CG-VAK™
SOFTWARE & EXPORTS LTD.
An ISO 9001 : 2015 Certified Company

23rd ANNUAL REPORT 2017-18

CONTENTS

BOARD OF DIRECTORS

Mr.C.Ganapathy, B.Sc., Agri.	Executive Chairman
Mr.M.Durairaj, M.Sc., B.Ed.	Independent Director
Mr.S.Mohan, B.E.	Independent Director
Mr.S.Muthukumar, B.Sc., B.E., M.B.A.	Independent Director
Mr.A.Sankar, B.A.	Independent Director
Mrs.S.Latha, B.Sc.	Non Executive Women Director
Mr.G.Suresh, B.E., M.B.A.	Managing Director & CEO
Mr.P.S.Subramanian	Chief Financial Officer
Mr.Harcharan J	Company Secretary & Compliance Officer

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

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

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

REGISTERED OFFICE
171, Mettupalayam Road
Coimbatore 641 043
INDIA
CIN: L30009TZ1994PLC005568

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

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

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

SUBSIDIARY
CG-VAK Software USA Inc.,
1661, Tice Valley Blvd,
Suite#101, Walnut Creek,
California – 94595

CG-VAK Software USA Inc.,
100, Overlook Centre
2nd Floor
Princeton
New Jersey - 08540

CG-VAK SOFTWARE AND EXPORTS LIMITED

CIN : L30009TZ1994PLC005568

Registered Office: 171, Mettupalayam Road, Coimbatore – 641 043

Web:www.cgvak.com, Email Id:investorservices@cgvak.com

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 23rd Annual General Meeting of CG-VAK SOFTWARE AND EXPORTS LIMITED will be held on Monday the 24th day of September, 2018 at 3.00 PM at Ardra Hall, Kaanchan, 9, North Huzur Road, Coimbatore - 641 018, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31st March, 2018 including audited Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ("the Board") and Auditors thereon
2. To declare dividends, if any.
3. To appoint a Director in the place of Mr. G. Suresh (DIN 00600906), who retires by rotation, and being eligible, offers himself for reappointment.
4. To ratify the appointment and to appoint N. C. Rajan & Co, Chartered Accountants (Firm Registration No: 003426S) Statutory Auditors of the Company for the remaining period.

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

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

NOTES

1. ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.
2. Members/proxies/representatives should bring the Attendance Slip, duly filed in for attending the meeting.
3. Details pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Paragraph 1.2.5 of Secretarial Standard on General Meetings, in respect of Director seeking reappointment at the Annual General Meeting are separately annexed hereto for item no.3.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 18th September, 2018 to Monday, the 24th September, 2018 (both days inclusive).
5. The dividend if declared at the Annual General Meeting will be paid within 30 days from the date of the Annual General Meeting.
6. Members who are holding shares in physical form are requested to intimate/update immediately their change of address / change of bank account/ email ID, if any, to M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1 Sathy Road, Ganapathy, Coimbatore 641 006, our Registrar & Share Transfer Agents. Please quote your Folio Number and our Company's name in all your correspondence.
7. Members who are holding shares in Electronic Form are requested to intimate/update immediately their change of address / change of bank account/ email ID, if any, to their respective Depository Participant.
8. The practice of distributing copies of Annual Reports at the Annual General Meeting has been discontinued in view of the high cost of paper and printing. Shareholders are therefore, requested to bring their copy of the Annual Report to the meeting.
9. In terms of Sections 124(6) of the Companies Act, 2013, as amended the amount of dividend remaining unpaid or unclaimed for a period of seven (7) years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). The Unclaimed dividend for the year 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 is held in separate Bank accounts and the shareholders who have not received the dividend/encashed the warrants are advised to write to the Company with complete details. There are no amounts to be transferred to IEPF during the year under review.
10. The Notice of the Meeting is also displayed/posted on the websites of the Company www.cgvak.com and that of Central Depository Services (India) Limited ("CDSL") www.evotingindia.com.
11. In terms of Sections 124(6) of the Companies Act, 2013, as amended the amount of dividend remaining unpaid or unclaimed for a period of seven (7) years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). The Unclaimed dividend for the year 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 is held in separate Bank accounts and the shareholders who have not received the dividend/encashed the warrants are advised to write to the Company with complete details.
12. The Company has appointed Mrs.Manimekala V Raj, Practicing Company Secretary (Membership No.F5163), to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
13. The procedure and instructions for voting through electronic means are, as follows:

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 20th September, 2018 at 9:00 a.m. and ends on 23rd September, 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 17th September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period

(iii) Click on "Shareholders" tab.

(iv) Now, select the "CG-VAK Software and Exports Limited" from the drop down menu and click on "SUBMIT"

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

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

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

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

(xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

(xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed.

If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

(xviii) You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.

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

(xx) Note for Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details the compliance user should be created using the admin login and password. The Compliance user who would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

14. Once the vote on the resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

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

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

Place: Coimbatore
Date : 28th May, 2018

Harcharan J
Company Secretary
ACS No. 33394

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

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

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

Place: Coimbatore
Date : 28th May, 2018

Harcharan J
Company Secretary
ACS No. 33394

DIRECTORS' REPORT

To the Members,

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

FINANCIAL RESULTS 2017-18

During the year under review, your Company has achieved a turnover of Rs.1425.81 lakhs as against Rs.1161.77 lakhs in the previous year. There is a net Profit of Rs.108.29 lakhs as against the net profit of Rs.36.17 lakhs in the previous year.

GLOBAL REVENUE

The global revenues for the Company including the business done by the Wholly Owned Subsidiary for the year under review is Rs.3042 lakhs as compared to Rs.3234 lakhs in the previous year. The drop in global revenue is due to lower business done by the subsidiary.

STATE OF AFFAIRS OF THE COMPANY

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

The contribution of business from various Geographical areas were:

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

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

FUTURE PLANS

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

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

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

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

QUALITY

Your company has a strict quality assurance and control programs to ensure that high level of Quality service is delivered to the customers. Matured and proven quality management systems are in place based on the requirements of ISO 9001:2015 standards.

DIVIDEND

Your Directors recommended a dividend of Rs. 0.50 per equity share (i.e. 5% on each equity share having Face value of Rs. 10 each), subject to the approval by the shareholders at the ensuing Annual General Meeting. The total dividend payout will be of Rs.30.39 lakhs inclusive of tax amount of Rs.5.14 lakhs. During the previous year ended 2016-2017, your Company has paid a dividend of Rs.25.25 lakhs.

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

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

TRANSFER TO RESERVES

No amount has been transferred to the general reserve.

FORFEITURE

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

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

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

DEPOSITORY SYSTEM

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

LISTING OF SHARES

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

INSURANCE

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

CONSOLIDATED FINANCIAL STATEMENTS

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

CORPORATE GOVERNANCE

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

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.

NUMBER OF MEETINGS OF THE BOARD

The board met Four 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 comprises of Independent Directors namely Mr.S.Muthukumar (Chairman), Mr.S.Mohan and Mr.A.Sankar as other Members. 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 (Rs.)

Foreign Exchange Earnings	**14,25,81,031**
Foreign Exchange Outgo	**8,52,522**
Foreign Travel	4,08,978
Others	4,43,544

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. Your Directors have provided explanation in Annexure - 2 for the matter of emphasis in the Auditor's Report.

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 - 3.

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, 2018,the Board consists of 7 members, two of whom are executive or whole time directors, 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-4 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, 2018, 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$ 2.53 million during this year, compared to the US$ 3.22 million during the previous year. There has been a drop of revenue by 21% over the previous financial year. The drop is mainly due to the difficulty in obtaining visas for the engineers to travel to the USA and work in the subsidiary.

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 silent features of the financial statement of our wholly owned subsidiary in the prescribed format AOC-1 is appended as Annexure-5 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.

EXTRACT OF ANNUAL RETURN

In accordance with section 134(3)(a) of the Companies Act,2013,an extract of annual return in the prescribed format is appended as Annexure -6 to Board's Report.

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, 2018, 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 Joint Director, Directorate of Enforcement vide their order dated 04.12.2017, imposed a Penalty amounting to Rs. 14,00,000/- on the Company for certain procedural lapses under FEMA, 1999. The Company had paid the said penalty amount on 11th January, 2018. The said penalty was paid by the Company in order to buy peace with the department.

SEBI - SECURITIES APPELLATE TRIBUNAL ORDER

During the financial year (2014-15), SEBI Securities Appellate Tribunal had upheld the orders of the SEBI Adjudicating Officer dated 17th December, 2013 and imposed a penalty of Rs.3,00,000 lakhs on the Company for delayed disclosure/reporting of purchase of shares under the SEBI PIT regulations. The Company had paid the penalty amount on 08th May, 2014.

PUBLIC DEPOSIT

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Pursuant to provisions of Section 203 of the Companies Act, 2013, Mr.C.Ganapathy, Executive Chairman, 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 Personnels of the Company.

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 28thMay, 2018 convening the 23rd 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. N. C. Rajan & Co, Chartered Accountants were appointed to hold office for a term of five consecutive years ie, from the conclusion of 21st AGM till the conclusion of 26th AGM, subject to ratification of their appointment by the Members at every Annual General Meeting. The Statutory Auditors have confirmed their eligibility and willingness to continue in office. Pursuant to Companies (Amendment) Act, 2017, the Board recommends their appointment for the remaining period of their current term from the conclusion of this Annual General Meeting to the conclusion of 26th Annual General Meeting of the Company and would not be subject to ratification at every subsequent AGM.

SECRETARIAL AUDITOR

Mrs.Manimekala V Raj, Practising Company Secretary was appointed to conduct the secretarial audit of the company for financial year 2018-19, as required under Section 204 of the Companies Act,2013 and Rules made there under. The secretarial audit report for FY 2017-18 forms part of the Annual Report as Annexure- 7 to the Board's Report.

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.

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 2017-18:

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.

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(By Order of the Board)

For CG-VAK SOFTWARE AND EXPORTS LIMITED

Place: Coimbatore

Date : 28th May, 2018

C.Ganapathy

Chairman

DIN 00735840

Annexure - 1 to Director's Report

Particulars of Remuneration of Directors and Employees pursuant to Section 197 (12) of the 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, Executive Chairman	2.78
2	Mr.G.Suresh, Managing Director & CEO	16.92
3	Mr.M.Durairaj, Independent Director	Not Applicable
4	Mr.S.Muthukumar, Independent Director	Not Applicable
5	Mr.S.Mohan, Independent Director	Not Applicable
6	Mr.A.Sankar, Independent Director	Not Applicable
7	Mrs.S.Latha, Non Executive Women Director	Not Applicable

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, Executive Chairman	-33%
2	Mr.G.Suresh, Managing Director & CEO	37%
3	Mr.M.Durairaj, Independent Director	Not Applicable
4	Mr.S.Muthukumar, Independent Director	Not Applicable
5	Mr.S.Mohan, Independent Director	Not Applicable
6	Mr.A.Sankar, Independent Director	Not Applicable
7	Mrs.S.Latha, Non Executive Women Director	Not Applicable
8	Mr.P.S.Subramanian, CFO	9%
9	Mr.Harcharan. J, CS	8%

(iii)	The percentage increase in the median remuneration of the employees in the financial year	17.63%
(iv)	Number of Permanent Employees on the rolls of the company (As on 31st March, 2018)	195
(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'sRemuneration (including perquisites) 2017-18(Rs Lakhs)	% Increase/ (Decrease) in KMP's remuneration (2017-18 against 2016-17 including perquisites)	Sales 2017-18 (Rs in Lakhs)	% Increase/ (Decrease) in sales (2018-18 against 2016-17)
106.16	17.55%	1425.81	22.73%

(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 31.03.2017	As on 31.03.2018	Variations	%+/(-)
Market Capitalization (Rs in Lakhs)	1611.01	1080.74	(530.27)	(33)%
Price earnings ratio	41.43	9.73	(31.70)	(77%)

Market quotations of the shares as on 31.03.2018 (BSE)	Rs.21.40/- 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. 21.40 as on 31st March, 2018 indicating a compounded annual growth rate of 3.36% which is excluding the dividend accrued thereon.

(viii) Average percentile increase already made in salaries of employees other the 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 21%.

The percentile increase granted to managerial personnel is 18%.

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

KMP's Name & Designation	Remuneration for 2017-18 (RsLakhs)	%Increase / (Decrease) in Remuneration (2017-18 against 2016-17)	Sales (for 2017-18) (Rs in Lakhs)	%Increase/ (Decrease) in Sales (2017-18 against 2016-17)
Mr.C.Ganapathy, Executive Chairman	12.91	(33%)	1425.81	22.73%
Mr.G.Suresh, Managing Director & CEO	78.49	37%		
Mr.P.S.Subramanian, Chief Financial Officer	8.51	9%		
Mr.Harcharan. J Company Secretary	6.61	8%		

(x)	The key paramaters for any variable Component of remuneration availed by the Directors.	The Directors are not eligible for any variable compensation as per the provisions of the Act.
(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 : 28th May, 2018

C.Ganapathy
Chairman
DIN 00735840

Annexure - 2 to Director's Report

Explanations on the Matter of Emphasis in the Auditors' Report to the members of M/s. CG-VAK Software And Exports Limited for the year ended 31st March, 2018

1 With reference to the auditors' remark on non provision of gratuity claim (note no.25-C, of the notes forming part of accounts) , we wish to state that no provision has been made as the Director concerned was a Non Executive Director and was not drawing any salary and hence not eligible for gratuity. The company has disputed the claim and the same is pending before the Labour Court;

2 With reference to the auditors' remark on non provision of gratuity claim (note no.25-D, of the notes forming part of accounts), we wish to state that no provision has been made as the employee was not eligible for gratuity. The company has disputed the claim and the same is pending before the Labour Court;

3 With reference to the Auditors' remark on non-payment of fixed deposit (note no.25-F of the notes forming part of accounts), we wish to state that the Fixed Deposit claim is an appeal made by a Former Managing Director and his family members before the High Court, Madras against the Company Law Board's Order. The Company Law Board had earlier passed an order that the claim was not maintainable and decided in favour of Company during June, 2011. The Company has disputed the claim before the High Court Madras.

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

Place: Coimbatore
Date : 28th May, 2018

C.Ganapathy
Chairman
DIN 00735840

Annexure - 3 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, Non - Executive Women Director	Rental Agreement renewed on 23.02.2018 upto 31.01.2019	Renewed in every 11 months at Rs.1,61,051/month	Leasing of Property & Renewed in every 11 months at Rs.1,61,051/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.11,00,000/-
2	CG-VAK Software USA Inc (WOS)	IT Recruitment & Accounting Services rendered to WOS	During April 2017 to March 2018	Rs.45,01,234/-		Not Applicable

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

Place: Coimbatore
Date : 28th May, 2018

C.Ganapathy
Chairman
DIN 00735840

Annexure - 4 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 Nomination 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 SEBI (LODR) Regulations.

3.3 Independent Director means a Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations.

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, SEBI (LODR) Regulations 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 of the SEBI (LODR) Regulations, 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 retiral 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 - 5 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, 2018
3	Reporting Currency	USD
4	Exchange Rate*	64.15
5	Share Capital	3,31,00,161
6	Reserves and Surplus	7,38,53,082
7	Total Assets	12,23,02,273
8	Total Liabilities	12,23,02,273
9	Details of Investments	NA
10	Turnover and Other Income	16,24,54,383
11	Profit / (Loss) Before Taxation	38,42,521
12	Provision for Taxation	10,37,884
13	Profit / (Loss) After Taxation	28,04,637
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.64.15/USD (Rs.64.50/USD for the previous year ended 31st March, 2017) 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

C.Ganapathy
Executive Chairman
DIN : 00735840

P.S. Subramanian
Chief Financial Officer

Harcharan. J
Company Secretary

Place : Coimbatore
Date : 28th May, 2018

Annexure - 6 to Director's Report

Form No. MGT -9
EXTRACT OF ANNUAL RETURN

As on the financial year ended 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of The Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L30009TZ1994PLC005568
2	Registration Date	06th December, 1994
3	Name of the Company	CG-VAK SOFTWARE AND EXPORTS LIMITED
4	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Govt. Company
5	Address of the Registered office & contact details	No. 171, Mettupalayam Road, Coimbatore - 641 043. Ph: 0422-2434491/92/93 Fax: 0422-2440679. Email: investorservices@cgvak.com Website: www.cgvak.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor,1391/A-1 Sathy Road, Ganapathy, Coimbatore - 641006. Email:info@skdc-consultants.com Website: www.skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company

S.No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1.	Computer Programming, Consultancy and Related Services	62020	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No.	Name & address of the Company	CIN / GLN	% of Shares held	Applicable Section
1.	CG-VAK Software USA Inc	Foreign Company	100%	2(87)

IV SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Shareholding :

Category of Shareholders	No.of Shares held at the beginning of the year				No.of Shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(A. Promoters									
(1) Indian									
a) Individual/ HUF	2263724	-	2263724	44.82%	2439551		2439551	48.31%	3.48%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub **Total (A) (1)**	**2263724**	**-**	**2263724**	**44.82%**	**2439551**	**-**	**2439551**	**48.31%**	**3.48%**
(2) **Foreign**									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	**2263724**	**-**	**2263724**	**44.82%**	**2439551**	**-**	**2439551**	**48.31%**	**3.48%**
B. Public Shareholding									
1. *Institutions*									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies -	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):--	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**0.00%**	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	77972	4400	82372	1.63%	48166	4400	52566	1.04%	-0.59%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	923666	376870	1300536	25.75%	884081	364870	1248951	24.73%	-1.02%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1202243	73900	1276143	25.27%	1143128	60900	1204028	23.84%	-1.43%
c) Others (specify)									
Directors & Their Relatives	-	13500	13500	0.27%	-	13500	13500	0.27%	0.00%
Non Resident Indians	20958	-	20,958	0.41%	21332	-	21332	0.42%	0.01%
Clearing Members	38210	-	38,210	0.76%	27309	-	27,309	0.54%	-0.22%
Hindu Undivided Families	54757	-	54757	1.08%	42963	-	42963	0.85%	-0.23%
Sub-total (B)(2):-	**2317806**	**468670**	**2786476**	**55.18%**	**2166979**	**443670**	**2610649**	**51.69%**	**-3.48%**
Total Public (B)	**2317806**	**468670**	**2786476**	**55.18%**	**2166979**	**443670**	**2610649**	**51.69%**	**-3.48%**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**0.00%**	**-**	**-**	**-**	**-**	**0.00%**	**0.00%**
Grand Total (A+B+C)	**4581530**	**468670**	**5050200**	**100.00%**	**4606530**	**443670**	**5050200**	**100.00%**	**0.00%**

(ii) Shareholding of Promoters :

S.No.	Shareholders Name	No.of Shares held at the beginning of the year			No.of Shares held at the end of the year			% of change during the year
		No.of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No.of shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
1	G.Suresh	9,52,060	18.85%	0.00%	9,52,060	18.85%	0.00%	0.00%
2	S.Latha	7,12,204	14.10%	0.00%	8,88,031	17.58%	0.00%	3.48%
3	C.Ganapathy	4,06,350	8.05%	0.00%	4,06,350	8.05%	0.00%	0.00%
4	G.Saraswathy	1,93,110	3.82%	0.00%	1,93,110	3.82%	0.00%	0.00%
	Total	**22,63,724**	**44.82%**	**0.00%**	**24,39,551**	**48.31%**	**0.00%**	**3.48%**

(iii) Change in Promoters' Shareholding:

S.No.	Name		Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
1	C.Ganapathy	At the beginning of the year	01/04/2017	4,06,350	8.05%	4,06,350	8.05%
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase - Purchase		-	-	-	-
		At the end of the year	31/03/2018	4,06,350	8.05%	4,06,350	8.05%
2	G.Suresh	At the beginning of the year	01/04/2017	9,52,060	18.85%	9,52,060	18.85%
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase - Purchase	-	-	-	-	-
		At the end of the year	31/03/2018	9,52,060	18.85%	9,52,060	18.85%
3	G.Saraswathy	At the beginning of the year	01/04/2017	1,93,110	3.82%	1,93,110	3.82%
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase - Purchase	-		-	-	-
		At the end of the year	31/03/2018	1,93,110	3.82%	1,93,110	3.82%
4	S. Latha	At the beginning of the year	01/04/2017	7,12,204	14.10%	7,12,204	14.10%
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase - Purchase	07/04/2017	9,385	0.19%	7,21,589	14.29%
			14/04/2017	1,736	0.03%	7,23,325	14.32%
			21/04/2017	6,249	0.12%	7,29,574	14.45%
			19/05/2017	5,673	0.11%	7,35,247	14.56%
			02/06/2017	3,500	0.07%	7,38,747	14.63%
			30/06/2017	3,500	0.07%	7,42,247	14.70%
			07/07/2017	4,550	0.09%	7,46,797	14.79%
			14/07/2017	3,724	0.07%	7,50,521	14.86%
			21/07/2017	2,530	0.05%	7,53,051	14.91%
			28/07/2017	1,256	0.02%	7,54,307	14.94%
			04/08/2017	3,556	0.07%	7,57,863	15.01%
			06/10/2017	5,208	0.10%	7,63,071	15.11%
			10/11/2017	10,938	0.22%	7,74,009	15.33%
			05/01/2018	17,077	0.34%	7,91,086	15.66%
			23/02/2018	23,800	0.47%	8,14,886	16.14%
			09/03/2018	20,945	0.41%	8,35,831	16.55%
			16/03/2018	20,000	0.40%	8,55,831	16.95%
			23/03/2018	15,000	0.30%	8,70,831	17.24%
			31/03/2018	17,200	0.34%	8,88,031	17.58%
		At the end of the year	31/03/2018	8,88,031	17.58%	8,88,031	17.58%

Note: The above information is provided based on the Beneficiary Position received from Depositories and Physical share register.

(iv) Shareholding of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs):

S.No.	Name		Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
1	**K.V. KAMARAJ**	At the Beginning of the year 01.04.2017	01/04/2017	521674	10.33	521674	10.33
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase					
		At the end of the year	31/03/2018	521674	10.33	521674	10.33
2	**C LOGANATHAN**	At the Beginning of the year 01.04.2017	01/04/2017	141235	2.80	141235	2.80
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase/decrease	07/04/2017	(1400)	(0.03)	139835	2.76
			14/04/2017	(2240)	(0.04)	137595	2.72
			21/04/2017	(1745)	(0.03)	135850	2.68
			19/05/2017	(980)	(0.02)	134870	2.67
			09/06/2017	(5)	(0.00)	134865	2.67
			07/07/2017	(1895)	(0.04)	133955	2.65
			14/07/2017	(1000)	(0.02)	132955	2.63
			22/09/2017	(150)	(0.00)	132805	2.62
		At the end of the year	31/03/2018	131820	2.61	131820	2.61
3	**K. JALAJADEVI**	At the Beginning of the year 01.04.2017	01/04/2017	102607	2.03	102607	2.03
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase					
		At the end of the year	31/03/2018	102607	2.03	102607	2.03
4	**S DHANABAKKIAM**	At the Beginning of the year 01.04.2017	01/04/2017	75921	1.50	75921	1.50
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase	09/03/2018	(12074)	(0.24)	63847	1.26
			16/03/2018	(20100)	(0.40)	43747	0.86
			23/03/2018	(4999)	(0.10)	38748	0.77
			29/03/2018	(12900)	(0.26)	25848	0.51
			31/03/2018	(4000)	(0.08)	21848	0.43
		At the end of the year	31/03/2018	21848	0.43	21848	0.43
5	**NARAYANASAMY R**	At the Beginning of the year 01.04.2017	01/04/2017	52500	1.04	52500	1.04
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase					
		At the end of the year	31/03/2018	52500	1.04	52500	1.04
6	**SHIVAM PORTFOLIO MNGT.(P) LTD.**	At the Beginning of the year 01.04.2017	01/04/2017	27671	0.55	27671	0.55
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase					
		At the end of the year	31/03/2018	27671	0.55	27671	0.55
7	**S SANKAR**	At the Beginning of the year 01.04.2017	01/04/2017	26945	0.53	26945	0.53
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase/decrease	23/02/2018	(6500)	(0.13)	20445	0.40
			02/03/2018	(1500)	(0.03)	18945	0.37
			09/03/2018	(18945)	(0.38)	0	0.00
		At the end of the year	31/03/2018	0	0.00	0	0.00
8	**KETAKI PRIYADARSHAN SIRAS**	At the Beginning of the year 01.04.2017	01/04/2017	25897	0.51	25897	0.51
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase	12/01/2018	(1000)	(0.02)	24897	(0.02)
		At the end of the year	31/03/2018	24897	0.49	24897	0.49
9	**RITA JAIN**	At the Beginning of the year 01.04.2017	01/04/2017	25000	0.50	25000	0.50
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase					
		At the end of the year	31/03/2018	25000	0.49	25000	0.50

S.No.	Name		Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
10	**KETAN KIRITKUMAR VAKHARIA**	At the Beginning of the year 01.04.2017	01/04/2017	23897	0.47	23897	0.47
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase	07/04/2017	5101	0.10	28998	0.57
			07/07/2017	(2472)	(0.05)	26526	0.53
			14/07/2017	(26526)	(0.53)	0	0.00
		At the end of the year	31/03/2018	0	0.00	0	0.00
11	**NIRVI KETAN VAKHARIA**	At the Beginning of the year 01.04.2017	01/04/2016	0	0.00	0	0.00
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase	30/06/2017	996	0.02	996	0.02
			14/07/2017	26526	0.53	27522	0.54
			25/08/2017	734	0.01	28256	0.56
			01/09/2017	1581	0.03	29837	0.59
			15/09/2017	607	0.01	30444	0.60
			13/10/2017	1700	0.03	32144	0.64
			27/10/2017	(143)	0.00	32001	0.63
			31/10/2017	595	0.01	32596	0.65
			03/11/2017	569	0.01	33165	0.66
			10/11/2017	1752	0.03	34917	0.69
			17/11/2017	374	0.01	35291	0.70
			24/11/2017	(500)	(0.01)	34791	0.69
			22/12/2017	27	0.00	34818	0.69
			09/02/2018	100	0.00	34918	0.69
			16/02/2018	331	0.01	35249	0.70
			23/02/2018	2725	0.05	37974	0.75
			02/03/2018	1918	0.04	39892	0.79
			16/03/2018	9032	0.18	48924	0.97
			23/03/2018	1276	0.03	50200	0.99
			31/03/2018	226	0.00	50426	1.00
		At the end of the year	31/03/2018	50426	1.00	50426	1.00
12	**SHYAM KISANGOPAL LAKHANI**	At the Beginning of the year 01.04.2017	01/04/2017	9445	0.19	9445	0.19
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase	14/07/2017	17419	0.34	17419	0.34
			18/08/2017	2191	0.04	2191	0.04
			27/10/2017	1045	0.02	1045	0.02
			29/12/2017	(3600)	(0.07)	0	0.00
			12/01/2018	1561	0.03	1561	0.03
			26/01/2018	170	0.00	170	0.00
			23/03/2018	100	0.00	100	0.00
		At the end of the year	31/03/2018	28331	0.56	28331	0.56

Shareholding of Directors and Key Managerial Personnel:

S.No.	Name		Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No.of shares	% of total shares of the company	No.of shares	% of total shares of the company
1	**C.Ganapathy**	At the Beginning of the year 01.04.2017	01/04/2017	406350	8.05	406350	8.05
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase	-	-	-	-	
		At the end of the year	31/03/2018	406350	8.05	406350	8.05
2	**G.Suresh**	At the Beginning of the year 01.04.2017	01/04/2017	952060	18.85	952060	18.85
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase - Purchase	-	-	-	-	
		At the end of the year	31/03/2018	952060	18.85	952060	18.85
3	**S. Latha**	At the beginning of the year	01/04/2017	7,12,204	14.10%	7,12,204	14.10%
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase - Purchase	07/04/2017	9,385	0.19%	7,21,589	14.29%
			14/04/2017	1,736	0.03%	7,23,325	14.32%
			21/04/2017	6,249	0.12%	7,29,574	14.45%
			19/05/2017	5,673	0.11%	7,35,247	14.56%
			02/06/2017	3,500	0.07%	7,38,747	14.63%
			30/06/2017	3,500	0.07%	7,42,247	14.70%
			07/07/2017	4,550	0.09%	7,46,797	14.79%
			14/07/2017	3,724	0.07%	7,50,521	14.86%
			21/07/2017	2,530	0.05%	7,53,051	14.91%
			28/07/2017	1,256	0.02%	7,54,307	14.94%
			04/08/2017	3,556	0.07%	7,57,863	15.01%
			06/10/2017	5,208	0.10%	7,63,071	15.11%
			10/11/2017	10,938	0.22%	7,74,009	15.33%
			05/01/2018	17,077	0.34%	7,91,086	15.66%
			23/02/2018	23,800	0.47%	8,14,886	16.14%
			09/03/2018	20,945	0.41%	8,35,831	16.55%
			16/03/2018	20,000	0.40%	8,55,831	16.95%
			23/03/2018	15,000	0.30%	8,70,831	17.24%
			31/03/2018	17,200	0.34%	8,88,031	17.58%
		At the end of the year	31/03/2018	8,88,031	17.58%	8,88,031	17.58%
4	**M.Durairaj**	At the Beginning of the year 01.04.2017	01/04/2017	10000	0.20	10000	0.20
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase					
		At the end of the year	31/03/2018	10000	0.20	10000	0.20
5	**S.Muthukumar**	At the Beginning of the year 01.04.2017	01/04/2017	2500	0.05	2500	0.05
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase					
		At the end of the year	31/03/2018	2500	0.05	2500	0.05
6	**S.Mohan**	At the Beginning of the year 01.04.2017	01/04/2017	1000	0.02	10000	0.20
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase					
		At the end of the year	31/03/2018	10000	0.20	10000	0.20
7	**A.Sankar**	At the Beginning of the year 01.04.2017	01/04/2017	NIL	NIL	NIL	NIL
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase					
		At the end of the year	31/03/2018	NIL	NIL	NIL	NIL
8	**PS Subramanian**	At the Beginning of the year 01.04.2017	01/04/2017	2000	0.04	2000	0.04
		Date wise increase/decrease in the Shareholding during the year specifying the reasons for the increase	-	-	-	-	
		At the end of the year	31/03/2018	2000	0.04	2000	0.04

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment (Rs in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year	0	1.90	0	1.90
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0.04	0	0.04
Total (i+ii+iii)	0	1.94	0	1.94
Change in Indebtedness during the financial year				
Addition	0	0	0	0
Reduction	0	1.94	0	1.94
Net Change	0	1.94	0	1.94
Indebtedness at the end of the financial year	0	0	0	0
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	**0**	0	**0**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs in Lakhs)

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		C.Ganapathy (Executive Chairman)	G.Suresh (Managing Director and CEO)	
1.	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	12.00	78.00	90.00
(b)	Value of perquisite u/s 17(2) of the Income Tax Act, 1961	0.69	0.28	0.97
(c)	Profits in lieu of salary u/s 17(3) of Income Tax Act,1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as percentage of profit	-	-	-
	Others, specify	-	-	-
5.	Others (Retiral Benefits)	0.22	0.21	0.43
	TOTAL (A)	12.91	78.49	91.40
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013		

B. Remuneration to other directors (Rs in Lakhs)

Sl.No.	Particulars of Remuneration	Name of Directors				Total Amount
		M. Durairaj	S. Muthukumar	S. Mohan	A. Sankar	
1	**Independent Directors**					
(a)	Fee for attending Board / Committee meetings	0.05	0.47	0.47	0.47	1.46
(b)	Commission	-	-	-	-	-
(c)	others-(specify)	-	-	-	-	-
	Total (1)	0.05	0.47	0.47	0.47	1.46
2	**Other Non-Executive Directors**	S. Latha				
(a)	Fee for attending Board / Committee meetings	0.20				0.20
(b)	Commission	-				-
(c)	others-(specify)	-				-
	Total (2)	0.20				0.20
	Total (B)=(1+2)	0.25	0.47	0.47	0.47	1.66
	Total Managerial Remuneration(A+B)	Rs.93.06 Lakhs				
	Over all Ceiling as per the Act	As per Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.				

C.Remuneration to KMP other than MD,WTD/Manager (Rs in Lakhs)

Sl.No.	Particulars of Remuneration	Name of the Key Managerial Personnel		Total Amount
		P.S.Subramanian (Chief Financial Officer)	**Harcharan. J (Company Secretary)**	
1.	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	8.07	6.33	14.40
(b)	Value of perquisite u/s 17(2) of the Income Tax Act, 1961	0.22	0.07	0.29
(c)	Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as percentage of profit	-	-	-
	Others, specify	-	-	-
5.	Others (Retiral Benefits)	0.22	0.21	0.43
	TOTAL	**8.51**	**6.61**	**15.12**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There are no penalities/punishment/compounding of offences agaisnst CG-VAK Software and Exports Limited, and its Directors and Officers under Companies Act, 2013 for the year ended 31st March, 2018..

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

Place: Coimbatore
Date : 28th May, 2018

C.Ganapathy
Chairman
DIN 00735840

Annexure - 7 to Director's Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
CG-VAK Software & Exports Limited
(CIN L30009TZ1994PLC005568)
171 Mettupalayam 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 & Exports Limited (hereinafter called the company). 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information 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 2018, 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 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
(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, 2015.
(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 Technology Act 2000 and the Rules made thereunder;
- (b) Software Technology Parks of India Rules and Regulations.

I have also examined the applicable provisions of the following:

(a) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

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

I report that, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above subject to the following observations :

(a) A penalty of Rs. 14 Lakhs was levied on the Company by the Adjudicating Authority of the Enforcement Directorate vide their order dated 04.12.2017 for certain procedural lapses under Foreign Exchange Management Act, 1999 and the Regulations made thereunder which was paid by the Company on 11.01.2018.

(b) Mr. K. Manickam, a former Managing Director and a shareholder of the Company who holds 1294 equity shares had filed a suit O.S 1396/2016 on 17.09.2016 in the Court of the I Additional District Munsiff of Coimbatore seeking injunction to not convene the 21st Annual General meeting which was scheduled to be held on 30.09.2016. The IA was dismissed by the Court in favour of the Company vide order dated 30.09.2016 and the Annual General Meeting was held on 30.09.2016.The suit is still pending before the I Additional District Munsiff of Coimbatore .

(c) Mr. K. Manickam, a former Managing Director and a shareholder of the Company who holds 1294 equity shares had filed a suit O.S 686/2017 on 18.04.2017 in the Court of the I Additional District Munsiff of Coimbatore seeking not to enforce the resolutions passed at the 21st Annual General Meeting held on 30.09.2016.

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

(e) During the Financial Year 2015-16, the Company had paid Rs.2,88,461/- with interest at 10% amounting to Rs. 2,91,229/- to former Managing Director of Company as Gratuity as per order of the Joint Commissioner of Labour vide his order dated 24th July, 2015; The Company has appealed against the order before the High Court.

(f) Gratuity claims of Rs. 8,82,000/- by a former Director in the previous years has been disputed by the company and the case is pending before the Assistant Commissioner of Labour;

(g) Gratuity claims of Rs. 7,05,000/- by a former employee in the previous years has been disputed by the company and the case is pending before the Assistant Commissioner of Labour.

(h) An appeal regarding a claim by a former Managing Director and his family members in the previous years for nonpayment of Fixed Deposit amounting to Rs. 10,55,691/-is pending before the High Court of Madras.

(i) The Regional Provident Fund Commissioner passed an order on 29.11.2016 directing the Company to enroll home based workers and trainees in EPF. The Company had appealed against the orders of the Regional Provident Fund Commissioner before the Employees Provident Fund Appellate Tribunal and has obtained a stay against the orders passed by the PF Commissioner on 20.12.2016.

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

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

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

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

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

(e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

requiring compliance thereof by the Company during the financial year.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings and Committee 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.

Letters from two shareholders (a former Director holding 500 shares and a former employee holding 100 shares) received by the Independent Directors drawing their attention to the various issues mentioned in their letters was discussed by the Independent Directors at their meetings and was referred by them to the Board of Directors.

As per the minutes of the Board Meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and 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.

Manimekala V Raj
Practising Company Secretary
FCS No: 5163
C.P. No: 3789

Place : Coimbatore
Date : 28th May 2018

This report is to be read with my letter of even date which is annexed as (*Annexure A*) and forms an integral part of this report.

Annexure-A

To
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;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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever 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.

Manimekala V Raj
Practising Company Secretary
FCS No: 5163
C.P. No: 3789

Place : Coimbatore
Date : 28th May 2018

REPORT ON CORPORATE GOVERNANCE

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

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

II BOARD OF DIRECTORS

The Board consists of One Executive Chairman, One Managing Director & CEO, 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 01.04.2017 to 31.03.2018)	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 31.03.2018	
1.	Mr.C.Ganapathy Executive Chairman	Promoter, Executive Director	4	No	Nil	Nil
2.	Mr.G.Suresh Managing Director & CEO	Promoter, Executive Director	4	Yes	Nil	Nil
3.	Mr.M.Durairaj	Independent, Non-Executive Director	1	No	Nil	Nil
4.	Mr.S.Muthukumar	Independent, Non-Executive Director	4	Yes	Nil	Nil
5.	Mr.S.Mohan	Independent, Non-Executive Director	4	Yes	Nil	Nil
6.	Mr.A.Sankar	Independent, Non-Executive Director	4	Yes	Nil	Nil
7.	Mrs.S.Latha	Promoter, Non-Executive Women Director	4	Yes	Nil	Nil

Four Board Meetings were held during the financial year 2017 - 2018. The dates of the Board Meetings were held are 29.05.2017, 28.08.2017, 13.12.2017 and 14.02.2018.

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

Details of Equity Shares of the Company held by Non-Executive Directors as on 31st March 2018:

Sl.No	Name	No. of Equity Shares
1.	Mr.S.Muthukumar	2,500
2.	Mr. S.Mohan	1,000
3.	Mr.M.Durairaj	10,000
4.	Mr.A.Sankar	Nil
5.	Mrs.S.Latha	8,88,031

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 2017-2018, four committee meetings were held on 29.05.2017, 28.08.2017, 13.12.2017 and 14.02.2018. The Members of the Committee are well versed in financial matters, accounts, company law and general business practices.

The Audit Committee consists of Three Independent Directors. 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.S.Muthukumar, Chairman	4	4
2.	Mr.S.Mohan, Member	4	4
3.	Mr.A.Sankar, Member	4	4

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 reviewfrom 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 Three Independent Directors. During the Financial Year ended 31.03.2018, 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.S.Muthukumar, Chairman	0	0
2.	Mr.S.Mohan,Member	0	0
3.	Mr.A.Sankar, Member	0	0

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 2018.

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

Sl. No	Name & Position	Salary	Commission	Total Remuneration
1.	Mr.G.Suresh, Managing Director & CEO	78.49	NIL	78.49
2.	Mr.C.Ganapathy, Executive Chairman	12.91	NIL	12.91

Executive Directors have waived the Commission eligible to them. Hence no commission was paid to the Executive Directors for the year ended 31st March, 2018.

2. **Non-Executive Directors**

Sl.No	Name & Position	Sitting Fees (Rs.)
1.	Mr.S.Muthukumar, Independent Director	47,000
2.	Mr. S.Mohan, Independent Director	47,000
3.	Mr.M.Durairaj, Independent Director	5,000
4.	Mr.A.Sankar, Independent Director	47,000
5.	Mrs.S.Latha, Non-Executive Women Director	20,000

VI STAKEHOLDER'S GRIEVANCE COMMITTEE

The Stakeholders' Grievance Committee consists of One Executive Director and Three Independent Directors. Mr.S.Muthukumar, Independent Director is the Chairman of the Committee.

During the financial year 2017-2018, 7 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 29.05.2017, 28.08.2017, 13.12.2017 and 14.02.2018. 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.S.Muthukumar, Chairman	4	4
2.	Mr.C.Ganapathy, Member	4	4
3.	Mr.S.Mohan, Member	4	4
4.	Mr.A.Sankar, Member	4	4

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 28.08.2017, 25.09.2017 and 14.02.2018. All Independent Directors were present on 28.08.2017, all Independent Directors except Mr. Durairaj were present during the Meetings held on 25.09.2017 and 14.02.2018.

VII ANNUAL GENERAL MEETINGS:

Year	Type	Location	Date	Time	Special Resolutions passed by the Shareholders
2015	AGM	Ardra Hall, Kaanchan, 9, North Huzur Road, Coimbatore -641 018	28.09.2015	4.30 P.M	None
2016	AGM	Ardra Hall, Kaanchan, 9, North Huzur Road, Coimbatore -641 018	30.09.2016	4.30 P.M	1. Re-appointment of Mr. C. Ganapathy, Chairman for a period of 3 years w.e.f 01.07.2016, 2. Re-appointment of Mr. G. Suresh, Managing Director & CEO for a period of 3 years w.e.f 01.09.2016, and 3. Re-appointment of Mr. A. Sankar, Independent Director for a period of 5 years w.e.f 26.09.2016.
2017	AGM	Ardra Hall, Kaanchan, 9, North Huzur Road, Coimbatore -641 018	25.09.2017	3.00 P.M	None

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

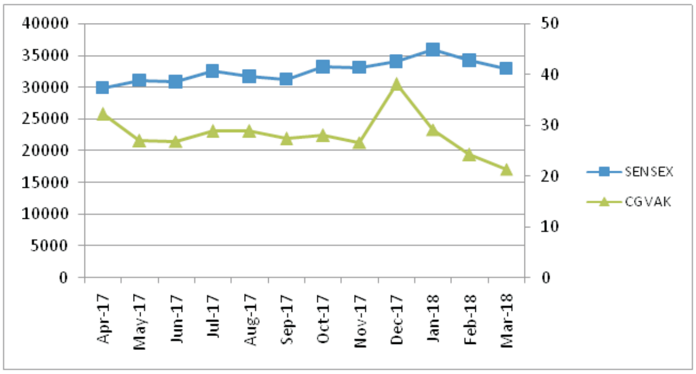
1.	AGM – Date , Time & Venue	24th September, 2018 3.00 PM Ardra Hall, Kaanchan, 9, North Huzur Road, Coimbatore -641 018
2.	**Financial Calendar for the year 2018-2019** Results for Quarter Ending 30th June,2018 Results for Quarter Ending 30th September,2018 Results for Quarter Ending 31st December,2018 Results for Quarter Ending 31st March, 2019	**Will be published on or before:** 14th August, 2018 14th November, 2018 14th February, 2019 30th May, 2019
3.	Date of Book Closure	Tuesday, the 18th September, 2018 to Monday, the 24th September, 2018 (both days inclusi4e)
4.	Dividend payment due date	Dividend, if declared at the AGM, will be paid on or before 23rd October, 2018.
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 2017-2018

Month	High	Low	Close
Apr-17	36.95	30.00	32.20
May-17	35.55	25.40	27.00
Jun-17	31.00	25.15	26.85
Jul-17	34.50	28.00	28.95
Aug-17	34.45	26.10	28.95
Sep-17	34.65	26.00	27.35
Oct-17	30.00	26.00	28.05
Nov-17	30.50	25.10	26.65
Dec-17	38.35	26.40	38.20
Jan-18	40.10	29.20	29.20
Feb-18	28.20	23.05	24.20
Mar-18	26.65	21.40	21.40

9. **Movement of Share Price – BSE SENSEX during 2017 – 2018**



10. **Registrar and Share Transfer Agents**

S.K.D.C. Consultants Ltd.,
Kanapathy Towers,
3rd Floor 1391/A-1 Sathy Road,
Ganapathy
Coimbatore 641 006.
Ph: 0422-4958995
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 dematerialisation 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 (NSDL) 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, 2018**

Category	No. of Share Holders	%	Amount(₹)	%
Upto - 5,000	2,565	82.34	45,49,630	9.01
5,001 -- 10,000	277	8.89	23,65,270	4.68
10,001 -- 20,000	125	4.01	19,55,870	3.87
20,001 -- 30,000	58	1.86	14,55,430	2.88
30,001 -- 40,000	19	0.61	6,76,360	1.34
40,001 -- 50,000	17	0.55	7,67,630	1.52
50,001 -- 1,00,000	23	0.74	17,08,860	3.38
1,00,001 AND ABOVE	31	1.00	3,70,22,950	73.32
TOTAL	3,115	100.00	5,05,02,000	100.00

Shareholding Pattern as on 31st March 2018

Category	No. of Shares	Percentage of Shareholding
Promoter and Promoter Group	24,39,551	48.31
Domestic Bodies Corporate	52,566	1.04
Non Resident Indians	21,332	0.42
Indian Public and Others	25,36,751	50.23
Total	**50,50,200**	**100.00**

13. **Shares dematerialised as on 31.03.2018** : **91.21%**

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,2018.

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, Kanapathy Towers, 3rd Floor 1391/A-1 Sathy Road, Ganapathy Coimbatore 641 006. 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 to 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) During the Financial Year 2015-16, the Company had paid Rs.5,79,690/- to former Managing Director of Company as Gratuity as per order of the Joint Commissioner of labour vide his order dated 24th July, 2015.

(c) During the Financial year 2014-2015, SEBI Securities Appellate Tribunal had upheld the orders of the SEBI Adjudicating Officer dated 17th December, 2013 and imposed a penalty of Rs.3 lakhs on the company for delayed disclosure/reporting of purchase of shares under the SEBI PIT regulations. The Company had paid the penalty amount on 08th May, 2014. Apart from this there has been no instance of any penalty / stricture imposed on the Company by Stock Exchanges / SEBI / any statutory authorities on any matter relating to capital market, during the last three years.

(d) The Joint Director, Directorate of Enforcement vide their order dated 04.12.2017, imposed a Penalty amounting to Rs. 14,00,000/- on the Company for certain procedural lapses under FEMA, 1999. The Company had paid the said penalty amount on 11th January, 2018. The said penalty was paid by the Company in order to buy peace with the department.

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

In accordance with requirements of the SEBI (LODR) Regulations, the Company has formulated a policy on determination of materiality if 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.

(f) 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.

(g) 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.

(h) Pursuant to SEBI Circular No.CIR/CFD/POLICY CELL/7/2014 dated 15th September 2014, compliance with the provisions of Clause 49 is not mandatory for the Company 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, 2015.

SEBI vide its press release No. 226/2015 had notified and replaced the existing Listing Agreement with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Pursuant to Regulation 15 (2) of Listing Regulations, the compliance with corporate governance provisions are not mandatory for the Company 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, 2015.

However, the Company has implemented all mandatory requirements as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Details of Compliance of non mandatory requirement are given below.

(a) The Company has appointed separate persons to the post of Chairman and Chief Executive Officer.

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, 2018 and the same is annexed to this report.

(By Order of the Board)

For CG-VAK SOFTWARE AND EXPORTS LIMITED

Place: Coimbatore
Date : 28th May, 2018

C.Ganapathy
Chairman
DIN 00735840

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 compliance with the 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 2018 and that to the best of our 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 2017-2018 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	G.Suresh	P.S.Subramanian
Date : 28th May, 2018	**Managing Director & CEO**	**Chief Financial Officer**
	DIN 00600906	

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, 2018.

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

Place: Coimbatore
Date : 28th May, 2018

G.Suresh
Managing Director & CEO
DIN 00600906

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

CG-VAK SOFTWARE AND EXPORTS LIMITED

We have examined the compliance of corporate governance by CG-VAK Software And Exports Limited (CIN: L30009TZ1994PLC005568)for the year ended 31st March, 2018 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.

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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by Directors and the Management, we certify that the company has compiled 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 for a period exceeding one month against the company as per the records maintained by the stakeholders grievance committee.

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

For **M/s. N.C.Rajan & Co**
Chartered Accountants
Regn.No.003426S

V.Gopalakrishnan
Partner
M.No.202480

Place : Coimbatore
Date : 28th May, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE

The global economy is estimated to have grown at 3.7% in 2017 and is projected grow at 3.9% in 2018.The growth may be accelerated by the economic activity of developed and emerging economies. USA grew at 2.3%in the year 2017 and is expected to grow at the same level in the year 2018. The European economy is estimated to have grown 2.4% in 2017 and is expected to grow at 2.2% in 2018.

Year 2017 has been a challenging year in terms of technological disruptions and political changes mainly due to the protectionism by leading markets like USA. Due to these factors the decision making and investment process of the clients has been slow. However, businesses around the world are adopting Digital Technology to transform every aspect of their business process to improve customer experiences and their operational efficiency. On technology front AI,Machine learning , IOT are becoming main stream. India remains to be the top outsourcing destination in the world due to its unique approach in the industry.

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

2. OPERATIONAL PERFORMANCE

During the year under review your Company has achieved a turnover of Rs. 1425.81 lakhs as against Rs. 1161.77 lakhs in the previous year. The net profit for the year is Rs.108.29 lakhs as against the net profit of Rs. 36.17 lakhs in the previous year. The company strengthened its focus on the offshore software services and Outsourced Product Development (OPD) market segment.

3. SEGMENT-WISE PERFORMANCE

The contributions of business from various Geographical area were:

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

The company has strategically increased the focus on offshore software services.The revenue from onsite services is Rs.69.20 lakhs and the business from Offshore Software Services is Rs. 1302.11 lakhs for the year 2017-2018 as against Rs.1077.71lakhs in the previous financial year. The increase has been at 21% compared with previous year.

4. OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Good traction is seen in Cloud services, Outsourced Product Development (OPD), Automation and Mobile application development services. We see good opportunities from existing customers as they continually invest in latest technology upgradation. We seek to deepen the client relationships by improving the value we offer to our clients and we expect a good growth in the repeat business we get. The sales pipeline has been growing well and this provides good opportunities for growth. There is stiff competition from many Indian and International IT companies for business.

Our Industry is marked by high attrition rate and the prime challenge is to retain the best talent. We are trying to mitigate the risk by offering good HR practices and providing an opportunity to work in our US subsidiary. The company is exposed to the risks and benefits of foreign exchange fluctuations. The company is now adopting a very cautious approach in hedging the currency. High dependency on the North American market is again a risk, which we are trying to mitigate by expanding the geographical spread of our market. Currently we get over 75% of our business from the North America.

5. OUTLOOK FOR THE FUTURE

Global economic growth is expected to reach 3.9% in 2018 which is better than 2017. This reflects a more positive outlook. The IT-BPM exports from INDIA grew at 7.7% over last year and the same level of growth is expected in 2018 as well.

The growth is expected to be driven by the Digital technologies. Our company has successfully delivered solutions/projects in the areas like Cloud, Mobile, Social media and Analytics. We are also investing our efforts in emerging technologies like AI and we are well positioned to capitalize on the opportunities that are thrown open due to these trends.

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

6. INTERNAL CONTROLS & THEIR ADEQUACY

We have a good control mechanism in place at all our departments. As we are an ISO 9001:2015 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.

7. HUMAN RESOURCES

One of the top priorities for the company has been recruiting and retaining good talent. The company has made various HR initiatives to ensure that higher level of job satisfaction is attained for its engineers. Also company adopts continuous skill enhancement practice for its engineers. As of 31st March 2018 the employee strength stood at 195.

8. CAUTION

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

(By Order of the Board)

For CG-VAK SOFTWARE AND EXPORTS LIMITED

Place: Coimbatore

Date : 28th May, 2018

C.Ganapathy

Chairman

DIN 00735840

INDEPENDENT AUDITOR'S REPORT

To the Members of CGVAK Software & Exports Ltd

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of CGVAK Software & Exports Ltd ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income),the statement of changes in equity, the statement of cash flows and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015,as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order issued under section143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes forming part of the financial statements:-

a) Note Nos .25 –C and D to the standalone Ind AS financial statements regarding Non Provision of Gratuity which describes the uncertainty relating to the outcome of the law suits filed against the company by a former director and his relatives.

b) Note No25-F to the financial statement regarding the claim on non- payment of fixed deposit by the company before the Madras High Court which describes the uncertainty relating to the outcome of the law suits filed against the company by a former director and his relatives.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure B, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, based on our audit 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 including other comprehensive income, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

   e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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"; and

   g) 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 standalone Ind AS financial statements – Refer Sub Note C,D,E,F,G of Note 25 to the standalone financial statements;

      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      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 reporting on disclosures relating to specifies Bank notes is not applicable to the company for the year ended March 31, 2018.

For **M/s. N.C.Rajan & Co**
Chartered Accountants
Regn.No.003426S

V.Gopalakrishnan
Partner
M.No.202480

Place : Coimbatore
Date : 28th May, 2018

Annexure - A to the Independent Auditors' Report

Report on the Internal Financial Controls over Financial Reporting 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 & Exports Ltd ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS 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 ('ICAI'). 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 safeguarding 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 of the company 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 section 143(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, 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 standalone Ind AS 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 the reliability 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 override 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, to the best of our information and according to the explanations given to us, 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 31 March 2018, 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. N.C.Rajan & Co**
Chartered Accountants
Regn.No.003426S

V.Gopalakrishnan
Partner
M.No.202480

Place : Coimbatore
Date : 28th May, 2018

Annexure - B to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

(i) In respect of Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the company have been physically verified by the management during the year in accordance with regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification. .

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, to companies, firms, LLPs, or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(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.

(v) The Company has not accepted any deposits from the public.

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

(vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess, GST and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(viii) According to the information and explanations given, the company has not defaulted in Repayment of dues to any bank/financial institutions/Government/Debenture Holders.

(ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer or availed any term loans during the year. The loan already availed have been applied for the purpose for which loans were obtained.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or issued any fully or partly convertible debentures during the year.

(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. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **M/s. N.C.Rajan & Co**
Chartered Accountants
Regn.No.003426S

V.Gopalakrishnan
Partner
M.No.202480

Place : Coimbatore
Date : 28th May, 2018

BALANCE SHEET AS AT 31ST MARCH 2018

	Particulars	Note No	31-Mar-2018 ₹	31-Mar-2017 ₹	01-Apr-2016 ₹
1	**Non-Current Assets**				
(a)	Property, plant and equipment	4	1,64,33,538	1,59,33,386	1,61,59,626
(b)	Intangible assets	4	21,97,001	28,68,639	28,20,096
	Non-current financial assets				
(c)	Financial assets				
	(i) Investments	5	3,56,00,161	3,31,00,161	3,31,01,761
	(ii) Other financial assets	6	3,06,609	3,06,609	3,06,609
(d)	Deferred tax assets (net)	22	34,56,942	46,67,346	42,36,644
(e)	Other non-current assets	7	9,06,427	4,31,305	37,957
	Total non - current assets		**5,89,00,678**	**5,73,07,446**	**5,66,62,693**
2	**Current assets**				
	(a) Investments	5	25,00,000	-	35,86,971
	(b) Financial assets				
	(i) Trade receivables	8	1,03,26,464	1,86,52,444	2,42,81,978
	(ii) Cash and cash equivalents	9	1,15,17,055	1,65,53,212	67,04,201
	(iii) Bank balances other than cash and cash equivalents	9	2,95,73,777	51,76,900	49,54,248
	(iv) Other financial assets	6	22,42,552	15,04,700	13,76,713
	(c) Current tax assets (net)		-	4,00,000	3,50,000
	(d) Other current assets	7	36,27,468	17,38,492	13,70,912
	Total Current Assets		**5,97,87,316**	**4,40,25,748**	**4,26,25,023**
	TOTAL ASSETS		**11,86,87,994**	**10,13,33,194**	**9,92,87,716**

BALANCE SHEET AS AT 31ST MARCH 2018

	Particulars	Note No	31-Mar-2018 ₹	31-Mar-2017 ₹	01-Apr-2016 ₹
	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity share capital	10	5,05,02,000	5,05,02,000	5,05,02,000
	(b) Other equity	11	4,74,28,254	3,96,38,456	3,90,60,831
	Total Equity		**9,79,30,254**	**9,01,40,456**	**8,95,62,831**
	LIABILITIES				
1	**Non-current liabilities**				
(a)	Financial liabilities				
	(i) Borrowings	12	-	-	1,89,435
	Total Non - Current Liabilities		**-**	**-**	**1,89,435**
2	**Current liabilities**				
(a)	Financial liabilities				
	(i) Trade payables	14	6,69,113	5,27,919	10,51,308
	(ii) Other financial liabilities	15	-	1,89,435	5,44,149
(b)	Provisions	13	34,34,241	23,28,490	10,20,921
(c)	Other current liabilities	16	1,60,22,914	81,46,894	69,19,072
(d)	Current tax liabilities (net)		6,31,472	-	-
	Total current liabilities		**2,07,57,740**	**1,11,92,738**	**95,35,450**
	TOTAL EQUITY AND LIABILITIES		**11,86,87,994**	**10,13,33,194**	**9,92,87,716**

See accompanying notes to the financial statements 1 to 31

As per our report of even date

For **M/s. N.C.Rajan & Co**
Chartered Accountants
Firm Regn.No.003426S

V.Gopalakrishnan
Partner (M.No.202480)

Place : Coimbatore
Date : 28th May, 2018

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
DIN : 00600906

C.Ganapathy
Executive Chairman
DIN : 00735840

P.S. Subramanian
Chief Financial Officer

Harcharan. J
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2018

	Particulars	Note No	31-Mar-2018 ₹	31-Mar-2017 ₹
I	Revenue from operations	17	14,25,81,031	11,61,76,792
II	Other income	18	36,66,219	9,49,342
III	**Total income (I + II)**		**14,62,47,250**	**11,71,26,134**
IV	**EXPENSES**			
	Employee benefits expense	19	10,84,30,456	8,47,37,327
	Finance costs	20	16,806	52,871
	Depreciation and amortisation expense	4	28,14,448	27,82,243
	Other expenses	21	1,94,19,143	2,39,62,163
	Total Expenses (IV)		**13,06,80,853**	**11,15,34,604**
V	**Profit Before Tax (III - IV)**		**1,55,66,397**	**55,91,530**
VI	**Tax expense**	**22**		
	Current tax		31,31,472	20,00,000
	Less: MAT Credit entitlement		(6,11,988)	-
	Deferred tax		19,24,214	(3,05,416)
	Total tax		**44,43,698**	**16,94,584**
VII	**Profit for the year (V - VI)**		**1,11,22,699**	**38,96,946**
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified to the statement of profit or loss			
	(a) Remeasurement of employee defined benefit plans		(3,95,424)	(4,05,456)
	(b) Income tax on (a) above		1,01,822	1,25,286
IX	**Total comprehensive income for the year (VII + VIII)**		**1,08,29,097**	**36,16,776**
X	**Earnings per equity share of Rs. 10/-**			
	Basic	24	2.20	0.77
	Diluted	24	2.20	0.77

See accompanying notes to the financial statements 1 to 31

As per our report of even date

For **M/s. N.C.Rajan & Co**
Chartered Accountants
Firm Regn.No.003426S

V.Gopalakrishnan
Partner (M.No.202480)

Place : Coimbatore
Date : 28th May, 2018

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
DIN : 00600906

C.Ganapathy
Executive Chairman
DIN : 00735840

P.S. Subramanian
Chief Financial Officer

Harcharan. J
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2018

a. Equity share capital

Amount in Rs.

Balance as at April 1, 2016	5,05,02,000
Changes in equity share capital during the year	-
Balance as at March 31, 2017	**5,05,02,000**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**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	Employees defined benefit plan	
Balance as at April 1, 2016	**1,10,00,000**	**41,700**	**2,80,19,131**	**-**	**3,90,60,831**
Dividend and tax thereon	-		(30,39,151)		(30,39,151)
Profit for the year (net of taxes)	-		38,96,946	-	38,96,946
Other Comprehensive Income for the year (net of taxes)	-		-	(2,80,170)	(2,80,170)
Total Comprehensive income for the year	**-**		**38,96,946**	**(2,80,170)**	**36,16,776**
Balance as at March 31, 2017	**1,10,00,000**	**41,700**	**2,88,76,926**	**(2,80,170)**	**3,96,38,456**
Dividend and tax thereon	-		(30,39,299)		(30,39,299)
Profit for the year (net of taxes)	-		1,11,22,699		1,11,22,699
Other Comprehensive Income for the year (net of taxes)	-		-	(2,93,602)	(2,93,602)
Total Comprehensive income for the year	**-**	**-**	**1,11,22,699**	**(2,93,602)**	**1,08,29,097**
Balance as at March 31, 2018	**1,10,00,000**	**41,700**	**3,69,60,326**	**(5,73,772)**	**4,74,28,254**

As per our report of even date

For **M/s. N.C.Rajan & Co**
Chartered Accountants
Firm Regn.No.003426S

V.Gopalakrishnan
Partner (M.No.202480)

Place : Coimbatore
Date : 28th May, 2018

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
DIN : 00600906

C.Ganapathy
Executive Chairman
DIN : 00735840

P.S. Subramanian
Chief Financial Officer

Harcharan. J
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

Particulars	31-Mar-2018 ₹	31-Mar-2017 ₹
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,55,66,397	55,91,530
Adjustments for:		
Depreciation and amortisation expense	28,14,448	27,82,243
Provision for doubtful debts	9,65,102	59,51,631
Net loss/(gain) on disposal of property, plant and equipment	1,64,654	(5,745)
Property, plant and equipment discarded	4,63,568	0
Net loss/(gain) on disposal of Investments	0	(14,180)
Interest income	(10,84,722)	(4,06,230)
Dividend income	(2,07,648)	(3,99,243)
Interest expense	16,806	52,871
Operating profit before working capital changes	**1,86,98,605**	**1,35,52,877**
Adjustments for:		
(Increase)/decrease in trade receivables	73,60,878	(3,22,097)
(Increase)/decrease in other current financial assets	(7,788)	-
(Increase)/decrease in other current assets	(18,88,976)	(3,67,580)
(Increase)/decrease in other non-current financial assets	-	-
(Increase)/decrease in other non-current assets	-	-
Increase/(decrease) in trade payables	1,41,194	(5,23,389)
Increase/(decrease) in provisions	7,10,327	9,02,113
Increase/(decrease) in other non-current financial liabilities	-	-
Increase/(decrease) in other financial liabilities	-	-
Increase/(decrease) in other current liabilities	78,76,020	12,27,822
Cash generated from operations	**3,28,90,260**	**1,44,69,746**
Net income tax (paid) / refunds	(25,75,122)	(24,43,348)
Net cash flow from operating activities (A)	**3,03,15,138**	**1,20,26,398**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment (including capital advances)	(37,72,823)	(26,24,515)
Proceeds from sale of fixed assets	5,01,639	25,714
Proceeds from disposal of investments	(50,00,000)	36,02,751
Bank balances other than cash and cash equivalents	(2,43,96,877)	(2,22,652)
Interest received	3,54,658	2,78,243
Dividend received	2,07,648	3,99,243
Net cash used in investing activities (B)	**(3,21,05,755)**	**14,58,784**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

Particulars	31-Mar-2018 ₹	31-Mar-2017 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings (net)	(1,89,435)	(5,44,149)
Dividend and tax thereon paid	(30,39,299)	(30,39,151)
Finance costs	(16,806)	(52,871)
Net cash flow used in financing activities (C)	**(32,45,540)**	**(36,36,171)**
Net increase in Cash and cash equivalents (A+B+C)	(50,36,157)	98,49,011
Cash and cash equivalents at the beginning of the year (refer note 9)	1,65,53,212	67,04,201
Cash and cash equivalents at the end of the year (refer note 9)	**1,15,17,055**	**1,65,53,212**

As per our report of even date

For **M/s. N.C.Rajan & Co**
Chartered Accountants
Firm Regn.No.003426S

V.Gopalakrishnan
Partner (M.No.202480)

Place : Coimbatore
Date : 28th May, 2018

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
DIN : 00600906

C.Ganapathy
Executive Chairman
DIN : 00735840

P.S. Subramanian
Chief Financial Officer

Harcharan. J
Company Secretary

Notes forming part of the Financial Statements for the year ended 31st March, 2018

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.

2 SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 read with section 133 of the Companies Act, 2013.

Up to the year ended March 31, 2017, the Company had prepared and presented its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer note 3 for the details of first-time adoption exemptions availed by the Company.

(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.

(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 from contracts priced on time are recognised when the services are rendered and related costs are incurred.

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.

Notes forming part of the Financial Statements for the year ended 31st March, 2018

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): MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

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.

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.

(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.

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.

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 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) 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.

3 EXEMPTIONS AVAILED AND MANDATORY EXCEPTIONS

These are the Company's first financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' using transition date as April 1, 2016.

Ind AS 101 requires that all Ind AS be consistently and retrospectively applied for all fiscal years presented. The Company has prepared opening Balance Sheet on the transition date and subsequent financials based on the accounting policies set out in Note-2.

In preparing these financials, the Company has availed following exemptions in the transition from previous GAAP to Ind AS in accordance with Ind AS 101.

(i) Since there is no change in the functional currency, the Company has elected to continue with the carrying value as at 1 April 2016 for all of its investment property and property plant & equipment as recognised in its Previous GAAP financial as deemed cost at the transition date.

(ii) Upon an assessment of the estimates made under Indian GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.

Notes forming part of the Financial Statements for the year ended 31st March, 2018

4 Property, Plant and Equipments

Description of Assets	Freehold Land	Buildings	Plant Equipment	Vehicles	Furniture and Fixtures	Total Property, plant and Equipment	Intangible Assets (Software)
I. Gross Block (cost or deemed cost)							
Balance as at April 1, 2016	**63,75,000**	**22,04,186**	**35,32,675**	**26,78,111**	**13,69,654**	**1,61,59,626**	**28,20,096**
Additions	-	-	15,58,382	-	1,26,707	16,85,089	9,39,426
Disposals	-	-	19,969	-	-	19,969	-
Balance as at March 31, 2017	**63,75,000**	**22,04,186**	**50,71,088**	**26,78,111**	**14,96,361**	**1,78,24,746**	**37,59,522**
Additions	-	66,100	18,45,449	4,00,000	4,97,096	28,08,645	5,00,610
Disposals	-	-	2,39,003	-	2,36,273	4,75,276	7,14,628
Balance as at March 31, 2018	**63,75,000**	**22,70,286**	**66,77,534**	**30,78,111**	**17,57,184**	**2,01,58,115**	**35,45,504**
II. Accumulated Depreciation and Impairment							
Balance as at April 1, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	1,44,582	10,29,738	5,81,877	1,35,163	18,91,360	8,90,883
Withdrawal on Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2017	**-**	**1,44,582**	**10,29,738**	**5,81,877**	**1,35,163**	**18,91,360**	**8,90,883**
Charge for the year	-	1,44,590	12,02,297	6,07,280	1,51,601	21,05,768	7,08,680
Withdrawal on Disposals	-	-	36,278	-	2,36,273	2,72,551	2,51,060
Balance as at March 31, 2018	**-**	**2,89,172**	**21,95,757**	**11,89,157**	**50,491**	**37,24,577**	**13,48,503**
Net block (I-II)							
Balance as at March 31, 2018	63,75,000	19,81,114	44,81,777	18,88,954	17,06,693	1,64,33,538	21,97,001
Balance as at March 31, 2017	63,75,000	20,59,604	40,41,350	20,96,234	13,61,198	1,59,33,386	28,68,639
Balance as at April 1, 2016	63,75,000	22,04,186	35,32,675	26,78,111	13,69,654	1,61,59,626	28,20,096

Notes forming part of the Financial Statements for the year ended 31st March, 2018

Note	Particulars	31-March - 2018	31-March - 2017	1-April - 2016
				Amount in Rs.
5	**INVESTMENTS**			
	Non-current			
	At Cost			
	I. Quoted Investments (fully paid)			
	Investment in Equity Instruments			
	Union Bank of India	-	-	1,600
	100 Equity Shares of Rs 100 each			
	Investment in Mutual funds			
	SBI DAF Series - XXVI Regular Growth	25,00,000	-	-
	250000 Units of Rs. 10 each			
	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	3,31,00,161
	750 Equity Shares of US$ 1,000 each			
	Total	**3,56,00,161**	**3,31,00,161**	**3,31,01,761**
	Aggregate amount of non-current quoted investments	-	-	1,600
	Aggregate market value of non-current quoted investments	25,15,000	-	13,085
	Aggregate amount of non-current unquoted investments	3,31,00,161	3,31,00,161	3,31,00,161
	Current			
	At Cost			
	I. Quoted Investments (fully paid)			
	Mutual Funds			
	SBI Premier Liquid Fund Regular Plan (Daily Dividend)	-	-	45,689
	45.541 Units of Rs. 1,000 each			
	SBI Treasury Advantage Fund	-	-	35,41,282
	2110.562 Units of Rs. 1,000 each			
	SBI Equity saving Fund Regular Growth	25,00,000		
	201734.92 Units of Rs. 10 each			
		25,00,000	**-**	**35,86,971**
	Aggregate amount of current quoted investments	25,00,000	-	35,86,971
	Aggregate market value of current quoted investments	**25,01,775**	**-**	**35,86,971**

Notes forming part of the Financial Statements for the year ended 31st March, 2018

Note	Particulars	31-March - 2018	31-March - 2017	1-April - 2016
				Amount in Rs.
6	**Other Financial Assets**			
	(Unsecured and considered good)			
	Non-current			
	Measured at amortised cost			
	Electricity deposit	2,46,520	2,46,520	2,46,520
	Fixed deposits with Banks held as security against borrowings (maturity of not more than 12 months from the balance sheet date)	60,089	60,089	60,089
	Total	**3,06,609**	**3,06,609**	**3,06,609**
	Current			
	At cost			
	Rental Deposits to Related Party	11,00,000	11,00,000	11,00,000
	Interest accrued on fixed deposits	9,54,582	2,24,518	96,531
	Security Deposits	1,87,970	1,80,182	1,80,182
	Total	**22,42,552**	**15,04,700**	**13,76,713**
7	**Other Assets**			
	(Unsecured and considered good)			
	Non-current			
	Advance Income Tax (Net of provisions)	9,06,427	4,31,305	37,957
	Total	**9,06,427**	**4,31,305**	**37,957**
	Current			
	Prepaid expenses	13,16,743	6,07,059	5,87,815
	Staff advance	10,58,586	11,20,433	7,72,097
	Other assets	12,52,139	11,000	11,000
	Total	**36,27,468**	**17,38,492**	**13,70,912**
8	**Trade receivables ***			
	Unsecured and considered good			
	Outstanding for a period exceeding six months from the due date	-	16,26,381	78,50,503
	Others	1,03,26,464	1,70,26,063	1,64,31,475
	Unsecured and considered doubtful			
	Outstanding for a period exceeding six months from the due date	9,76,626	87,03,356	79,26,148
	Others	-	-	

Notes forming part of the Financial Statements for the year ended 31st March, 2018

Amount in Rs.

Note Particulars	31-March - 2018	31-March - 2017	1-April - 2016
Less: Provision for doubtful debts	(9,76,626)	(87,03,356)	(79,26,148)
Total	**1,03,26,464**	**1,86,52,444**	**2,42,81,978**
* includes due from related parties - refer note 27	4,00,296	4,85,943	-
Movement in the allowance for doubtful debts			
Balance as at the beginning of the year	87,03,356	79,26,148	80,73,005
Allowance for the year	9,76,626	59,51,631	49,92,640
Amount written off	(87,03,356)	(51,74,423)	(44,12,729)
Amount written back		-	(7,26,768)
Amount collected	-	-	
Balance as at the end of the year	**9,76,626**	**87,03,356**	**79,26,148**

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.

9 - Cash and bank balances			
Cash and cash equivalents			
Cash in hand	6,296	3,260	72,925
Balances with banks			
in Current accounts	1,14,60,456	11,24,021	12,23,799
in Cash Credit account	50,303	1,54,25,931	54,07,477
Total	**1,15,17,055**	**1,65,53,212**	**67,04,201**
Bank balances			
(i) Fixed deposits held as security against borrowings (maturity of not more than 12 months from the balance sheet date)	5,73,777	-	-
(ii) Fixed deposits (maturity of not more than 12 months from the balance sheet date)	2,90,00,000	51,76,900	49,54,248
Total	**2,95,73,777**	**51,76,900**	**49,54,248**

Notes forming part of the Financial Statements for the year ended 31st March, 2018

10 Share Capital

Amount in Rs.

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No.of Shares in lakhs	Amount in Rs	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	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	50,50,200	5,05,02,000
Total	**50,50,200**	**5,05,02,000**	**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, 2018				
- Number of shares	50,50,200	-	-	50,50,200
- Amount (in Rs.)	5,05,02,000	-	-	5,05,02,000
Year ended March 31, 2017				
- Number of shares	50,50,200	-	-	50,50,200
- Amount (in Rs.)	5,05,02,000	-	-	5,05,02,000
As at April 1, 2016				
- 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, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares held	% holding in that class of shares	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						
Mr. G. Suresh	9,52,060	18.85%	9,52,060	18.85%	9,52,060	18.85%
Mrs. S. Latha	8,88,031	17.58%	7,12,204	14.10%	6,34,677	12.57%
Mr. K. V. Kamaraj	5,21,674	10.33%	5,21,674	10.33%	5,21,674	10.33%
Mr. C. Ganapathy	4,06,350	8.05%	4,06,350	8.05%	4,06,350	8.05%

(f) The Company has not issued any bonus shares during the period of 5 years immediately preceeding the balance sheet date

Notes forming part of the Financial Statements for the year ended 31st March, 2018

11 Other equity

Amount in Rs.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
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	1,10,00,000
Forfeited share (Partly paid-up shares were forfeited)	41,700	41,700	41,700
Retained earnings (Retained earnings comprise of the Company's undistributed earnings after taxes)	3,69,60,326	2,88,76,926	2,80,19,131
Other comprehensive income (Items of other comprehensive income consists of remeasurement of net defined benefit liability/asset)	(5,73,772)	(2,80,170)	-
Total	**4,74,28,254**	**3,96,38,456**	**3,90,60,831**

Particulars	As at March 31, 2018	As at March 31, 2017
11.a General reserve		
Balance at beginning of year	1,10,00,000	1,10,00,000
Less: Utilised for preference shares buy back		-
Balance at end of year	**1,10,00,000**	**1,10,00,000**
11.b Share forfeiture reserve		
Balance at beginning of year	41,700	41,700
Movement during the year		-
Balance at end of year	**41,700**	**41,700**
11.c Retained earnings		
Balance at beginning of year	2,88,76,926	2,80,19,131
Dividend and tax thereon	(30,39,299)	(30,39,151)
Profit attributable to owners of the Company	1,11,22,699	38,96,946
Balance at end of year	**3,69,60,326**	**2,88,76,926**
11.d Other comprehensive income		
Balance at beginning of year	(2,80,170)	-
Remeasurement of defined benefit obligations (net of tax)	(2,93,602)	(2,80,170)
Balance at end of year	(5,73,772)	(2,80,170)

Notes forming part of the Financial Statements for the year ended 31st March, 2018

Amount in Rs.

12 Borrowings

Non - Current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured Loans			
Vehicle loan @ 10.49% interest	-		1,89,435
Total	**-**	**-**	**1,89,435**

13 Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Provision for employee benefits			
Gratuity	34,34,241	23,28,490	10,20,921
Total	**34,34,241**	**23,28,490**	**10,20,921**

14 Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Payable to micro and small enterprises (refer note below)	-	-	-
Others	6,69,113	5,27,919	10,51,308
Total	**6,69,113**	**5,27,919**	**10,51,308**

Note: (i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are given in Note 30.1

(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.

15 Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Current maturities of long term borrowings	-	1,89,435	5,44,149
Total	**-**	**1,89,435**	**5,44,149**

16 Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Statutory remittances	16,45,958	21,32,800	7,91,554
Advance received from customers	47,46,716		
Salary payable	71,06,511	54,88,729	42,09,130
Other payable	25,23,729	5,25,365	19,18,388
Total	**1,60,22,914**	**81,46,894**	**69,19,072**

Notes forming part of the Financial Statements for the year ended 31st March, 2018

Amount in Rs.

17 Revenue from Operations

Particulars	As at March 31, 2018	As at March 31, 2017
Software services (offshore and onsite services)	13,71,30,948	11,08,56,969
Information Technology Enabled Services	54,50,083	53,19,823
Total	**14,25,81,031**	**11,61,76,792**

18 Other Income

Particulars	As at March 31, 2018	As at March 31, 2017
Interest income from Bank deposits	10,84,722	4,06,230
Dividend income from Mutual Fund	2,07,648	3,99,243
Profit on disposal of fixed assets	-	5,745
Profit on disposal of Investments	-	14,180
Net gain on foreign currency transactions and translation	22,98,849	1,23,749
Sundry receipts	75,000	195
Total	**36,66,219**	**9,49,342**

19 Employee Benefits Expense

Particulars	As at March 31, 2018	As at March 31, 2017
Salaries and wages	9,16,72,253	6,99,27,292
Directors remuneration	90,00,000	49,75,000
Medical reimbursements to Directors	-	25,55,072
Contribution to provident fund & ESI	44,06,844	39,19,850
Retirement benefits	12,54,629	11,10,184
Staff welfare expenses	20,96,730	22,49,929
Total	**10,84,30,456**	**8,47,37,327**

20 Finance Cost

Particulars	As at March 31, 2018	As at March 31, 2017
Interest paid to bank for cash credit facility	7,454	1,580
Interest paid to others - on vehicle loans	9,352	51,291
Total	**16,806**	**52,871**

Notes forming part of the Financial Statements for the year ended 31st March, 2018

Amount in Rs.

21 Other Expenses

Particulars	As at March 31, 2018	As at March 31, 2017
Rent	20,94,043	20,98,600
Professional charges	21,28,656	21,99,642
Power & Fuel	21,22,711	19,82,256
Communication expenses	20,56,549	22,30,035
HRD expenses	8,86,793	7,98,762
Travelling expenses	17,34,589	22,92,566
Taxes & Licences	2,47,497	5,51,116
Building repairs	92,147	1,38,969
Vehicle repairs	1,91,016	2,19,823
General repairs	12,26,925	11,72,048
Provision for doubtful debts	9,65,102	59,51,631
Remuneration to Auditors [Refer Note (i) below]	3,75,000	1,50,000
Share demat expenses	1,34,000	1,72,443
Bank charges	12,24,990	18,59,593
Business promotion and Marketing expenses	1,62,476	41,833
Printing & Stationery	1,62,393	1,96,976
Legal and Consultancy	5,68,665	8,64,606
STPI service charges	1,10,000	3,36,798
Donation	10,100	21,000
Sitting fees	1,66,000	1,56,000
Listing fees / filing fees	2,98,900	2,51,410
Penalty	14,00,000	-
Property, plant and equipment discarded	4,63,568	-
Loss on sale of property, plant and equipment	1,64,654	-
Other administrative expenses	4,32,369	2,76,056
Total	**1,94,19,143**	**2,39,62,163**

Note (i) Remuneration to Auditors

Particulars	As at March 31, 2018	As at March 31, 2017
Audit fees	1,50,000	1,50,000
Taxation matters	2,25,000	-
Limited review certifications	-	
Reimbursement of expenses	-	
Total	**3,75,000**	**1,50,000**

Notes forming part of the Financial Statements for the year ended 31st March, 2018

Amount in Rs.

22 Tax expense

Particulars	As at March 31, 2018	As at March 31, 2017
Current Tax		
In respect of the current year	31,31,472	20,00,000
MAT Credit	(6,11,988)	-
Deferred tax	19,24,214	(3,05,416)
Total income tax expense recognised in the current year	**44,43,698**	**16,94,584**
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	1,55,66,397	55,91,530
Enacted income tax rate	25.75%	30.90%
Computed expected tax expense	40,08,347	17,27,783
Effect of:		
Depreciation	(1,50,571)	(2,11,718)
Disallowance under 43B of Income Tax Act (Net)	1,82,910	4,04,039
Exempt income	(53,469)	(1,23,366)
Expense disallowed	5,24,868	14,927
Provision for doubtful debts	2,48,514	18,39,054
Bad debts written off earlier disallowed	(22,41,114)	(15,98,897)
Others	-	(51,822)
Income tax expense recognised in the profit or loss	**25,19,484**	**20,00,000**
Deferred Tax:		
Relating to the origination and reversal of temporary differences (see below)	19,24,214	(3,05,416)
Tax expense reported in the Statement of Profit and Loss	**44,43,698**	**16,94,584**

Deferred tax

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	**(46,67,346)**	**(42,36,644)**
MAT Credit Entitlement	(6,11,988)	-
Recognised in Profit or loss		
Property, plant and equipment	(11,979)	2,13,494
Provision for doubtful debts	21,31,889	(2,40,157)
Section 43B disallowance	(1,95,696)	(2,78,753)
	19,24,214	**(3,05,416)**
Recognised in Other Comprehensive Income		
Defined benefit obligation	(1,01,822)	(1,25,286)
Closing balance	**(34,56,942)**	**(46,67,346)**

23 Segment information

The Managing Director of the company have 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 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, 2018	As at March 31, 2017
Segment Revenue		
Net Sales/Income		
a. North America	10,72,22,931	9,52,49,590
b. Rest of the World	3,53,58,100	2,09,27,202
Total	**14,25,81,031**	**11,61,76,792**
Less: Inter-Segment revenue	-	-
Net Sales/ Income from operations	**14,25,81,031**	**11,61,76,792**
Segment Results		
Profit(+) / Loss(-)		
a. North America	92,24,895	39,07,523
b. Rest of the World	26,92,089	7,87,536
Total	**1,19,16,984**	**46,95,059**
Less: Finance costs	16,806	52,871
Add /Less: Other unallocable Income net of unallocable expenses	36,66,219	9,49,342
Total Profit/Loss before Tax	**1,55,66,397**	**55,91,530**
Segment Assets		
a. North America	9,90,67,344	8,90,51,249
b. Rest of the World	1,96,20,650	12,281,945
c.Unallocated	-	-
Total	**11,86,87,994**	**10,13,33,194**
Segment Liabilities		
a. North America	1,55,68,305	91,78,045
b. Rest of the World	51,89,435	20,14,693
c.Unallocated	-	-
Total	**2,07,57,740**	**1,11,92,738**
Capital Expenditure	37,72,823	26,24,515
Depreciation	28,14,448	27,82,243

Note: There are two customers and one customer who contribute 10% or more to the company's revenue for both 2017-18 and 2016-17 respectively.

Notes forming part of the Financial Statements for the year ended 31st March, 2018

Amount in Rs.

24 Earnings per share (EPS)

Particulars	As at March 31, 2018	As at March 31, 2017
Profit after tax	1,11,22,699	38,96,946
Profit atributable to ordinary shareholders - for Basic and Diluted EPS	**1,11,22,699**	**38,96,946**
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.)	**2.20**	**0.77**
- Diluted (in Rs.)	**2.20**	**0.77**

25 Contingent liabilitites and comittments

A. Contingent liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Other monies for which the Company is contingently liable:	-	-	-

B. Commitments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-

C. Gratuity Rs.2,88,461 was paid during the Financial year 2015-16 towards a claim of gratuity by a former Managing Director of the company. The said amount has been paid along with interest @ 10% amounting, to Rs.2,91,229 as per order of the Joint commissioner of labour vide his order dated 24th July 2015. The Company has appealed against the order before the High Court.

D. 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.

E. 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.

F. 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.

G. 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.

H. A penalty of Rs. 14 lakhs had been levied by the Adjudicating Authority of Enforcement Directorate vide their order dated 04.12.2017 and the same had been paid by the Company on 11.01.2018.

Notes forming part of the Financial Statements for the year ended 31st March, 2018

26 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. 40,34,060 (for the year ended March 31, 2017: Rs. 36,61,779) as contribution to Provident Fund, and Rs. 3,72,784 (for the year ended March 31, 2017 Rs. 2,58,071) 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 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, 2018	As at March 31, 2017
Defined Benefit Obligation at beginning of the year	45,11,374	30,72,812
Current service cost	11,04,666	10,26,390
Interest cost	3,18,176	2,19,121
Actuarial (Gain) / Loss	3,54,207	4,32,462
Benefits paid	(2,09,034)	(2,39,411)
Defined Benefit Obligation at year end	**60,79,389**	**45,11,374**

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

Particulars	As at March 31, 2018	As at March 31, 2017
Fair value of Plan Assets at beginning of year	21,82,884	20,51,892
Employer contributions	5,44,302	2,08,070
Expected Return on Plan Assets	1,68,213	1,35,327
Actuarial Gain / (Loss)	(41,217)	27,006
Benefits paid	(2,09,034)	(2,39,411)
Fair value of Plan Assets at year end	**26,45,148**	**21,82,884**

Amount recognised in the Balance Sheet

Particulars	As at March 31, 2018	As at March 31, 2017
Defined Benefit Obligation at year end	60,79,389	45,11,374
Fair value of Plan Assets at year end	26,45,148	21,82,884
Net Liability / (Asset) recognised	**34,34,241**	**23,28,490**

Notes forming part of the Financial Statements for the year ended 31st March, 2018

Expenses recognised during the year

Amount in Rs.

Particulars	As at March 31, 2018	As at March 31, 2017
In Income Statement		
Current service cost	11,04,666	10,26,390
Interest on net defined benefit liability/ (asset)	3,18,176	2,19,121
Expected Return on Plan Assets	(1,68,213)	(1,35,327)
Net Cost	**12,54,629**	**11,10,184**
In Other Comprehensive Income		
Actuarial (Gain) / Loss	3,95,424	4,05,456
Net (Income)/ Expense For the period Recognised in OCI	**3,95,424**	**4,05,456**

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

Particulars	As at March 31, 2018	As at March 31, 2017
Discount Rate (per annum)	7.22%	6.68%
Expected Return on Planned Assets (per annum)	7.22%	6.68%
Rate of escalation in Salary (per annum)	9.00%	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, 2018		
Defined benefit obligation on plus 100 basis points	63,50,485	63,09,736
Defined benefit obligation on minus 100 basis points	58,30,481	58,63,232
As at March 31, 2017		
Defined benefit obligation on plus 100 basis points	44,17,278	43,72,899
Defined benefit obligation on minus 100 basis points	40,09,344	40,40,493

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, 2018

Maturity profile of defined benefit obligation

Amount in Rs.

Particulars	As at March 31, 2018	As at March 31, 2017
Expected total benefit payments		
Within 1 year	8,50,793	5,31,473
1 year to 2 years	6,90,562	4,27,020
2 years to 3 years	5,77,109	3,51,790
3 years to 4 years	4,73,383	2,99,854
4 years to 5 years	3,68,201	2,50,145
5 years to 10 years	31,19,340	26,51,092

As at March 31, 2018, March 31, 2017 and April 1, 2016, 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.

27 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. G. Suresh	Key Managerial Personnel
Mr. C. Ganapathy	Key Managerial Personnel
Mrs. S. Latha	Key Managerial Personnel
CG-VAK Software USA Inc.,	Wholly owned subsidiary

Notes forming part of the Financial Statements for the year ended 31st March, 2018

Amount in Rs.

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

Nature of Transaction	As at March 31, 2018	As at March 31, 2017
Remuneration and perquisites paid	**90,00,000**	**75,30,072**
	(75,30,072)	**(33,85,737)**
Mr. G. Suresh	78,00,000	56,88,579
	(56,88,579)	(30,52,028)
Mr. C. Ganapathy	12,00,000	18,41,493
	(18,41,493)	(3,33,709)
Rent	**19,32,612**	**19,32,612**
	(19,32,612)	**(19,03,330)**
Mrs. S. Latha	19,32,612	19,32,612
	(19,32,612)	(19,03,330)
Income from service rendered	**45,01,234**	**43,30,848**
	(43,30,848)	**(50,15,095)**
CG-VAK Software USA Inc.,	45,01,234	43,30,848
	(43,30,848)	(50,15,095)
Balances oustatanding as at the year end		
Payable	**-**	**1,11,408**
	(1,11,408)	**(9,23,321)**
CG-VAK Software USA Inc.,	-	-
	-	(9,18,710)
Others	-	1,11,408
	(1,11,408)	(4,611)
Receivable	**4,00,296**	**4,85,943**
	(4,85,943)	**-**
CG-VAK Software USA Inc.,	4,00,296	4,85,943
	(4,85,943)	-
Rent Deposit	**11,00,000**	**11,00,000**
	(11,00,000)	**(11,00,000)**
Mrs. S. Latha	11,00,000	11,00,000
	(11,00,000)	(11,00,000)

*Previous year figures are given in brackets

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

Particulars	As at March 31, 2018	As at March 31, 2017
Short-term employee benefits	90,00,000	75,30,072
Post-employment benefits	43,200	43,200

Notes forming part of the Financial Statements for the year ended 31st March, 2018

28. Financial instruments

28.1 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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Net Debts	-	-	-
Total Equity	9,79,30,254	9,01,40,456	8,95,62,831
Gearing ratio	**-**	**-**	**-**

28.2 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:

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
Measured at amortised cost						
Others financial assets - non current	3,06,609	3,06,609	3,06,609	3,06,609	3,06,609	3,06,609
Trade receivables	1,03,26,464	1,03,26,464	1,86,52,444	1,86,52,444	2,42,81,978	2,42,81,978
Cash and cash equivalents	1,15,17,055	1,15,17,055	1,65,53,212	1,65,53,212	67,04,201	67,04,201
Bank balances other than cash and cash equivalents	2,95,73,777	2,95,73,777	51,76,900	51,76,900	49,54,248	49,54,248
Other financial assets - current	22,42,552	22,42,552	15,04,700	15,04,700	13,76,713	13,76,713
Total financial assets (a + b)	**5,39,66,457**	**5,39,66,457**	**4,21,93,865**	**4,21,93,865**	**3,76,23,749**	**3,76,23,749**
Financial liabilities						
Measured at amortised cost						
Borrowings	-	-	-	-	1,89,435	1,89,435
Trade payables	6,69,113	6,69,113	5,27,919	5,27,919	10,51,308	10,51,308
Other financial liabilities - current	-	-	1,89,435	1,89,435	5,44,149	5,44,149
Total financial liabilities (a + b)	**6,69,113**	**6,69,113**	**7,17,354**	**7,17,354**	**17,84,892**	**17,84,892**

Notes forming part of the Financial Statements for the year ended 31st March, 2018

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, 2018 was assessed to be insignificant.

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).

28.03 - 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	Cash and cash equivalents, trade receivables and other financial assets	Bank deposits, diversification of asset base, credit limits, etc.
Liquidity risk	Borrowings and other liabilities	Availability of committed credit and borrowing facilities

Notes forming part of the Financial Statements for the year ended 31st March, 2018

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. Hence the risk on account of foreign exchange is very minimal.

The Company does not have any derivatives financial instruments either for heding 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	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
Trade Receivables	USD	-	1,54,482	-	99,64,060
	CAD	1,965	44,432	96,973	21,46,069
	GBP	9,018	2,417	8,05,307	1,90,579
	EUR	-	18,051	-	12,42,811
	AUD	-	5,500	-	2,71,425

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 5% increase and decrease in the ₹ 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 ₹ strengthens 5% against the relevant currency will increase the profit and equity by Rs. 45,114. For a 5% weakening of the ₹ 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, 2018, 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:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Variable rate borrowing from Banks	-	-	-
Fixed rate borrowing	-		-
Banks	-	-	-
- Others	-	-	1,89,435
Total borrowings	**-**	**-**	**1,89,435**

Notes forming part of the Financial Statements for the year ended 31st March, 2018

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, 2018 (year ended March 31, 2017 is 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.

March 31, 2018	Less than 1 year	1-3 year	More than 3 year	Total
Borrowings	-	-	-	-
Trade payable	6,69,113	-	-	6,69,113
Other financial liabilities	-	-	-	-
Total	**6,69,113**	**-**	**-**	**6,69,113**
March 31, 2017				
Borrowings	-			-
Trade payable	5,27,919	-	-	5,27,919
Other financial liabilities	1,89,435	-	-	1,89,435
Total	**7,17,354**	**-**	**-**	**7,17,354**
April 1, 2016				
Borrowings	-	189,435	-	1,89,435
Trade payable	10,51,308	-	-	10,51,308
Other financial liabilities	5,44,149	-		5,44,149
Total	**15,95,457**	**1,89,435**	**-**	**17,84,892**

Notes forming part of the Financial Statements for the year ended 31st March, 2018

29 First-time Ind AS adoption reconciliations

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the Balance Sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

29.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2017 and April 1, 2016

		As at March 31, 2017 (End of last period presented under previous GAAP)			As per April 1, 2016 (Date of transition)		
Particulars	Notes	Previous GAAP (Regrouped)	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP (Regrouped)	Effect of transition to Ind AS	As per Ind AS balance sheet
ASSETS							
1 Non-current assets							
(a) Property, plant and equipment		1,59,33,386		1,59,33,386	1,61,59,626		1,61,59,626
(b) Capital work-in-progress		-	-	-	-	-	-
(c) Intangible assets		28,68,639		28,68,639	28,20,096		28,20,096
(d) Financial assets							
(i) Investments		3,31,00,161	-	3,31,00,161	3,31,01,761	-	3,31,01,761
(ii) Other financial assets		3,06,609	-	3,06,609	3,06,609	-	3,06,609
(e) Deferred tax assets (net)		46,67,346	-	46,67,346	42,36,644	-	42,36,644
(f) Other non-current assets		4,31,305	-	4,31,305	37,957	-	37,957
Total non - current assets		**5,73,07,446**	**-**	**5,73,07,446**	**5,66,62,693**	**-**	**5,66,62,693**
2 Current assets							
(a) Investments		-	-	-	35,86,971	-	35,86,971
(b) Financial assets							
(i) Trade receivables		1,86,52,444	-	186,52,444	2,42,81,978	-	2,42,81,978
(ii) Cash and cash equivalents		1,65,53,212	-	1,65,53,212	67,04,201	-	67,04,201
(iii) Bank balances other than cash and cash equivalents		51,76,900		51,76,900	49,54,248		49,54,248
(iv) Other financial assets		15,04,700	-	15,04,700	13,76,713	-	13,76,713
(c) Current tax assets (net)		4,00,000	-	4,00,000	3,50,000	-	3,50,000
(d) Other current assets		17,38,492	-	17,38,492	13,70,912	-	13,70,912
Total Current Assets		**4,40,25,748**	**-**	**4,40,25,748**	**4,26,25,023**	**-**	**4,26,25,023**
Total Assets		**10,13,33,194**	**-**	**1,013,33,194**	**9,92,87,716**	**-**	**9,92,87,716**
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		5,05,02,000	-	5,05,02,000	5,05,02,000	-	5,05,02,000
(b) Other equity	(iii)	3,96,38,456	-	3,96,38,456	3,60,21,680	30,39,151	3,90,60,831
Total Equity		**9,01,40,456**	**-**	**9,01,40,456**	**8,65,23,680**	**30,39,151**	**8,95,62,831**
LIABILITIES							
1 Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings		-		-	1,89,435		1,89,435
Total Non - Current Liabilities		**-**	**-**	**-**	**1,89,435**	**-**	**1,89,435**
2 Current liabilities							
(a) Financial liabilities							
(i) Trade payables		5,27,919	-	5,27,919	10,51,308	-	10,51,308
(ii) Other financial liabilities		1,89,435	-	1,89,435	5,44,149	-	5,44,149
(b) Provisions	(ii)	23,28,490	-	23,28,490	40,60,072	(30,39,151)	10,20,921
(c) Other current liabilities		81,46,894	-	81,46,894	69,19,072	-	69,19,072
(d) Current tax liabilities (net)		-	-	-	-	-	-
Total current liabilities		**1,11,92,738**	**-**	**11,192,738**	**1,25,74,601**	**(30,39,151)**	**95,35,450**
Total Equity and Liabilities		**10,13,33,194**	**-**	**10,13,33,194**	**9,92,87,716**	**-**	**9,92,87,716**

Notes forming part of the Financial Statements for the year ended 31st March, 2018

29.2 Reconciliation of total equity as at March 31, 2017 and April 1, 2016

Particulars	Notes	As at March 31, 2017 (End of last period presented under previous GAAP)	As at April 1, 2016 (Date of transition)
Total equity (shareholders' funds) under previous GAAP		9,01,40,456	8,65,23,680
Adjustments		-	-
Dividend and tax thereon	(ii)	-	30,39,151
Total equity under Ind AS		**9,01,40,456**	**8,95,62,831**

29.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2017

Particulars	Notes	Year ended March 31, 2017 (Latest period presented under previous GAAP)		
		Previous GAAP (Regrouped)	Effect of transition to Ind AS	As per Ind AS
Revenue from operations		11,61,76,792	-	11,61,76,792
Other income		9,49,342	-	9,49,342
Total income		**11,71,26,134**	**-**	**11,71,26,134**
EXPENSES				
Employee benefit expense	(i)	8,51,42,783	4,05,456	8,47,37,327
Finance costs		52,871	-	52,871
Depreciation and amortisation expense		27,82,243	-	27,82,243
Other expenses		2,39,62,014	(149)	2,39,62,163
Total Expenses		**11,19,39,911**	**4,05,307**	**11,15,34,604**
Profit before tax		**51,86,223**	**(4,05,307)**	**55,91,530**
Tax expense				
Current tax		20,00,000	-	20,00,000
Tax relating to earlier years		-	-	-
Deferred tax	(i)	(4,30,702)	(1,25,286)	(3,05,416)
Total tax		**15,69,298**	**(1,25,286)**	**16,94,584**
Profit for the year		**36,16,925**	**(2,80,021)**	**38,96,946**
Other comprehensive income				
Items that will not be reclassified to the statement of profit or loss				
(a) Remeasurement of employee defined benefit plans	(i)	-	(4,05,456)	(4,05,456)
(b) Income tax on (i) above	(i)	-	1,25,286	1,25,286
Total Comprehensive Income		**36,16,925**	**(2,80,170)**	**36,16,776**

Notes forming part of the Financial Statements for the year ended 31st March, 2018

29.4 Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Notes	Year ended March 31, 2017 (Latest period presented under previous GAAP)
Profit as per previous GAAP		36,16,925
Adjustments:		
Remeasurement of the defined benefit plans	(i)	4,05,456
Tax adjustments	(i)	(1,25,286)
Others		(149)
Profit for the year as per Ind AS		**38,96,946**
Other comprehensive income for the year (net of tax)	(i)	2,80,170
Total comprehensive income under Ind AS		**36,16,776**

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

29.5 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2017

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

29.6 Notes

(i) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the defined benefit liability/asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in the Other Comprehensive Income under Ind AS.

(ii) Under previous GAAP, proposed dividends were recognised as a provision in the financial statements, even if declared after the balance sheet date. Under Ind AS, dividends are recognised when declared. This resulted in a timing difference and has been reflected in total equity of the relevant financial years.

(iii) Adjustments to retained earnings and other comprehensive income have been made in accordance with Ind AS for (i) & (ii) above.

(iv) Previous periods figures have been re-grouped / re-classified, where necessary to comply with Ind AS accounting.

30 Additional Information to the Financial Statements

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

Particulars	31 March, 2018 Amount in Rs.	31 March, 2017 Amount in Rs.
(i) Principal amount remaining unpaid to MSME suppliers as at the end of each accounting year	-	-
(ii) Interest due on unpaid principal amount to MSME suppliers as at the end of each accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid	-	-
(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.

Notes forming part of the Financial Statements for the year ended 31st March, 2018

30.2 Disclosure under Regulation 34 of SEBI (LODR) Regulations, 2015

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

30.3 Expenditure in foreign currency on account of:	31 March, 2018 Amount in Rs.	31 March, 2017 Amount in Rs.
Travel	4,08,978	3,29,896
Other administrative expenses	4,43,544	6,59,905
	8,52,522	**9,89,801**

30.4 Earnings in foreign exchange	31 March, 2018 Amount in Rs.	31 March, 2017 Amount in Rs.
Export of goods calculated on FOB basis	14,25,81,031	11,61,76,792

30.5 Dividend

In respect of the current year, the directors propose that a dividend of Rs.0.50 per share be paid on equity shares on or before 23rd October 2018. 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 on the Register of Members on 24th September 2018. The total estimated equity dividend to be paid is Rs.25,25,100. The payment of this dividend is estimated to result in payment of dividend tax of Rs.5,14,051 @ 20.36% on the amount of dividends grossed up for the related dividend distribution tax.

31 The financial statements of CG-VAK Software and Exports Limited were approved by the Board of Directors and authorised for issue on 28.05.2018.

Independent Auditor's Report

To the Members of CGVAK Software & Exports Ltd

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of CGVAK Software & Exports Ltd ('hereinafter referred to as the Holding company') and its subsidiary CGVAK Software USA Inc., (the holding and its subsidiary company collectively referred to as "the Group") , which comprise the Consolidated Balance sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity, the Consolidated Cash Flows statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (herein after referred to as " the Act") that give a true and fair view of the Consolidated Ind AS financial position, Consolidated Ind AS financial performance including other comprehensive income , consolidated statement of changes in equity and consolidated cash flows of the group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

The respective board of directors of the companies included in " The Group" are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit.

In conducting our audit we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 Ind As and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2018, and their consolidated total comprehensive income, Consolidated statement of changes in Equity and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes forming part of the financial statements:-

a) Note Nos .25 –C and D to the standalone Ind AS financial statements regarding Non Provision of Gratuity which describes the uncertainty relating to the outcome of the law suits filed against the company by a former director and his relatives.

b) Note No25-F to the financial statement regarding the claim on non- payment of fixed deposit by the company before the Madras High Court which describes the uncertainty relating to the outcome of the law suits filed against the company by a former director and his relatives.

Our opinion is not modified in respect of these matters.

Other Matter

a) We did not audit the financial statements of the wholly owned Subsidiary CG-VAK Software USA Inc. We have relied on the unaudited financial statement of the said subsidiary whose financial statements reflect total assets of Rs 1223.02 Lakhs as at 31st March 2018 and total revenues of Rs 1624.54 Lakhs and net cash inflows amounting to Rs 183.72 Lakhs for the year ended on that date. These Financial Statements have been approved by the Board of Directors of the subsidiary company, certified by the Management, compiled by other Auditors whose reports have been furnished to us and our report so far as it relates to the amounts included in respect of this subsidiary is based solely on such approved unaudited financial statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 relating to the preparation of the aforesaid Consolidated Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books and reports of other auditors;

c) the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive Income), the consolidated statement of changes in Equity, the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintain for the purpose of preparation of the Consolidated Ind AS financial statements;

d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

e) On the basis of the written representations received from the directors of the holding company as of 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act and in respect of the wholly owned subsidiary company incorporated outside India, the provisions of section 164(2) are not applicable;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A" ; and

g) 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 consolidated Ind AS financial statements – Refer Sub Note C,D,E,F,G of Note 25 to the standalone financial statements;

i. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

For **M/s. N.C.Rajan & Co**
Chartered Accountants
Regn.No.003426S

V.Gopalakrishnan
Partner
M.No.202480

Place : Coimbatore
Date : 28th May, 2018

Annexure - A to the Auditors' Report

Annexure to Independent Auditor's Report of even date on the Consolidated Ind AS financial Statements of CG-VAK Software and Exports Ltd

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 & Exports Ltd("the Company") and its subsidiary CG-VAK SOFTWARE USA Inc as of 31 March 2018 in conjunction with our audit of the Consolidated Ind AS financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of the directors of company and its subsidiary companies which are companies incorporated in India are 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 ('ICAI'). 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 safeguarding 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 section 143(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, 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 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 the reliability 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 override 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, to the best of our information and according to the explanations given to us, the Group 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 31 March 2018, 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.

Other Matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to CG-VAK software and exports Limited (' the holding company') incorporated in India and does not include the reporting of CG-VAK software USA Inc ('the subsidiary company') incorporated outside India.

For **M/s. N.C.Rajan & Co**
Chartered Accountants
Regn.No.003426S

Place : Coimbatore
Date : 28th May, 2018

V.Gopalakrishnan
Partner
M.No.202480

BALANCE SHEET AS AT 31ST MARCH 2018(CONSOLIDATED)

Particulars	Note No	31-Mar-2018 ₹	31-Mar-2017 ₹	01-Apr-2016 ₹
ASSETS				
1 **Non-current assets**				
(a) Property, plant and equipment	4	1,64,63,959	1,59,82,783	1,62,41159
(b) Intangible assets	4	21,97,001	28,68,639	28,20,096
Non-current financial assets				
(c) Financial assets				
(i) Investments	5	25,00,000	0	1,600
(ii) Other financial assets	6	3,06,609	3,06,609	3,06,609
(d) Deferred tax assets (net)	22	34,56,942	46,67,346	42,36,644
(e) Other non-current assets	7	9,41,710	5,11,182	22,54,160
Total non - current assets		**2,58,66,221**	**2,43,36,559**	**2,58,60,268**
2 **Current assets**				
(a) Investments	5	25,00,000	-	35,86,971
(b) Financial assets				
(i) Trade receivables	8	4,90,72,174	7,22,23,962	9,98,76,886
(ii) Cash and cash equivalents	9	8,10,89,650	6,77,53,726	5,46,39,285
(iii) Bank balances other than cash and cash equivalents	9	2,95,73,777	51,76,900	49,54,248
(iv) Other financial assets	6	26,25,240	20,50,403	19,38,491
(c) Current tax assets (net)		-	6,69,197	-
(d) Other current assets	7	1,67,62,748	1,38,97,670	1,66,50,823
Total Current Assets		**18,16,23,589**	**16,17,71,858**	**18,16,46,704**
TOTAL ASSETS		**20,74,89,810**	**18,61,08,417**	**20,75,06,972**

BALANCE SHEET AS AT 31ST MARCH 2018(CONSOLIDATED)

Particulars	Note No	31-Mar-2018 ₹	31-Mar-2017 ₹	01-Apr-2016 ₹
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	10	5,05,02,000	5,05,02,000	5,05,02,000
(b) Other equity	11	12,12,81,336	11,12,63,875	10,98,72,200
Equity attributable to owners of the company		**17,17,83,336**	**16,17,65,875**	**16,03,74,200**
LIABILITIES				
1 Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	12	-	-	1,89,435
Total Non - Current Liabilities		**-**	**-**	**1,89,435**
2 Current liabilities				
(a) Financial liabilities				
(i) Trade payables	14	68,23,560	86,92,202	2,42,81,246
(ii) Other financial liabilities	15	-	1,89,435	5,44,149
(b) Provisions	13	36,00,710	23,28,490	32,80,097
(c) Other current liabilities	16	2,41,79,230	1,31,32,415	1,69,71,642
(d) Current tax liabilities (net)		11,02,974	-	18,66,203
Total current liabilities		**3,57,06,474**	**2,43,42,542**	**4,69,43,337**
TOTAL EQUITY AND LIABILITIES		**20,74,89,810**	**18,61,08,417**	**20,75,06,972**

See accompanying notes to the financial statements **1 to 31**

As per our report of even date

For **M/s. N.C.Rajan & Co**
Chartered Accountants
Firm Regn.No.003426S

V.Gopalakrishnan
Partner (M.No.202480)

Place : Coimbatore
Date : 28th May, 2018

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
DIN : 00600906

C.Ganapathy
Executive Chairman
DIN : 00735840

P.S. Subramanian
Chief Financial Officer

Harcharan. J
Company Secretary

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018(CONSOLIDATED)

	Particulars	Note No	31-Mar-2018 ₹	31-Mar-2017 ₹
I	Revenue from operations	17	30,03,60,598	32,21,91,056
II	Other income	18	38,39,801	12,27,336
III	**Total income (I + II)**		**30,42,00,399**	**32,34,18,392**
IV	**EXPENSES**			
	Employee benefits expense	19	20,96,71,480	21,35,79,125
	Finance costs	20	56,821	88,572
	Depreciation and amortisation expense	4	28,33,424	28,14,379
	Other expenses	21	7,22,29,756	9,60,67,340
	Total Expenses (IV)		**28,47,91,481**	**31,25,49,416**
V	**Profit Before Tax (III - IV)**		**1,94,08,918**	**1,08,68,976**
VI	**Tax expense**	**22**		
	Current tax		41,69,356	34,43,923
	Less: MAT Credit entitlement		(6,11,988)	-
	Deferred tax		19,24,214	(3,05,416)
	Total tax		54,81,582	31,38,507
VII	**Profit for the year (V - VI)**		**1,39,27,336**	**77,30,469**
VIII	**Other comprehensive income**			
	(i) Items that will be reclassified to the statement of profit or loss			
	(ii) Items that will not be reclassified to the statement of profit or loss			
	(a) Remeasurement of employee defined benefit plans		(3,95,424)	(4,05,456)
	(b) Income tax on (a) above		1,01,822	1,25,286
IX	**Total comprehensive income for the year (VII + VIII)**		**1,36,33,734**	**74,50,299**
	Total comprehensive income for the period attributable to owners of the company		1,36,33,734	74,50,299
X	**Earnings per equity share of Rs. 10/-**			
	Basic	24	2.76	1.53
	Diluted	24	2.76	1.53

See accompanying notes to the financial statements1 to 31

As per our report of even date

For **M/s. N.C.Rajan & Co**
Chartered Accountants
Firm Regn.No.003426S

V.Gopalakrishnan
Partner (M.No.202480)

Place : Coimbatore
Date : 28th May, 2018

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P.S. Subramanian
Chief Financial Officer

Harcharan. J
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

a. Equity share capital

Amount in Rs.

Balance as at April 1, 2016	5,05,02,000
Changes in equity share capital during the year	-
Balance as at March 31, 2017	5,05,02,000
Changes in equity share capital during the year	-
Balance as at March 31, 2018	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	Employees defined benefit plan	
Balance as at April 1, 2016	**1,10,00,000**	**41,700**	**6,54,97,889**	**3,33,32,611**	**-**	**10,98,72,200**
Dividend and tax thereon	-	-	(30,39,151)	-	-	(30,39,151)
Profit for the year (net of taxes)	-	-	77,30,469		-	77,30,469
Translation reserve for the year	-	-	-	(30,19,473)	-	(30,19,473)
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	(2,80,170)	(2,80,170)
Total Comprehensive income for the year	-	-	77,30,469	(30,19,473)	(2,80,170)	44,30,826
Balance as at March 31, 2017	**1,10,00,000**	**41,700**	**7,01,89,207**	**3,03,13,138**	**(2,80,170)**	**11,12,63,875**
Dividend and tax thereon	-	-	(30,39,299)	-	-	(30,39,299)
Profit for the year (net of taxes)	-	-	1,39,27,336	-	-	1,39,27,336
Translation reserve for the year	-	-	-	(5,76,975)	-	(5,76,975)
Other Comprehensive Income for the year (net of taxes)	-	-	-	-	(2,93,602)	(2,93,602)
Total Comprehensive income for the year	-	-	1,39,27,336	(5,76,975)	(2,93,602)	1,30,56,760
Balance as at March 31, 2018	**1,10,00,000**	**41,700**	**8,10,77,244**	**2,97,36,163**	**(5,73,772)**	**12,12,81,336**

As per our report of even date

For **M/s. N.C.Rajan & Co**
Chartered Accountants
Firm Regn.No.003426S

V.Gopalakrishnan
Partner (M.No.202480)

Place : Coimbatore
Date : 28th May, 2018

For and on Behalf of the Board of Directors

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Managing Director
DIN : 00600906

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Executive Chairman
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Chief Financial Officer

Harcharan. J
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018(CONSOLIDATED)

Particulars	31-Mar-2018 ₹	31-Mar-2017 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,94,08,918	1,08,68,976
Adjustments for:		
Foreign currency translation for the year	(5,76,975)	(30,19,473)
Depreciation and amortisation expense	28,33,424	28,14,379
Provision for doubtful debts	9,65,102	59,51,631
Net loss/(gain) on disposal of property, plant and equipment	1,64,654	(5,745)
Property, plant and equipment discarded	4,63,568	-
Net loss/(gain) on disposal of Investments	-	(14,180)
Interest income	(10,84,722)	(4,06,230)
Dividend income	(2,07,648)	(3,99,243)
Interest expense	56,821	88,572
Operating profit before working capital changes	**2,20,23,142**	**1,58,78,687**
Adjustments for:		
(Increase)/decrease in trade receivables	2,21,86,686	2,17,01,293
(Increase)/decrease in other current financial assets	1,55,228	16,075
(Increase)/decrease in other current assets	(28,65,078)	27,53,153
(Increase)/decrease in other non-current financial assets	-	-
(Increase)/decrease in other non-current assets	-	-
Increase/(decrease) in trade payables	(18,68,642)	(1,55,89,044)
Increase/(decrease) in provisions	7,10,327	9,02,113
Increase/(decrease) in other non-current financial liabilities	-	-
Increase/(decrease) in other financial liabilities	-	-
Increase/(decrease) in other current liabilities	1,10,46,814	(38,39,227)
Cash generated from operations	**5,13,88,477**	**2,18,23,050**
Net income tax (paid) / refunds	(26,61,243)	(64,95,521)
Net cash flow from operating activities (A)	**4,87,27,234**	**1,53,27,529**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment (including capital advances)	(37,72,823)	(26,24,515)
Proceeds from sale of fixed assets	5,01,639	25,714
Proceeds from disposal of investments	(50,00,000)	36,02,751

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

Particulars	31-Mar-2018 ₹	31-Mar-2017 ₹
Bank balances other than cash and cash equivalents	(2,43,96,877)	(2,22,652)
Interest received	3,54,658	2,78,243
Dividend received	2,07,648	3,99,243
Net cash used in investing activities (B)	**(3,21,05,755)**	**14,58,784**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings (net)	(1,89,435)	(5,44,149)
Dividend and tax thereon paid	(30,39,299)	(30,39,151)
Finance costs	(56,821)	(88,572)
Net cash flow used in financing activities (C)	**(32,85,555)**	**(36,71,872)**
Net increase in Cash and cash equivalents (A+B+C)	**1,33,35,924**	**1,31,14,441**
Cash and cash equivalents at the beginning of the year (refer note 9)	6,77,53,726	5,46,39,285
Cash and cash equivalents at the end of the year (refer note 9)	**8,10,89,650**	**6,77,53,726**

As per our report of even date

For **M/s. N.C.Rajan & Co**
Chartered Accountants
Firm Regn.No.003426S

V.Gopalakrishnan
Partner (M.No.202480)

Place : Coimbatore
Date : 28th May, 2018

For and on Behalf of the Board of Directors

G.Suresh
Managing Director
DIN : 00600906

C.Ganapathy
Executive Chairman
DIN : 00735840

P.S. Subramanian
Chief Financial Officer

Harcharan. J
Company Secretary

Notes forming part of the Financial Statements for the year ended 31st March, 2018 (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.

2 SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 read with section 133 of the Companies Act, 2013.

Up to the year ended March 31, 2017, the Group had prepared and presented its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer note 3 for the details of first-time adoption exemptions availed by the Group.

(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, 2018.

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.

Following subsidiary company have been considered in the preparation of the consolidated financial statements:

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, 2018	March 31, 2017
CG-VAK Software USA Inc	Subsidiary	USA	CG-VAK Software and Exports Limited	100%	100%

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.

(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

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 from contracts priced on time are recognised when the services are rendered and related costs are incurred.

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.

(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):** MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

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.

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 of 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.

(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.

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.

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.

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 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.

(xvii) 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.

3 EXEMPTIONS AVAILED AND MANDATORY EXCEPTIONS

These are the Company's first financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' using transition date as April 1, 2016.

Ind AS 101 requires that all Ind AS be consistently and retrospectively applied for all fiscal years presented. The Company has prepared opening Balance Sheet on the transition date and subsequent financials based on the accounting policies set out in Note-2.

In preparing these financials, the Company has availed following exemptions in the transition from previous GAAP to Ind AS in accordance with Ind AS 101.

(i) Since there is no change in the functional currency, the Group has elected to continue with the carrying value as at April 2016 for all of its investment property and property plant & equipment as recognised in its Previous GAAP financial as deemed cost at the transition date.

(ii) Upon an assessment of the estimates made under Indian GAAP, the Group has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by Indian GAAP.

Notes forming part of the Financial Statements for the year ended 31st March, 2018 (Consolidated)

4 Property, Plant and Equipments

Amount in Rs.

Description of Assets	Freehold Land	Buildings Equipment	Plant	Vehicles	Furniture and Fixtures	Total Property, Plant and Equipment	Intangible Assets (Software)
I. Gross Block (cost or deemed cost)							
Balance as at April 1, 2016	**63,75,000**	**22,04,186**	**36,14,208**	**26,78,111**	**13,69,654**	**1,62,41,159**	**28,20,096**
Additions	-	-	15,58,382	-	1,26,707	16,85,089	9,39,426
Disposals	-	-	19,969	-	-	19,969	-
Balance as at March 31, 2017	**63,75,000**	**22,04,186**	**51,52,621**	**26,78,111**	**14,96,361**	**1,79,06,279**	**37,59,522**
Additions	-	66,100	18,45,449	4,00,000	4,97,096	28,08,645	5,00,610
Disposals	-	-	2,39,003	-	2,36,273	4,75,276	7,14,628
Balance as at March 31, 2018	**63,75,000**	**22,70,286**	**67,59,067**	**30,78,111**	**17,57,184**	**2,02,39,648**	**35,45,504**
II. Accumulated Depreciation and Impairment							
Balance as at April 1, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	1,44,582	10,61,874	5,81,877	1,35,163	19,23,496	8,90,883
Withdrawal on Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2017	**-**	**1,44,582**	**10,61,874**	**5,81,877**	**1,35,163**	**19,23,496**	**8,90,883**
Charge for the year	-	1,44,590	12,21,273	6,07,280	1,51,601	21,24,744	7,08,680
Withdrawal on Disposals	-	-	36,278	-	2,36,273	2,72,551	2,51,060
Balance as at March 31, 2018	**-**	**2,89,172**	**22,46,869**	**11,89,157**	**50,491**	**37,75,689**	**13,48,503**
Net block (I-II)							
Balance as at March 31, 2018	63,75,000	19,81,114	45,12,198	18,88,954	17,06,693	1,64,63,959	21,97,001
Balance as at March 31, 2017	63,75,000	20,59,604	40,90,747	20,96,234	13,61,198	1,59,82,783	28,68,639
Balance as at April 1, 2016	63,75,000	22,04,186	36,14,208	26,78,111	13,69,654	1,62,41,159	28,20,096

Notes forming part of the Financial Statements for the year ended 31st March, 2018(Consolidated)

Amount in Rs.

Note Particulars	31-March - 2018	31-March - 2017	1-April - 2016
5 Investments			
Non-current			
At Cost			
I. Quoted Investments (fully paid)			
Investment in Equity Instruments			
Union Bank of India	-	-	1,600
100 Equity Shares of Rs 100 each			
Investment in Mutual funds			
SBI DAF Series - XXVI Regular Growth	25,00,000	-	-
250000 Units of Rs. 10 each			
Total	**25,00,000**	**-**	**1,600**
Aggregate amount of non-current quoted investments	-	-	1,600
Aggregate market value of non-current quoted investments	25,15,000	-	13,085
Current			
At Fairvalue			
I. Quoted Investments (fully paid)			
Investments in Equity Instruments			
SBI Premier Liquid Fund Regular Plan (Daily Dividend)	-	-	45,689
45.541 Units of Rs. 1,000 each			
SBI Treasury Advantage Fund	-	-	35,41,282
2110.562 Units of Rs. 1,000 each			
SBI Equity saving Fund Regular Growth	25,00,000	-	-
201734.92 Units of Rs. 10 each			
	25,00,000	**-**	**35,86,971**
Aggregate amount of current quoted investments	25,00,000	-	35,86,971
Aggregate market value of current quoted investments	25,01,775	-	35,86,971
6 Other Financial Assets			
(Unsecured and considered good)			
Non-current			
Measured at amortised cost			
Electricity deposit	2,46,520	2,46,520	2,46,520
Fixed deposits with Banks held as security against borrowings (maturity of not more than 12 months from the balance sheet date)	60,089	60,089	60,089
Total	**3,06,609**	**3,06,609**	**3,06,609**

Notes forming part of the Financial Statements for the year ended 31st March, 2018(Consolidated)

Amount in Rs.

Note Particulars	31-March - 2018	31-March - 2017	1-April - 2016
Current			
At cost			
Rental Deposits	14,82,688	11,00,000	11,00,000
Interest accrued on fixed deposits	9,54,582	2,24,518	96,531
Security Deposits	1,87,970	7,25,885	7,41,960
Total	**26,25,240**	**20,50,403**	**19,38,491**
7 Other Assets			
(Unsecured and considered good)			
Non-current			
Advance Income Tax (Net of provisions)	9,41,710	5,11,182	22,54,160
Total	**9,41,710**	**5,11,182**	**22,54,160**
Current			
Prepaid expenses	13,16,743	6,07,059	5,87,815
Staff advance	1,41,93,866	1,32,79,611	1,60,52,008
Other assets	12,52,139	11,000	11,000
Total	**1,67,62,748**	**1,38,97,670**	**1,66,50,823**
8 Trade receivables			
Unsecured and considered good			
Outstanding for a period exceeding six months from the due date	1,17,98,058	1,55,06,394	3,52,41,452
Others	3,72,74,116	5,67,17,568	6,46,35,434
Unsecured and considered doubtful			
Outstanding for a period exceeding six months from the due date	9,76,626	87,03,356	79,26,148
Others	-	-	-
Less: Provision for doubtful debts	(9,76,626)	(87,03,356)	(79,26,148)
Total	**4,90,72,174**	**7,22,23,962**	**9,98,76,886**
Movement in the allowance for doubtful debts			
Balance as at the beginning of the year	87,03,356	79,26,148	80,73,005
Allowance for the year	9,76,626	59,51,631	49,92,640
Amount written off	(87,03,356)	(51,74,423)	(44,12,729)
Amount written back	-	-	(7,26,768)
Amount collected	-	-	-
Balance as at the end of the year	**9,76,626**	**87,03,356**	**79,26,148**

Notes forming part of the Financial Statements for the year ended 31st March, 2018(Consolidated)

Note Particulars	31-March - 2018	31-March - 2017	1-April - 2016
			Amount in Rs.

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.

9 Cash and bank balances

Cash and cash equivalents			
Cash in hand	3,28,866	2,75,990	3,98,708
Balances with banks			
in Current accounts	8,07,10,481	5,20,51,805	4,88,33,101
in Cash Credit account	50,303	1,54,25,931	54,07,476
Total	**8,10,89,650**	**6,77,53,726**	**5,46,39,285**
Bank balances			
(i) Fixed deposits held as security against borrowings (maturity of not more than 12 months from the balance sheet date)	5,73,777	-	-
Fixed deposits (maturity of not more than 12 months from the balance sheet date)	2,90,00,000	51,76,900	49,54,248
Total	**2,95,73,777**	**51,76,900**	**49,54,248**

10 Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No.of Shares in lakhs	Amount in Rs	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	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	50,50,200	5,05,02,000
Total	**50,50,200**	**5,05,02,000**	**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.

Notes forming part of the Financial Statements for the year ended 31st March, 2018 (Consolidated)

(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, 2018				
- Number of shares	50,50,200	-	-	50,50,200
- Amount (in Rs.)	5,05,02,000	-	-	5,05,02,000
Year ended March 31, 2017				
- Number of shares	50,50,200	-	-	50,50,200
- Amount (in Rs.)	5,05,02,000	-	-	5,05,02,000
As at April 1, 2016				
- 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, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares held	% holding in that class of shares	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						
Mr. G. Suresh	9,52,060	18.85%	9,52,060	18.85%	9,52,060	18.85%
Mrs. S. Latha	8,88,031	17.58%	7,12,204	14.10%	6,34,677	12.57%
Mr. K. V. Kamaraj	5,21,674	10.33%	5,21,674	10.33%	5,21,674	10.33%
Mr. C. Ganapathy	4,06,350	8.05%	4,06,350	8.05%	4,06,350	8.05%

(f) The Company has not issued any bonus shares during the period of 5 years immediately preceeding the balance sheet date

Notes forming part of the Financial Statements for the year ended 31st March, 2018 (Consolidated)

11 Other equity

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
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	1,10,00,000
Forfeited Shares	41,700	41,700	41,700
Retained earnings			
(Retained earnings comprise of the Company's undistributed earnings after taxes)	8,10,77,244	7,01,89,207	6,54,97,889
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)	2,97,36,164	3,03,13,138	3,33,32,611
Employees defined benefit plan			
(Items of other comprehensive income consists of remeasurement of net defined benefit liability/asset)	(5,73,772)	(2,80,170)	-
Total	**12,12,81,336**	**11,12,63,875**	**10,98,72,200**

Notes forming part of the Financial Statements for the year ended 31st March, 2018 (Consolidated)

Particulars	As at March 31, 2018	As at March 31, 2017
11.a General reserve		
Balance at beginning of year	1,10,00,000	1,10,00,000
Movement during the year	-	-
Balance at end of year	**1,10,00,000**	**1,10,00,000**
11.b Share forfeiture reserve		
Balance at beginning of year	41,700	41,700
Movement during the year	-	
Balance at end of year	**41,700**	**41,700**
11.c Retained earnings		
Balance at beginning of year	7,01,89,207	6,54,97,889
Dividend and tax thereon	(30,39,299)	(30,39,151)
Profit attributable to owners of the Company	1,39,27,336	77,30,469
Balance at end of year	**8,10,77,244**	**7,01,89,207**
11.d. Translation reserve		
Balance at beginning of year	3,03,13,138	3,33,32,611
Translation difference for the year	(5,76,975)	(30,19,473)
Balance at end of year	**2,97,36,163**	**3,03,13,138**
11.e Other comprehensive income		
Employee benefit plan		
Balance at beginning of year	(2,80,170)	-
Remeasurement of defined benefit obligations (net of tax)	(2,93,602)	(2,80,170)
Balance at end of year	**(5,73,772)**	**(2,80,170)**

12 Borrowings

Non - Current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured Loans			
Vehicle loan @ 10.49% interest	-	-	1,89,435
Total	**-**	**-**	**1,89,435**

Notes forming part of the Financial Statements for the year ended 31st March, 2018 (Consolidated)

13 Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Provision for employee benefits			
Gratuity	34,34,241	23,28,490	10,20,921
Provision for tax (net of advance tax)	1,66,469	-	22,59,176
Total	**36,00,710**	**23,28,490**	**32,80,097**

14 Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Payable to micro and small enterprises (refer note below)	-	-	-
Others	68,23,560	86,92,202	2,42,81,246
Total	**68,23,560**	**86,92,202**	**2,42,81,246**

Note: (i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are given in Note 30.1

(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.

15 Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Current maturities of long term borrowings		1,89,435	5,44,149
Total	**-**	**1,89,435**	**5,44,149**

16 Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Statutory remittances	42,39,792	21,32,800	7,91,554
Advance received from customers	47,46,715	-	-
Salary payable	1,26,68,993	82,46,732	1,14,31,729
Other payable	25,23,729	27,52,883	47,48,359
Total	**2,41,79,229**	**1,31,32,415**	**1,69,71,642**

Notes forming part of the Financial Statements for the year ended 31st March, 2018 (Consolidated)

17 Revenue from Operations

Particulars	As at March 31, 2018	As at March 31, 2017
Software services (offshore and onsite services)	29,49,10,515	32,12,02,081
Information Technology Enabled Services	54,50,083	9,88,975
Total	**30,03,60,599**	**32,21,91,056**

18 Other Income

Particulars	As at March 31, 2018	As at March 31, 2017
Interest income from Bank deposits	10,84,722	4,06,230
Dividend income	2,07,648	3,99,243
Profit on disposal of fixed assets	-	5,745
Profit on disposal of Investments	-	14,180
Net gain on foreign currency transactions and translation	22,98,849	1,23,749
Sundry receipts	2,48,582	2,78,189
Total	**38,39,801**	**12,27,336**

19 Employee Benefits Expense

Particulars	As at March 31, 2018	As at March 31, 2017
Salaries and wages	19,26,86,695	18,73,22,403
Directors remuneration	90,00,000	49,75,000
Medical reimbursements to Directors	-	25,55,072
Contribution to provident fund & ESI	44,06,844	39,19,850
Retirement benefits	12,54,629	11,10,184
Staff welfare expenses	23,23,312	1,36,96,616
Total	**20,96,71,480**	**21,35,79,125**

20 Finance Cost

Particulars	As at March 31, 2018	As at March 31, 2017
Interest paid to bank for cash credit facility	7,454	1,580
Interest paid to others	49,367	86,992
Total	**56,821**	**88,572**

Notes forming part of the Financial Statements for the year ended 31st March, 2018 (Consolidated)

21 Other Expenses

Particulars	As at March 31, 2018	As at March 31, 2017
Rent	46,27,419	46,84,464
Professional charges	3,40,42,920	5,44,66,871
Power & Fuel	21,22,711	19,82,256
Communication expenses	44,56,073	45,62,043
HRD expenses	11,49,693	11,79,297
Travelling expenses	46,89,460	37,58,256
Taxes & Licences	73,90,652	95,86,442
Building repairs	92,147	2,19,823
Vehicle repairs	8,61,350	15,66,281
General repairs	13,69,519	2,52,645
Provision for doubtful debts	9,65,102	59,51,631
Remuneration to Auditors [Refer Note (i) below]	3,75,000	1,50,000
Share demat expenses	1,34,000	1,72,443
Bank charges	12,60,585	19,30,739
Business promotion & Marketing expenses	7,45,324	4,10,513
Printing & Stationery	1,72,908	2,14,545
Legal and Consultancy	23,48,924	13,55,481
STPI service charges	1,10,000	3,36,798
Donation	10,100	21,000
Sitting fees	1,66,000	1,56,000
Listing fees / filing fees	2,98,900	2,51,410
Penalty	14,00,000	-
Property, plant & equipment discarded	4,63,568	-
Loss on sale of Fixed Assets	1,64,654	-
Other administrative expenses	28,12,747	28,58,402
Total	**7,22,29,756**	**9,60,67,340**

Note (i) Remuneration to Auditors

Particulars	As at March 31, 2018	As at March 31, 2017
Audit fees	1,50,000	1,50,000
Taxation matters	2,25,000	-
Limited review certifications	-	
Reimbursement of expenses	-	
Total	**3,75,000**	**1,50,000**

22 Tax expense

Particulars	As at March 31, 2018	As at March 31, 2017
Current tax		
In respect of the current year	41,69,356	34,43,923
MAT Credit	(6,11,988)	-
Deferred tax	19,24,214	(3,05,416)
Total income tax expense recognised in the current year	**54,81,582**	**31,38,507**
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	1,94,08,918	1,08,68,976
Enacted income tax rate	25.75%	30.90%
Computed expected tax expense	49,97,796	33,58,514
Effect of:		
Depreciation	(1,50,571)	(2,11,718)
Disallowance under 43B of Income Tax Act (Net)	1,82,910	4,04,039
Exempt income	(53,469)	(1,23,366)
Expense disallowed	4,88,445	14,927
Provision for doubtful debts	2,48,514	18,39,054
Bad debts written off earlier disallowed	(22,41,114)	(15,98,897)
Others	84,857	(2,38,630)
Income tax expense recognised in the profit or loss	**35,57,368**	**34,43,923**
Deferred Tax:		
Relating to the origination and reversal of temporary differences (see below)	19,24,214	(3,05,416)
Tax expense reported in the Statement of Profit and Loss	**54,81,582**	**31,38,507**

Deferred tax

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	**(46,67,346)**	**(4,236,644)**
MAT Credit Entitlement	(6,11,988)	-
Recognised in Profit or loss		
Property, plant and equipment	(11,979)	2,13,494
Provision for doubtful debts	21,31,889	(2,40,157)
Section 43B disallowance	(1,95,696)	(2,78,753)
	19,24,214	**(3,05,416)**
Recognised in Other Comprehensive Income		
Defined benefit obligation	(1,01,822)	(1,25,286)
Closing balance	**(34,56,942)**	**(46,67,346)**

Notes forming part of the Financial Statements for the year ended 31st March, 2018 (Consolidated)

23 Segment information

The Managing Director of the company have 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 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

Particulars	As at March 31, 2018	As at March 31, 2017
Segment Revenue		
Net Sales/Income		
a. North America	26,50,02,498	30,12,63,854
b. Rest of the World	3,53,58,100	2,09,27,202
Total	**30,03,60,598**	**32,21,91,056**
Less: Inter-Segment revenue	-	-
Net Sales/ Income from operations	**30,03,60,598**	**32,21,91,056**
Segment Results		
Profit(+) / Loss(-)		
a. North America	1,29,33,850	89,42,676
b. Rest of the World	26,92,089	7,87,536
Total	**1,56,25,939**	**97,30,212**
Less: Finance costs	56,821	88,572
Add /Less: Other unallocable Income net of unallocable expenses	38,39,801	12,27,336
Total Profit/Loss before Tax	**1,94,08,918**	**1,08,68,976**
Segment Assets		
a. North America	18,78,69,160	17,38,26,472
b. Rest of the World	1,96,20,650	1,22,81,945
c.Unallocated	-	-
Total	**20,74,89,810**	**18,61,08,417**
Segment Liabilities		
a. North America	3,05,17,039	2,23,27,849
b. Rest of the World	51,89,435	20,14,693
c.Unallocated	-	-
Total	**3,57,06,474**	**2,43,42,542**
Capital Expenditure	37,72,823	26,24,515
Depreciation	28,33,424	28,14,379

24 Earnings per share (EPS)

Particulars	As at March 31, 2018	As at March 31, 2017
Profit after tax	1,39,27,336	77,30,469
Profit atributable to ordinary shareholders - for Basic and Diluted EPS	**1,39,27,336**	**77,30,469**
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.)	2.76	1.53
- Diluted (in Rs.)	2.76	1.53

25 Contingent liabilitites and comittments

A. Contingent liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Other monies for which the Company is contingently liable:	-	-	-

B. Commitments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-

C. Gratuity Rs.2,88,461 was paid during the Financial year 2015-16 towards a claim of gratuity by a former Managing Director of the company. The said amount has been paid along with interest @ 10% amounting, to Rs.2,91,229 as per order of the Joint commissioner of labour vide his order dated 24th July 2015. The Company has appealed against the order before the High Court.

D. 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.

E. 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.

F. 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.

G. 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.

H. A penalty of Rs. 14 lakhs had been levied by the Adjudicating Authority of Enforcement Directorate vide their order dated 04.12.2017 and the same had been paid by the Company on 11.01.2018.

26 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. 40,34, 060 (for the year ended March 31, 2017: Rs. 36,61,779) as contribution to Provident Fund, and Rs. 3,72,784 (for the year ended March 31, 2017 Rs. 2,58,071) 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 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

Particulars	As at March 31, 2018	As at March 31, 2017
Defined Benefit Obligation at beginning of the year	45,11,374	30,72,812
Current service cost	11,04,666	10,26,390
Interest cost	3,18,176	2,19,121
Actuarial (Gain) / Loss	3,54,207	4,32,462
Benefits paid	(2,09,034)	(2,39,411)
Defined Benefit Obligation at year end	**60,79,389**	**45,11,374**

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

Particulars	As at March 31, 2018	As at March 31, 2017
Fair value of Plan Assets at beginning of year	21,82,884	20,51,892
Employer contributions	5,44,302	2,08,070
Expected Return on Plan Assets	1,68,213	1,35,327
Actuarial Gain / (Loss)	(41,217)	27,006
Benefits paid	(2,09,034)	(2,39,411)
Fair value of Plan Assets at year end	**26,45,148**	**21,82,884**

Notes forming part of the Financial Statements for the year ended 31st March, 2018 (Consolidated)

Amount recognised in the Balance Sheet

Particulars	As at March 31, 2018	As at March 31, 2017
Defined Benefit Obligation at year end	60,79,389	45,11,374
Fair value of Plan Assets at year end	26,45,148	21,82,884
Net Liability / (Asset) recognised	**34,34,241**	**23,28,490**

Expenses recognised during the year

Particulars	As at March 31, 2018	As at March 31, 2017
In Income Statement		
Current service cost	11,04,666	10,26,390
Interest on net defined benefit liability/ (asset)	3,18,176	2,19,121
Expected Return on Plan Assets	(1,68,213)	(1,35,327)
Net Cost	**12,54,629**	**11,10,184**
In Other Comprehensive Income		
Actuarial (Gain) / Loss	3,95,424	4,05,456
Net (Income)/ Expense For the period Recognised in OCI	**3,95,424**	**4,05,456**

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

Particulars	As at March 31, 2018	As at March 31, 2017
Discount Rate (per annum)	7.22%	6.68%
Expected Return on Planned Assets (per annum)	7.22%	6.68%
Rate of escalation in Salary (per annum)	9.00%	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:

Notes forming part of the Financial Statements for the year ended 31st March, 2018 (Consolidated)

Amount recognised in the Balance Sheet

Particulars	Discount Rate	Salary escalation Rate
As at March 31, 2018		
Defined benefit obligation on plus 100 basis points	63,50,485	63,09,736
Defined benefit obligation on minus 100 basis points	58,30,481	58,63,232
As at March 31, 2017		
Defined benefit obligation on plus 100 basis points	44,17,278	43,72,899
Defined benefit obligation on minus 100 basis points	40,09,344	40,40,493

Maturity profile of defined benefit obligation

Particulars	As at March 31, 2018	As at March 31, 2017
Expected total benefit payments		
Within 1 year	8,50,793	5,31,473
1 year to 2 years	6,90,562	4,27,020
2 years to 3 years	5,77,109	3,51,790
3 years to 4 years	4,73,383	2,99,854
4 years to 5 years	3,68,201	2,50,145
5 years to 10 years	31,19,340	26,51,092

As at March 31, 2018, March 31, 2017 and April 1, 2016, 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.

27 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. G. Suresh	Key Managerial Personnel
Mr. C. Ganapathy	Key Managerial Personnel
Mrs. S. Latha	Key Managerial Personnel
CG-VAK Software USA Inc.,	Wholly owned subsidiary

Notes forming part of the Financial Statements for the year ended 31st March, 2018 (Consolidated)

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

Nature of Transaction	As at March 31, 2018	As at March 31, 2017
Remuneration and perquisites paid	**90,00,000**	**75,30,072**
	(75,30,072)	**(33,85,737)**
Mr. G. Suresh	78,00,000	56,88,579
	(56,88,579)	(30,52,028)
Mr. C. Ganapathy	12,00,000	18,41,493
	(18,41,493)	(3,33,709)
Rent	**19,32,612**	**19,32,612**
	(19,32,612)	**(19,03,330)**
Mrs. S. Latha	19,32,612	19,32,612
	(19,32,612)	(19,03,330)
Balances out standing as at the year end		
Payable	**-**	**1,11,408**
	(1,11,408)	**(4,611)**
Others	-	1,11,408
	(1,11,408)	(4,611)
Rent Deposit	**11,00,000**	**11,00,000**
	(11,00,000)	**(11,00,000)**
Mrs. S. Latha	11,00,000	11,00,000
	(11,00,000)	(11,00,000)

*Previous year figures are given in brackets
The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Short-term employee benefits	90,00,000	75,30,072
Post-employment benefits	43,200	43,200

28 Financial instruments

28.1 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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Net Debts	-	-	-
Total Equity	17,17,83,336	16,17,65,875	16,03,74,200
Gearing ratio	-	-	-

28.2 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:

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
Measured at amortised cost						
Others financial assets - non current	3,06,609	3,06,609	3,06,609	3,06,609	3,06,609	3,06,609
Trade receivables	4,90,72,174	4,90,72,174	7,22,23,962	7,22,23,962	9,98,76,886	9,98,76,886
Cash and cash equivalents	8,10,89,650	8,10,89,650	6,77,53,726	67,753,726	5,46,39,285	5,46,39,285
Bank balances other than cash and cash equivalents	2,95,73,777	2,95,73,777	51,76,900	51,76,900	49,54,248	49,54,248
Other financial assets - current	26,25,240	26,25,240	20,50,403	20,50,403	19,38,491	19,38,491
Total financial assets (a + b)	**16,26,67,450**	**16,26,67,450**	**14,75,11,600**	**14,75,11,600**	**16,17,15,519**	**16,17,15,519**
Financial liabilities						
Measured at amortised cost						
Borrowings	-	-	-	-	189,435	1,89,435
Trade payables	68,23,560	68,23,560	86,92,202	86,92,202	2,42,81,246	2,42,81,246
Other financial liabilities - current	-	-	1,89,435	1,89,435	5,44,149	5,44,149
Total financial liabilities (a + b)	**68,23,560**	**68,23,560**	**88,81,637**	**88,81,637**	**2,50,14,830**	**2,50,14,830**

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, 2018 was assessed to be insignificant.

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).

28.3 - 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	Cash and cash equivalents, trade receivables and other financial assets	Bank deposits, diversification of asset base, credit limits, etc.
Liquidity risk	Borrowings and other liabilities	Availability of committed credit and borrowing facilities

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. 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, 2018 (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	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
Trade Receivables	USD	-	1,54,482	-	99,64,060
	CAD	1,965	44,432	96,973	21,46,069
	GBP	9,018	2,417	8,05,307	1,90,579
	EUR	-	18,051	-	12,42,811
	AUD	-	5,500	-	2,71,425

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 5% increase and decrease in the ₹ 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 ₹ strengthens 5% against the relevant currency will increase the profit and equity by Rs. 45,114. For a 5% weakening of the ' 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, 2018, 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:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Variable rate borrowing from Banks	-	-	-
Fixed rate borrowing	-		-
Banks	-	-	-
- Others	-	-	1,89,435
Total borrowings	**-**	**-**	**1,89,435**

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, 2018 (year ended March 31, 2017 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.

he 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.

March 31, 2018	Less than 1 year	1-3 year	More than 3 year	Total
Borrowings	-	-	-	-
Trade payable	68,23,560	-	-	68,23,560
Other financial liabilities	-	-	-	-
Total	**68,23,560**	**-**	**-**	**68,23,560**
March 31, 2017				
Borrowings	-	-	-	-
Trade payable	86,92,202	-	-	8,692,202
Other financial liabilities	1,89,435	-	-	189,435
Total	**88,81,637**	**-**	**-**	**8,881,637**
April 1, 2016				
Borrowings	-	1,89,435	-	189,435
Trade payable	2,42,81,246	-	-	2,42,81,246
Other financial liabilities	5,44,149	-	-	5,44,149
Total	**2,48,25,395**	**1,89,435**	**-**	**2,50,14,830**

Notes forming part of the Financial Statements for the year ended 31st March, 2018 (Consolidated)

29.00 First-time Ind AS adoption reconciliations

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the Balance Sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

29.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2017 and April 1, 2016

		As at March 31, 2017 (End of last period presented under previous GAAP)			As per April 1, 2016 (Date of transition)		
Particulars	Notes	Previous GAAP (Regrouped)	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP (Regrouped)	Effect of transition to Ind AS	As per Ind AS balance sheet
ASSETS							
1 Non-current assets							
(a) Property, plant and equipment		1,59,82,783		159,82,783	1,62,41,159		1,62,41,159
(b) Capital work-in-progress		-	-	-	-	-	-
(c) Intangible assets		28,68,639		28,68,639	28,20,096		28,20,096
(d) Financial assets							
(i) Investments		-	-	-	1,600	-	1,600
(ii) Other financial assets		3,06,609	-	3,06,609	3,06,609	-	3,06,609
(e) Deferred tax assets (net)		46,67,346	-	46,67,346	42,36,644	-	42,36,644
(f) Other non-current assets		5,11,182	-	5,11,182	22,54,160	-	22,54,160
Total non - current assets		**2,43,36,559**	**-**	**2,43,36,559**	**2,58,60,268**	**-**	**2,58,60,268**
2 Current assets							
(a) Investments		-	-	-	35,86,971	-	35,86,971
(b) Financial assets							
(i) Trade receivables		7,22,23,962	-	7,22,23,962	9,98,76,886	-	9,98,76,886
(ii) Cash and cash equivalents		6,77,53,726	-	6,77,53,726	5,46,39,285	-	5,46,39,285
(iii) Bank balances other than cash and cash equivalents		51,76,900		51,76,900	49,54,248		49,54,248
		20,50,403	-	20,50,403	19,38,491	-	19,38,491
(c) Current tax assets (net)		6,69,197	-	6,69,197	-	-	-
(d) Other current assets		1,38,97,670	-	1,38,97,670	1,66,50,823	-	1,66,50,823
Total Current Assets		**1,617,71,858**	**-**	**16,17,71,858**	**18,16,46,704**	**-**	**1,816,46,704**
Total Assets		**18,61,08,417**	**-**	**18,61,08,417**	**20,75,06,972**	**-**	**20,75,06,972**
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital		5,05,02,000	-	5,05,02,000	5,05,02,000	-	5,05,02,000
(b) Other equity	(iii)	11,12,63,875	-	11,12,63,875	10,68,33,049	30,39,151	10,98,72,200
Total Equity		**16,17,65,875**	**-**	**16,17,65,875**	**15,73,35,049**	**30,39,151**	**16,03,74,200**
LIABILITIES							
1 Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings		-		-	1,89,435		1,89,435
Total Non - Current Liabilities		**-**	**-**	**-**	**1,89,435**	**-**	**1,89,435**
2 Current liabilities							
(a) Financial liabilities							
(i) Trade payables		86,92,202	-	86,92,202	2,42,81,246	-	2,42,81,246
(ii) Other financial liabilities		1,89,435	-	1,89,435	5,44,149	-	5,44,149
(b) Provisions	(ii)	23,28,490	-	23,28,490	63,19,248	(30,39,151)	32,80,097
(c) Other current liabilities		1,31,32,415	-	1,31,32,415	1,69,71,642	-	1,69,71,642
(d) Current tax liabilities (net)		-	-	-	18,66,203	-	18,66,203
Total current liabilities		**2,43,42,542**	**-**	**2,43,42,542**	**4,99,82,488**	**(30,39,151)**	**4,69,43,337**
Total Equity and Liabilities		**18,61,08,417**	**-**	**18,61,08,417**	**20,75,06,972**	**-**	**20,75,06,972**

Notes forming part of the Financial Statements for the year ended 31st March, 2018 (Consolidated)

29.2 Reconciliation of total equity as at March 31, 2017 and April 1, 2016

Particulars	Notes	As at March 31, 2017 (End of last period presented under previous GAAP)	As at April 1, 2016 (Date of transition)
Total equity (shareholders' funds) under previous GAAP		16,17,65,875	8,65,23,680
Adjustments			
Dividend and tax thereon	(ii)	-	30,39,151
Total equity under Ind AS		**16,17,65,875**	**8,95,62,831**

29.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2017

Particulars	Notes	Year ended March 31, 2017 (Latest period presented under previous GAAP)		
		Previous GAAP (Regrouped)	Effect of transition to Ind AS	As per Ind AS
Revenue from operations		32,21,91,056	-	32,21,91,056
Other income		12,27,336		12,27,336
Total income		**32,34,18,392**	**-**	**32,34,18,392**
EXPENSES				
Employee benefit expense	(i)	21,39,84,581	4,05,456	21,35,79,125
Finance costs		88,572	-	88,572
Depreciation and amortisation expense		28,14,379	-	28,14,379
Other expenses		9,60,67,191	(149)	9,60,67,340
Total Expenses		**31,29,54,723**	**4,05,307**	**31,25,49,416**
Profit before tax		**1,04,63,669**	**(4,05,307)**	**1,08,68,976**
Tax expense				
Current tax		34,43,923	-	34,43,923
Deferred tax	(i)	(4,30,702)	(1,25,286)	(3,05,416)
Total tax		**30,13,221**	**(1,25,286)**	**31,38,507**
Profit for the year		**74,50,448**	**(2,80,021)**	**77,30,469**
Other comprehensive income				
Items that will not be reclassified to the statement of profit or loss				
(a) Remeasurement of employee defined benefit plans	(i)	-	(4,05,456)	(4,05,456)
(b) Income tax on (i) above	(i)	-	1,25,286	1,25,286
Total Comprehensive Income		**74,50,448**	**(2,80,170)**	**74,50,299**

29.4 Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Notes	Year ended March 31, 2017 (Latest period presented under previous GAAP)
Profit as per previous GAAP		74,50,448
Adjustments:		
Remeasurement of the defined benefit plans	(i)	4,05,456
Tax adjustments	(i)	(1,25,286)
Others		(149)
Profit for the year as per Ind AS		**77,30,469**
Other comprehensive income for the year (net of tax)	(i)	2,80,170
Total comprehensive income under Ind AS		**74,50,299**

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

29.5 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2017

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

29.6 Notes

(i) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the defined benefit liability/asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in the Other Comprehensive Income under Ind AS.

(ii) Under previous GAAP, proposed dividends were recognised as a provision in the financial statements, even if declared after the balance sheet date. Under Ind AS, dividends are recognised when declared. This resulted in a timing difference and has been reflected in total equity of the relevant financial years.

(iii) Adjustments to retained earnings and other comprehensive income have been made in accordance with Ind AS for (i) & (ii) above.

(iv) Previous periods figures have been re-grouped / re-classified, where necessary to comply with Ind AS accounting.

30.1 Dividend

In respect of the current year, the directors propose that a dividend of Rs.0.50 per share be paid on equity shares on or before 23rd October 2018. 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 on the Register of Members on 24th September 2018. The total estimated equity dividend to be paid is Rs.25,25,100. The payment of this dividend is estimated to result in payment of dividend tax of Rs.5,14,051 @ 20.36% on the amount of dividends grossed up for the related dividend distribution tax.

Notes forming part of the Financial Statements for the year ended 31st March, 2018 (Consolidated)

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

Particulars	31 March, 2018 Amount in Rs.	31 March, 2017 Amount in Rs.
(i) Principal amount remaining unpaid to MSME suppliers as at the end of each accounting year	-	-
(ii) Interest due on unpaid principal amount to MSME suppliers as at the end of each accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on	-	-
(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.

30.3 Disclosure under Regulation 34 of SEBI (LODR) Regulations, 2015

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

30.4 Expenditure in foreign currency on account of:	31 March, 2018 Amount in Rs.	31 March, 2017 Amount in Rs.
Travel	4,08,978	3,29,896
Other administrative expenses	4,43,544	6,59,905
	8,52,522	**9,89,801**

30.5 Earnings in foreign exchange	31 March, 2018 Amount in Rs.	31 March, 2017 Amount in Rs.
Export of goods calculated on FOB basis	14,25,81,031	11,61,76,792

31 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, 2018:

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	8,51,87,537	41.06%	12,23,02,273	58.94%	20,74,89,810	100.00%
Share in profit or loss	1,11,22,699	79.86%	28,04,637	20.14%	1,39,27,336	100.00%
Share in other comprehensive income	(2,93,602)	100.00%	0	0.00%	(2,93,602)	100.00%
Share in total comprehensive income	1,08,29,097	79.43%	28,04,637	20.57%	1,36,33,734	100.00%

32 The financial statements of CG-VAK Software and Exports Limited were approved by the Board of Directors and authorised for issue on May 28, 2018.

CG-VAK SOFTWARE AND EXPORTS LIMITED

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

PROXY FORM

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

23rd ANNUAL GENERAL MEETING

Name of the Member(s)	:	
Registered Address	:	
Email Id	:	
Folio No. / DP ID & Client ID No.	:	

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

1. Name:...Address:...

   Email Id:... Signature:..or failing him/her

2. Name:...Address:...

   Email Id:... Signature:..or failing him/her

3. Name:...Address:...

   Email Id:... Signature:..

as my / our Proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 23rd Annual General Meeting of the Company to be held on Monday, 24th September, 2018 at 3.00 p.m at Ardra Hall, Kaanchan, 9, North Huzur Road, Coimbatore – 641 018 and at any adjournment thereof in respect of resolutions as are indicated below:

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

	Resolutions	For	Against
1.	Adoption of Audited Financial Statements of the Company for the financial year ended 31 March 2018.		
2.	Declaration of Dividend on Equity Shares of the Company.		
3.	Re-appointment of Mr.G. Suresh (DIN: 00600906) as a Director of the Company who retires by rotation.		
4	To ratify the appointment and to appoint N. C. Rajan & Co, Chartered Accountants (Firm Registration No: 003426S) Statutory Auditors of the Company for the remaining period.		

Signed this ……………………… day of ………………………… 2018

Affix

Revenue

Stamp of Re.1

Signature of the Shareholder: ………………………………………….

Signature of the Proxy holder(s): …………………………………..

Note: Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 171, Mettupalayam Road, Coimbatore - 641043, not less than 48 hours before the commencement of the Meeting. i.e. before 3.00 P.M on Saturday, the 23rd September, 2018.

CG-VAK SOFTWARE AND EXPORTS LIMITED

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

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

23rd ANNUAL GENERAL MEETING

I / We hereby record my presence at the 23rd Annual General Meeting of the Company at Ardra Hall, Kaanchan, 9, North Huzur Road, Coimbatore – 641 018 on Monday, the 24th September, 2018 at 3.00 p.m.

Member's Folio No./ DP ID / Client ID No.	
Member's/Proxy's Name (in Block Letters)	
No. of Shares held	
Member's/Proxy's Signature	

Note:
Please complete this attendance slip and hand it over at the entrance of the meeting hall.

To

M/s. S.K.D.C. Consultants Limited,
Unit : CG-VAK Software And Exports Limited
Kanapathy Towers, 3rd Floor
1391/A-1 Sathy Road, Ganapathy
Coimbatore 641 006.
e-mail: info@skdc-consultants.com

UPDATION OF E-MAIL ADDRESS AND BANK ACCOUNT DETAILS

*UPDATION OF E-MAIL ADDRESS :

E-mail ID :...

Tel.No./Mobile No. :...

BANK DETAILS :

Folio No./DP ID & Client ID No. :...

Name of Sole/ First Shareholder :...

Name of the Bank in Full & Branch :...

MICR Code :...

IFSC Code :...

Bank Account No. as appearing on the cheque leaf :...

Permanent Account Number (PAN) :...

(Enclosed a cancelled cheque for verification and updating bank mandate)

SPECIMEN SIGNATURE BLOCK :

First Holder Name :.. First Holder Signature :..

Second Holder Name :.. Second Holder Signature :..

Third Holder Name :.. Third Holder Signature :..

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/the RTA responsible. I/We undertake to inform any subsequent changes in the above particulars before the relevant Book closure/Record Date(s). I/We understand that, the above details shall be maintained by you till I/We hold the shares in the Company under the captioned Folio No./ DP ID & Client ID No.

Place :
Date :

....
Signature of Sole/First Holder

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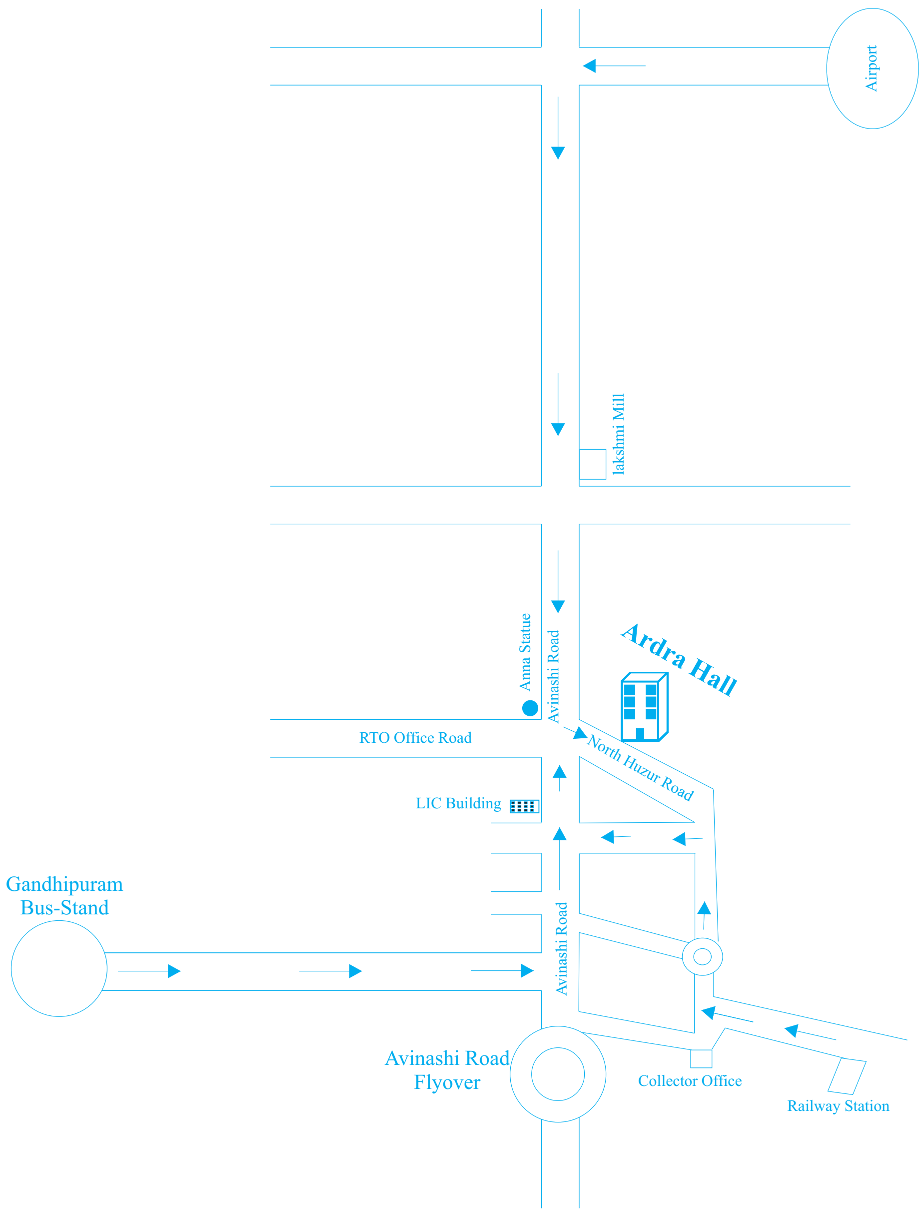

Route Map to Ardra Hall

CG-VAK™
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An ISO 9001 : 2008 Certified Company

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