



CG-VAKTM
SOFTWARE (USA) Inc.



24th ANNUAL REPORT 2020-21



ACCOUNTANT'S COMPILATION REPORT

CONTENTS	PAGE NUMBER
Directors' Report	- 1
Accountant's Compilation Report	- 2
Balance Sheet	- 3
Statement of Income & Retained Earnings	- 4
Statement of Cash Flows	- 4
Notes to Financial Statements	- 6

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

VVV CPA PC
200, Middlesex-Essex Turnpike, Suite 302
Iselin, NJ 08830-2033
Tel. : 732-283-4700
Fax : 732-283-4919

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 24th Annual Report and Financial Statements of the Corporation for the period ended March 31, 2021.

Review of Business

During the year under review, your Company has achieved a turnover of \$2.02 million as against \$ 2.32 million in the previous year. The Company has achieved a net profit of \$ 0.013 million as against \$ 0.015 million in the previous year.

COVID-19

CG-VAK ensured the safety and security of all its employees by enabling them to work from home and thereby continued its services to the customers. Currently almost all the employees are working from home.

Future Outlook

Business scenario worldwide is undergoing rapid change and disruption due to COVID-19. The consulting service business is expected to be challenging due to travel restrictions and visa issues. Our strategy of providing consulting services on latest technology areas is 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, 2021 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 25, 2021

G.Suresh
President



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Accountant's Compilation Report

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

Management is responsible for the accompanying financial statements of CG-VAK SOFTWARE USA INC., which comprise the balance sheet as of March 31, 2021 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 a compilation engagement 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.

ISELIN, NJ
May 25, 2021

VVV CPA PC

BALANCE SHEET AS AT 31ST MARCH 2021

	31.03.2021	
	USD	INR
ASSETS		
CURRENT ASSETS		
Cash in Bank (Note 1)	7,91,955	5,67,03,996
Accounts Receivable (Note 1)	4,43,746	3,17,72,237
Prepaid Expenses and other Current Assets	5,90,134	4,22,53,589
TOTAL CURRENT ASSETS	18,25,835	13,07,29,822
TOTAL NET FIXED ASSETS	1,940	1,38,043
OTHER ASSETS		
Deposits	5,966	4,27,131
TOTAL ASSETS	18,33,741	13,12,94,996
CURRENT LIABILITIES		
Accounts Payable & Accrued Expenses	1,22,300	87,56,648
TOTAL CURRENT LIABILITIES	1,22,300	87,56,648
TOTAL LIABILITIES	1,22,300	87,56,648
COMMITMENT & CONTINGENCY (Note 2)		
STOCK HOLDERS' EQUITY		
Capital Stock	7,50,000	3,31,00,161
Retained Earnings including translation Reserve	9,61,441	8,94,38,187
STOCKHOLDERS' EQUITY	17,11,441	12,25,38,348
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	18,33,741	13,12,94,996

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY AS AT MARCH 31,2021

	Common Stock			Retained earnings		Total Stockholders' equity	
	Number of Shares	USD	INR	USD	INR	USD	INR
Balance as at March 31,2020	750	750,000	3,31,00,161	9,50,293	8,86,23,504	17,00,293	12,17,23,665
Distributions				13,441	9,78,862	13,441	9,78,862
Net Income				(2,293)	(1,64,179)	(2,293)	(1,64,179)
Prior period Adjustment (Note 4)							
TOTAL		750,000	3,31,00,161	9,61,441	8,94,38,187	17,11,441	12,25,38,348

SEE ACCOUNTANT'S COMPILATION REPORT & NOTES TO FINANCIAL STATEMENTS

**STATEMENT OF INCOME & RETAINED EARNINGS
FOR THE YEAR ENDED 31ST MARCH 2021**

	31.03.2021	
	USD	INR
Consulting fees	20,17,325	14,69,11,727
Interest Income	8,635	6,28,834
TOTAL INCOME	20,25,960	14,75,40,561
Operating Expenses (Schedule 1)	20,06,122	14,60,95,837
NET INCOME FROM OPERATIONS	19,838	14,44,724
Provision for Income Taxes (Note 3)	6,397	4,65,862
NET INCOME	13,441	9,78,862

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021**

	31.03.2021	
	USD	INR
NET INCOME	13,441	9,78,862
<u>ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
DEPRECIATION AND AMORTISATION	847	61,683
DECREASE<INCREASE> IN Accounts Receivable	73,614	52,70,739
DECREASE<INCREASE> IN Prepaid Expenses & Other Current Assets	2,65,523	1,90,11,418
Increase(Decrease> in Accounts payable & Accrued Expenses	(49,624)	(35,53,007)
Increase(Decrease> in other current liabilities	0	
Total Adjustments	2,90,360	
Net cash provided by Operating Activites	3,03,801	2,17,69,695
Cash flows from Investing Activites		
Purchase of Fixed Assets & Depreciation	0	0
Cash flows from Financing Activites		
Loan Borrowed <repaid>	0	0
Net cash Provided by Finanacing Activites	0	0
Net Increase (Decrease) in cash & cash Equivalents	3,03,801	2,17,69,695
Cash and Cash Equivalents at beginning of the year	4,88,154	3,49,34,301
Cash and cash Equivalents at end of the year (Note 1)	7,91,955	5,67,03,996

SEE ACCOUNTANT'S COMPILATION REPORT & NOTES TO FINANCIAL STATEMENTS

SCHEDULE-1

	31.03.2021	
	USD	INR
<u>OPERATING EXPENSES</u>		
SALARY	1,416,734	10,31,73,669
PAYROLL TAXES & PAYROLL PROCESSING	1,14,547	83,41,849
EMPLOYEE BENEFITS	88,184	64,22,015
CONSULTING FEES	2,21,893	1,61,59,366
RENT & UTILITY	18,490	13,46,559
LEGAL & PROFESSIONAL	8,802	6,41,006
TELEPHONE & TELEX	18,846	13,72,473
OFFICE SUPPLIES & EXPENSES	13,211	9,62,058
TRAVEL	190	13,838
AUTOMOBILE EXPENSES	10,059	7,32,541
INSURANCE	24,512	17,85,108
DEPRECIATION	847	61,683
OTHER EXPENSES	69,807	50,83,672
TOTAL	20,06,122	14,60,95,837



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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

RECENT ACCOUNTING PRONOUNCEMENTS

On February 25, 2016, FASB issued Accounting Standards Update (ASU) No.2016-02, Leases (Topic 842). The objective of this ASU is to increase transparency and comparability in financial reporting by requiring balance sheet recognition of leases and note disclosure of certain information about lease arrangements.

In June 2020, FASB issued ASU No.2020-05, Revenue from Contracts with Customers (Topic 606) and leases (Topic 842) effective dates for certain entities, which, among other provisions, deferred the effective dates for applying ASC 842 for certain not-for-profit entities that have not yet issued financial statements or made financial statements available for issuance as of June 3, 2020. The ASU also deferred the effective date for applying ASC 842 by one year for entities within the "all other entities" category. ASU No.2020-05 also deferred the effective dates for applying ASC 606 for certain entities.

The company plans to adopt ASC 842 for the year ended March 31, 2022.

NOTE 3

COMMITMENTS AND CONTINGENCIES

Lease Obligations:

The Corporation rents its office facilities under a non-cancelable operating lease which expires on March 31, 2022. The lease is subject to renewal annually. 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:

2020-21 : \$ 18,360

NOTE 4

PRIOR PERIOD ADJUSTMENT

An adjustment of retained earnings in the amount of \$2,293 was posted by the company during the year to correctly present the financial statement.



NOTE 5

INCOME TAXES

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

NOTE 6

ESTIMATE OF UNCERTAINTY RELATING TO COVID-19

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

NOTE 7

SUBSEQUENT EVENTS

The Company has evaluated other subsequent events through May 25, 2021 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, 2021 except as otherwise disclosed.

NOTE 6

TAX EXAMINATION

There is no pending tax examination in any major tax jurisdiction for the year ended March 31, 2021.



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