

19th Annual Report 2015-16





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



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 19th Annual Report and Financial Statements of the Corporation for the period ended March 31, 2016.

Review of Business

During the year under review, your Company has achieved a turnover of \$4.00 million as against \$ 4.65 million in the previous year. The Company has achieved a net profit of \$0.081 million as against \$ 0.103 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, 2016 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, 2016

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, 2016 and the related statements of income, changes in stockholders' equity, and cash flows for the years 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 AICIPA. 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.

May 14, 2016

BALANCE SHEET AS AT 31ST MARCH 2016

	31.03.2016	
	USD	INR
<u>ASSETS</u>		
<u>Current Assests</u>		
Cash in Book	7,21,914	4,79,35,084
Accounts Receivable	11,52,314	7,65,13,619
Prepaid Expenses & Deferred Costs	2,30,119	1,52,79,911
Total Current Assets	21,04,347	13,97,28,614
Total Net Fixed Assests	1,228	81,533
<u>Other Assets</u>		
Deposits	8,460	5,61,778
Total Assets	21,14,035	14,03,71,925
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable & Accrued Expenses	5,49,102	3,64,60,395
Total Current Liabilities	5,49,102	3,64,60,395
Total Liabilities	5,49,102	3,64,60,395
Commitment and Contingencies (Note 2)		
<u>Stock Holder's Equity</u>		
Capital Stock	7,50,000	3,31,00,161
Retained Earnings	8,14,933	7,08,11,369
Stock Holder's Equity	15,64,933	10,39,11,530
Total Liabilities & Stock Holder's Equity	21,14,035	14,03,71,925

SEE ACCOUNTANT'S COMPILATION REPORT & NOTES TO FINANCIAL STATEMENTS

**STATEMENT OF INCOME & RETAINED EARNINGS
FOR THE YEAR ENDED 31ST MARCH 2016**

	31.03.2016	
	USD	INR
Consulting fees	40,00,090	25,68,05,778
Operating Expenses (Schedule 1)	38,84,620	24,93,92,590
Gross Income	1,15,470	74,13,188
Provision for Income Taxes (Note 3)	34,520	22,16,203
Net Income	80,950	51,96,985
Retained Earnings at the beginning of the year	7,33,983	6,56,14,384
Retained Earnings at the end of the year	8,14,933	7,08,11,369

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2016**

	31.03.2016	
	USD	INR
INCREASE AND DECREASE IN CASH AND CASH EQUIVALENTS		
NET INCOME	80,950	51,96,985
<u>ADJUSTMENTS TO RECONCILE</u>		
<u>NET INCOME TO NET CASH</u>		
<u>PROVIDED BY OPERATING ACTIVITIES</u>		
DEPRECIATION AND AMORTISATION	307	19,709
DECREASE<INCREASE> IN		
Accounts Receivable	82,535	54,80,311
DECREASE<INCREASE> IN		
Prepaid Expenses & Deposits	(84,878)	(56,35,895)
Increase(Decrease> in		
Accounts payable & Accrued Expenses	3,41,33	22,66,424
Net cash provided by Operating Activites	1,13,047	73,27,534
Cash flows from Investing Activites		
Purchase of Fixed Assets	1,535	1,01,918
Cash flows from Financing Activities		
Loan Borrowed <repaid>	0	0
Net cash Provided by Fianacing Activites	0	0
Net Increase (Decrease) in cash & cash Equilants	1,11,512	72,25,616
Cash and Cash Equilants at beginning of the year	6,10,402	4,07,09,468
Cash and cash Equilants at end of the year	7,21,914	4,79,35,084

SEE ACCOUNTANT'S COMPILATION REPORT & NOTES TO FINANCIAL STATEMENTS

SCHEDULE-1

	31.03.2016	
	USD	INR
<u>OPERATING EXPENSES</u>		
Salary	19,66,646	12,62,58,701
Payroll Taxes & Payroll Processing	1,62,330	1,04,21,603
Visa Processing Professional Fee	48,845	31,35,849
Employee Benefits	8,064	5,17,700
Consulting Fees	13,59,157	8,72,57,903
Marketing Expenses	14,089	9,04,520
Rent & Utility	37,659	24,17,708
Legal & Professional	9,450	6,06,690
Telephone & Telex	31,754	20,38,585
Office Supplies & Expenses	16,496	10,59,068
Internet & Website	270	17,303
Insurance	1,78,929	1,14,87,266
Travel	34,015	21,83,793
Bank Charges	1,009	64,758
Postage	1,335	85,713
Computer Services & Supplies	8,072	5,18,246
Depreciation	307	19,709
Cleaning	6,191	3,97,474
TOTAL	38,84,620	24,93,92,590



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

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 purchases 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, 2017. 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:

2016-2017 \$ 38,000

NOTE 3
INCOME TAXES

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



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