

18th Annual Report 2014-15





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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 18th Annual Report and Financial Statements of the Corporation for the period ended March 31, 2015.

Review of Business

During the year under review, your Company has achieved a turnover of \$4.649 million as against \$ 3.935 million in the previous year. The Company has achieved a net profit of \$0.103 million as against \$ 0.088 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, 2015 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, 2015

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

We have compiled the accompanying balance sheet of CG-VAK SOFTWARE USA INC. as of March 31, 2015, and the related statements of income, retained earnings, and cash flows for the year then ended. A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide assurance about whether the financial statements are in accordance with the accounting principles generally accepted in the United States of America.

Management is responsible for preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements.

Our responsibility is to conduct the compilation in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

May 14, 2015

BALANCE SHEET AS AT 31ST MARCH 2015

	31.03.2015	
	USD	INR
<u>ASSETS</u>		
<u>Current Assests</u>		
Cash in Book	6,10,402	3,78,44,944
Accounts Receivable	12,34,848	7,65,60,598
Prepaid Expenses & Deferred Costs	1,45,241	90,04,955
Total Current Assets	19,90,491	12,34,10,497
Total Net Fixed Assests	0	0
<u>Other Assets</u>		
Deposits	8,461	5,24,552
Total Assets	19,98,952	12,39,35,049
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable & Accrued Expenses	5,14,969	3,19,28,118
Loan payable	0	0
Total Current Liabilities	5,14,969	3,19,28,118
Total Liabilities	5,14,969	3,19,28,118
Commitment and Contingencies (Note 2)		
<u>Stock Holder's Equity</u>		
Capital Stock	7,50,000	3,54,80,000
Retained Earnings	7,33,983	5,65,26,931
Stock Holder's Equity	14,83,983	9,20,06,931
Total Liabilities & Stock Holder's Equity	19,98,952	12,39,35,049

SEE ACCOUNTANT'S COMPILATION REPORT & NOTES TO FINANCIAL STATEMENTS

**STATEMENT OF INCOME & RETAINED EARNINGS
FOR THE YEAR ENDED 31ST MARCH 2015**

	31.03.2015	
	USD	INR
Consulting fees	46,49,168	28,53,65,961
Operating Expenses (Schedule 1)	44,85,365	27,53,11,733
Gross Income	1,63,803	1,00,54,228
Provision for Income Taxes (Note 3)	60,612	37,20,337
Net Income	1,03,191	63,33,891
Retained Earnings at the beginning of the year	6,30,792	5,01,93,040
Retained Earnings at the end of the year	7,33,983	5,65,26,931

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2015**

	31.03.2015	
	USD	INR
INCREASE AND DECREASE IN CASH AND CASH EQUIVALENTS		
NET INCOME	1,03,191	63,33,893
<u>ADJUSTMENTS TO RECONCILE</u>		
<u>NET INCOME TO NET CASH</u>		
<u>PROVIDED BY OPERATING ACTIVITIES</u>		
DEPRECIATION AND AMORTISATION	0	0
DECREASE<INCREASE> IN		
Accounts Recievable	1,50,792	93,49,134
DECREASE<INCREASE> IN		
Prepaid Expenses & Deposits	31,083	19,27,150
Increase(Decrease> in		
Accounts payable & Accrued Expenses	5,412	3,35,543
Net cash provided by Operating Activites	2,90,478	1,79,45,720
Cash flows from Investing Activites		
Purchase of Fixed Assets	0	0
Cash flows from Financing Activities		
Loan Borrowed <repaid>	(35,172)	(2,180,686)
Net cash Provided by Fianacing Activites	(35,172)	(2,180,686)
Net Increase (Decrease) in cash & cash Equilants	2,55,306	1,57,65,034
Cash and Cash Equilants at beginning of the year	3,55,096	2,20,79,910
Cash and cash Equilants at end of the year	6,10,402	3,78,44,944

SEE ACCOUNTANT'S COMPILATION REPORT & NOTES TO FINANCIAL STATEMENTS

SCHEDULE-1

	31.03.2015	
	USD	INR
<u>OPERATING EXPENSES</u>		
Salary	21,08,942	12,94,46,885
Payroll Taxes & Payroll Processing	1,73,970	1,06,78,265
Visa Processing Professional Fee	55,335	33,96,462
Employee Benefits	1,99,749	1,22,60,563
Consulting Fees	17,48,344	10,73,13,361
Marketing Expenses	38,425	23,58,512
Rent & Utility	38,234	23,46,803
Legal & Professional	200	12,276
Telephone & Telex	24,364	14,95,474
Office Supplies & Expenses	16,508	10,13,246
Internet & Website	1,207	74,091
Insurance	20,611	12,65,127
Travel	47,471	29,13,753
Bank Charges	1,227	75,331
Postage	1,625	99,715
Interest	2,203	1,35,190
Computer Services & Supplies	1,108	68,019
Depreciation	0	0
Cleaning	5,842	3,58,660
TOTAL	44,85,365	27,53,11,733



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

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, 2015. 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:

2015-2016 \$ 18,390

NOTE 3
INCOME TAXES

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



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