



21st ANNUAL REPORT 2017-18



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

Mr.L. Nagananda
200, Middlesex-Essex Turnpike, Suite 302
Iselin, NJ 08830-4700
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 21st Annual Report and Financial Statements of the Corporation for the period ended March 31, 2018.

Review of Business

During the year under review, your Company has achieved a turnover of \$2.53 million as against \$ 3.22 million in the previous year. The Company has achieved a net profit of \$0.044 million as against \$ 0.059 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, 2018 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 15, 2018

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, 2018 and the related statements of income, 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 15, 2018, ISELIN, NJ

**BALANCE SHEET AS AT 31ST MARCH 2018**

	31.03.2018	
	USD	INR
<u>ASSETS</u>		
<u>Current assets</u>		
Cash in Book	10,84,530	6,95,72,595
Accounts Receivable	6,10,226	3,91,46,006
Prepaid Expenses & Advances	2,05,309	1,31,70,563
Total Current Assets	19,00,065	12,18,89,164
Total Net Fixed Assets	442	30,422
<u>Other Assets</u>		
Deposits	5,966	3,82,687
Total Assets	19,06,473	12,23,02,273
<u>Liabilities</u>		
<u>Current Liabilities</u>		
Accounts Payable & Accrued Expenses	2,39,248	1,53,49,030
Total Current Liabilities	2,39,248	1,53,49,030
Total Liabilities	2,39,248	1,53,49,030
<u>Commitment & Contingency (note 2)</u>		
<u>Stock Holders' Equity</u>		
Capital Stock	7,50,000	3,31,00,161
Retained Earnings (Including Translation Reserve)	9,17,225	7,38,53,082
Stockholders' Equity	16,67,225	10,69,53,243
Total Liabilities & Stock Holders' Equity	19,06,473	12,23,02,273

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY AS AT MARCH 31,2018

	Balance 04/01/2017		Net Change during 2017		Balance 03/31/2018	
	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 (Including Translation Reserve)	8,73,622	7,16,25,419	43,603	22,27,663	9,17,225	7,38,53,082
TOTAL	16,23,622	10,47,25,580	43,603	22,27,663	16,67,225	10,69,53,243

SEE ACCOUNTANT'S COMPILATION REPORT & NOTES TO FINANCIAL STATEMENTS

**STATEMENT OF INCOME & RETAINED EARNINGS
FOR THE YEAR ENDED 31ST MARCH 2018**

	31.03.2018	
	USD	INR
Consulting fees	25,25,525	16,24,54,383
Operating Expenses (Schedule 1)	24,65,789	15,86,11,862
Gross Income	59,736	38,42,521
Provision for Income Taxes (Note 3)	16,135	10,37,884
Net Income	43,601	28,04,637

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2018**

	31.03.2018	
	USD	INR
INCREASE AND DECREASE IN CASH AND CASH EQUIVALENTS		
NET INCOME	43,601	28,04,637
<u>ADJUSTMENTS TO RECONCILE</u>		
<u>NET INCOME TO NET CASH</u>		
<u>PROVIDED BY OPERATING ACTIVITIES</u>		
DEPRECIATION AND AMORTISATION	295	18,976
DECREASE<INCREASE> IN		
Accounts Receivable	2,27,874	1,46,18,109
DECREASE<INCREASE> IN		
Prepaid Expenses & Deposits	12,261	7,86,520
Increase<Decrease> in		
Accounts payable & Accd Expenses	6,692	4,29,280
Net cash provided by Operating Activites	2,90,723	1,86,57,522
Cash flows from Investing Activites		
Purchase of Fixed Assets	0	0
Cash flows from Financing Activites		
Loan Borrowed <repaid>	0	0
Net cash Provided by Financing Activites	0	0
Net Increase (Decrease) in cash & cash Equilants	2,90,723	1,86,57,522
Cash and Cash Equilants at beginning of the year	7,93,807	5,09,15,073
Cash and cash Equilants at end of the year	10,84,530	6,95,72,595

SEE ACCOUNTANT'S COMPILATION REPORT & NOTES TO FINANCIAL STATEMENTS

SCHEDULE-1

	31.03.2018	
	USD	INR
<u>OPERATING EXPENSES</u>		
SALARY	14,52,769	9,34,49,355
PAYROLL TAXES & PAYROLL PROCESSING	1,15,135	74,06,056
EMPLOYEE BENEFITS	1,21,130	77,91,669
CONSULTING FEES	5,66,117	3,64,15,498
RENT & UTILITY	39,384	25,33,376
LEGAL & PROFESSIONAL	51,801	33,32,099
TELEPHONE & TELEX	35,213	22,65,048
OFFICE SUPPLIES & EXPENSES	11,630	7,48,123
TRAVEL	21,812	14,03,030
INTEREST	622	40,015
AUTOMOBILE EXPENSES	10,421	6,70,335
OTHER EXPENSES	39,755	25,57,258
TOTAL	24,65,789	15,86,11,862

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018**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, 2019. 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:

2018-2019 \$ 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 15, 2018 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, 2018 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, 2018 & prior year.



1661, Tice Valley Blvd,
Suite#101, Walnut Creek,
California – 94595