



**22<sup>nd</sup> ANNUAL REPORT 2018-19**



**ACCOUNTANT'S COMPILATION REPORT**

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**BOARD OF DIRECTORS**

Mr.G.Suresh, B.E., M.B.A. Director & President

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

**REGISTERED OFFICE**

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

**CERTIFIED PUBLIC ACCOUNTANT**

Mr.L. Nagananda  
200, Middlesex-Essex Turnpike, Suite 302  
Iselin, NJ 08830-4700  
Tel. : 732-283-4700  
Fax : 732-283-4919

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## CG-VAK SOFTWARE USA INC.

1661, Tice Valley Blvd Ste 101,  
Walnut Creek, CA 94595

### DIRECTORS' REPORT

To

The Members of

**CG-VAK SOFTWARE USA INC.,**

Your Directors take great pleasure in presenting their 22nd Annual Report and Financial Statements of the Corporation for the period ended March 31, 2019.

#### **Review of Business**

During the year under review, your Company has achieved a turnover of \$2.50 million as against \$ 2.53 million in the previous year. The Company has achieved a net profit of \$0.018 million as against \$ 0.044 million in the previous year.

#### **Future Outlook**

The consulting service business is expected to be challenging and pricing pressure is expected to continue. Our strategy of providing consulting services on latest technology areas have started yielding good results .We are making best efforts in improving the performance in the current year.

#### **Financial Statements**

The financial statements for the period ending March 31, 2019 detailing the revenue and expenditure, asset and liabilities and the operational cash flow have been appended with Certified Public Accountant's Compilations Report.

The financial statements have also been converted to Indian Rupees (INR) on the basis of appropriate exchange rate and appended.

(By Order of the Board)  
for **CG-VAK SOFTWARE USA Inc.,**

May 14, 2019

G.Suresh  
**President**



**L. NAGANANDA**  
**CERTIFIED PUBLIC ACCOUNTANT**  
200 Middlesex-Essex Turnpike, Suite 302  
Iselin, NJ 08830-2033  
Tel.: 732-283-4700  
Fax: 732-283-4919

Member: AICPA

**Accountant's Compilation Report**

To The Shareholders of  
CG-VAK SOFTWARE USA INC  
1661 Tice Valley Blvd Ste 101  
Walnut Creek, CA 94595

Gentlemen

Management is responsible for the accompanying financial statements of CG-VAK SOFTWARE USA INC., which comprise the balance sheets as of March 31, 2019 and the related statements of income and supplementary information, changes in stockholders' equity, cash flows and for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

May 14, 2019, ISELIN, NJ

**L. NAGANANDA**

**BALANCE SHEET AS AT 31ST MARCH 2019**

	31.03.2019	
	USD	INR
<b><u>ASSETS</u></b>		
<b><u>CURRENT ASSETS</u></b>		
CASH IN BOOK	9,17,393	6,27,03,827
ACCOUNTS RECIEVABLE	6,87,130	4,69,65,362
PREPAID EXPENSES& Advances	2,20,621	1,50,79,370
<b><u>TOTAL CURRENT ASSETS</u></b>	<b>18,25,144</b>	<b>12,47,48,559</b>
<b>TOTAL NET FIXED ASSETS</b>	1,286	89,912
<b><u>OTHER ASSETS</u></b>		
DEPOSITS	5,966	4,07,743
<b>TOTAL ASSETS</b>	<b>18,32,396</b>	<b>12,52,46,214</b>
<b><u>LIABILITIES</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Accounts Payable & Acrued Expenses	1,47,128	1,00,56,204
<b><u>TOTAL CURRENT LIABILITIES</u></b>	<b>1,47,128</b>	<b>1,00,56,204</b>
<b><u>TOTAL LIABILITIES</u></b>	<b>1,47,128</b>	<b>1,00,56,204</b>
<b><u>COMMITMENT &amp; CONTINGENCY (Note 2)</u></b>		
<b><u>STOCK HOLDERS' EQUITY</u></b>		
Capital Stock	7,50,000	3,31,00,161
Retained Earnings including translation Reserve	9,35,268	8,20,89,849
<b>Stock Holders'Equity</b>	<b>16,85,268</b>	<b>11,51,90,010</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>18,32,396</b>	<b>12,52,46,214</b>

**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY AS AT MARCH 31,2019**

	Balance 04/01/2018		Net change during 2018-19		Balance 03/31/2019	
	USD	INR	USD	INR	USD	INR
AUTHORIZED CAPITAL 1000 COMMON SHARES NO PAR VALUE ISSUED 1000	7,50,000	3,31,00,161	0	0	7,50,000	3,31,00,161
COMMON SHARES NO PAR VALUE						
RETAINED EARNINGS (Includng Translation Reserve)	9,17,225	7,38,53,082	18,043	82,36,767	9,35,268	8,20,89,849
<b>TOTAL</b>	16,67,225	10,69,53,243	18,043	82,36,767	16,85,268	11,51,90,010

**SEE ACCOUNTANT'S COMPILATION REPORT & NOTES TO FINANCIAL STATEMENTS**

**STATEMENT OF INCOME & RETAINED EARNINGS  
FOR THE YEAR ENDED 31ST MARCH 2019**

	31.03.2019	
	USD	INR
Consulting fees	24,96,379	16,53,85,131
Operating Expenses (Schedule 1)	24,66,402	16,33,99,151
Gross Income	29,977	19,85,980
Provision for Income Taxes ( Note 3)	11,934	7,90,651
<b>NET INCOME</b>	<b>18,043</b>	<b>11,95,329</b>

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST MARCH 2019**

	31.03.2019	
	USD	INR
<b><u>INCREASE AND DECREASE IN CASH AND CASH EQUIVALANTS</u></b>		
<b><u>NET INCOME</u></b>	<b>18,043</b>	<b>11,95,329</b>
<b><u>ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>		
DEPRECIATION AND AMORTISATION	858	56,843
DECREASE<INCREASE> in Accounts Recievable	(76,904)	(52,56,406)
DECREASE<INCREASE> in Prepaid Expenses & Deposits	(15,311)	(10,46,510)
INCREASE<DECREASE> in Accounts payable & Accd Expenses	(92,120)	(62,96,384)
<b>Net cash provided by Operating Activites</b>	<b>(1,65,434)</b>	<b>(1,13,47,128)</b>
<b>Cash flows from Investing Activites</b>		
Purchase of Fixed Assets	(1,703)	(1,12,758)
<b>Cash flows from Financing Activites</b>		
Loan Borrowed <repaid>	0	0
<b>Net cash Provided by Fiancing Activites</b>	<b>0</b>	<b>0</b>
Net Increase (Decrease) in cash & cash Equilants	(1,67,137)	(1,14,59,886)
Cash and Cash Equilants at beginning of the year	10,84,530	7,41,63,713
<b>Cash and cash Equilants at end of the year</b>	<b>9,17,393</b>	<b>6,27,03,827</b>

**SEE ACCOUNTANT'S COMPILATION REPORT & NOTES TO FINANCIAL STATEMENTS**

**SCHEDULE-1**

	31.03.2019	
	USD	INR
<b><u>OPERATING EXPENSES</u></b>		
SALARY	16,07,410	10,64,90,913
PAYROLL TAXES & PAYROLL PROCESSING	1,21,529	80,51,274
EMPLOYEE BENEFITS	1,06,831	70,77,553
CONSULTING FEES	4,26,307	2,82,42,828
RENT & UTILITY	40,484	26,82,065
LEGAL & PROFESSIONAL	8,575	5,68,094
TELEPHONE & TELEX	34,167	22,63,589
OFFICE SUPPLIES & EXPENSES	7,722	5,11,553
TRAVEL	25,543	16,92,217
AUTOMOBILE EXPENSES	7,331	4,85,676
INSURANCE	17,110	11,33,537
OTHER EXPENSES	63,393	41,99,853
<b>TOTAL</b>	<b>24,66,402</b>	<b>16,33,99,152</b>





**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019**

**NOTE 1  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization :**

The Corporation is incorporated under the laws of the State of New Jersey.

**Revenue Recognition:**

Revenue and associated expenses are recorded on accrual basis.

**Accounts Receivable:**

Accounts receivable have been adjusted for all known uncollectible accounts.

**Fixed Assets:**

Fixed Assets are stated at cost. Expenditures which substantially increase estimated useful lives are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation or amortization are removed from the accounts and resulting gains or losses are included in operations. Depreciation for financial statement and income tax purposes is computed by the straight-line and accelerated methods respectively over the estimated useful lives of the respective assets.

**Cash Flows:**

For purposes of the statement of cash flows, the corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**NOTE 2  
COMMITMENTS AND CONTINGENCIES**

**Lease Obligations:**

The Corporation rents its office facilities under a non-cancellable operating lease which expires on March 31, 2020. The lease provides in part for the payment of contingent rentals based upon escalation of real estate taxes and certain operating expenses. Future minimum rental payments under the lease are as follows:

**2019-20 \$ 18,390**

**NOTE 3  
INCOME TAXES**

Income tax provision represents Federal and State Corporate Income and franchise taxes.

SEE ACCOUNTANT'S COMPILATION REPORT & NOTES TO FINANCIAL STATEMENTS.

**NOTE 4  
SUBSEQUENT EVENTS**

The Company has evaluated other subsequent events through May 14, 2019 the date which the financial statements were available to be issued. No reportable subsequent events have occurred through the issue date which would have a significant effect on the financial statements as of March 31, 2019 except as otherwise disclosed.

**NOTE 5  
TAX EXAMINATION**

There is no pending tax examination in any major tax jurisdiction for the year ended March 31, 2019 & prior year.



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