

# **ANNUAL REPORT**

## **2017-18**

### **AYURVEDIC ACADEMY INC.**

**691 S, Milpitas Blvd Suite 206,**

**MILPITAS, CA 95035, USA**

**Tel: +1-888-275-9103 Fax: +1-510-257-4378**

**E-mail: [accounts@ayurvedaonline.com](mailto:accounts@ayurvedaonline.com)**

**Website: [www.ayurvedaacademy.com](http://www.ayurvedaacademy.com)**

## **AYURVEDIC ACADEMY INC.**

### **BOARD OF DIRECTORS**

CHAIRMAN

: Mr. Ramesh Vangal

DIRECTORS

: Mr. Anand Subramanian

REGISTERED OFFICE

: 691 S, Milpitas Blvd, Suite#206  
Milpitas, CA 95035,  
USA

ADMIN OFFICE

: 3876 Bridge Way N., Suite 300,  
Seattle, WA 98103

BANKERS

: WELLS FARGO BANK.

## **DIRECTORS' REPORT**

Your directors have pleasure in presenting the 12<sup>th</sup> Annual Report on the business and operations of your company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2018. While audit is not mandated in US for small enterprises, your company has got the accounts audited for the purpose of consolidation of its accounts with its parent company in accordance with the statutory requirements in India.

### **Financial Results**

During the year under review, your company has achieved a turnover of \$ 1,144,133 (previous year \$ 875,018) and recorded a Profit of \$ 171,619 (Previous year Profit \$19,497) for the year, before providing tax. During the year, the company has aggressively promoted distance learning and presently operates centers at Seattle, Milpitas and Los Angeles in the US. The company is making all efforts to improve the performance in the coming year.

### **Acknowledgements**

Your Directors wish to place on record the continued co-operation and support received from Bankers, employees, government departments, customers.

On behalf of the Board of Directors  
Ayurvedic Academy Inc.

  
RAMESH VANGAL  
Chairman

Date: May 4, 2018

**AYURVEDIC ACADEMY INC.**  
691 S Milpitas Blvd Ste 206, Milpitas, CA 95035

Balance Sheet as at March 31, 2018

STOCKHOLDERS EQUITY AND LIABILITY	Schedules	As on March 31, 2018		As on March 31, 2017	
		Amount in USD		Amount in USD	
Stockholders Equity					
Common Stock					
100 shares of common stock with no par value					
Stockholders Equity					
Retained Earnings		(\$1,365,224)		(\$1,536,843)	
Advance from Stockholder		\$1,744,000		\$2,397,000	
<b>Total Stockholders' Equity</b>			\$378,776		\$860,157
Long Term Liabilities					
Unsecured Loans	2	\$ 390,468	\$ 390,468	\$ 344,997	\$ 344,997
Current Liabilities					
Accounts Payable	3	\$ 92,945		\$ 163,875	
Advances Received		\$ 454,641	\$ 547,586	\$ 390,223	\$ 554,098
<b>Total Liabilities &amp; Stockholders' Equity</b>			<b>\$1,316,831</b>		<b>\$1,759,252</b>
<b>ASSETS</b>					
Fixed Assets	4				
Gross Block		\$ 254,783		\$ 254,583	
Less :- Depreciation		\$ 213,899		\$ 194,364	
<b>Net Block</b>			\$ 40,884		\$ 60,219
Loans & Advances	5		\$ 418,159		\$ 857,714
Current Assets					
Cash and Bank Balance	6	\$22,972		\$17,343	
Inventory		\$ 40,151		\$ 34,667	
Accounts Receivable & Advance for Purchase		\$ 794,666		\$ 789,309	
			\$857,789		\$841,319
<b>Total Assets</b>			<b>\$1,316,831</b>		<b>\$1,759,252</b>

Schedules 1 to 12 form an integral part of this statement

In terms of our report attached.

For NDS & Co.,

Chartered Accountants

FRN: 0098045

Sanjay Shreesha, B com, FCA

Partner

Membership No. 206099

Place: Bengaluru

Date: May 4, 2018



On behalf of Board of Directors

For AYURVEDIC ACADEMY INC.

*R. Vangal*  
Ramesh Vangal  
Chairman



**AYURVEDIC ACADEMY INC.**  
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Profit & Loss Account for the year ended as on March 31, 2018

Particulars	Schedules	2017-18		2016-17	
		Amount In USD		Amount In USD	
<b>Revenues</b>					
Tuition fee	7	\$ 859,390		\$ 622,860	
Clinic Service Income		\$ 284,743		\$ 252,158	
Other Income					
<b>Total Revenues</b>			\$ 1,144,133		\$ 875,018
<b>Cost of Goods Sold</b>	8		\$ 309,866		\$ 263,833
<b>Gross Profit</b>			\$834,267		\$611,184
<b>Expenses</b>					
Staff Cost	9	\$ 385,151		\$ 334,798	
Administrative Expenses	10	\$ 190,173		\$ 210,541	
Selling & Distribution Expenses	11	\$ 62,008		\$ 32,052	
Financial Charges	12	\$ 5,780		\$ 6,105	
Amortization & Depreciation	4	\$ 19,535		\$ 8,192	
<b>Sub Total</b>			\$662,648		\$591,687
<b>Net Income</b>			\$171,619		\$19,497
Income Tax Provision/Estimate					
Deficit Carried to Balance Sheet			\$171,619		\$19,497
Retained Earning Previous Years			(\$1,536,843)		(\$1,556,340)
<b>Retained Earning Transferred to Balance Sheet</b>			(\$1,365,224)		(\$1,536,843)

Schedules 1 to 12 form an integral part of this statement  
In terms of our report attached.

For NDS & Co.,  
Chartered Accountants  
FRN: 0098045



Sanjay Shreesha, B com, FCA  
Partner  
Membership No. 206099

Place: Bengaluru  
Date: May 4, 2018

On behalf of Board of Directors  
For AYURVEDIC ACADEMY INC.

*R. Vangal*  
Ramesh Vangal  
Chairman

## **AYURVEDIC ACADEMY INC.**

### **Schedule 1-Significant Accounting Policies**

- 1.1 Basis for preparation of financial statements and method of accounting  
The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with policies generally accepted in India including Accounting Standards issued by the Institute of Chartered Accountants of India.  
  
The financial statements are presented in USD which is the company's functional currency. All financial information is presented in USD unless otherwise stated.
- 1.2 Use of estimates  
The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from estimates.
- 1.3 Revenue Recognition  
Sales are net of rebate, discount, Taxes. Treatment income & consulting charges is recognized on completion of each service & consultation.
- 1.4 Inventories  
Raw materials, consumables and work-in-progress are valued at cost or net realizable value, whichever is lower.
- 1.5 Fixed Assets
  - a) Fixed assets are stated at cost less depreciation. Cost includes expenses related to acquisition and installation of fixed assets.
  - b) Depreciation is charged on Straight Line Method at the rates based on management's estimates of useful life.
- 1.6 Previous year figures have been re-grouped/ re-classified wherever necessary to correspond with current year classification/disclosure.



# AYURVEDIC ACADEMY INC.

691 S, Milpitas Blvd Ste 206, Milpitas, CA 95035

## Schedules to Balance sheet as on March 31, 2018

Schedule -2 Unsecured Loan	As on March 31, 2018	As on March 31, 2017
Ayurvedagram Heritage Wellness Centre	\$ 88,235	\$ 63,545
Kerala Ayurveda India	\$ 278,758	\$ 248,910
Credit Card	\$ 23,475	\$ 32,541
<b>Total</b>	<b>\$ 390,468</b>	<b>\$ 344,997</b>

Schedule - 3 Current Liabilities	As on March 31, 2018	As on March 31, 2017
<b>Accounts Payable</b>		
for Services and supplies	\$ 43,948	\$ 23,537
For Payroll and Staff Dues	\$ 48,997	\$ 140,338
<b>Total</b>	<b>\$ 92,945</b>	<b>\$ 163,875</b>
<b>Advances Received</b>		
Advance Tution Fee	\$ 391,211	\$ 302,818
Advance for India Intensive program	\$ 14,008	\$ 3,300
Advance for Workshop	\$ 49,423	\$ 84,105
<b>Total</b>	<b>\$ 454,641</b>	<b>\$ 390,223</b>

Schedule -5 Loans and Advances	As on March 31, 2018	As on March 31, 2017
Deposits	\$ 33,719	\$ 5,050
Advances to Others	\$ 384,440	\$ 852,664
<b>Total</b>	<b>\$ 418,159</b>	<b>\$ 857,714</b>

Schedule -6 Current Assets	As on March 31, 2018	As on March 31, 2017
<b>Cash and Bank Balance</b>		
Wells Fargo(Sea)-7758102136	\$ 10,862	\$ 11,120
Cash in Hand	\$ 165	\$ 10
Credit Card Collection Visa/MC FC	\$ 2,895	\$ 2,203
Credit Card Collection Visa/MC	\$ 9,050	\$ 3,514
Cash Collections Fund		\$ 496
<b>Total</b>	<b>\$22,972</b>	<b>\$17,343</b>
<b>Accounts Receivable</b>		
Tution fee receivable	\$ 12,153	\$ 6,797
<b>Inventory</b>	<b>\$ 40,151</b>	<b>\$ 34,667</b>

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Schedule - 4 - FIXED ASSETS forming part of the Balance Sheet as at March 31, 2018

Particulars	Percentage (SLM)	GROSS BLOCK			DEPRECIATION			Net Block	
		Cost as on March 31, 2017	Additions / Deletions	Cost as on March 31, 2018	Upto March 31, 2017	For the Period	Upto March 31, 2018	As on March 31, 2018	As on March 31, 2017
Office Equipment	14%	\$ 1,848		\$ 1,848	\$ 1,848		\$ 1,848	\$ -	\$ -
Computer	30%	\$ 4,043	\$ 200	\$ 4,243	\$ 3,176	\$ 301	\$ 3,477	\$ 766	\$ 867
Intangible Asset		\$ -		\$ -	\$ -		\$ -	\$ -	\$ -
Project Expenses-1	20%	\$ 130,431		\$ 130,431	\$ 130,431		\$ 130,431	\$ -	\$ -
Moodle	20%	\$ 28,659		\$ 28,659	\$ 28,659		\$ 28,659	\$ -	\$ -
Content Development	20%	\$ 63,352		\$ 63,352	\$ 10,562	\$ 12,672	\$ 23,235	\$ 40,117	\$ 52,790
Fremont Buildout	20%	\$ 26,250		\$ 26,250	\$ 19,688	\$ 6,562	\$ 26,250	\$ -	\$ 6,562
<b>Total</b>		<b>\$ 254,583</b>	<b>\$ 200</b>	<b>\$ 254,783</b>	<b>\$ 194,364</b>	<b>\$ 19,535</b>	<b>\$ 213,899</b>	<b>\$ 40,884</b>	<b>\$ 60,219</b>

Amount in USD



# AYURVEDIC ACADEMY INC.

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Schedules to Profit and Loss Account for the period April 1, 2017 to March 31, 2018

Schedule -7 Revenue	FY 2017-18	FY 2016-17
Registration Fee	\$ 12,790	\$ 6,200
Tuition fee on Regular Classes	\$ 351,194	\$ 246,994
Tuition fee on Distance Learning	\$ 280,069	\$ 233,809
India Intensive Programme	\$ 92,150	\$ 2,968
ICS/Bundle and Mis.Income	\$ 995	\$ 5,700
Work Shop Panchkama Classes	\$ 122,193	\$ 127,188
Clinic Service Income	\$ 146,236	\$ 123,161
Product Sales	\$ 138,507	\$ 128,996
<b>Total</b>	<b>\$ 1,144,133</b>	<b>\$ 875,018</b>

Schedule -8 Cost of Goods Sold	FY 2017-18	FY 2016-17
Faculty Travel & Meals	\$ 13,987	\$ 25,034
Instructors Honorarium	\$ 33,383	\$ 50,950
India Intensive Cost	\$ 51,840	
Sublease	\$ 6,400	
Classroom Rent	\$ 4,437	\$ 6,322
Academy Materials Supplies	\$ 2,480	\$ 5,308
Service provider Fee	\$ 54,116	\$ 40,519
Clinic Consumables and Supplies	\$ 3,873	\$ 11,350
Product Consumption	\$ 73,860	\$ 71,160
Laundry Service	\$ 8,449	\$ 6,912
Class coordinator/mentor fee	\$ 12,072	\$ 14,554
Credit Card Merchant Fee	\$ 44,970	\$ 31,723
<b>Total</b>	<b>\$ 309,866</b>	<b>\$ 263,833</b>

Schedule -9 Staff Cost	FY 2017-18	FY 2016-17
Staff cost Allocation	\$ 339,719	\$ 309,353
Workmens' Compensation Fund	\$ 2,924	\$ 1,209
Employee Medical	\$ 10,140	\$ 8,400
Employer Payroll Taxes	\$ 32,368	\$ 15,835
<b>Total</b>	<b>\$ 385,151</b>	<b>\$ 334,798</b>

<b>Schedule -10 Administrative Expenses</b>	<b>FY 2017-18</b>	<b>FY 2016-17</b>
Independent Contractor	\$ 10,250	\$ 56,445
Computer & Internet Exp	\$ 5,594	\$ 4,559
Printing and Reproduction	\$ 8,436	\$ 10,006
Licenses & Permits	\$ 5,098	\$ 10,508
Meals & Entertainment	\$ 343	\$ 211
Office Expenses	\$ 29	\$ 4,965
Office Supplies	\$ 5,292	\$ 8,255
Postage & Delivery	\$ 13,638	\$ 10,170
Professional Fees	\$ 30,813	\$ 23,379
Rent	\$ 72,761	\$ 50,928
Taxes	\$ 7,614	\$ 6,259
Telephone	\$ 5,947	\$ 4,624
Travel	\$ 8,966	\$ 10,785
Lodging	\$ 259	\$ 658
SF - Utilities	\$ 5,370	\$ 6,048
Insurance Expense	\$ 2,581	\$ 2,161
Membership & Subscriptions	\$ 1,096	\$ 550
Repairs and Maintenance	\$ 2,190	\$ 30
Cleaning Services	\$ 3,645	
Storage	\$ 253	
<b>Total</b>	<b>\$ 190,173</b>	<b>\$ 210,541</b>

<b>Schedule - 11 Selling and Distribution Expenses</b>	<b>FY 2017-18</b>	<b>FY 2016-17</b>
Advertising		
Event Expenses	\$ 6,199	\$ 5,022
Marketing	\$ 49,591	\$ 15,356
Bank service Charge	\$ 6,217	\$ 7,060
Commissions Paid		\$ 4,615
<b>Total</b>	<b>\$ 62,008</b>	<b>\$ 32,052</b>

<b>Schedule -12 Financial Charges</b>	<b>FY 2017-18</b>	<b>FY 2016-17</b>
Interest Expense	\$ 5,780	\$ 6,105
<b>Total</b>	<b>\$ 5,780</b>	<b>\$ 6,105</b>