statutory dues applicable to it were outstanding at the year end, for a period of more than six months from the date they became payable.

viii) According to the information and explanation given to us , no transactions which were previously unrecordedin the books of account has been surrendered or disclosed as income during the year in tax assessment under the Income tax Act 1961.(Please refer to disclosures given in Note 2 to Audited Standalone Financial Statements.)

ix) a) According to the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to banks. The company has not borrowed from financial institutions or government and has not issued debentures till date.

   b) According to the information and explanation given to us and on the basis of our audit procedures, the company has not been declared as willful defaulter by any bank or financial institution or any other lender.(Please refer to disclosures given in Note 2 to Standalone Financial Statements.)

c) In our opinion and according to the information and explanation given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which it was obtained.

d) According to the information and explanation given to us and the procedures performed by us and overall examination of financial statements of the company, we report that no funds raised on short term basis have been utilized for long term purposes by the company.

e) According to the information and explanation given to us and on overall examination of financial statements of the company, we report that The Company has not taken any funds from any entity or person on account of or to meet the obligation of subsidiaries, joint ventures or associates.

f) According to the information and explanation given to us and procedures performed by us, the company has not raised Loans during the year on pledge of securities held in subsidiaries, joint ventures or subsidiaries.

x) a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments).Hence reporting under this clause does not arise.

b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertibles debentures during the year under review and therefore paragraph 3(x(b)) of the Order is not applicable to the Company.

xi) a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of fraud by the company or any fraud on the company by its officers or employees, noticed or reported during the year, nor have been informed of any such instance by the management.

b) As represented to us by the management, the company has not received any whistle blower complaints during the year.

xii) In our opinion and according to the information and explanation given to us, the company is not a Nidhi Company. Therefore clause 3(xii) of the order is not applicable to the company.

xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Financial Statements etc. as required by the applicable accounting standards.

xiv) In our opinion and based on our examination, the company has an internal audit system commensurate with size and nature of its business.

We have considered the internal audit reports of the company issued till date for the period under audit.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him during the year.

xvi) According to the information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934.

xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.

xviii) There has been no resignation of statutory auditor during the year and accordingly this clause is not applicable.

ixx) According to the information and explanation given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of Board of Directors and management plans, based on our examination of evidence supporting the assumptions, nothing has come to our attention that causes us to believe that any material uncertainty exists on the date of audit report that the company is not capable of meeting its liabilities existing at the date of Balance sheet as and when they fall due within a period of one year from the balance sheet date. we, however state that this is not assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of audit report and we neither give a guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx) In respect of other than ongoing project. The company has transferred the unspent amount of Rs 7,68,916 for financial year 2020-21 within a period of 6 months(i.e. on or before 30-09-2021)((second proviso to section 135(5)} to PM cares Fund specified under Schedule VII of the Companies Act 2013.CSR amount of Rs 12,68,000 for financial year 2021-22 determined in accordance with the provisions of Section 135 of Companies Act 2013 have been contributed to Coimbatore corporation on 31-03-2022 for construction of buildings in Corporation schools and accordingly there is no unspent amount in respect of other than ongoing projects. The company is not pursuing any ongoing project.

xxi) This clause 3(xxi) is not applicable for audit of standalone financial statements.

ANNEXURE –B

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT ON 'OTHER LEGAL AND REGULATORY REQUIREMENTS'IN THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF CGVAK SOFTWARE AND EXPORTS LTD ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act,2013("the Act")

We have audited the internal financial controls over financial reporting of CGVAK SOFTWARE AND EXPORTS LTD ("the Company") as of March31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section143(10) of the Companies Act,2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessingtheriskthatamaterialweaknessexists,andtestingandevaluatingthedesignandoperatingeffectivenessofinternalcontrol basedontheassessedrisk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding there liability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, inreasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generallyacceptedaccountingprinciples,andthatreceiptsandexpenditures of the company are being made only in accordance with authorizations of management and directors of the company; and(3)provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management over ride of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March31,2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. SPP & Co**
Chartered Accountants
Firm Regn.No.011059S

S.Prabhu
Partner
Membership No.213598
UDIN : 22213598AJPLTS8210

Place : Coimbatore
Date : 25th May, 2022

BALANCE SHEET AS AT 31ST MARCH 2022

Particulars	Note No	31-Mar-2022 ₹	31-Mar-2021 ₹
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	22,88,10,332	3,70,58,724
(b) Right of Use Assets (Buildings)	3	3,92,23,143	2,41,31,176
(c) Intangible Assets	3	14,32,681	19,92,581
(d) Capital work-in-progress	3a	15,87,678	8,01,900
Non-current financial assets			
(e) Financial Assets			
(i) Investments	4	4,83,70,300	4,67,71,859
(ii) Other financial assets	5	70,50,025	47,91,350
(f) Deferred tax Assets (net)	20	25,36,897	32,86,439
(g) Other non-current assets	6	8,22,425	7,05,086
Total non - current assets		**32,98,33,481**	**11,95,39,115**
2 Current assets			
(a) Financial Assets			
(i) Investments	4	0	3,94,67,248
(ii) Trade receivables	7	4,29,54,497	4,14,74,844
(iii) Cash and Cash equivalents	8	2,00,00,634	3,31,62,989
(iv) Bank balances other than cash and cash equivalents	8	0	2,83,06,998
(v) Other financial assets	5(a&b)	59,46,882	65,14,686
(b) Other current assets	6	1,70,25,424	1,22,56,116
Total Current Assets		**8,59,27,437**	**16,11,82,881**
TOTAL ASSETS		**41,57,60,918**	**28,07,21,996**

BALANCE SHEET AS AT 31ST MARCH 2022

Particulars	Note No	31-Mar-2022 ₹	31-Mar-2021 ₹
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	9	5,05,02,000	5,05,02,000
(b) Other Equity	10	26,21,40,119	17,64,84,928
Total Equity		**31,26,42,119**	**22,69,86,928**
LIABILITIES			
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	1,66,24,954	0
(ii) Lease Liabilities	11	3,80,65,769	2,37,17,277
(b) Provisions	12	14,04,266	31,07,826
Total Non - Current Liabilities		**5,60,94,989**	**2,68,25,103**
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	95,79,466	0
(ii) Lease Liabilities	11	39,49,402	23,41,558
(iii) Trade payables	13		
(1) Total outstanding dues of micro enterprises and small enterprises		17,874	11,791
(2) Total outstanding dues of creditors other than micro enterprises and small enterprises		17,26,100	19,22,681
(b) Provisions	12	37,05,021	31,57,635
(c) Other current Liabilities	14	2,28,54,512	1,73,15,811
(d) Current tax Liabilities (net)		51,91,435	21,60,489
Total current liabilities		**4,70,23,810**	**2,69,09,965**
TOTAL EQUITY AND LIABILITIES		**41,57,60,918**	**28,07,21,996**

See accompanying notes to the financial statements 1 to 29

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
DIN : 00600906

P.S. Subramanian
Chief Financial Officer

K.Kathirvel
Independent Director
DIN : 09091676

Harcharan J
Company Secretary

Place : Coimbatore
Date : 25th May, 2022

In terms of our report attached

For **M/s. SPP & Co**
Chartered Accountants
Firm Regn.No.011059S

S.Prabhu
Partner
Membership No.213598

Statement of Profit and Loss for the year ended March 31, 2022

Particulars	Note No	31-Mar-2022 ₹	31-Mar-2021 ₹
I Revenue from operations	15	38,30,71,669	29,75,31,472
II Other income	16	88,28,097	63,87,419
III Total income (I + II)		**39,18,99,766**	**30,39,18,891**
IV EXPENSES			
Employee benefits expense	17	22,23,42,360	17,89,34,574
Finance costs	18	38,92,790	27,45,801
Depreciation and amortisation expense	3	1,15,69,384	98,17,345
Other expenses	19	3,47,51,247	2,20,26,392
Total Expenses (IV)		**27,25,55,781**	**21,35,24,112**
V Profit Before Tax (III - IV)		**11,93,43,985**	**9,03,94,779**
VI Tax expense	20		
Current tax		3,02,91,521	2,33,00,000
Income tax on Prior year		(1,49,288)	(13,32,836)
Deferred tax		(26,417)	(2,10,022)
Total tax		**3,01,15,816**	**2,17,57,142**
VII Profit for the year (V - VI)		**8,92,28,169**	**6,86,37,637**
VIII Other comprehensive income			
Items that will not be reclassified to the statement of profit or loss			
(a) Fairvalue of quoted Investment		9,89,132	6,682
(b) Income tax on (a) above		(2,48,945)	(1,682)
(c) Remeasurement of employee defined benefit plans		9,84,919	4,04,209
(d) Income tax on (c) above		(2,47,884)	(1,01,731)
IX Total comprehensive income for the year (VII + VIII)		**9,07,05,391**	**6,89,45,115**
X Earnings per equity share of Rs. 10/-			
Basic	22	17.67	13.59
Diluted	22	17.67	13.59
See accompanying notes to the financial statements	1 to 29		

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
DIN : 00600906

P.S. Subramanian
Chief Financial Officer

K.Kathirvel
Independent Director
DIN : 09091676

Harcharan J
Company Secretary

Place : Coimbatore
Date : 25th May, 2022

In terms of our report attached

For **M/s. SPP & Co**
Chartered Accountants
Firm Regn.No.011059S

S.Prabhu
Partner
Membership No.213598

Statement of Changes in Equity for the year ended March 31, 2022

a. Equity share capital

Amount in Rs.

Balance as at April 1, 2020	5,05,02,000
Changes in equity share capital during the year	0
Balance as at March 31, 2021	**5,05,02,000**
Changes in equity share capital during the year	0
Balance as at March 31, 2022	**5,05,02,000**

b. Other Equity

Amount in Rs.

Particulars	Reserves & Surplus			Other Comprehensive Income		Total other equity
	General Reserve	Forfeited Shares	Retained earnings	Fairvalue of quoted Investment	Employees defined benefit plan	
Balance as at April 1, 2021	**1,10,00,000**	**41,700**	**10,02,85,763**		**0**	**11,13,27,463**
Dividend and tax thereon	0	0	(37,87,650)		0	(37,87,650)
Profit for the year (net of taxes)	0	0	6,86,37,637		0	6,86,37,637
Other Comprehensive Income for the year (net of taxes	0	0		5,000	3,02,478	3,07,478
Total Comprehensive income for the year	**0**	**0**	**6,86,37,637**	**5,000**	**3,02,478**	**6,89,45,115**
Transfer to Retained Earnings			3,02,478		(3,02,478)	
Balance as at March 31, 2021	**1,10,00,000**	**41,700**	**16,54,38,228**	**5,000**	**0**	**17,64,84,928**
Dividend and tax thereon.	0	0	**(50,50,200)**		**0**	(50,50,200)
Profit for the year (net of taxes)	0	0	8,92,28,169		0	8,92,28,169
Other Comprehensive Income for the year (net of taxes)	0	0	0	7,40,187	7,37,035	14,77,222
Total Comprehensive income for the year	0	**0**	**8,92,28,169**	**7,40,187**	**7,37,035**	**9,07,05,391**
Transfer to Retained Earnings	0	0	7,37,035		(7,37,035)	0
Balance as at March 31, 2022	**1,10,00,000**	**41,700**	**25,03,53,232**	**7,45,187**	0	**26,21,40,119**

Notes:

General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

Forfeited shares - Shares forfeited by the company

Retained earnings comprise of the Company's undistributed earnings after taxes

Other Comprehensive Income (OCI) - Items of other comprehensive income consists of remeasurement of net defined benefit liability/asset and fair value of quoted Investment.

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
DIN : 00600906

K.Kathirvel
Independent Director
DIN : 09091676

P.S. Subramanian
Chief Financial Officer

Harcharan J
Company Secretary

In terms of our report attached

For **M/s. SPP & Co**
Chartered Accountants
Firm Regn.No.011059S

S.Prabhu
Partner
Membership No.213598

Place : Coimbatore
Date : 25th May, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

	Particulars	31-Mar-2022 ₹	31-Mar-2021 ₹
A	**Cash flow from operating activities**		
	Profit before tax	11,93,43,985	9,03,94,779
	Adjustments for:		
	Depreciation and amortisation expense	1,15,69,384	98,17,345
	Net loss/(gain) on disposal of property, plant and equipment	56,796	(2,114)
	Property, plant and equipment discarded	5,961	0
	Net Gain on Fair Value on Financial Assets	(2,83,499)	11,56,778
	Interest income	(14,60,935)	(27,39,812)
	Income Earned on Mutual Funds	(21,65,068)	(7,71,879)
	Interest expense	38,92,790	27,45,801
	Operating profit before working capital changes	**13,09,59,414**	**10,06,00,898**
	Adjustments for:		
	(Increase)/decrease in trade receivables	(14,79,653)	(69,89,643)
	(Increase)/decrease in Loans & other current financial assets	(2,26,006)	(41,52,249)
	(Increase)/decrease in other current assets	(47,69,308)	(16,68,838)
	(Increase)/decrease in Loans & other non-current financial assets	(22,58,675)	(40,00,511)
	Increase/(decrease) in trade payables	(1,90,499)	(4,44,307)
	Increase/(decrease) in provisions	(1,71,255)	7,37,460
	Increase/(decrease) in other current liabilities	55,38,701	23,81,369
	Cash generated from operations	**12,74,02,719**	**9,44,65,201**
	Net income tax (paid) / refunds	(2,69,49,495)	(2,13,44,832)
	Net cash flow from operating activities (A)	**10,04,53,224**	**7,31,20,369**
B	**Cash flow from investing activities**		
	Capital expenditure on property, plant and equipment (including capital advances)	(19,99,49,458)	(53,83,118)
	Proceeds from sale of fixed assets	57,064	53,984
	Sale/(Purchase) of investments	3,91,41,437	(4,37,89,042)
	Bank balances other than cash and cash equivalents	2,83,06,998	59,79,726
	Interest received	22,54,745	29,08,947
	Income Earned on Mutual Funds	21,65,068	7,71,879
	Net cash used in investing activities (B)	**(12,80,24,146)**	**(3,94,57,624)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

Particulars	31-Mar-2022 ₹	31-Mar-2021 ₹
C Cash flow from financing activities		
Borrowings (net)	2,62,04,420	(19,89,206)
Payment of Lease liabilities	(28,52,864)	(47,96,676)
Dividend and tax thereon paid	(50,50,200)	(37,87,650)
Finance costs	(38,92,790)	(27,45,801)
Net cash flow used in financing activities (C)	**1,44,08,566**	**(1,33,19,333)**
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	**(1,31,62,356)**	**2,03,43,412**
Cash and cash equivalents at the beginning of the year (refer note 8)	3,31,62,989	1,28,19,577
Cash and cash equivalents at the end of the year (refer note 8)	**2,00,00,633**	**3,31,62,989**

See accompanying notes to the financial statements 1 to 29

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
DIN : 00600906

P.S. Subramanian
Chief Financial Officer

K.Kathirvel
Independent Director
DIN : 09091676

Harcharan J
Company Secretary

Place : Coimbatore
Date : 25th May, 2022

In terms of our report attached

For **M/s. SPP & Co**
Chartered Accountants
Firm Regn.No.011059S

S.Prabhu
Partner
Membership No.213598

Notes forming part of the Financial Statements for the year ended 31st March, 2022

1 CORPORATE INFORMATION

CG-VAK Software and Exports Limited ("the Company") is a public limited company incorporated in India and governed by the Companies Act, 2013 ("the Act"). The company's registered office is situated at 171, Mettupalayam Road, Coimbatore 641 043, Tamilnadu, India. The Company's main business is providing of software services. The Equity Shares of the Company is listed on the Bombay Stock Exchange).

2 SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013.Accordingly, the Company has prepared these Standalone Financial Statements whichcomprise the Balance Sheet as at 31 March, 2022, the Statement of Profit and Loss for the year ended 31 March 2022, the Statement of Cash Flows for the year ended 31 March 2022 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'StandaloneFinancial Statements' or 'financial statements').

(ii) Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) Use of estimates and judgement

In the application of the Company's accounting policies, the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, else in the period of the revision and future periods if the revision affects both current and future periods.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

Estimation uncertainty relating to COVID-19 outbreak:The Company has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables including unbilled receivables, intangible assets and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

(iv) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

(v) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates, and similar allowances.

a) Service income:

Revenue is recognized when a customer obtains control of promised goods or services and thus has the ability to direct the use and obtain the benefits from goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. For each contract with a customer, the company applies the below five step process before revenue can be recognized.

- Identify the contract with the customer
- Identify the separate performance obligation
- Determine the transaction price of the contract
- Allocate the transaction price to performance obligation and
- Recognize revenue at a point in time as performance obligations are satisfied.

Notes forming part of the Financial Statements for the year ended 31st March, 2022

b) Interest income: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

c) Dividend income: Dividend is recognised when the right to receive payment is established.

(vi) Investment in subsidiary

Investments in subsidiary is accounted at cost less impairment losses, if any.

(vii) Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on transactions designated as fair value hedge.

(viii) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(ix) Employee benefits

The Company participates in various employee benefit plans. The employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

Short-term employee benefits

All short-term employee benefits such as salaries, wages, bonus, and other benefits which fall within 12 months of the period in which the employee renders related services which entitles them to avail such benefits and non-accumulating compensated absences are recognised on an undiscounted basis and charged to the statement of profit and loss.

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plan

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity benefit is funded. The Company's obligation in respect of the gratuity, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. Actuarial gains or losses are recognized in other comprehensive income.

Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to the statement of profit and loss.

(x) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

b) Minimum Alternate Tax (MAT): The company has shifted to new regime of taxation(since 2019-20)mentioned under section 115BAA.Under section 115BAA tax rate is 22% plus surcharge and education cess.MAT Provisions are not applicable if tax is charged at a rate mentioned in section 115BAA.No MAT credit of earlier years has been carried forward to current year.

c) Deferred tax: Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Notes forming part of the Financial Statements for the year ended 31st March, 2022

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(xi) Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price/ acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of Property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation on Property, plant and equipment (other than freehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The estimated useful life of the tangible assets are reviewed at the end of the each financial year and the depreciation period is revised to reflect the changed pattern, if any.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(xii) Intangible assets

Intangible assets include cost of software and designs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible Assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

(xiii) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of the assets are estimated to be less than their carrying amounts, the carrying amounts of those assets are reduced to their recoverable amounts. Impairment losses are recognised immediately in the Statement of Profit and Loss. When impairment losses are subsequently reversed, the carrying amount of those assets are increased to their revised estimates of their recoverable amounts, so that the increased carrying amounts do not exceed the carrying amounts that would have been determined had no impairment losses recognised for those assets in prior years. The reversal of impairment losses are recognised immediately in the Statement of Profit and Loss.

(xiv) Provisions and contingencies

Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities: Contingent liabilities are not recognised but are disclosed in notes to accounts.

Notes forming part of the Financial Statements for the year ended 31st March, 2022

(xv) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at Fair Value Through Profit and Loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI. There is no recycling of the amount from OCI to statement of profit and loss, even on sale of the instrument. However, the Company may transfer the cumulative gain or loss within the equity.

a) Non-derivative Financial assets: All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Effective interest method:

The rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

b) Derecognition of financial assets: A financial asset is derecognised only when the:- Company has transferred the rights to receive cash flows from the financial asset; or- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

c) Foreign exchange gains and losses: The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss.

d) Financial liabilities:

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through the Statement of Profit and Loss as directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised and through the amortisation process.

Notes forming part of the Financial Statements for the year ended 31st March, 2022

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

(xvi) Segment reporting

Operating segments are reported in the manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM) as per Ind AS 108. The Company is reported at an overall level, and hence there is only one reportable segment viz., Software Services. Geographic information is based on business sources from that geographic region. Accordingly the geographical secondary segments are determined as "North America" and "Rest of the World".

(xvii) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits (with an original maturity of three months or less from the date of acquisition) with banks.

(xviii) Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In the comparative period, Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

(xix) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(xx) Disclosures for recent Amendment in Schedule III

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The Company has evaluated the effect of the amendments on its financial statements and the following are disclosed a) There is no proceeding initiated against the Company for holding any Benami Properties under the Benami tranaction (Prohibition) Act 1988 b) We are not dealing with any struck of Companies c) We are not dealing in any Crypto Currencies d) The Title deeds of all immovable properties shown as Fixed Assets are held in the name of the Company e) The Company has not been sanctioned any Working Capital Limit in excess of five crores against the security of Current Assets f) No transactions not recorded in the books of accounts have been surrendered as Income in any tax assessment during the year g) we have not been declared as wilful defaulters by any Bank, Financial Institution or any other lenders h)No funds have been advanced or loaned or invested(either from the borrowed funds or share premium or any other sources or kind of funds) by the company to any person or entities, including foreign entities ("intermediaries") with the understanding whether recorded in writing or otherwise, the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or behalf of the company("ultimate beneficiaries"), or provide any guarantee, or security or the like, on behalf of the ultimate beneficiaries.i) No funds have been received from any person or entities, including foreign entities(Funding party) with the understanding whether recorded in writing or otherwise, the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("ultimate beneficiaries") or provide any guarantee or security or the like on behalf of the ultimate beneficiaries

3 Property, Plant and Equipments

Amount in Rs.

Description of Assets	Freehold Land	Buildings	Plant Equipment	Vehicles	Furniture and Fixtures	Total Property, plant and Equipment	Right of use Assets (Building)	Intangible Assets (Software)
I. Gross Block (cost or deemed cost)								
Balance as at April 1, 2020	63,75,000	55,11,697	1,55,42,700	99,87,552	77,67,748	4,51,84,698	3,34,05,502	48,92,153
Additions	0	0	45,09,881	0	15,24,947	60,34,828	0	5,14,463
Disposals	0	0	1,97,351	0	0	1,97,351	32,41,532	0
Balance as at March 31, 2021	**63,75,000**	**55,11,697**	**1,98,55,230**	**99,87,552**	**92,92,695**	**5,10,22,175**	**3,01,63,970**	**54,06,616**
Additions	16,03,61,225	1,50,00,000	78,87,106	84,16,307	74,93,080	19,91,57,718	1,88,09,200	0
Disposals	0	0	4,18,862	0	2,16,943	6,35,805	0	1,19,200
Balance as at March 31,2022	**16,67,36,225**	**2,05,11,697**	**2,73,23,474**	**1,84,03,859**	**1,65,68,832**	**24,95,44,088**	**4,89,73,170**	**52,87,416**
II. Accumulated Depreciation and Impairment								
Balance as at April 1, 2020	0	6,42,703	41,14,747	30,58,528	7,71,149	85,87,128	37,11,011	27,13,735
Charge for the year	0	2,49,320	33,88,860	11,07,776	7,75,847	55,21,803	35,95,242	7,00,300
Withdrawal on Disposals	0	0	1,45,481	0	0	1,45,481	12,73,459	0
Balance as at March 31, 2021	**0**	**8,92,023**	**73,58,126**	**41,66,304**	**15,46,996**	**1,39,63,450**	**60,32,794**	**34,14,035**
Charge for the year	0	4,60,142	46,23,222	12,25,849	9,88,999	72,98,212	37,17,233	5,53,939
Withdrawal on Disposals	0	0	3,10,963	0	2,16,943	5,27,906	0	1,13,239
Balance as at March 31,2022	**0**	**13,52,165**	**1,16,70,385**	**53,92,153**	**23,19,052**	**2,07,33,756**	**97,50,027**	**38,54,735**
Net block (I-II)								
Balance as at March 31,2022	**16,67,36,225**	**1,91,59,532**	**1,56,53,089**	**1,30,11,706**	**1,42,49,780**	**22,88,10,332**	**3,92,23,143**	**14,32,681**
Balance as at March 31, 2021	63,75,000	46,19,674	1,32,99,004	58,21,248	77,45,699	3,70,58,724	2,41,31,176	19,92,581

3a Capital work-in-progress ageing schedule

Particulars	**Amount in CWIP for a period of**				**Total**
	Less than1 year	**1 - 2 years**	**2 - 3 years**	**More than3 years**	
Projects in progress					
As at March 31, 2022	7,85,778	8,01,900			15,87,678
As at March 31, 2021	8,01,900				8,01,900

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost.

Notes forming part of the Financial Statements for the year ended 31st March, 2022

Note	Particulars	31-March - 2022	31-Mar - 2021
			Amount in Rs.
4	**INVESTMENTS**		
	Non-current		
	At Fair Value		
	I. Quoted Investments (fully paid)		
	Mutual Funds		
	SBI DAF Series - XXVI Regular Growth	0	29,79,050
	SBI Equity saving Fund Regular Growth	0	31,77,728
	Nippon India ETF Nifty BeES 80850 units @ Rs.188.87	1,52,70,140	75,14,920
	II. Unquoted Investments (all fully paid)		
	Investment in Equity Instruments of wholly owned subsidiary		
	CGVAK Software USA Inc	3,31,00,161	3,31,00,161
	750 Equity Shares of US$ 1,000 each		
	Total	**4,83,70,301**	**4,67,71,859**
	Aggregate amount of non-current quoted investments	1,52,70,140	1,36,71,698
	Aggregate amount of non-current unquoted investments	3,31,00,161	3,31,00,161
	Current		
	At Fair Price		
	Quoted Investments (fully paid)		
	Mutual Funds		
	SBI Liquid fund Regular growth	0	3,94,67,248
	Total	**0**	**3,94,67,248**
	Aggregate amount of current quoted investments	0	3,94,67,248

Notes forming part of the Financial Statements for the year ended 31st March, 2022

Note	Particulars	31-March - 2022	31-Mar - 2021
			Amount in Rs.
5	**a) Other Financial Assets (Security Deposit)**		
	(Unsecured and considered good)		
	Non-current		
	Measured at amortised cost		
	I) Electricity deposit	4,54,178	4,37,503
	ii) Fixed deposits with Banks held as security against borrowings (maturity of more than 12 months from the balance sheet date)	88,877	88,877
	iii) Rental Deposits to Related Party	62,02,000	39,60,000
	iv) Security Deposits	3,04,970	3,04,970
	Total	**70,50,025**	**47,91,350**
	Current		
	At cost		
	Fixed deposits held as security against borrowings (maturity of not more than 12 months from the balance sheet date)	58,78,255	56,52,249
	Total	**58,78,255**	**56,52,249**
	b) Other Financial Assets		
	Current		
	At cost		
	Interest accrued on fixed deposits	68,627	8,62,437
	Total	**68,627**	**8,62,437**
6	**Other Assets**		
	(Unsecured and considered good)		
	Non-current		
	Advance Income Tax (Net of provisions)	8,22,425	7,05,086
	Total	**8,22,425**	**7,05,086**
	Current		
	Prepaid expenses	36,76,672	14,74,618
	Staff advance	35,64,520	30,48,333
	Other assets	97,84,232	77,33,165
	Total	**1,70,25,424**	**1,22,56,116**

Notes forming part of the Financial Statements for the year ended 31st March, 2022

Note Particulars	31-March - 2022	31-Mar - 2021
		Amount in Rs.

7 Trade receivables *

Trade receivables ageing schedule

Outstanding for following periods from due date of payment

Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 Year	2-3 Years	More than 3 years	Total
As at March 31, 2022							
Undisputed – considered Good	0	4,29,54,497	0	0	0	0	**4,29,54,497**
Disputed – considered good	0	0	0	0	0	0	**0**
	0	**4,29,54,497**	**0**	**0**	**0**	**0**	**4,29,54,497**
As at March 31, 2021							
Undisputed – considered Good	0	4,09,53,047	5,21,797	0	0	0	**4,14,74,844**
Disputed – considered good	0	0	0	0	0	0	0
Total	0	**4,09,53,047**	**5,21,797**	**0**	**0**	**0**	**4,14,74,844**

There is no receivable due by Directors or other officers of the Company

Movement in the allowance for doubtful debts		
Balance as at the beginning of the year	0	0
Add: Allowance for the year	6,29,574	
Less: Amount written off	(6,29,574)	0
Amount written back		
Amount collected		
Balance as at the end of the year	**0**	**0**

The Company evaluates all customer dues for collectability. The need for allowance is assessed based on various factors including collectability, present market indicators pertaining to the relevant country which could affect the ability to settle. Allowances 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.

8 Cash and bank balances

Cash and cash equivalents		
Cash in hand	48,673	34,426
Balances with banks		
in Current accounts	1,99,51,960	1,73,28,618
in Fixed deposits (maturity less than 3 months		
from the balance sheet date)	0	1,57,99,945
Total	**2,00,00,633**	**3,31,62,989**
Bank balances		
(i) Fixed deposits (maturity of not more than		
12 months from the balance sheet date)	0	2,83,06,998
Total	**0**	**2,83,06,998**

Notes forming part of the Financial Statements for the year ended 31st March, 2022

9 Share Capital

Amount in Rs.

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.of Shares in lakhs	Amount in Rs	No.of Shares in lakhs	Amount in Rs
(a) Authorised				
Equity shares of Rs.10 each with voting rights	70,00,000	7,00,00,000	70,00,000	7,00,00,000
(b) Issued, Subscribed and fully paid up				
Equity shares of Rs.10 each with voting rights	50,50,200	5,05,02,000	50,50,200	5,05,02,000
Total	**50,50,200**	**5,05,02,000**	**50,50,200**	**5,05,02,000**

(c) Rights, preferences and restrictions attached to shares

The company has only one class of equity shares having a par value of Rs.10/- per share. Each share holder is entitled for one vote. As per the terms of the share issued, the Company shall declare an annual dividend payable to the share holders in proportion to the respective equity shares held by them on a fully diluted basis. Repayment of share capital on liquidation will be in proportion to the number of equity shares held.

(d) Reconciliation of the shares outstanding at the beginning and at the end of the year

Amount in Rs.

Particulars	Opening Balance	Fresh Issue / Conversion / Redemption	Shares forfeited	Closing Balance
Equity shares with voting rights				
Year ended March 31, 2022				
- Number of shares	50,50,200	-	-	50,50,200
- Amount (in Rs.)	5,05,02,000	-	-	5,05,02,000
Year ended March 31, 2021				
- Number of shares	50,50,200	-	-	50,50,200
- Amount (in Rs.)	5,05,02,000	-	-	5,05,02,000

(e) Shareholders holding more than 5% shares in the Company

Class of shares / Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mrs. S. Latha - (Promoter Group)	11,31,444	22.40%	10,98,529	21.75%
Mr. G. Suresh - (Promoter Group)	9,52,060	18.85%	9,52,060	18.85%
Mr. K. V. Kamaraj	5,20,732	10.31%	5,21,674	10.33%
Mr. C. Ganapathy - (Promoter Group)	4,06,350	8.05%	4,06,350	8.05%

Note : Mrs.G Saraswathi, who is also member of promoter group, is holding 3.82% (193110 shares)

(f) The Company has not issued any bonus shares during the immediate 5 preceding years to the date of this balance sheet.

Notes forming part of the Financial Statements for the year ended 31st March, 2022

10 Other equity

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
General reserve (General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.)	1,10,00,000	1,10,00,000
Forfeited share (Partly paid-up shares were forfeited)	41,700	41,700
Retained earnings (Retained earnings comprise of the Company's undistributed earnings after taxes)	25,03,53,232	16,54,38,228
Other comprehensive income (Items of other comprehensive income consists of Fairvalue of quoted Investment and remeasurement of net defined benefit liability/asset)	745,187	5,000
Total	**26,21,40,119**	**17,64,84,928**

Particulars	As at March 31, 2022	As at March 31, 2021
10.a General reserve		
Balance at beginning of year	1,10,00,000	1,10,00,000
Less: Movement during the year	0	0
Balance at end of year	**1,10,00,000**	**1,10,00,000**
10.b Share forfeiture reserve		
Balance at beginning of year	41,700	41,700
Movement during the year	0	0
Balance at end of year	**41,700**	**41,700**
10.c Retained earnings		
Balance at beginning of year	16,54,38,229	10,02,85,764
Dividend and tax thereon	(50,50,200)	(37,87,650)
Profit attributable to owners of the Company	8,92,28,169	6,86,37,637
Transfer from Other comprehensive income	7,37,035	3,02,478
Balance at end of year	**25,03,53,233**	**16,54,38,229**
10.d Other comprehensive income		
Fairvalue of quoted Investment		
Balance at beginning of year	5,000	0
Fairvalue of quoted Investment during the year(net of tax)	7,40,187	5,000
Balance at end of year	7,45,187	5,000
Employees defined benefit plan		
Balance at beginning of year	0	0
Remeasurement of defined benefit obligations (net of tax)	7,37,035	3,02,478
Transfer to Retained Earnings	(7,37,035)	(3,02,478)
Balance at end of year	**0**	**0**

Notes forming part of the Financial Statements for the year ended 31st March, 2022

11 i) Borrowings

Non - Current

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Kotak Loan Against Property	1,66,24,954	0
Kotak Current A/c - DOD	0	0
Total	**1,66,24,954**	**0**

Current

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Kotak Loan Against Property	95,79,466	0
Kotak Current A/c - DOD	0	0
Total	**95,79,466**	**0**

Loan Against Property Rs.3 Crores and Over Draft facility sanctioned Limit of Rs.2 Crores from Kotak Mahindra Bank is secured by Equitable mortagage over land and building as collateral security. Further secured by Personal Guarantee of Mr.G Suresh - Managing Director & CEO and Mrs.S.Latha - Director (Non Exectutive women Director). Borrowing taken is utlisted for the purpose for which it has been taken. Charges created have been registered.

ii) Lease Liability

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Lease Liability	3,80,65,769	2,37,17,277
Total	**3,80,65,769**	**2,37,17,277**
Current		
Lease Liability	39,49,402	23,41,558
Total	**39,49,402**	**23,41,558**

12 Provisions

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Provision for employee benefits		
Gratuity	14,04,266	31,07,826
Total	**14,04,266**	**31,07,826**
Current		
Provision for employee benefits		
Gratuity	37,05,021	31,57,635
Total	**37,05,021**	**31,57,635**

13 Trade Payables

Trade payables ageing schedule
Outstanding for following periods from due date of payment

Particulars	Unbilled	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
As at March 31, 2022							
a) Micro, small and medium enterprises	0	0	17,874	0	0	0	17,874
b) Others	0	0	17,26,100	0	0	0	17,26,100
Total	0	0	**17,43,974**	0	0	0	**17,43,974**
As at March 31, 2021							
a) Micro, small and medium enterprises	0	0	11,791	0	0	0	11,791
b) Others	0	0	19,22,681	0	0	0	19,22,681
Total	0	0	**19,34,472**	0	0	0	**19,34,472**

Note: (i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are given in Note 28.1

(ii) The average credit period on purchases is normally 30 days. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that payables are paid within the credit terms.

14 Other current liabilities

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Statutory Liabilities	42,01,113	28,98,713
Advance received from customers	2,00,558	0
Salary payable	1,61,56,950	1,14,09,174
Other payable	22,95,891	30,07,924
Total	**2,28,54,512**	**1,73,15,811**

15 Revenue from Operations

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Software services (offshore and onsite services)	38,14,42,400	29,71,90,495
Software services (offshore)-Domestic	12,68,027	0
Information Technology Enabled Services	3,61,242	3,40,977
Total	**38,30,71,669**	**29,75,31,472**

The Company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts (ii) onerous obligations (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material based on such evaluation. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Notes forming part of the Financial Statements for the year ended 31st March, 2022

16 Other Income

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Interest income from Bank deposits	14,60,935	27,39,812
Income Earned on SBI Mutual Funds	5,03,742	5,02,560
Net gain on foreign currency transactions and translation	49,01,920	12,71,799
Gain on Sale of Property, Plant & Equipments	0	2,114
Net Gain on Fair Value on Current Financial Assets	0	2,95,205
Net Gain on Fair Value on Financial Assets	2,83,499	11,56,778
Other Income and Interest Receipts	16,675	1,49,832
Income from Mutual Fund/Nifty bees	16,61,326	2,69,319
Total	**88,28,097**	**63,87,419**

17 Employee Benefits Expense

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Salaries and wages	19,19,91,314	15,16,54,525
Directors remuneration	1,80,00,000	1,80,00,000
Contribution to provident fund & ESI	60,22,589	51,29,356
Retirement benefits	25,68,858	23,55,743
Staff welfare expenses	37,59,599	17,94,950
Total	**22,23,42,360**	**17,89,34,574**

18 Finance Cost

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Interest paid to bank	9,84,754	5,832
Interest on Lease Liability	29,08,036	27,39,969
Total	**38,92,790**	**27,45,801**

Notes forming part of the Financial Statements for the year ended 31st March, 2022

19 Other Expenses

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Rent	1,86,945	1,86,081
Professional charges	1,39,49,052	77,00,916
Power & Fuel	22,58,570	19,49,392
Communication expenses	48,14,389	44,20,598
HRD expenses	8,95,159	4,89,340
Travelling expenses	3,04,712	1,78,163
Taxes & Licences	2,48,802	4,55,798
Building repairs	0	65,867
Vehicle repairs	4,02,381	1,60,940
General repairs	16,80,585	10,52,755
Remuneration to Auditors [Refer Note (i) below]	2,00,000	2,70,000
Share demat expenses	1,84,205	1,73,000
Bank charges	11,15,358	13,75,174
Business promotion and Marketing expenses	3,17,718	4,01,866
Printing & Stationery	1,34,985	1,21,137
Legal and Consultancy	13,72,598	7,28,852
STPI service charges	4,50,000	5,65,000
Donation	0	1,50,000
Sitting fees	8,02,500	2,14,000
Listing fees and filing fees	3,83,100	3,41,700
Loss on Intangible Asset Discarded	5,961	0
Loss on sale of property, plant and equipment	56,796	0
CSR Activity Expenses	12,68,000	0
Other administrative expenses	37,19,431	10,25,813
Total	**3,47,51,247**	**2,20,26,392**

Note (i) Remuneration to Auditors

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Audit fees	2,00,000	1,50,000
Taxation matters	0	0
Limited review certifications	0	120,000
Reimbursement of expenses	0	0
Total	**2,00,000**	**2,70,000**

Notes forming part of the Financial Statements for the year ended 31st March, 2022

20 Tax expense

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax		
In respect of the current year	3,02,91,521	2,33,00,000
In respect of the prior year	(1,49,288)	(13,32,836)
Deferred tax	(26,417)	(2,10,022)
Total income tax expense recognised in the current year	**3,01,15,816**	**2,17,57,142**
The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:		
Current Tax:		
Profit before tax	11,93,43,985	9,03,94,779
Enacted income tax rate	25.17%	25.17%
Computed expected tax expense	3,00,36,494	2,27,50,558
Effect of:		
Depreciation	4,96,389	7,28,463
Rent & Interest on Lease	(7,18,009)	(4,12,907)
Disallowance under 43B of Income Tax Act (Net)	(43,101)	1,85,604
Exempt income	(90,416)	(3,39,550)
Expense disallowed	6,10,164	37,752
Others (Prior year Income tax & interest u/s 234)	(1,49,288)	(9,82,756)
Income tax expense recognised in the profit or loss	**3,01,42,233**	**2,19,67,164**
Deferred Tax:		
Relating to the origination and reversal of temporary differences (see below)	(26,417)	(2,10,022)
Tax expense reported in the Statement of Profit and Loss	**3,01,15,816**	**2,17,57,142**

Deferred tax

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	**(32,86,439)**	**(31,79,830)**
Prior year tax adjustment	2,79,130	0
Recognised in Profit or loss		
Property, plant and equipment	(4,96,389)	(7,28,463)
Exempt Income & Expenses	(2,91,138)	2,91,138
Rent & Interest on Lease	7,18,009	4,12,907
Section 43B disallowance	43,101	(1,85,604)
	(26,417)	**(2,10,022)**
Recognised in Other Comprehensive Income		
Fairvalue of quoted Investment	2,48,945	1,682
Defined benefit obligation	2,47,884	1,01,731
Closing balance	**(25,36,897)**	**(32,86,439)**

Notes forming part of the Financial Statements for the year ended 31st March, 2022

21 Segment information

The Managing Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented.

The Chief Operating Decision Maker (CODM) of the company examines the performance from the perspective of company as a whole viz. 'Software business' and hence there are no seperate reportable segments as per Ind AS 108.

Geographic information is based on business sources from that geographic region. Accordingly the geographical secondary segments are determined as "North America" and "Rest of the World".

Income and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The management therefore believes that it is not practicable to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as "unallocated" and directly charged against total income.

Geographical Segment

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Segment Revenue		
Net Sales/Income		
a. North America	30,48,40,068	24,02,86,411
b. Rest of the World	7,82,31,601	5,72,45,061
Total	38,30,71,669	29,75,31,472
Less: Inter-Segment revenue	0	0
Net Sales/ Income from operations	**38,30,71,669**	**29,75,31,472**
Segment Results		
Profit(+) / Loss(-)		
a. North America	8,99,09,675	6,95,55,979
b. Rest of the World	2,44,99,003	1,71,97,182
Total	11,44,08,678	8,67,53,161
Less: Finance costs	38,92,790	27,45,801
Add /Less: Other unallocable Income net of unallocable expenses	88,28,097	63,87,419
Total Profit/Loss before Tax	**11,93,43,985**	**9,03,94,779**
Segment Assets		
a. North America	33,58,12,523	23,10,26,578
b. Rest of the World	7,99,48,395	4,96,95,418
c.Unallocated	0	0
Total	**41,57,60,918**	**28,07,21,996**
Segment Liabilities		
a. North America	8,24,95,039	4,35,25,405
b. Rest of the World	2,06,23,760	1,02,09,663
c.Unallocated	0	0
Total	**10,31,18,799**	**5,37,35,068**
Capital Expenditure	19,99,49,458	53,83,118
Depreciation	1,15,69,384	98,17,345

Note:

There is two customers who contribute 10% or more to the company's revenue for 2021-22 and one customer who contribute 10% or more to the company's revenue for 2020-21.

Notes forming part of the Financial Statements for the year ended 31st March, 2022

22 Earnings per share (EPS)

Amount in Rs

Particulars	As at March 31, 2022	As at March 31, 2021
Profit after tax	8,92,28,169	6,86,37,637
Profit atributable to ordinary shareholders - for Basic and Diluted EPS	**8,92,28,169**	**6,86,37,637**
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	50,50,200	50,50,200
Weighted average number of equity shares used in the calculation of diluted earnings per share	50,50,200	50,50,200
Earnings per share of Rs. 10/- each		
- Basic (in Rs.)	**17.67**	**13.59**
- Diluted (in Rs.)	**17.67**	**13.59**

23 Contingent liabilitites and comittments

A. Contingent liabilities

I) 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.

ii) 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.

iii) 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.

iv) The Regional Provident Fund commissioner passed an order on 29.11.16 directing the company to enroll the Home based worker and trainees in EPF . The said order has not quantified the demand . The Company had appealed against the order passed by Regional Provident Fund Commissioner before the Employees Provident Fund Appellate Tribunal and obtained a stay against the order passed by PF Commissioner on 20.12.2016.

B. Commitments

Amount in Rs

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	0	0

Notes forming part of the Financial Statements for the year ended 31st March, 2022

24 Employee benefit plans

(a) Defined Contribution Plan

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs towards the benefits. The Company has recognised Rs.58,42,311 (for the year ended March 31, 2021: Rs.49,56,616) as contribution to Provident Fund, and Rs. 1,80,278 (for the year ended March 31, 2021: Rs. 1,72,740) as payment under Employee State Insurance Scheme in the Statement of Profit and Loss. These contributions have been made at the rates specified in the rules of the respective schemes and has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company has partly funded its gratuity obligations. The following table sets out the status of the defined benefit schemes and the amount recognised in the financial statements as per the Actuarial Valuation done by an Independent Actuary:

Reconciliation of opening and closing balances of Defined Benefit Obligation

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Defined Benefit Obligation at beginning of the year	1,24,43,764	1,03,98,710
Current service cost	22,20,305	20,10,961
Interest cost	8,66,365	6,93,370
Actuarial (Gain) / Loss	(11,15,284)	(4,67,202)
Benefit payment from employer	(2,12,644)	(1,18,283)
Benefits paid	(3,38,787)	(73,792)
Defined Benefit Obligation at year end	**1,38,63,719**	**1,24,43,764**

Reconciliation of opening and closing balances of fair value of Plan Assets

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of Plan Assets at beginning of year	61,78,303	44,66,500
Employer contributions	27,40,113	16,18,283
Expected Return on Plan Assets	5,17,812	3,48,588
Actuarial Gain / (Loss)	(1,30,365)	(62,993)
Benefit payment from employer	(2,12,644)	(1,18,283)
Benefits paid	(3,38,787)	(73,792)
Fair value of Plan Assets at year end	**87,54,432**	**61,78,303**

Amount recognised in the Balance Sheet

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Defined Benefit Obligation at year end	1,38,63,719	1,24,43,764
Fair value of Plan Assets at year end	87,54,432	61,78,303
Net Liability / (Asset) recognised	**51,09,287**	**62,65,461**

Notes forming part of the Financial Statements for the year ended 31st March, 2022

Expenses recognised during the year

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
In Income Statement		
Current service cost	22,20,305	20,10,961
Interest on net defined benefit liability/ (asset)	8,66,365	6,93,370
Expected Return on Plan Assets	(5,17,812)	(3,48,588)
Net Cost	**25,68,858**	**23,55,743**
In Other Comprehensive Income		
Actuarial (Gain) / Loss	(9,84,919)	(4,04,209)
Net (Income)/ Expense For the period Recognised in OCI	**(9,84,919)**	**(4,04,209)**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

The remeasurement of the net defined liability is included in other comprehensive income.

Actuarial assumptions

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate (per annum)	7.12%	6.73%
Expected Return on Planned Assets (per annum)	7.12%	6.73%
Rate of escalation in Salary (per annum)	10.00%	10.00%
Attrition rate (per annum)	20.00%	20.00%

The retirement age of employees of the Company is 58 years.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The mortality rates considered are as per the published rates in the Indian Assured Lives Mortality (2006-08) Ultimate table.

Sensitivity analysis

The key actuarial assumptions to which the defined benefit plans are particularly sensitive to are discount rate and full salary escalation rate. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Amount in Rs.

Particulars	Discount Rate	Salary escalation Rate
As at March 31, 2022		
Defined benefit obligation on plus 100 basis points	1,29,95,605	1,47,77,677
Defined benefit obligation on minus 100 basis points	1,48,65,880	1,30,58,596
As at March 31, 2021		
Defined benefit obligation on plus 100 basis points	1,16,22,229	1,32,90,507
Defined benefit obligation on minus 100 basis points	1,33,90,182	1,16,97,298

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Notes forming part of the Financial Statements for the year ended 31st March, 2022

Maturity profile of defined benefit obligation

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Expected total benefit payments		
Within 1 year	10,24,046	8,33,100
1 year to 2 years	30,50,811	6,81,240
2 years to 3 years	6,20,877	26,04,927
3 years to 4 years	11,50,371	4,14,452
4 years to 5 years	4,12,484	9,44,067
5 years to 10 years & above	76,05,130	69,65,978

As at March 31, 2022 & March 31, 2021, 100% of the plan assets were invested in insurer managed funds.

The Company has established an income tax approved irrevocable trust fund to which it regularly contributes to finance liabilities of the plan. The fund's investments are managed by certain insurance companies as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

The employee benefit obligations expose the Company to actuarial risks such as: longevity risk and salary risk.

Longevity Risk: The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the participants during their employment. An increase in the life expectancy of the the participants will increase the obligation.

Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of the participants. As such, an increase in the salary of the the participants will increase the obligation.

Note 25 - Related party disclosures

List of related parties where control exists and also related parties with whom transactions have taken place and relationships

Names of the related parties	Relationship
Mr.C.Ganapathy - Non-Executive Chairman	Key Managerial Personnel
Mr.G Suresh - Managing Director & CEO	Key Managerial Personnel
Mrs.S.Latha - Non-Executive Women Director	Key Managerial Personnel
Mr,P.S.Subramanian - Chief Financial Officer	Key Managerial Personnel
Mr.Harcharan J - Company Secretary & Compliance Officer	Key Managerial Personnel
CG-VAK Software USA Inc	Wholly owned subsidiary
CG Vak Software and Exports Limited Employees Gratuity Trust	Gratuity Trust

Notes forming part of the Financial Statements for the year ended 31st March, 2022

Transactions with related parties during the year are set out in the table below

Amount in Rs.

Nature of Transaction	As at March 31, 2022	As at March 31, 2021
Remuneration, perquisites and Sitting fee paid	**2,03,44,417**	**1,99,71,453**
Mr.C.Ganapathy - Non-Executive Chairman	97,500	29,000
Mr.G Suresh - Managing Director & CEO	1,81,07,854	1,80,99,509
Mrs.S.Latha - Non-Executive Women Director	90,000	25,000
Mr,P.S.Subramanian - Chief Financial Officer	12,35,593	10,88,446
Mr.Harcharan J - Company Secretary & Compliance Officer	8,13,470	7,29,498
Rent	**57,60,900**	**47,52,000**
Mrs.S.Latha - Non-Executive Women Director	57,60,900	47,52,000
Expenses - Marketing services rendered by subsidiary	**25,13,992**	**23,79,802**
CG-VAK Software USA Inc	25,13,992	23,79,802
Employee Benefits Expense	**25,27,469**	**15,00,000**
CGVAK SOFTWARE AND EXPORTS LIMITED EMPLOYEES GRATUITY TRUST	25,27,469	15,00,000
Balances oustatanding as at the year end		
Payable	**12,80,882**	**3,12,892**
CG-VAK Software USA Inc	12,80,882	3,12,892
Rent Deposit	**62,02,000**	**39,60,000**
Mrs.S.Latha - Non-Executive Women Director	62,02,000	39,60,000

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Short-term employee benefits	2,02,79,617	1,99,09,353
Post-employment benefits	64,800	62,100

Notes forming part of the Financial Statements for the year ended 31st March, 2022

26. Financial instruments

26.1 Capital management

The Company's management objectives are:

- to ensure the Company's ability to continue as a going concern
- to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings and preference share capital.The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing instruments less cash and cash equivalents and other bank balances (including non-current earmarked balances)

The table below summarises the capital, net debt and net debt to equity ratio (Gearing ratio) of the Company

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Net Debts	62,03,787	0
Total Equity	31,26,42,119	22,69,86,928
Gearing ratio	**0.02**	**0**

26.2 Categories of Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, and financial liability are disclosed in Note 2(xv) of Significant Accounting Policies.

A. Financial assets and liabilities

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

Amount in Rs.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Others financial assets - non current	70,50,025	70,50,025	0	0
Investments	4,83,70,300	4,83,70,300	8,62,39,107	8,62,39,107
Trade receivables	4,29,54,497	4,29,54,497	4,14,74,844	4,14,74,844
Cash and cash equivalents	2,00,00,634	2,00,00,634	3,31,62,989	3,31,62,989
Bank balances other than cash and cash equivalents	0	0	2,83,06,998	2,83,06,998
Loans	0	0	1,04,43,599	1,04,43,599
Other financial assets - current	59,46,882	59,46,882	8,62,437	8,62,437
Total financial assets (a + b)	**12,43,22,338**	**12,43,22,338**	**20,04,89,974**	**20,04,89,974**
Financial liabilities				
Measured at amortised cost				
Borrowings	2,62,04,420	2,62,04,420	0	0
Lease Liabilities	4,20,15,171	4,20,15,171	2,60,58,835	2,60,58,835
Trade payables	17,43,974	17,43,974	19,34,472	19,34,472
Other financial liabilities - current	0	0	0	0
Total financial liabilities (a + b)	**6,99,63,565**	**6,99,63,565**	**2,79,93,307**	**2,79,93,307**

Notes forming part of the Financial Statements for the year ended 31st March, 2022

The management has assessed that the fair values of cash and cash equivalents, bank balances, trade receivables, other financial assets, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

The following methods and assumptions are used to estimate the fair values:

Fair values of the Company's interest-bearing borrowings are determined by using Effective Interest Rate (EIR) method. The own non- performance risk as at March 31, 2022 was assessed to be insignificant.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

B. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

26.3 - Financial risk management objective

The Company's activities expose it to certain / reasonable financial risks. The Company's primary focus is to foresee the unpredictability of such risks and seek to minimize potential adverse effects on its financial performance. The Company has a risk management process and framework in place. This process is coordinated by the Board, which meets regularly to review risks as well as the progress against the planned actions. The Board seeks to identify, evaluate business risks and challenges across the Company through such framework. These risks include market risks, credit risk and liquidity risk.

The risk management process aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements:

Risk	Exposure arising from	Risk Management
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (Rs.)	Periodic review by management
Market risk - interest rate	Borrowings at variable rates	Mix of borrowings taken at fixed and floating rates
Credit risk	Borrowings and other liabilities	Availability of committed credit and of asset base, credit limits, etc. borrowing facilities
Liquidity risk	Cash and cash equivalents, trade receivables and other financial assets	Bank deposits, diversification of asset base, credit limits, etc.

Notes forming part of the Financial Statements for the year ended 31st March, 2022

Market risk - Foreign exchange

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. Exposures to foreign currency balances are periodically reviewed to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company concentrates mainly on domestic market hence the risk on account of foreign exchange is very minimal.

The Company does not have any derivatives financial instruments either for hedging or for speculation purpose.

The details of foreign currency exposures that are not hedged by any derivative instrument or otherwise are:

Particulars	Foreign Currency (FC)	Amount in FC		Equivalent Rs. in Lakhs	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
Trade Receivables	USD	0	0	0	0
	CAD	17,518	67,272	10,32,686	38,58,024
	GBP	10,229	8,931	10,04,999	8,87,245
	EUR	0	0	0	0
	AUD	0	0	0	0

Foreign currency sensitivity analysis

The following information details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit where the Rupee strengthens 5% against the relevant currency will increase the profit and equity by Rs.101884(Previous year Rs. 237263). For a 5% weakening of the Rupee against the relevant currency, there would be an equal and opposite impact on profit and equity.

Market risk - Interest rate

(i) Liabilities:

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2022, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Below is the overall exposure of the Company to interest rate risk:

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate borrowing from Banks	0	0
Fixed rate borrowing		
- Banks	2,62,04,420	0
- Others	0	0
Total borrowings	**2,62,04,420**	**0**

Notes forming part of the Financial Statements for the year ended 31st March, 2022

Interest rate sensitivity analysis:

For non derivative instruments there is no change in the the floating rate borrowings during the year. Hence there is no impact in the Company's profit for the year ended March 31, 2022 (year ended March 31, 2021 Nil).

(ii) Assets: The Company's financial assets are carried at amortised cost and are at fixed rate only. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, deposits with banks, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date.In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. The Company has very limited history of customer default, and considers the credit quality of trade receivables, that are not past due or impaired, to be good. Therefore, the Company does not expect any material risk on account of non performance by any of the Company's counterparties.The credit risk for cash and cash equivalents, bank deposits, security deposits and loans is considered negligible, since the counterparties are reputable organisations.

Liquidity risk

The Company requires funds both for short-term operational needs as well as for long-term expansion programmes. The Company remains committed to maintaining a healthy liquidity ratio, deleveraging and strengthening the balance sheet. The Company manages liquidity risk by maintaining adequate support of facilities and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The Company's Finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The Company's financial liability is represented significantly by long term and short term borrowings from banks and trade payables. The maturity profile of the Company's short term and long term borrowings and trade payables based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

Notes forming part of the Financial Statements for the year ended 31st March, 2022

March 31, 2022	Less than 1 year	1-3 year	More than 3 year	Total
Borrowings	95,79,466	1,66,24,954	0	2,62,04,420
Lease Liabilities	39,49,402	89,33,927	2,91,31,842	4,20,15,171
Trade payable	17,43,974	0	0	17,43,974
Other financial liabilities	0	0	0	0
Total	**1,52,72,842**	**2,55,58,881**	**2,91,31,842**	**6,99,63,565**
March 31, 2021				
Borrowings	0	0	0	0
Lease Liabilities	23,41,558	53,52,933	1,83,64,344	2,60,58,835
Trade payable	19,34,472	0	0	19,34,472
Other financial liabilities	0	0	0	0
Total	**42,76,030**	**53,52,933**	**1,83,64,344**	**2,79,93,307**

27 Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach (Modified Retrospective (ROU asset = Lease Liability and incremental borrowing rate)). As a result, the comparative information has not been restated. In adopting Ind AS 116, the Company has applied the below practical expedients:

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

The Company has treated the leases with lease term of less than 12 months as "short term leases"

The Company has not applied the requirements of Ind AS 116 for leases of low value assets.

Amount in Rs.

Impact of adoption of Ind AS 116 on the statement of profit and loss	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest on lease liabilities	29,08,036	27,39,969
Depreciation on Right to use assets	37,17,233	35,95,242
Deferred tax (Credit) / charge	7,18,009	4,12,907
Total	**73,43,278**	**67,48,118**

28 Additional Information to the Financial Statements

28.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	31 March, 2022 Amount in Rs.	31 March, 2021 Amount in Rs.
(I) Principal amount remaining unpaid to MSME suppliers as at the end of each accounting year	17,874	11,791
(ii) Interest due on unpaid principal amount to MSME suppliers as at the end of each accounting year	0	0
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	0	0
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	0	0
(v) The amount of interest accrued and remaining unpaid as on	0	0
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received and available with the Company. This has been relied upon by the auditors.

28.2 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

The Company has not given any loans and advances in the nature of loans to subsidiaries, associates, firms / companies in which directors are interested.

28.3 Expenditure in foreign currency on account of:	31 March, 2022 Amount in Rs.	31 March, 2021 Amount in Rs.
Travel	0	0
Other administrative expenses	29,83,060	28,52,018
	29,83,060	**28,52,018**

28.4 Earnings in foreign exchange	31 March, 2022 Amount in Rs.	31 March, 2021 Amount in Rs.
Export of goods calculated on FOB basis	38,18,03,642	29,75,31,472

28.5 Dividend

In respect of the current year, the directors propose that a dividend of Rs.1/- per share shall be paid on equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders whose names appear on the Register of Members as on the date of Annual General Meeting . The total estimated equity dividend to be paid is Rs.50,50,200/-.

29 The financial statements of CG-VAK Software and Exports Limited were approved by the Board of Directors and authorised for issue on 25.05.2022

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
DIN : 00600906

K.Kathirvel
Independent Director
DIN : 09091676

P.S. Subramanian
Chief Financial Officer

Harcharan J
Company Secretary

In terms of our report attached

For **M/s. SPP & Co**
Chartered Accountants
Firm Regn.No.011059S

S.Prabhu
Partner
Membership No.213598

Place : Coimbatore
Date : 25th May, 2022

INDEPENDENT AUDITOR'S REPORT

To The Members of M/s. CG-VAK Software and Exports Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of CG-VAK Software and Exports Limited ("the Holding Company") and its subsidiary CG-VAK Software USA Inc(the holding company and its company collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March 2022, and the consolidated statement of Profit and Loss(including other comprehensive Income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies(Accounting Standards) Rules 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2022, and consolidated profit/loss and Consolidated Total Comprehensive Income ,consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have no key audit matters to communicate in our report.

Other Information:

The Holding company's Board of Directors is responsible for the preparation of the Other Information. The Other Information comprises the Information included in the Management discussion and Analysis, Board's Report including annexures to Board's Report, Business Responsibility report, Corporate Governance and Shareholders' Information, but does not include the consolidated financial statement and auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our report of the Consolidated Financial Statements, Our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance, Total Comprehensive income, changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind-AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, management and Board of Directors of the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatements of the Consolidated Financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting in error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedure that are appropriate in circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing an opinion on whether group has adequate internal financial control with reference to Consolidated financial statements in place and operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and the board of directors.
- Conclude on the appropriateness of Management and Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained. Whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. If a material uncertainty exists, We are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate overall presentation, structure and content of the Consolidated Financial Statement including the disclosures, and whether the Consolidated Financial Statement represent the underlying transactions and events in a manner that achieves fair presentation; and

Materiality is the magnitude of misstatement in the Consolidated Financial Statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work: and (ii) to evaluate the effect of any identified misstatement in the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among others, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Other Matters:

We did not audit the financials of the wholly owned subsidiary, CG-VAK Software USA Inc. We have relied on the unaudited Financial Statement of the subsidiary whose financial statements reflect total assets of **Rs 1391.93 lacs** as at 31st March 2022 and total revenue of **Rs 1586.27 lacs** and net profit after tax amount of **Rs 10.26 lacs** for the year ended 31st March 2022. These financial statements have been approved by 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 solely based on such approved unaudited financial statements. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial consolidated statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group is disqualified as on 31 st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23 to the financial statements;

ii. The Group did not have material long term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31st March 2022.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

iv. The Management of Holding Company , has represented that, to the best of its knowledge and belief, other than as disclosed in the note 2 to the accounts, no funds have been advanced or loaned or invested(either from the borrowed funds or share premium or any other sources or kind of funds) by the Holding company or its subsidiary to any person or entities, including foreign entities ("intermediaries") with the understanding whether recorded in writing or otherwise, the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or behalf of the Holding company("ultimate beneficiaries"), or provide any guarantee, or security or the like, on behalf of the ultimate beneficiaries.

v. Also the Management of the Holding Company has represented that, to the best of its knowledge and belief, other than as disclosed in the note 2 to the accounts, no funds have been received from any person or entities, including foreign entities(Funding party) with the understanding whether recorded in writing or otherwise, the company or its subsidiary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("ultimate beneficiaries")or provide any guarantee or security or the like on behalf of the ultimate beneficiaries.

vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations made under rule 11(e)(i) and ii of Company(Audit and Auditors) rules 2014 as amended contain any material misstatement.

vii. Dividend declared or paid during the year are in accordance with section 123 of Companies Act 2013.

viii. The Holding company is using such software for maintaining its books of accounts which has edit log facility and same has been operated throughout the year and such feature has not been tampered with and the trail has been preserved by the company as per statutory requirement.

C. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act as amended; In our opinion and to the best of our information and according to the explanation given to us, remuneration paid by the Holding company to its directors during the year is in accordance with the provisions of section 197 of the Act and is within the limit specified under the said section.

For **M/s. SPP & Co**
Chartered Accountants
Firm Regn.No.011059S

S.Prabhu
Partner
Membership No.213598
UDIN: 22213598AJPLAT4051

Place : Coimbatore
Date : 25th May, 2022

ANNEXURE "A"

REFERRED TO IN PARAGRAPH 1 OF OUR REPORT ON 'LEGAL AND OTHER REGULATORY REQUIREMENTS' IN THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 OF CG-VAK SOFTWARE AND EXPORTS LIMITED AND ITS SUBSIDIARY CGVAK SOFTWARE USA Inc

Report on the Internal Financial Controls with reference to the afore said Consolidated Financial statements under Clause(i) of Sub-section 3 of Section 143 of the Companies Act,2013("the Act")

In conjunction with our audit of the Consolidated financial statements of the CGVAK SOFTWARE AND EXPORTS LIMITED (herein after referred to as Holding Company)as of and for the year ended 31st March 2022, We have audited the internal financial controls over financial reporting with reference to the consolidated Financial statements of the Group, which are entities incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

Th e Board of Directors of Holding Company is responsible for establishing and maintaining internal financial controls with reference to the Consolidated Financial Statements considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section143(10) of the CompaniesAct,2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding there liability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management over ride of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls were operating effectively as at March31,2022, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued b y the Institute of Chartered Accountants of India.

ANNEXURE "B"

CG-VAK Software USA Inc (Subsidiary Company), included in the group, is an entity incorporated outside India having no place of business in India and not conducting any business activity in India and hence not falling within the definition of foreign company given under the Companies Act 2013. Hence Companies Auditors Report Order (CARO) 2020 is not applicable to the subsidiary company and hence reporting under the clause 3(xxi) of order does not arise.

For **M/s. SPP & Co**
Chartered Accountants
Firm Regn.No.011059S

S.Prabhu
Partner
Membership No.213598
UDIN: 22213598AJPLAT4051

Place : Coimbatore
Date : 25th May, 2022

BALANCE SHEET AS AT 31ST MARCH 2022(CONSOLIDATED)

Particulars	Note No	31-Mar-2022 ₹	31-Mar-2021 ₹
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	22,88,93,398	3,71,96,767
(b) Right of Use Assets(Buildings)	3	3,92,23,143	2,41,31,176
(c) Intangible assets	3	14,32,681	19,92,581
(d) Capital work-in-progress	3a	15,87,678	8,01,900
Non-current financial assets			
(e) Financial assets			
(i) Investments	4	1,52,70,139	1,36,71,698
(ii) Other financial assets	5	74,98,631	52,18,481
(f) Deferred tax assets (net)	20	25,36,897	32,86,439
(g) Other non-current assets	6	8,22,425	7,05,086
Total non - current assets		**29,72,64,992**	**8,70,04,128**
2 Current assets			
(a) Financial assets			
(i) Investments	4	0	3,94,67,248
(ii) Trade receivables	7	7,51,70,896	7,29,34,189
(iii) Cash and cash equivalents	8	8,41,97,127	8,98,66,985
(iv) Bank balances other than cash and cash equivalents	8	3,06,30,626	5,74,62,515
(v) Other financial assets	5(a&b)	59,46,882	65,14,686
(b) Other current assets	6	2,73,62,129	2,53,54,188
Total Current Assets		**22,33,07,660**	**29,15,99,811**
TOTAL ASSETS		**52,05,72,652**	**37,86,03,939**

BALANCE SHEET AS AT 31ST MARCH 2022 (CONSOLIDATED)

Particulars	Note No	31-Mar-2022 ₹	31-Mar-2021 ₹
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	9	5,05,02,000	5,05,02,000
(b) Other equity	10	35,87,84,781	26,59,23,115
Equity attributable to owners of the company		**40,92,86,781**	**31,64,25,115**
LIABILITIES			
1 Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	1,66,24,954	0
(ii) Lease Liabilities	11	3,80,65,769	2,37,17,277
(b) Provisions	12	14,04,266	31,07,826
Total Non - Current Liabilities		**5,60,94,989**	**2,68,25,103**
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	95,79,466	0
(ii) Lease Liabilities	11	39,49,402	23,41,558
(iii) Trade payables	13		
(1) Total outstanding dues of micro enterprises and small enterprises		17,874	11,791
(2) Total outstanding dues of creditors other than micro enterprises and small enterprises		28,16,213	52,30,825
(b) Provisions	12	37,05,021	31,57,635
(c) Other current Liabilities	14	2,93,73,111	2,19,93,398
(d) Current tax Liabilities (net)		57,49,796	26,18,514
Total current liabilities		**5,51,90,883**	**3,53,53,721**
TOTAL EQUITY AND LIABILITIES		**52,05,72,652**	**37,86,03,939**

See accompanying notes to the financial statements 1 to 30

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
DIN : 00600906

K.Kathirvel
Independent Director
DIN : 09091676

P.S. Subramanian
Chief Financial Officer

Harcharan J
Company Secretary

In terms of our report attached

For **M/s. SPP & Co**
Chartered Accountants
Firm Regn.No.011059S

S.Prabhu
Partner
Membership No.213598

Place : Coimbatore
Date : 25th May, 2022

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022 (CONSOLIDATED)

	Particulars	Note No	31-Mar-2022 ₹	31-Mar-2021 ₹
I	Revenue from operations	15	53,91,51,666	44,20,63,397
II	Other income	16	88,60,882	70,16,253
III	**Total income (I + II)**		**54,80,12,548**	**44,90,79,650**
IV	**EXPENSES**			
	Employee benefits expense	17	35,80,87,406	29,68,72,106
	Finance costs	18	38,92,790	27,45,801
	Depreciation and amortisation expense	3	1,16,24,360	98,79,028
	Other expenses	19	5,34,89,575	4,77,43,212
	Total Expenses (IV)		**42,70,94,131**	**35,72,40,147**
V	**Profit Before Tax (III - IV)**		**12,09,18,417**	**9,18,39,503**
VI	**Tax expense**	20		
	Current tax		3,08,40,186	2,37,65,862
	Income tax on Prior year		(1,49,288)	(13,32,836)
	Deferred tax		(26,417)	(2,10,022)
	Total tax		**3,06,64,481**	**2,22,23,003**
VII	**Profit for the year (V - VI)**		**9,02,53,936**	**6,96,16,499**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to the statement of profit or loss			
	(a) Fair value of quoted Investment		9,89,132	6,682
	(b) Income tax on (a) above		(2,48,945)	(1,682)
	(c) Remeasurement of employee defined benefit plans		9,84,919	4,04,209
	(d) Income tax on (c) above		(2,47,884)	(1,01,731)
IX	**Total comprehensive income for the year (VII + VIII)**		**9,17,31,158**	**6,99,23,977**
X	**Earnings per equity share of Rs. 10/-**			
	Basic	22	17.87	13.78
	Diluted	22	17.87	13.78

See accompanying notes to the financial statements 1 to 30

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
DIN : 00600906

P.S. Subramanian
Chief Financial Officer

K.Kathirvel
Independent Director
DIN : 09091676

Harcharan J
Company Secretary

In terms of our report attached
For **M/s. SPP & Co**
Chartered Accountants
Firm Regn.No.011059S

S.Prabhu
Partner
Membership No.213598

Place : Coimbatore
Date : 25th May, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

a. Equity share capital

Amount in Rs.

Balance as at April 1, 2020	5,05,02,000
Changes in equity share capital during the year	0
Balance as at March 31, 2021	**5,05,02,000**
Changes in equity share capital during the year	0
Balance as at March 31, 2022	**5,05,02,000**

b. Other Equity

Amount in Rs.

Particulars	Reserves & Surplus				Other Comprehensive Income		Total other equity
	General Reserve	Forfeited Shares	Retained earnings	Translation reserve	Fairvalue of quoted Investment	Employees defined benefit plan	
Balance as at April 1, 2020	**1,10,00,000**	**41,700**	**14,66,67,837**	**4,64,21,525**		**0**	**20,41,31,062**
Dividend and tax thereon	0		(37,87,650)				(37,87,650)
Profit for the year (net of taxes)	0		6,96,16,499				6,96,16,499
Translation reserve for the year				(43,44,274)			(43,44,274)
Other Comprehensive Income for the year (net of taxes)	0				5,000	3,02,478	3,07,478
Total Comprehensive income for the year	**0**		**6,96,16,499**	**(43,44,274)**	**5,000**	**3,02,478**	**6,55,79,703**
Transfer to Retained Earnings			3,02,478			(3,02,478)	
Balance as at March 31, 2021	**1,10,00,000**	**41,700**	**21,27,99,164**	**4,20,77,251**	**5,000**	**0**	**26,59,23,115**
Dividend and tax thereon.	**0**		(50,50,200)				(50,50,200)
Profit for the year (net of taxes)	0		9,02,53,936				9,02,53,936
Translation reserve for the year				61,80,707			61,80,707
Other Comprehensive Income for the year (net of taxes)	0				7,40,187	7,37,035	14,77,222
Total Comprehensive income for the year	0		**9,02,53,936**	**61,80,707**	**7,40,187**	**7,37,035**	**9,79,11,865**
Transfer to Retained Earnings	0	0	7,37,035	0		(7,37,035)	0
Balance as at March 31, 2022	**1,10,00,000**	**41,700**	**29,87,39,935**	**4,82,57,958**	**7,45,187**	**0**	**35,87,84,781**

Notes:

General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

Forfeited shares - Shares forfeited by the company

Retained earnings comprise of the Company's undistributed earnings after taxes

Other Comprehensive Income (OCI) - Items of other comprehensive income consists of remeasurement of net defined benefit liability/asset and fair value of quoted Investment.

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
DIN : 00600906

P.S. Subramanian
Chief Financial Officer

K.Kathirvel
Independent Director
DIN : 09091676

Harcharan J
Company Secretary

Place : Coimbatore
Date : 25th May, 2022

In terms of our report attached

For **M/s. SPP & Co**
Chartered Accountants
Firm Regn.No.011059S

S.Prabhu
Partner
Membership No.213598

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022 (CONSOLIDATED)

Particulars	31-Mar-2022 ₹	31-Mar-2021 ₹
A. Cash flow from operating activities		
Profit before tax	12,09,18,417	9,18,39,502
Adjustments for:		
Foreign currency translation for the year	61,80,707	(43,44,274)
Depreciation and amortisation expense	1,16,24,360	98,79,028
Net loss/(gain) on disposal of property, plant and equipment	56,796	(2,114)
Property, plant and equipment discarded	5,961	0
Net Gain on Fair Value on Financial Asset	(4,52,878)	11,56,778
Interest income	(14,93,721)	(33,68,646)
Income Earned on Mutual Funds	(21,65,068)	(7,71,879)
Interest expense	38,92,790	27,45,801
Operating profit before working capital changes	**13,85,67,365**	**9,71,34,197**
Adjustments for:		
(Increase)/decrease in trade receivables	(22,36,708)	(12,11,210)
(Increase)/decrease in Loans & other current financial assets	(2,26,006)	(41,52,249)
(Increase)/decrease in other current assets	(20,07,941)	79,051
(Increase)/decrease in Loans & other non-current financial assets	(22,80,151)	40,15,126
Increase/(decrease) in trade payables	(24,08,529)	(9,90,437)
Increase/(decrease) in provisions	(1,71,255)	7,37,460
Increase/(decrease) in other current liabilities	73,79,713	(58,108)
Cash generated from operations	**13,66,16,490**	**9,55,53,830**
Net income tax (paid) / refunds	(2,73,97,825)	(2,18,39,547)
Net cash flow from operating activities (A)	**10,92,18,665**	**7,37,14,283**
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment (including capital advances)	(19,99,49,457)	(53,83,118)
Proceeds from sale of fixed assets	57,064	53,984
Purchase of Investments	3,93,10,816	(4,37,89,042)
Bank balances other than cash and cash equivalents	2,68,31,889	2,53,13,168
Interest received	22,87,531	35,37,780
Income Earned on Mutual Funds	21,65,068	7,71,879
Net cash used in investing activities (B)	**(12,92,97,089)**	**(1,94,95,349)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

Particulars	31-Mar-2022 ₹	31-Mar-2021 ₹
C. Cash flow from financing activities		
Borrowings (net)	2,62,04,420	(19,89,206)
Payment of Lease liabilities	(28,52,864)	(47,96,676)
Dividend and tax thereon paid	(50,50,200)	(37,87,650)
Finance costs	(38,92,790)	(27,45,801)
Net cash flow used in financing activities (C)	**1,44,08,566**	**(1,33,19,333)**
Net increase in Cash and cash equivalents (A+B+C)	**(56,69,858)**	**4,08,99,602**
Cash and cash equivalents at the beginning of the year (refer note 8)	8,98,66,985	4,89,67,383
Cash and cash equivalents at the end of the year (refer note 8)	**8,41,97,127**	**8,98,66,985**

See accompanying notes to the financial statements 1 to 30

For and on Behalf of the Board of Directors

In terms of our report attached

G.Suresh
Managing Director
DIN : 00600906

P.S. Subramanian
Chief Financial Officer

For **M/s. SPP & Co**
Chartered Accountants
Firm Regn.No.011059S

K.Kathirvel
Independent Director
DIN : 09091676

Harcharan J
Company Secretary

S.Prabhu
Partner
Membership No.213598

Place : Coimbatore
Date : 25th May, 2022

Notes forming part of the Financial Statements for the year ended 31st March, 2022(Consolidated)

1 CORPORATE INFORMATION

CG-VAK Software and Exports Limited ("the Company") is a public limited company incorporated in India and governed by the Companies Act, 2013 ("the Act"). The company's registered office is situated at 171, Mettupalayam Road, Coimbatore 641 043, Tamilnadu, India. The Company's main business is providing of software services. The Equity Shares of the Company is listed on the Bombay Stock Exchange).

2 SIGNIFICANT ACCOUNTING POLICIES

(I) Statement of compliance

Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013.Accordingly, the Company has prepared these Consolidated Financial Statements whichcomprise the Balance Sheet as at 31 March, 2022, the Statement of Profit and Loss for the year ended 31 March 2022, the Statement of Cash Flows for the year ended 31 March 2022 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'ConsolidatedFinancial Statements' or 'financial statements').

(ii) Principles of consolidation

The consolidated financial statements relate to CG-VAK Software and Exports Limited (the 'Company') and its wholly owned subsidiary company. The consolidated financial statements have been prepared on the following basis:

The financial statements of the subsidiary company used in the consolidation are drawn upto the same reporting date as that of the Company, i.e., 31st March, 2022

The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

The excess of cost to the Group of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary company as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.

Minority Interest in the net assets of the consolidated subsidiary consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary company were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiary attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

Goodwill arising on consolidation is not amortised but tested for impairment.

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary as at	
				March 31, 2022	March 31, 2021
CG-VAK Software USA Inc	Subsidiary	USA	CG-VAK Software and Exports Limited	100%	100%

Notes forming part of the Financial Statements for the year ended 31st March, 2022(Consolidated)

Following subsidiary company have been considered in the preparation of the consolidated financial statements:

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

(iii) Use of estimates and judgement

In the application of the Group's accounting policies, the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, else in the period of the revision and future periods if the revision affects both current and future periods.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

Estimation uncertainty relating to COVID-19 outbreak:The Group has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Group has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Group expects to fully recover the carrying amount of trade receivables including unbilled receivables, intangible assets and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

(iv) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Group.

(v) Revenue recognition

a) Service income: Revenue is recognized when a customer obtains control of promised goods or services and thus has the ability to direct the use and obtain the benefits from goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. For each contract with a customer, the company applies the below five step process before revenue can be recognized.

- Identify the contract with the customer •Identify the separate performance obligation •Determine the transaction price of the contract.
- Allocate the transaction price to performance obligation and
- Recognize revenue at a point in time as performance obligations are satisfied.

b) Interest income: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

c) Dividend income: Dividend is recognised when the right to receive payment is established.

(vi) Foreign currencies

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on transactions designated as fair value hedge.

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

(vii) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(viii) Employee benefits

The Company participates in various employee benefit plans. The employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

Short-term employee benefits

All short-term employee benefits such as salaries, wages, bonus, and other benefits which fall within 12 months of the period in which the employee renders related services which entitles them to avail such benefits and non-accumulating compensated absences are recognised on an undiscounted basis and charged to the statement of profit and loss.

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plan

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The gratuity benefit is funded. The Company's obligation in respect of the gratuity, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. Actuarial gains or losses are recognized in other comprehensive income.

Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to the statement of profit and loss.

(ix) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) **Current tax:** Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

b) **Minimum Alternate Tax (MAT):** The company has shifted to new regime of taxation(since 2019-20)mentioned under section 115BAA.Under section 115BAA tax rate is 22% plus surcharge and education cess.MAT Provisions are not applicable if tax is charged at a rate mentioned in section 115BAA.No MAT credit of earlier years has been carried forward to current year.

c) **Deferred tax:** Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Notes forming part of the Financial Statements for the year ended 31st March, 2022(Consolidated)

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(x) Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price/ acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of Property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation on Property, plant and equipment (other than freehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The estimated useful life of the tangible assets are reviewed at the end of the each financial year and the depreciation period is revised to reflect the changed pattern, if any.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(xi) Intangible assets

Intangible assets include cost of software and designs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible Assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

(xii) Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of the assets are estimated to be less than their carrying amounts, the carrying amounts of those assets are reduced to their recoverable amounts. Impairment losses are recognised immediately in the Statement of Profit and Loss. When impairment losses are subsequently reversed, the carrying amount of those assets are increased to their revised estimates of their recoverable amounts, so that the increased carrying amounts do not exceed the carrying amounts that would have been determined had no impairment losses recognised for those assets in prior years. The reversal of impairment losses are recognised immediately in the Statement of Profit and Loss.

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

(xiii) Provisions and contingencies

Provisions: A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities: Contingent liabilities are not recognised but are disclosed in notes to accounts.

(xiv) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at Fair Value Through Profit and Loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI. There is no recycling of the amount from OCI to statement of profit and loss, even on sale of the instrument. However, the Company may transfer the cumulative gain or loss within the equity.

a) Non-derivative Financial assets: All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Effective interest method:

The rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

b) Derecognition of financial assets: A financial asset is derecognised only when the:- Company has transferred the rights to receive cash flows from the financial asset; or- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. When the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

c) **Foreign exchange gains and losses:** The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss.

d) **Financial liabilities:**

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through the Statement of Profit and Loss as directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised and through the amortisation process.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

(xv) Segment reporting

Operating segments are reported in the manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM) as per Ind AS 108. The Group is reported at an overall level, and hence there is only one reportable segment viz., Software Services. Geographic information is based on business sources from that geographic region. Accordingly the geographical secondary segments are determined as "North America" and "Rest of the World".

(xvi) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits (with an original maturity of three months or less from the date of acquisition) with banks.

(xviii) Leases

The Group's lease asset classes primarily consist of leases for buildings. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In the comparative period, Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

(xix) Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(xx) Disclosures for recent Amendment in Schedule III

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The Company has evaluated the effect of the amendments on its financial statements and the following are disclosed

a) There is no proceeding pending against the Company for holding any Benami Properties under the Benami tranaction (Prohibition) Act 1988

b) We are not dealing with any struck of Companies

c) We are not dealing in any Crypto Currencies

d) The Title deeds of all immovable properties shown as Fixed Assets are held in the name of the Company

e) The Company has not been sanctioned any Working Capital Limit in excess of five crores against the security of Current Assets

f) No transactions not recorded in the books of accounts have been surrendered as Income in any tax assessment during the year

g) we have not been declared as wilful defaulters by any Bank, Financial Institution or any other lenders

h) No funds have been advanced or loaned or invested(either from the borrowed funds or share premium or any other sources or kind of funds) by the company to any person or entities, including foreign entities ("intermediaries") with the understanding whether recorded in writing or otherwise, the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or behalf of the company("ultimate beneficiaries"), or provide any guarantee, or security or the like, on behalf of the ultimate beneficiaries.i) No funds have been received from any person or entities, including foreign entities(Funding party) with the understanding whether recorded in writing or otherwise, the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("ultimate beneficiaries") or provide any guarantee or security or the like on behalf of the ultimate beneficiaries

3 Property, Plant and Equipments

Amount in Rs.

Description of Assets	Freehold Land	Buildings	Plant Equipment	Vehicles	Furniture and Fixtures	Total Property, Plant and Equipment	Right of Use Assets (Buildings)	Intangible Assests (Software)
I. Gross Block (cost or deemed cost)								
Balance as at April 1, 2020	63,75,000	55,11,697	1,59,10,615	99,87,552	77,67,748	4,55,52,612	3,34,05,502	48,92,153
Additions	0	0	45,09,881	0	15,24,947	60,34,828	0	5,14,463
Disposals	0	0	1,97,351	0	0	1,97,351	32,41,532	0
Balance as at March 31, 2021	**63,75,000**	**55,11,697**	**2,02,23,145**	**99,87,552**	**92,92,695**	**5,13,90,089**	**3,01,63,970**	**54,06,616**
Additions	16,03,61,225	1,50,00,000	78,87,106	84,16,307	74,93,080	19,91,57,718	1,88,09,200	0
Disposals	0	0	4,18,862	0	2,16,943	6,35,805	0	1,19,200
Balance as at March 31,2022	**16,67,36,225**	**2,05,11,697**	**2,76,91,389**	**1,84,03,859**	**1,65,68,832**	**24,99,12,002**	**4,89,73,170**	**52,87,416**
II. Accumulated Depreciation and Impairment								
Balance as at April 1, 2020	0	6,42,703	42,82,936	30,58,528	7,71,149	87,55,316	37,11,011	27,13,735
Charge for the year	0	2,49,320	34,50,543	11,07,776	7,75,847	55,83,486	35,95,242	7,00,300
Withdrawal on Disposals	0	0	1,45,481	0	0	1,45,481	12,73,459	0
Balance as at March 31, 2021	**0**	**8,92,023**	**75,87,998**	**41,66,304**	**15,46,996**	**1,41,93,321**	**60,32,794**	**34,14,035**
Charge for the year	0	4,60,142	46,78,199	12,25,849	9,88,999	73,53,189	37,17,233	5,53,939
Withdrawal on Disposals	0	0	3,10,963	0	2,16,943	5,27,906	0	1,13,239
Balance as at March 31,2022	**0**	**13,52,165**	**1,19,55,234**	**53,92,153**	**23,19,052**	**2,10,18,604**	**97,50,027**	**38,54,735**
Net block (I-II)								
Balance as at March 31,2022	**16,67,36,225**	**1,91,59,532**	**1,57,36,155**	**1,30,11,706**	**1,42,49,780**	**22,88,93,398**	**3,92,23,143**	**14,32,681**
Balance as at March 31, 2021	63,75,000	46,19,674	1,34,37,046	58,21,248	77,45,699	3,71,96,767	2,41,31,176	19,92,581

3a Capital work-in-progress ageing schedule

Particulars	**Amount in CWIP for a period of**				**Total**
	Less than1 year	**1 - 2 years**	**2 - 3 years**	**More than3 years**	
Projects in progress					
As at March 31, 2022	7,85,778	8,01,900			15,87,678
As at March 31, 2021	8,01,900				8,01,900

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost.

Notes forming part of the Financial Statements for the year ended 31st March, 2022(Consolidated)

Note Particulars	31-March - 2022	31-March - 2021
		Amount in Rs.
4 Investments		
Non-current		
At Fair Value		
I. Quoted Investments (fully paid)		
Mutual Funds		
SBI DAF Series - XXVI Regular Growth	0	29,79,050
SBI Equity saving Fund Regular Growth	0	31,77,728
Nippon India ETF Nifty BeES 80850 units @ Rs.188.87	1,52,70,140	75,14,920
Total	**1,52,70,140**	**1,36,71,698**
Aggregate amount of non-current quoted investments	1,52,70,140	1,36,71,698
Current		
At Fair Value		
I. Quoted Investments (fully paid)		
Mutual Funds		
SBI Liquid fund Regular growth	0	3,94,67,248
	0	**3,94,67,248**
5 a) Other Financial Assets (security deposit)		
(Unsecured and considered good)		
Non-current		
Measured at amortised cost		
Electricity deposit	4,54,178	4,37,503
Fixed deposits with Banks held as security against borrowings (maturity of more than 12 months from the balance sheet date)	88,877	88,877
Rental Deposits to Related Party	62,02,000	39,60,000
Security Deposits	7,53,576	7,32,101
Total	**74,98,631**	**52,18,481**
Current		
At cost		
Fixed deposits held as security against borrowings (maturity of not more than 12 months from the balance sheet date)	58,78,255	56,52,249
Total	**58,78,255**	**56,52,249**

Notes forming part of the Financial Statements for the year ended 31st March, 2022(Consolidated)

Note Particulars	31-March - 2022	31-March - 2021
		Amount in Rs.

5 b) Other Financial Assets (Fixed deposits)

Current		
At cost		
Interest accrued on fixed deposits	68,627	8,62,437
Total	**68,627**	**8,62,437**

6 Other Assets

(Unsecured and considered good)		
Non-current		
Advance Income Tax (Net of provisions)	8,22,425	7,05,086
Total	**8,22,425**	**7,05,086**
Current		
Prepaid expenses	36,76,672	14,74,618
Staff advance	1,39,01,225	1,61,46,406
Other assets	97,84,232	77,33,164
Total	**2,73,62,129**	**2,53,54,188**

7 Trade receivables

Trade receivables ageing schedule

Outstanding for following periods from due date of payment

Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 Year	2-3 Years	More than 3 years	Total
As**As at March 31, 2022**							
Undisputed – considered Good	0	7,51,70,896	0	0	0	0	7,51,70,896
Disputed – considered good	0	0	0	0	0	0	0
	0	**75,170,896**	**0**	**0**	**0**	**0**	**7,51,70,896**
As at March 31, 2021							
Undisputed – considered Good	0	6,59,75,651	69,58,538	0	0	0	7,29,34,189
Disputed – considered good	0	0	0	0	0	0	0
Total	0	**6,59,75,651**	**69,58,538**	**0**	**0**	**0**	**7,29,34,189**

There is no receivable due by Directors or other officers of the company.

Notes forming part of the Financial Statements for the year ended 31st March, 2022(Consolidated)

Amount in Rs.

Note Particulars	31-March - 2022	31-March - 2021
Movement in the allowance for doubtful debts		
Balance as at the beginning of the year	0	0
Add : Allowance for the year	6,29,574	0
Less : Amount written off	(6,29,574)	0
Amount written back	0	0
Amount collected	0	0
Balance as at the end of the year	**0**	**0**

The Company evaluates all customer dues for collectability. The need for allowance is assessed based on various factors including collectability, present market indicators pertaining to the relevant country which could affect the ability to settle. Allowances 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.

8	**Cash and cash equivalents**		
	Cash in hand	3,92,713	3,25,721
	Balances with banks		
	in Current accounts	8,38,04,414	7,37,41,319
	in Fixed deposits (maturity less than 3 months from		
	The balance sheet date)	0	1,57,99,945
	Total	**8,41,97,127**	**8,98,66,985**
	Bank balances		
	(ii) Fixed deposits (maturity of not more than 12 months from		
	the balance sheet date)	3,06,30,626	5,74,62,515
	Total	**3,06,30,626**	**5,74,62,515**

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

9 Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.of Shares in lakhs	Amount in Rs	No.of Shares in lakhs	Amount in Rs
(a) Authorised				
Equity shares of Rs.10 each with voting rights	70,00,000	7,00,00,000	70,00,000	7,00,00,000
(b) Issued, Subscribed and fully paid up				
Equity shares of Rs.10 each with voting rights	50,50,200	5,05,02,000	50,50,200	5,05,02,000
Total	**50,50,200**	**5,05,02,000**	**50,50,200**	**5,05,02,000**

(c) Rights, preferences and restrictions attached to shares

The company has only one class of equity shares having a par value of Rs.10/- per share. Each share holder is entitled for one vote. As per the terms of the share issued, the Company shall declare an annual dividend payable to the share holders in proportion to the respective equity shares held by them on a fully diluted basis. Repayment of share capital on liquidation will be in proportion to the number of equity shares held.

(d) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	Opening Balance	Fresh Issue / Conversion / Redemption	Shares forfeited	Closing Balance
Equity shares with voting rights				
Year ended March 31, 2022				
- Number of shares	50,50,200	0	0	50,50,200
- Amount (in Rs.)	5,05,02,000	0	0	5,05,02,000
Year ended March 31, 2021				
- Number of shares	50,50,200	0	0	50,50,200
- Amount (in Rs.)	5,05,02,000	0	0	5,05,02,000

Notes forming part of the Financial Statements for the year ended 31st March, 2022(Consolidated)

(e) Shareholders holding more than 5% shares in the Company

Class of shares / Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mrs. S. Latha - (Promoter Group)	11,31,444	22.40%	10,98,529	21.75%
Mr. G. Suresh - (Promoter Group)	952,060	18.85%	9,52,060	18.85%
Mr. K. V. Kamaraj	5,20,732	10.31%	5,21,674	10.33%
Mr. C. Ganapathy - (Promoter Group)	4,06,350	8.05%	4,06,350	8.05%

Note : Mrs.G Saraswathi, who is also member of promoter group, is holding 3.82% (193110 shares)

(f) The Company has not issued any bonus shares during the immediate 5 preceding years to the date of this balance sheet.

10 Other equity

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
General Reserve		
(General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.)	1,10,00,000	1,10,00,000
Forfeited Shares	41,700	41,700
Retained earnings		
(Retained earnings comprise of the Company's undistributed earnings after taxes)	29,87,39,935	21,27,99,164
Other comprehensive income		
Translation reserve		
(Foreign currency translation reserve represents exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Indian Rupees) which are recognised directly in other equity and accumulated in this foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.)	4,82,57,958	4,20,77,251
Employees defined benefit plan (Items of other comprehensive income consists of Fairvalue of quoted Investment and remeasurement of net defined benefit liability/asset)	7,45,187	5,000
Total	35,87,84,780	**26,59,23,114**

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
10.a General reserve		
Balance at beginning of year	1,10,00,000	1,10,00,000
Movement during the year	0	0
Balance at end of year	**1,10,00,000**	**1,10,00,000**
10.b Share forfeiture reserve		
Balance at beginning of year	41,700	41,700
Movement during the year	0	0
Balance at end of year	**41,700**	**41,700**
10.cRetained earnings		
Balance at beginning of year	21,27,99,164	14,66,67,836
Dividend and tax thereon	(50,50,200)	(37,87,650)
Profit attributable to owners of the Company	9,02,53,936	6,96,16,499
Transfer from Other Comprehensive Income	7,37,035	3,02,478
Balance at end of year	**29,87,39,935**	**21,27,99,164**
10.d. Translation reserve		
Balance at beginning of year	4,20,77,251	4,64,21,525
Translation difference for the year	61,80,708	(43,44,274)
Balance at end of year	**4,82,57,959**	**4,20,77,251**
10.e Other comprehensive income		
Fairvalue of quoted Investment		
Balance at beginning of year	5,000	0
Fairvalue of quoted Investment during the year (net of tax)	7,40,187	5,000
Balance at end of year	7,45,187	5,000
Employee benefit plan		
Balance at beginning of year	0	0
Remeasurement of defined benefit obligations (net of tax)	7,37,035	3,02,478
Transfer to Retained Earnings	(7,37,035)	(3,02,478)
Balance at end of year	**0**	**0**

11 Borrowings

Non-Current

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Kotak Loan Against Property	1,66,24,954	0
Kotak Current A/c - DOD	0	0
Total	**1,66,24,954**	**0**

11 Borrowings

Current

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
SSecured		
Kotak Loan Against Property	95,79,466	0
Kotak Current A/c - DOD	0	
Total	**95,79,466**	**0**

Loan Against Property Rs.3 Crores and Over Draft facility sanctioned Limit of Rs.2 Crores from Kotak Mahindra Bank is secured by Equitable mortagage over land and building as collateral security. Further secured by Personal Guarantee of Mr.G Suresh - Managing Director & CEO and Mrs.S.Latha - Director (Non Exectutive women Director) Borrowing taken is utlisted for the purpose for which it has been taken. Charges created have been registered.

11 ii) Lease Liability

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Lease Liability	3,80,65,769	2,37,17,277
Total	**3,80,65,769**	2,37,17,277
Current		
Lease Liability	**39,49,402**	23,41,558
Total	**39,49,402**	**23,41,558**

12 Provisions

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Provision for employee benefits		
Gratuity	14,04,266	31,07,826
Total	**14,04,266**	**31,07,826**
Current		
Provision for employee benefits		
Provision for Gratuity	37,05,021	31,57,635
Provision for tax (net of advance tax)	0	0
Total	**37,05,021**	**31,57,635**

13 Trade Payables

Trade payables ageing schedule
Outstanding for following periods from due date of payment

Particulars	Unbilled	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
As at March 31, 2022							
a) Micro, small and medium enterprises	0	0	17,874	0	0	0	17,874
b) Others	0	0	28,16,213	0	0	0	28,16,213
Total	0	0	**28,34,087**	0	0	0	**28,34,087**
As at March 31, 2021							
a) Micro, small and medium enterprises	0	0	11,791	0	0	0	11,791
b) Others	0	0	52,30,825	0	0	0	52,30,825
Total	0	0	**52,42,616**	0	0	0	**52,42,616**

Note: (i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are given in Note 28.2

(ii) The average credit period on purchases is normally 30 days. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that payables are paid within the credit terms.

14 Other current liabilities

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Statutory Liabilities	60,28,985	43,32,176
Advance received from customers	2,00,558	0
Salary payable	2,08,47,677	1,46,53,298
Other payable	22,95,891	30,07,924
Total	**2,93,73,111**	**2,19,93,398**

15 Revenue from Operations

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Software services (offshore and onsite services)	53,75,22,397	44,17,22,420
Software services (offshore) - Domestic	12,68,027	0
Information Technology Enabled Services	3,61,242	3,40,977
Total	**53,91,51,666**	**44,20,63,397**

The Group has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to render services which may require revision of estimations of costs to complete the contract because of additional efforts (ii) onerous obligations (iii) penalties relating to breaches of service level agreements and (iv) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID – 19 is not material based on such evaluation. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

16 Other Income

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Interest income from Bank deposits	14,93,721	33,68,646
Income Earned on SBI Mutual Funds	5,03,742	5,02,560
Net gain on foreign currency transactions and translation	49,01,920	12,71,799
Gain on Sale of Property, Plant & Equipments	0	2,114
Net Gain on Fair Value on Current Financial Investment	0	2,95,205
Net gain on fair value on Financial asset	2,83,498	11,56,778
Income others	16,675	1,49,832
Income earned on Mutual Fund / Nifty bees	16,61,326	2,69,319
Total	**88,60,882**	**70,16,253**

17 Employee Benefits Expense

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Salaries and wages	31,80,33,686	26,11,84,890
Directors remuneration	1,80,00,000	1,80,00,000
Contribution to provident fund & ESI	60,22,589	51,29,356
Retirement benefits	25,68,858	23,55,743
Staff welfare expenses	1,34,62,273	1,02,02,117
Total	**35,80,87,406**	**29,68,72,107**

18 Finance Cost

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Interest paid to bank for cash credit facility	9,84,754	5,832
Interest on Lease Liability	29,08,036	27,39,969
Total	**38,92,790**	**27,45,801**

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

19 Other Expenses

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Rent	15,36,330	15,32,641
Professional charges	2,27,95,178	2,14,80,480
Power & Fuel	22,58,570	19,49,392
Communication expenses	58,78,182	60,91,782
HRD expenses	16,27,691	43,51,614
Travelling expenses	25,27,094	1,92,001
Taxes & Licences	2,48,802	4,55,798
Building repairs	0	65,867
Vehicle repairs	9,50,388	8,93,481
General repairs	23,80,356	20,14,813
Remuneration to Auditors [Refer Note (i) below]	2,00,000	2,70,000
Share demat expenses	1,84,205	1,73,000
Bank charges	11,66,371	14,37,038
Business promotion and Marketing expenses	8,38,436	11,58,328
Printing & Stationery	1,69,859	1,76,679
Legal and Consultancy	24,51,578	13,69,857
STPI service charges	4,50,000	5,65,000
Donation	0	1,50,000
Sitting fees	8,02,500	2,14,000
Listing fees / filing fees	3,83,100	3,41,700
Loss on Intangible assets discarded	5,961	0
Loss on sale of property, plant and equipment	56,796	0
CSR Activity Expenses	12,68,000	0
Other administrative expenses	53,10,178	28,59,741
Total	**5,34,89,576**	**4,77,43,212**

Note (i) Remuneration to Auditors

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Audit fees	2,00,000	1,50,000
Taxation matters	0	0
Limited review certifications	0	1,20,000
Reimbursement of expenses	0	0
Total	**2,00,000**	**2,70,000**

Notes forming part of the Financial Statements for the year ended 31st March, 2022(Consolidated)

20 Tax expense

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax		
In respect of the current year	3,08,40,186	2,37,65,861
In respect of the prior year	(1,49,288)	(13,32,836)
Deferred tax	(26,417)	(2,10,022)
Total income tax expense recognised in the current year	**3,06,64,481**	**2,22,23,003**
The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:		
Current Tax:		
Profit before tax	12,09,18,417	9,18,39,502
Enacted income tax rate	25.17%	25.17%
Computed expected tax expense	3,05,85,159	2,32,16,419
Effect of:		
Depreciation	4,96,389	7,28,463
Rent & Interest on Lease	(7,18,009)	(4,12,907)
Disallowance under 43B of Income Tax Act (Net)	(43,101)	1,85,604
Exempt income	(90,416)	(3,39,550)
Expense disallowed	6,10,164	37,752
Others (Prior year Income tax)	(1,49,288)	(9,82,756)
Income tax expense recognised in the profit or loss	**3,06,90,897**	**2,24,33,025**
Deferred Tax:		
Relating to the origination and reversal of temporary differences (see below)	(26,417)	(2,10,022)
Tax expense reported in the Statement of Profit and Loss	**3,06,64,481**	**2,22,23,003**

Deferred tax

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	(32,86,439)	(31,79,830)
Prior year tax adjustment	2,79,130	0
Recognised in Profit or loss		
Property, plant and equipment	(4,96,389)	(7,28,463)
Expense disallowed	(2,91,138)	2,91,138
Rent & Interest on Lease	7,18,009	4,12,907
Section 43B disallowance	43,101	(1,85,604)
	(26,417)	**(2,10,022)**
Recognised in Other Comprehensive Income		
Fairvalue of quoted Investment	2,48,945	1,682
Defined benefit obligation	2,47,884	1,01,731
Closing balance	**(25,36,897)**	**(32,86,439)**

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

21 Segment information

The Managing Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented.

The Chief Operating Decision Maker (CODM) of the company examines the performance from the perspective of company as a whole viz. 'Software business' and hence there are no seperate reportable segments as per Ind AS 108. Geographic information is based on business sources from that geographic region. Accordingly the geographical secondary segments are determined as "North America" and "Rest of the World".

Income and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The management therefore believes that it is not practicable to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as "unallocated" and directly charged against total income.

Geographical Segment

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Segment Revenue		
Net Sales/Income		
a. North America	46,09,20,065	38,48,18,336
b. Rest of the World	7,82,31,601	5,72,45,061
Total	53,91,51,666	44,20,63,397
Less: Inter-Segment revenue	0	0
Net Sales/ Income from operations	**53,91,51,666**	**44,20,63,397**
Segment Results		
Profit(+) / Loss(-)		
a. North America	9,14,51,321	7,03,71,869
b. Rest of the World	2,44,99,004	1,71,97,182
Total	11,59,50,325	8,75,69,051
Less: Finance costs	38,92,790	27,45,801
Add /Less: Other unallocable Income net of unallocable expenses	88,60,882	70,16,252
Total Profit/Loss before Tax	**12,09,18,417**	**9,18,39,502**
Segment Assets		
a. North America	44,06,24,257	32,89,08,521
b. Rest of the World	7,99,48,395	4,96,95,418
c.Unallocated	0	0
Total	**52,05,72,652**	**37,86,03,939**
Segment Liabilities		
a. North America	9,06,62,112	5,19,69,161
b. Rest of the World	2,06,23,760	1,02,09,663
c.Unallocated	0	0
Total	**11,12,85,872**	**6,21,78,824**
Capital Expenditure	19,99,49,457	53,83,118
Depreciation	1,16,24,360	98,79,028

Note:

There is two customers who contribute 10% or more to the company's revenue for 2021-22 and one customer who contribute 10% or more to the company's revenue for 2020-21.

Notes forming part of the Financial Statements for the year ended 31st March, 2022(Consolidated)

22 Earnings per share (EPS)

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Profit after tax	9,02,53,936	6,96,16,499
Profit atributable to ordinary shareholders - for Basic and Diluted EPS	**9,02,53,936**	**6,96,16,499**
Weighted Average number of Equity Shares used as denominator for calculatingBasic EPS	50,50,200	50,50,200
Weighted average number of equity shares used in the calculation of diluted earnings per share	50,50,200	50,50,200
Earnings per share of Rs. 10/- each		
- Basic (in Rs.)	**17.87**	**13.78**
- Diluted (in Rs.)	**17.87**	**13.78**

23 Contingent liabilitites and comittments

A. Contingent liabilities

I) 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.

ii) 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.

iii) 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.

iv) The Regional Provident Fund commissioner passed an order on 29.11.16 directing the company to enroll the Home based worker and trainees in EPF . The said order has not quantified the demand . The Company had appealed against the order passed by Regional Provident Fund Commissioner before the Employees Provident Fund Appellate Tribunal and obtained a stay against the order passed by PF Commissioner on 20.12.2016.

B. Commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	0	0

24. Employee benefit plans

(a) Defined Contribution Plan

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs towards the benefits. The Company has recognised Rs.58,42,311 (for the year ended March 31, 2021: Rs.49,56,616) as contribution to Provident Fund, and Rs. 1,80,278 (for the year ended March 31, 2021: Rs. 1,72,740) as payment under Employee State Insurance Scheme in the Statement of Profit and Loss. These contributions have been made at the rates specified in the rules of the respective schemes and has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company has partly funded its gratuity obligations. The following table sets out the status of the defined benefit schemes and the amount recognised in the financial statements as per the Actuarial Valuation done by an Independent Actuary:

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

Reconciliation of opening and closing balances of Defined Benefit Obligation

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 20121
Defined Benefit Obligation at beginning of the year	1,24,43,764	1,03,98,710
Current service cost	22,20,305	20,10,961
Interest cost	8,66,365	6,93,370
Actuarial (Gain) / Loss	(11,15,284)	(4,67,202)
Benefit payment from employer	(2,12,644)	(1,18,283)
Benefits paid	(3,38,787)	(73,792)
Defined Benefit Obligation at year end	**1,38,63,719**	**1,24,43,764**

Reconciliation of opening and closing balances of fair value of Plan Assets

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of Plan Assets at beginning of year	61,78,303	44,66,500
Employer contributions	27,40,113	16,18,283
Expected Return on Plan Assets	5,17,812	3,48,588
Actuarial Gain / (Loss)	(1,30,365)	(62,993)
Benefit payment from employer	(2,12,644)	(1,18,283)
Benefits paid	(3,38,787)	(73,792)
Fair value of Plan Assets at year end	**87,54,432**	**61,78,303**

Amount recognised in the Balance Sheet

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Defined Benefit Obligation at year end	1,38,63,719	1,24,43,764
Fair value of Plan Assets at year end	87,54,432	61,78,303
Net Liability / (Asset) recognised	**51,09,287**	**62,65,461**

Expenses recognised during the year

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
In Income Statement		
Current service cost	22,20,305	20,10,961
Interest on net defined benefit liability/ (asset)	8,66,365	6,93,370
Expected Return on Plan Assets	(5,17,812)	(3,48,588)
Net Cost	**25,68,858**	**23,55,743**
In Other Comprehensive Income		
Actuarial (Gain) / Loss	(9,84,919)	(4,04,209)
Net (Income)/ Expense For the period Recognised in OCI	**(9,84,919)**	**(4,04,209)**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

The remeasurement of the net defined liability is included in other comprehensive income.

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

Actuarial assumptions

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate (per annum)	7.12%	6.73%
Expected Return on Planned Assets (per annum)	7.12%	6.73%
Rate of escalation in Salary (per annum)	10.00%	10.00%
Attrition rate (per annum)	20.00%	20.00%

The retirement age of employees of the Company is 58 years.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The mortality rates considered are as per the published rates in the Indian Assured Lives Mortality (2006-08) Ultimate table.

Sensitivity analysis

The key actuarial assumptions to which the defined benefit plans are particularly sensitive to are discount rate and full salary escalation rate. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Amount in Rs.

Particulars	Discount Rate	Salary escalation Rate
As at March 31, 2022		
Defined benefit obligation on plus 100 basis points	1,29,95,605	1,47,77,677
Defined benefit obligation on minus 100 basis points	1,48,65,880	1,30,58,596
As at March 31, 2021		
Defined benefit obligation on plus 100 basis points	1,16,22,229	1,32,90,507
Defined benefit obligation on minus 100 basis points	1,33,90,182	1,16,97,298

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Maturity profile of defined benefit obligation

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Expected total benefit payments		
Within 1 year	10,24,046	8,33,100
1 year to 2 years	30,50,811	6,81,240
2 years to 3 years	6,20,877	26,04,927
3 years to 4 years	11,50,371	4,14,452
4 years to 5 years	4,12,484	9,44,067
5 years to 10 years & above	76,05,130	69,65,978

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

As at March 31, 2022 & March 31, 2021, 100% of the plan assets were invested in insurer managed funds.

The Company has established an income tax approved irrevocable trust fund to which it regularly contributes to finance liabilities of the plan. The fund's investments are managed by certain insurance companies as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

The employee benefit obligations expose the Company to actuarial risks such as: longevity risk and salary risk.

Longevity Risk: The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the participants during their employment. An increase in the life expectancy of the the participants will increase the obligation.

Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of the participants. As such, an increase in the salary of the the participants will increase the obligation.

25 Related party disclosures

List of related parties where control exists and also related parties with whom transactions have taken place and relationships

Names of the related parties	Relationship
Mr.C.Ganapathy - Non-Executive Chairman	Key Managerial Personnel
Mr.G Suresh - Managing Director & CEO	Key Managerial Personnel
Mrs.S.Latha - Non-Executive Women Director	Key Managerial Personnel
Mr,P.S.Subramanian - Chief Financial Officer	Key Managerial Personnel
Mr.Harcharan J - Company Secretary & Compliance Officer	Key Managerial Personnel
CG-VAK Software USA Inc	Wholly owned subsidiary
CG Vak Software and Exports Limited Employees Gratuity Trust	Gratuity Trust

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

Transactions with related parties during the year are set out in the table below

Amount in Rs.

Nature of Transaction	As at March 31, 2022	As at March 31, 2021
Remuneration and perquisites paid	**2,03,44,417**	**1,99,71,453**
Mr.C.Ganapathy - Non-Executive Chairman	97,500	29,000
Mr.G Suresh - Managing Director & CEO	1,81,07,854	1,80,99,509
Mrs.S.Latha - Non-Executive Women Director	90,000	25,000
Mr,P.S.Subramanian - Chief Financial Officer	12,35,593	10,88,446
Mr.Harcharan J - Company Secretary & Compliance Officer - w.e.f 01.10.2019	8,13,470	7,29,498
Rent	**57,60,900**	**47,52,000**
Mrs.S.Latha - Non-Executive Women Director	57,60,900	47,52,000
Expenses - Marketing services rendered by subsidiary	**25,13,992**	**23,79,802**
CG-VAK Software USA Inc	25,13,992	23,79,802
Employee Benefits Expense	**20,21,200**	**15,00,000**
CGVAK SOFTWARE AND EXPORTS LIMITED EMPLOYEES GRATUITY TRUST	25,27,469	15,00,000
Income from service rendered	**0**	**0**
CG-VAK Software USA Inc	0	0
Balances oustatanding as at the year end		
Payable	**12,80,882**	**3,12,892**
CG-VAK Software USA Inc	12,80,882	3,12,892
Receivable	**0**	**0**
CG-VAK Software USA Inc	0	0
Rent Deposit	**62,02,000**	**39,60,000**
Mrs.S.Latha - Non-Executive Women Director	62,02,000	39,60,000

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Short-term employee benefits	2,02,79,617	1,99,09,353
Post-employment benefits	64,800	62,100

26 Financial instruments

26.1 Capital management

The Company's management objectives are:

- to ensure the Company's ability to continue as a going concern

- to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term expansion plans. The funding needs are met through equity, cash generated from operations, long term and short term bank borrowings and preference share capital.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing instruments less cash and cash equivalents and other bank balances (including non-current earmarked balances)

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

The table below summarises the capital, net debt and net debt to equity ratio (Gearing ratio) of the Company

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Net Debts	0	0
Total Equity	40,92,86,781	31,64,25,115
Gearing ratio	**0**	**0**

26.2 Categories of Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, and financial liability are disclosed in Note 2(xiv) of Significant Accounting Policies.

A. Financial assets and liabilities

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

Amount in Rs.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Others financial assets - non current	74,98,631	74,98,631	52,18,481	52,18,481
investments	1,52,70,139	1,52,70,139	5,31,38,946	5,31,38,946
Trade receivables	7,51,70,896	7,51,70,896	7,29,34,189	7,29,34,189
Cash and cash equivalents	8,41,97,127	8,41,97,127	8,98,66,985	8,98,66,985
Bank balances other than cash and cash equivalents	3,06,30,626	3,06,30,626	5,74,62,515	5,74,62,515
Other financial assets - current	59,46,882	59,46,882	65,14,686	65,14,686
Total financial assets (a + b)	**21,87,14,302**	**21,87,14,302**	**28,51,35,802**	**28,51,35,802**
Financial liabilities				
Measured at amortised cost				
Borrowings	2,62,04,420	2,62,04,420	0	0
Lease Liabilities	4,20,15,171	4,20,15,171	2,60,58,835	2,60,58,835
Trade payables	28,34,087	28,34,087	52,42,616	52,42,616
Other financial liabilities - current	0	0	0	0
Total financial liabilities (a + b)	**7,10,53,678**	**7,10,53,678**	**3,13,01,451**	**3,13,01,451**

The management has assessed that the fair values of cash and cash equivalents, bank balances, trade receivables, other financial assets, trade payables and other financial liabilities recorded at amortised cost is considered to be a reasonable approximation of fair value.

The following methods and assumptions are used to estimate the fair values:

Fair values of the Company's interest-bearing borrowings are determined by using Effective Interest Rate (EIR) method. The own non- performance risk as at March 31, 2022 was assessed to be insignificant.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

B. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

26.3 - Financial risk management objective

The Company's activities expose it to certain / reasonable financial risks. The Company's primary focus is to foresee the unpredictability of such risks and seek to minimize potential adverse effects on its financial performance.

The Company has a risk management process and framework in place. This process is coordinated by the Board, which meets regularly to review risks as well as the progress against the planned actions. The Board seeks to identify, evaluate business risks and challenges across the Company through such framework. These risks include market risks, credit risk and liquidity risk.

The risk management process aims to:

- improve financial risk awareness and risk transparency- identify, control and monitor key risks
- identify risk accumulations- provide management with reliable information on the Company's risk situation
- improve financial returns

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements:

Risk	Exposure arising from	Risk Management
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (Rs.)	Periodic review by management
Market risk - interest rate	Borrowings at variable rates	Mix of borrowings taken at fixed and floating rates
Credit risk	Borrowings and other liabilities	Availability of committed credit and borrowing facilities
Liquidity risk	Cash and cash equivalents, trade receivables and other financial assets	Bank deposits, diversification of asset base, credit limits, etc.

Market risk - Foreign exchange

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. Exposures to foreign currency balances are periodically reviewed to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company concentrates mainly on domestic market hence the risk on account of foreign exchange is very minimal.

The Company does not have any derivatives financial instruments either for hedging or for speculation purpose.

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

The details of foreign currency exposures that are not hedged by any derivative instrument or otherwise are:

Particulars	Foreign Currency (FC)	Amount in FC		Equivalent Rs. in Lakhs	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
Trade Receivables	USD	0	0	0	0
	CAD	17,518	67,272	10,32,686	38,58,024
	GBP	10,229	8,931	10,04,999	8,87,245
	EUR	0	0	0	0
	AUD	0	0	0	0

Foreign currency sensitivity analysis

The following information details the Company's sensitivity to a 5% increase and decrease in the rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit where the rupee strengthens 5% against the relevant currency will increase the profit and equity by Rs.1,01,884 (Previous year Rs. 2,37,263). For a 5% weakening of the rupee against the relevant currency, there would be an equal and opposite impact on profit and equity.

Market risk - Interest rate

(i) Liabilities:

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2022, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. Below is the overall exposure of the Company to interest rate risk:

Amount in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate borrowing from Banks		
Fixed rate borrowing		
- Banks	2,62,04,420	0
- Others	0	0
Total borrowings	**2,62,04,420**	**0**

Interest rate sensitivity analysis:For non derivative instruments there is no change in the the floating rate borrowings during the year. Hence there is no impact in the Company's profit for the year ended March 31, 2022 (year ended March 31, 2021 Nil).

(ii) Assets: The Company's financial assets are carried at amortised cost and are at fixed rate only. They are, therefore, not subject to interest rate risk since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, deposits with banks, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date.

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. The Company has very limited history of customer default, and considers the credit quality of trade receivables, that are not past due or impaired, to be good.

Therefore, the Company does not expect any material risk on account of non performance by any of the Company's counterparties.The credit risk for cash and cash equivalents, bank deposits, security deposits and loans is considered negligible, since the counterparties are reputable organisations.

Liquidity risk

The Company requires funds both for short-term operational needs as well as for long-term expansion programmes. The Company remains committed to maintaining a healthy liquidity ratio, deleveraging and strengthening the balance sheet. The Company manages liquidity risk by maintaining adequate support of facilities and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The Company's Finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The Company's financial liability is represented significantly by long term and short term borrowings from banks and trade payables. The maturity profile of the Company's short term and long term borrowings and trade payables based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

Amount in Rs.

March 31, 2022	Less than 1 year	1-3 year	More than 3 year	Total
Borrowings	95,79,466	1,66,24,954	0	2,62,04,420
Lease Liabilities	39,49,402	89,33,927	2,91,31,842	4,20,15,171
Trade payable	28,34,087	0	0	28,34,087
Other financial liabilities	0	0	0	0
Total	**1,63,62,955**	**2,55,58,881**	**2,91,31,842**	**7,10,53,678**
March 31, 2021				
Borrowings	0	0	0	0
Lease Liabilities	23,41,558	53,52,933	1,83,64,344	2,60,58,835
Trade payable	52,42,616	0	0	52,42,616
Other financial liabilities	0	0	0	0
Total	**75,84,174**	**53,52,933**	**1,83,64,344**	**3,13,01,451**

27 Leases

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Group has applied Ind AS 116 using the modified retrospective approach (Modified Retrospective (ROU asset = Lease Liability and incremental borrowing rate)). As a result, the comparative information has not been restated. In adopting Ind AS 116, the Group has applied the below practical expedients:

The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

The Company has treated the leases with lease term of less than 12 months as "short term leases"

The Company has not applied the requirements of Ind AS 116 for leases of low value assets.

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

Amount in Rs.

Impact of adoption of Ind AS 116 on the statement of profit and loss	31 March, 2022 Amount in Rs.	31 March, 2021 Amount in Rs.
Interest on lease liabilities	29,08,036	27,39,969
Depreciation on Right to use assets	37,17,233	35,95,242
Deferred tax (Credit) / charge	7,18,009	4,12,907
Total	**73,43,278**	**67,48,118**

28 Additional Information to the Financial Statements

28.1 Dividend

In respect of the current year, the directors propose that a dividend of Rs.1.00 per share shall be paid on equity shares . This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders whose names appear on the Register of Members as on the date of Annual General Meeting . The total estimated equity dividend to be paid is Rs.50,50,200.

28.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Amount in Rs.

Particulars	31 March, 2022 Amount in Rs.	31 March, 2021 Amount in Rs.
(i) Principal amount remaining unpaid to MSME suppliers as at the end of each accounting year	17,874	11,791
(ii) Interest due on unpaid principal amount to MSME suppliers as at the end of each accounting year	0	0
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	0	0
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	0	0
(v) The amount of interest accrued and remaining unpaid as on	0	0
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	0	0

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received and available with the Company. This has been relied upon by the auditors.

28.3 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

The Company has not given any loans and advances in the nature of loans to subsidiaries, associates, firms / companies in which directors are interested.

28.4 Expenditure in foreign currency on account of:	31 March, 2022 Amount in Rs.	31 March, 2021 Amount in Rs.
Travel	0	0
Other administrative expenses	29,83,060	28,52,018
	29,83,060	**28,52,018**

Notes forming part of the Financial Statements for the year ended 31st March, 2022 (Consolidated)

Amount in Rs.

28.5	**Earnings in foreign exchange**	31 March, 2022 Amount in Rs.	31 March, 2021 Amount in Rs.
	Export of goods calculated on FOB basis	38,18,03,642	29,75,31,968

29 Following is the share of net assets and the profit or loss of the entities which have been consolidated for preparation of the consolidated financial statements of CG-VAK Software and Exports Limited for the financial year ended March 31, 2022:

Particulars	CG-VAK Software and Exports Limited Holding Company		CG-VAK Software USA Inc Foreign Subsidiary Company		Total	
	Amount in Rs	As a % of consoildated amounts	Amount in Rs	As a % of consoildated amounts	Amount in Rs	As a % of consoildated amounts
Net Assets	38,13,79,875	73.26%	13,91,92,777	26.74%	52,05,72,652	100.00%
Share in profit or loss	8,92,28,169	98.86%	10,25,767	1.14%	9,02,53,936	100.00%
Share in other comprehensive income	14,77,222	100.00%	0	0.00%	14,77,222	100.00%
Share in total comprehensive income	9,07,05,391	98.88%	10,25,767	1.12%	9,17,31,158	100.00%

30 The financial statements of CG-VAK Software and Exports Limited were approved by the Board of Directors and authorised for issue on 25.05.2022

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
DIN : 00600906

K.Kathirvel
Independent Director
DIN : 09091676

P.S. Subramanian
Chief Financial Officer

Harcharan J
Company Secretary

In terms of our report attached

For **M/s. SPP & Co**
Chartered Accountants
Firm Regn.No.011059S

S.Prabhu
Partner
Membership No.213598

Place : Coimbatore
Date : 25th May, 2022

NOTES

CG-VAK™



CG-VAK™

SOFTWARE AND EXPORTS LIMITED

An ISO 9001 : 2015 Certified Company

171, Mettupalayam Road
Coimbatore - 641 043 India
Ph : 91-422 - 2434491 / 92 / 93
Fax : 91-422-2440679
www.cgvak.com
CIN: L30009TZ1994PLC005568