



**N.C. RAJAN & CO.**  
**CHARTERED ACCOUNTANTS**

Partners

**P.J. RAMANI** B.Com., F.C.A.

**V. GOPALAKRISHNAN** B.Com., F.C.A.

**JAYANTHI RAMANI** M.Sc., F.C.A.

**P. MANIKANDAN** B.Com., A.C.A.

"SELEKT ENCLAVE"

First Floor, 16, Dr. Munusamy Garden Street

Avinashi Road, Coimbatore - 641 018

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E-mail : audit@ncrajan.com

Ref : VG/10/2018-19

**Independent Auditor's Report on Consolidated Financial results for the year ended**

**31st March, 2018**

**(Pursuant to the regulation 33 of the SEBI ( Listing Obligations and Disclosure Requirements )**

**Regulations, 2015)**

To the Board of Directors of **CGVAK Software and Exports Ltd**

1. We have audited the accompanying consolidated financial results (the Statement) of **CG VAK Software and Exports Ltd** and its subsidiaries (collectively referred to as 'the group') for the year ended on **31<sup>st</sup> March'2018** and the consolidated results for the year ended on **31<sup>st</sup> March'2018**, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The statement has been prepared based on the basis of annual consolidated financial statements which are the responsibility of Company's management. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements., which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) prescribed under section 133 of the Companies Act 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and in compliance with requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by





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management. We believe that our audit provided a reasonable basis for our opinion.

4. We did not audit the financial statements of CG VAK Software USA Inc (one wholly owned subsidiary) included in the consolidated year to date results, whose financial statements reflect total assets of Rs.1223.02 lakhs as at 31<sup>st</sup> March 2018 and total revenue of Rs.1624.54 lakhs for the year ended on that date. These financial statements and other financial information have been compiled by other auditors, have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based on the statements of other auditors and information and explanations provided by the Management.
5. In our opinion and to the best of our information and according to the explanations given to us the statement
  - i) Include the financial results of its wholly owned subsidiary CG VAK Software USA Inc
  - ii) Have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016; and
  - iii) Gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and other financial information year ended 31<sup>st</sup> March 2018.

**For N.C. RAJAN & CO.,**  
Chartered Accountants  
Firm Reg. No : 003426S

**Partner**

Coimbatore

28.05.2018

V. Gopalakrishnan

Membership No. 202480



**CONSOLIDATED Audited Financial Results for the Quarter and Year ended 31.03.2018**

PART I

(Rs. In Lakhs)\*

Sl.No.	Particulars	QUARTER ENDED			YEAR ENDED	YEAR ENDED
		31.03.2018 Audited	31.12.2017 Unaudited	31.03.2017 Audited	31.03.2018 Audited	31.03.2017 Audited
I	Revenue from operations	800.85	722.29	777.47	3,003.61	3,221.91
II	Other Income	14.69	5.07	(1.06)	38.40	12.27
III	Total Revenue( I + II)	815.54	727.36	776.41	3,042.01	3,234.18
IV	EXPENSES					
	a) Employee benefit expense	557.93	534.26	553.73	2,096.71	2,135.79
	b) Finance Costs	0.04	0.04	0.07	0.57	0.89
	c) Depreciation	7.82	6.98	5.62	28.33	28.14
	d) Other expenses	194.43	163.38	228.52	722.30	960.67
	Total expenses (IV)	760.22	704.66	787.94	2,847.91	3,125.49
V	Profit/ (Loss) before exceptional items and tax (III-IV)	55.32	22.70	(11.53)	194.10	108.69
VI	Exceptional item	-	-	-	-	-
VII	Profit /(Loss) before extraordinary item and tax (V-VI)	55.32	22.70	(11.53)	194.10	108.69
VIII	Extraordinary items	-	-	-	-	-
IX	Profit Before Tax (VII - VIII)	55.32	22.70	(11.53)	194.10	108.69
X	Tax Expenses					
	a) Current Tax	6.46	4.90	8.20	35.57	34.44
	b) Deferred Tax	(0.04)	(3.39)	(12.02)	19.24	(3.05)
XI	Profit /(Loss) for the period after tax ( IX - X )	48.90	21.19	(7.71)	139.28	77.30
XII	Other Comprehensive Income					
	a)Items that will not be reclassified to profit and loss					
	i) Loss on remeasurement of defined benefit obligation	(1.68)	(0.81)	(1.01)	(3.95)	(4.05)
	ii) Income tax relating to the above	0.44	0.58	0.47	1.02	1.25
	b) Item that will be reclassified to Profit and Loss	-	-	-	-	-
XIII	Total comprehensive income for the period (XI + XII)	47.66	20.96	(8.25)	136.35	74.50
XIV	Paid up equity share capital (Face value of Rs.10/- each)	505.02	505.02	505.02	505.02	505.02
XV	Reserves (excluding revaluation reserves)				1,212.81	1,112.64
XVI	Earnings per equity share:					
	(a) Basic	0.97	0.42	(0.15)	2.76	1.53
	(b) Diluted	0.97	0.42	(0.15)	2.76	1.53





**Consolidated Statement of Assets and Liabilities as at 31.03.2018**

		Rs. In Lakhs	Rs. In Lakhs
	Particulars	As at 31.03.2018	As at 31.03.2017
<b>A</b>	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	(a) Property, Plant & Equipment	164.63	159.82
	(b) Other Intangible Assets	21.97	28.69
	(c) Financial assets		
	(i) Investments	25.00	-
	(ii) Other financial assets	3.07	3.07
	(d) Deferred tax assets (net)	34.57	46.67
	(e) Other non-current assets	9.42	5.11
	<b>Total Non current assets</b>	<b>258.66</b>	<b>243.36</b>
2	<b>Current assets</b>		
	(a) Investments	25.00	-
	(b) Financial assets		
	(i) Trade receivables	490.72	722.24
	(ii) Cash and cash equivalents	810.90	677.54
	(iii) Bank balances other than cash & cash equivalents	295.74	51.77
	(iv) other financial assets	26.25	20.50
	(c) Current tax assets (net)	-	6.69
	(d) Other current assets	167.63	138.98
	<b>Total current assets</b>	<b>1,816.24</b>	<b>1,617.72</b>
	<b>Total Assets</b>	<b>2,074.90</b>	<b>1,861.08</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity Share Capital	505.02	505.02
	(b) other Equity	1,212.81	1,112.64
	<b>Total Equity</b>	<b>1,717.83</b>	<b>1,617.66</b>
	<b>Liabilities</b>		
1	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	(b) Provisions	-	-
	(c) Deferred tax liabilities (net)	-	-
	<b>Total - Non-Current liabilities</b>	<b>-</b>	<b>-</b>
2	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings		-
	(i) Trade payables	68.24	86.92
	(ii) Other financial liabilities	-	1.90
	(b) Provisions	36.01	23.28
	(c) Other Current liabilities	241.79	131.32
	(d) Current tax liabilities (Net)	11.03	-
	<b>Total -Current liabilities</b>	<b>357.07</b>	<b>243.42</b>
	<b>Total Equity And Liabilities</b>	<b>2,074.90</b>	<b>1,861.08</b>



**NOTES :**

- 1) The above Audited Consolidated Financial Results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their Board meeting held on 28.05.18
- 2) The Board of directors have recommended a dividend of Rs.0.50 per equity share (i.e 5%), subject to the Approval of share holders at the ensuing Annual General Meeting.
- 3) The Company has first time adopted Indian Accounting Standard (referred to as 'Ind AS') with effect from 1st April, 2017, having the transition date as 1st April, 2016 and accordingly these financial results alongwith the comparatives have been prepared in accordance with the Companies Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

**4) First time adoption of IND AS**

In preparing these financial statements, the Company has applied the following significant optional exemptions, in addition to those which are mandatory:-

**Optional exemptions availed:**

**Investment in Subsidiary:**

The Company has availed the deemed cost exemption for IND AS purposes. Accordingly, the carrying values of investment under previous GAAP have been carried forward without any adjustments.

**Property, Plant & Equipment and Intangible Assets:-**

As permitted by IND AS 101, the Company has elected to continue with the carrying values under previous GAAP for all items of Property, Plant & Equipment, including Intangible Assets

**Notes to the reconciliations:**

**Employee benefits:**

Under the Previous GAAP, actuarial gain and loss on defined benefit obligations were recognised in the statement of Profit & Loss. Under IND AS, these are recognised in other comprehensive income.

The reconciliation of net profit reported in accordance with the Indian GAAP to total comprehensive income in accordance with IND AS for the Year/Quarter ended March 31, 2017 is given below:

Particulars	(Rs. in Lakhs)	
	Quarter ended 31.03.2017	Year ended 31.03.2017
	Audited	Audited
Net Profit / Loss as per Indian GAAP	(8.25)	74.50
<b>Adjustments:</b>		
Remeasurement of the defined benefit plans	1.01	4.05
Tax adjustments	(0.47)	(1.25)
Others	0.00	(0.00)
<b>Net Profit / Loss as per IND AS (A)</b>	<b>(7.71)</b>	<b>77.30</b>
<b>Other comprehensive income, net of income tax</b>		
Actuarial (loss) on employee defined plans	1.01	4.05
Income tax effect of above adjustment	(0.47)	(1.25)
<b>Total other comprehensive Income, net of income tax (B)</b>	<b>0.54</b>	<b>2.80</b>
<b>Total comprehensive income for the period (A+B)</b>	<b>(8.25)</b>	<b>74.50</b>

**5) Segment Reporting**

The Chairman and Managing Director & CEO of the Company has been identified as the Chief Operating Decision Makers (CODM) as defined by IND AS 108, "Operating Segments". The Company operates in one segment only i.e., "Information Technology Services". The CODM evaluates Performance of the Company based on revenue and operating income from the above segment. Accordingly, segment information has not been separately disclosed.

6) The figures for the quarter ended 31st March 2018 represents the derived figures between the audited figures in respect of the year ended 31st March 2018 & the unaudited published period to date figures upto 31st December 2017 being the date of the end of the third quarter of the current year, which was subjected to a limited review.

7) Figures for the previous year have been regrouped/rearranged wherever necessary to correspond with current period figures.

For and on behalf of the Board  
For CGVAK Software & Exports Ltd



**G Suresh**  
Managing Director & CEO

Place : Coimbatore  
Date : 28.05.2018



**CG-VAK**<sup>TM</sup>  
SOFTWARE & EXPORTS LTD



28<sup>th</sup> May, 2018

To:

The Department of Corporate Services,  
The BSE Limited,  
Floor 25, P.J. Towers,  
Dalal Street,  
Mumbai - 400 001.

**SCRIP CODE: 531489**

Dear Sirs,

Ref: Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Sub: Submission of Declaration in respect of Audit Report with Unmodified Opinion for the Standalone and Consolidated Audited Financial Results for the Year ended 31<sup>st</sup> March, 2018.**

This confirms that the Statutory Auditors of the Company, M/s. N.C.Rajan & Co., Chartered Accountants (Firm Registration No: 003426S) have expressed an unmodified opinion on the Standalone and Consolidated Audited Financial Results for the year ended 31<sup>st</sup> March, 2018.

This declaration is provided pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the same on your records.

Thanking You,

Yours faithfully,

For **CG-VAK SOFTWARE AND EXPORTS LIMITED**

G. Suresh



**Managing Director & CEO**  
**DIN: 00600906**

Encl: As above