

18th ANNUAL REPORT 2020-2021

AyurvedaGram Heritage Wellness Centre Private Limited

Hemmandanahalli, Samethanahalli Post

Whitefield, Bengaluru-560 067, India

Tel: 91-80-27945430-33 Fax: 91-80-27945427

E-mail: response@ayurvedagram.com

Website: www.ayurvedagram.com

BOARD OF DIRECTORS

CHAIRMAN	: Mr. Ramesh Vangal
DIRECTORS	: Mr. Anand Subramanian Mr. Subramaniam Krishnamurthy Mr. Arunkumar Kunjupanicker Sreerangam Mrs.Sangeetha Arunkumar
REGISTERED OFFICE & RESORT	: Hemmandanahalli, Samethanahalli Post : Whitefield, Bangalore-560067.
CORPORATE OFFICE	: No.1134, 1st Floor, 100 Feet Road, HAL 2 nd Stage, Bangalore-560008
AUDITORS	: S V Sabareesan & Co Chartered Accountants #34, 1st Block, 5th Cross, Kumara Park West Bangalore- 560020

AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED
Regd.Off: Hemmandanahalli, Samethanahalli Post, Whitefield, Bengaluru-560 067.
Ph: +91 (80)27945430-33 Fax: +91(80)027945427
Email: response@ayurvedagram.com Website: www.ayurvedagram.com
(CIN: U74140KA2003PTC031511)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 18th Annual General Meeting of the Members of **Ayurvedagram Heritage Wellness Centre Private Limited** will be held on Wednesday, 29th September, 2021 at 10.30 A.M at Hemmandanahalli, Samethanalli Post, Whitefield, Bangalore-560067 to transact the following business:

ORDINARY BUSINESS

1. To consider, approve and adopt the audited Financial Statements of the Company comprising the Balance Sheet as on March 31, 2021, Statement of Profit & Loss and Cash Flow Statement and Notes thereto for the financial year ended on March 31, 2021 together with the Report of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Ms. Arunkumar Sangeetha (DIN: 00184320) who retires by rotation, and being eligible, offers herself for re-appointment.

Place: Bangalore
Date: 13th August, 2021

By order of the Board of Directors

Sd/-

Anand Subramanian
Director (DIN: 00064083)

AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED

DIRECTORS' REPORT

Your directors have pleasure in presenting the 18th Annual Report on the business and operations of your company together with the Audited Accounts for the year ended 31st March 2021.

1. Financial Results

The Financial Results of the company for the year ended on 31st March 2021 as compared with the previous year are as under:

	Year ended 31 st March 2021 (Rs. in Lakhs)	Year ended 31 st March 2020 (Rs. in Lakhs)
Net Income from Sales /Services	276.48	802.64
Other Income	10.67	39.66
Total Revenues	287.15	842.3
Profit before Interest, Depreciation and Tax (EBITDA)	(45.57)	153.6
Finance Charges	(43.9)	(45.38)
Depreciation	(30.93)	(33.69)
Profit before taxation	(120.41)	74.53
Deferred tax	(26.91)	(6.68)
Income Tax	-	21.23
MAT Credit	-	-
Net Profit/(Loss)	(93.49)	59.99

2. Performance Analysis

During the year under review, the company has achieved total revenues of Rs. 287.15 Lakhs against revenue of Rs. 842.3 of previous financial year. The Net loss of the company for the year, after providing for tax is Rs. 93.49 Lakhs in the current year as compared to a net profit of Rs. 59.99 Lakhs in previous year.

3. Business Review

Due to Covid-19 pandemic the company has incurred a huge loss.

4. Reserves:

During the year under report, your directors do not propose to transfer any amount to any Reserves.

5. Dividend

Though the company has posted net profit during the year, in order to conserve cash for further investment in the business, your Directors do not propose to recommend any dividend for the year.

6. Directors Responsibility Statement

In accordance with section 134(5) of the Companies Act, 2013, the Board confirms that:-

- a) in the preparation of the Annual Accounts for the year ended 31st March 2021, the applicable accounting standards had been followed along with proper explanations and there were no material departures.
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March 2021 and of the profit and loss of the company for the year ended 31st March 2021.
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. Material changes and commitment if any affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of the report

No material changes and commitments took place in the company during the financial year.

8. Change in the Nature of Business

There was no change in the nature of business of the Company during the financial year ended 31st March, 2021.

9. Names of Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year

During the financial year ended 31st March, 2021, no entity became or ceased to be the subsidiary, joint venture or associate of the Company.

10. Deposits

During the year under review the company has not accepted any deposits. There are no unclaimed deposit as on date.

11. Labour Relations

Labour relations have been excellent and harmonious throughout the year.

12. Statement Concerning Development and Implementation of Risk Management policy of the company

The company does not have any Risk Management Policy as the elements of risk threatening the company's existence are very minimal.

13. Subsidiaries, Joint Ventures and Associate companies

The Company does not have any Subsidiary, Joint venture or Associate Company during the year under review.

14. Extract of Annual Return

Pursuant to Section 92(3) and 134(3)(a) of the Companies act, 2013, the extract of the Annual Return as on March 31,2021 in form MGT-9 is annexed herewith as **Annexure 1**.

15. Particulars of Contracts or Arrangements with related parties

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso is attached as **Annexure 2**.

16. Particulars of loans, guarantees or investments under section 186

No loans or Guarantee has been given by the company during the Financial Year 2020-21.

**17. Directors
(Appointment/Reappointment/Resignation of Directors)**

There has been no change in the constitution of Board during the year under review i.e. the structure of the Board remains the same. Mr. Ramesh Vangal Mr. Anand Subramanian, Mr. Subramaniam Krishnamurthy, Ms. Arunkumar Sangeetha and Mr. Arunkumar Kunjupanicker Sreerangam are on Board

18. Meeting of Board of Directors

The Board meets at the regular intervals to discuss business plan and strategies. The notice of the Board Meeting is given well in advance to all the Directors.

During the financial year ended 31st March 2021, the following were the dates on which Board meetings of the company were held:

Serial Number	Date of the Board Meetings
1	4th May, 2020
2	27th June, 2020
3	17 th July, 2020
4	24 th August, 2020
5	2 nd November, 2020
6	11 th January, 2021

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

19. AUDITORS

M/s. S V Sabareesan & Co, Chartered Accountants, were appointed as Statutory Auditors of the company for a term of 5 years upto the conclusion of Annual General Meeting to be held in the year in 2024. The company has received a letter, pursuant to Section 139 of the Companies Act, 2013, from M/s. S V Sabareesan & Co, Chartered Accountants, confirming consent and their eligibility for acting as Statutory Auditors of the Company. The Board also recommends their appointment as Statutory Auditors for the ensuing financial year.

20. Details in respect of adequacy of internal financial controls with reference to financial statements

The Directors have adopted adequate policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to Companies policies, safeguarding the assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and the timely preparation of reliable financial disclosures.

21. Cost Audit

The provision of Cost audit as per Section 148 is not applicable to the Company

22. Statutory Auditors' Report

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

23. Corporate social responsibility

The company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and therefore there is no requirement to constitute Corporate Social Responsibility Committee.

24. Appointment of Secretarial Auditor and Secretarial Audit Report

As per the provision of Section 204 and other applicable provisions, if any, of Companies Act, 2013, Mr. V. Padmanabhan, Practicing Company Secretary, Bangalore, was appointed as the Secretarial Auditors of the Company for the financial year 2020- 2021.

The Secretarial Audit Report is annexed herewith as **Annexure 4** in the prescribed format MR 3.

25. Energy Conservation, Research & Development, Technology Absorption, Foreign Exchange Earnings and Outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure 3** and forms part of this Report.

26. Share Capital

The authorized capital of the Company is Rs.2,50,00,000 (Rupees Two Crore Fifty Lakhs Only) divided into 25,00,000 Lakh Equity shares of Rs.10 each and the paid up share capital is Rs.2,25,00,000 (Rupees Two Crore Twenty Five Lakhs only) divided 2,25,000 Equity shares of Rs.10 each. They were no allotments made during the year

a. Buy Back of securities

The company has not bought back any of its securities during the year under review

b. Sweat Equity

The company has not issued Sweat Equity shares during the year under review

c. Bonus Shares

The company has not issued Bonus shares during the year under review

d. Employee Stock Option Plan

The company has not provided any stock option scheme to the employees during the year under review

27. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No orders were passed by any Courts or Tribunals impacting the going concern status and company's operations in future.

28. Sexual Harassment policy

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year, no complaint of sexual harassment has been received .

29. Covid-19 Impact

Global health pandemic from COVID-19- The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19). In enforcing social distancing to contain the spread of the disease, our offices and client offices have been operating with minimal or no staff for extended periods of time. To effectively respond to and manage our operations through this crisis, the Company triggered its business Proactive preparations were done in our work locations during this transition to ensure our offices and training centers were safe. Further this has affected the business objectives and growth of the Company.

30. Acknowledgements

Your Directors gratefully acknowledge the continued co-operation and support received from Bankers. Your Directors wish to express their appreciation for the dedicated and sincere efforts put in by employees, which has resulted in a strong performance by the company.

On behalf of the Board of Directors

Date: 13th August, 2021

Ramesh Vangal

Anand Subramanian

Sd/-
Director
DIN: 00064018

Sd/-
Director
DIN:00064083

ANNEXURE –1

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2021

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management & Administration) Rules, 2014**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U74140KA2003PTC031511
2.	Registration Date	27 th January, 2003
3.	Name of the Company	Ayurvedagram Heritage Wellness Centre Private Limited
4.	Category/ Sub-category of the Company	Company Limited by Shares and Indian Non-Government Company
5.	Address of the Registered office & contact details	Hemmandanahalli, Samethanalli Post, Whitefield, Bangalore -560067
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/service	% total turnover of the company
1	Ayurvedic Medicine	21003	15.92
2	Health Care Services	86901	80.35

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and address of the Company	CIN/ GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1	KERALA AYURVEDA LIMITED	L24233KL1992PLC006592	Holding	74	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

[illegible]

	(Indian/foreign/overseas)									
b	Individuals (Resident/NRI/Foreign National)	0	0	0	0	0	0	0	0	0
i	Individual shareholders holding Nominal share Capital upto Rs.1 Lakh	0	0	0	0	0	0	0	0	0
ii	Individual shareholders holding Nominal share Capital above Rs.1 Lakh	0	0	0	0	0	0	0	0	0
c	Any other(specify)	0	0	0	0	0	0	0	0	0
	SUB TOTAL B (2)	0	0	0	0	0	0	0	0	0
	Total Public Shareholding B=B(1)+B(2)	0	0	0	0	0	0	0	0	0
	TOTAL (A)+(B)	0	2250000	2250000	100	0	2250000	2250000	100	0
	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	0	2250000	2250000	100	0	2250000	2250000	100	0

ii. Shareholding of Promoter

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change
		No. of Shares	%of total Shares of the company	%of Shares Pledged/encumbered to total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	KERALA AYURVEDA LIMITED	16,64,996	74.00%		16,64,996	74.00%		0.00%
2	S K ARUNKUMAR	2,92,500	13.00%		2,92,500	13.00%		0.00%
3	SANGEETHA ARUNKUMAR	2,92,500	13.00%		2,92,500	13.00%		0.00%
4	ANAND SUBRAMANIAN	1	0.00%		1	0.00%		0.00%
5	ARVIND AGARWAL	1	0.00%		1	0.00%		0.00%
6	SURYA KAMAL KATHPALIA	1	0.00%		1	0.00%		0.00%
7	MANIKANDAN ACHUTHAN	1	0.00%		1	0.00%		0.00%

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the Year				
	Date wise Increase / Decrease				

in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc. At the end of the year	NO CHANGE
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iv. Shareholding of Directors and Key Managerial Personnel:

			Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
			No. of shares	% of total shares	No. of shares	% of total shares
1	Name MR S K ARUNKUMAR					
	At the beginning of the year		2,92,500	13.00%		0.00%
	Changes during the year		-	0.00%		0.00%
	At the end of the year		2,92,500	13.00%	2,92,500	13.00%
2	Name SANGEETHA ARUNKUMAR					
	At the beginning of the year		2,92,500	13.00%		0.00%
	Changes during the year			0.00%		0.00%
	At the end of the year		2,92,500	13.00%	2,92,500	13.00%
3	Name ANAND SUBRAMANIAN					
	At the beginning of the year		1	0.00%		0.00%
	Changes during the year		-	0.00%	-	0.00%
	At the end of the year				1	0.00%

v. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	NA				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	0	0	0	0

vi. Indebtedness – Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount		3,64,11,878		3,64,11,878
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		3,64,11,878		3,64,11,878
Change in indebtedness during the financial year				
* Addition		6,30,93,068		6,30,93,068
* Reduction		(2,07,872)		(2,07,872)
Net Change		628,85,196		628,85,196
Indebtedness at the end of the financial year				
i) Principal Amount		9,92,97,075		9,92,97,075
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		9,92,97,075		9,92,97,075

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole – Time Directors and/or Manager:

Sr No	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		0	0
1	Gross salary	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary/section 17(3) Income- tax Act,	0	0
2	Stock Option / Sweat Equity	0	0
3	Commission - as % of profit / others,	0	0
4	Others, please specify	0	0
	Total (A)	0	0
	Ceiling as per the Act	0	0

* Ceiling as per Schedule V of the companies Act 2013 is up to 60 Lakhs per Annum

B. Remuneration to other directors.

Sr No	Particulars of Remuneration	Name of Directors	Total Amount
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1	Independent Directors				
	Fee for attending board/ committee meetings				
	Commission / others, please specify				
	Total (1)				
2	Other Non-Executive Directors				
	Fee for board committee meetings				
	Commission / Others, please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

Ceiling is maximum Rs.1,00,000 per meeting which can be paid to independent Directors as sitting fee.

C. Remuneration to Key Managerial Personnel Other than MD /Manager/ WTD

Sr No	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary in `	0	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4	Commission / - as % of profit	0	0	0
5	Others, please specify	0	0	0
	Total	0	0	0

VI. PENALTIES/PUNISHMENT/COMPUNDING OF OFFENCES:

There were no penalties/punishments/compounding offences under the Companies Act for the year ending 31st March 2020.

By order of the Board of Directors
For Ayurvedagram Heritage Wellness Centre Private Limited

Sd/-

Ramesh Vangal
Director
DIN: 00064018

Sd/-

Anand Subramanian
Director
DIN:00064083

Date: 13th August, 2021

ANNEXURE - 2

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

Serial No.	Particulars	Details
a)	Name of the related party & nature of relationship	KERALA AYURVEDA LIMITED
b)	Nature of contracts/arrangements/transaction	Purchase of Medicines
c)	Duration of contracts/arrangements/transaction	01.04.2020 to 31.03.2023
d)	Salient terms of contracts/arrangements/transaction including the value, if any	15% discount on MRP of KAL Products
e)	Justification for entering into such contracts/arrangements/transaction	Being a subsidiary of the company, KAL is offering such discount
f)	Date of approval by the Board	24 th August, 2020
g)	Amount paid as advances, if any	NIL
h)	Total value of transaction during the year	Rs. 50.96 lakhs

2. Details of contracts or arrangements or transactions at Arm's length basis.

SI No	Name of the Related Party	Nature of Contract/ Transactions	Nature of relationship	Duration of the contract, Salient terms & Advance paid	Transaction Amount in Rs Lakhs
1	KERALA AYURVEDA LIMITED	Services rendered	Holding Company	NA	0.32
5	KERALA AYURVEDA LIMITED	Purchase of Services	Holding Company	NA	148.13
7	KERALA AYURVEDA LIMITED	Loan Balance	Holding Company	NA	397.76
8	KERALA AYURVEDA LIMITED	Interest paid	Holding Company	NA	14.94
9	KERALA AYURVEDA LIMITED	Advance	Holding Company	NA	397.76
10	KATRA HOLDING PRIVATE LIMITED	Trade receivables	Common Director	NA	141.09
11	AYURVEDIC ACADEMY INC, USA	Trade receivables	Fellow Subsidiary	NA	34.32
12	KERALA AYURVEDA LIMITED	Trade payables	Holding Company	NA	(87.45)
14	MASON AND SUMMERS LEISURE PVT LTD	Trade Advances	Common Director	NA	16.72

By order of the Board of Directors

For Ayurvedagram Heritage Wellness Centre Private Limited

Sd/-

Date: 13th August, 2021

Ramesh Vangal

Director

DIN: 00064018

Sd/-

Anand Subramanian

Director

DIN:00064083

ANNEXURE-3

Information in accordance with Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Board's Report for the year ended 31st March, 2019.

A. CONSERVATION OF ENERGY

- I. The Steps taken or Impact on conservation of energy- NIL
- II. The Steps taken By the Company for utilizing alternate source of energy -NIL
- III. The Capital Investment on energy conservation equipments-NIL

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- I. The efforts made towards technology absorption
All developments were done indigenously
- II. The benefits derived like product improvement, cost reduction, product development or import substitution -NIL
- III. Details of imported technology
During the year, company has not imported any technology. All developments were done indigenously.
- IV. The expenditure incurred on research and development- NIL

C. FOREIGN EXCHANGE EARNINGS & OUTGO

The details of foreign exchange earnings and outgo are as under:

Foreign Exchange earnings & outgo	Current year	Previous Year
Earnings	12,58,162	3,15,73,373
Out go	Nil	Nil

On behalf of the Board of Directors

Sd/-

Date: 13th August, 2021

Ramesh Vangal

Director

DIN: 00064018

Sd/-

Anand Subramanian

Director

DIN:00064083

V.Padmanabhan
Company Secretary

772, I Cross
Indiranagar I Stage
BANGALORE 560 038.
Ph: 25550650/25293372
Mobile: 98801 99842

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,
AYURVEDAGRAM HERITAGE WELLNESS CENTRE PVT LTD
Hemmandanahalli,
Samethanalli Post, Whitefield,
Bengaluru-560067

I, Padmanabhan V, Practising Company Secretary, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AYURVEDAGRAM HERITAGE WELLNESS CENTRE PVT. LTD. [CIN: U74140KA2003PTC031511]** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.



We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. There is no new Foreign Direct Investment during the period under review. There are no External Commercial Borrowings;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review which is in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the board were unanimous and the same was captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of:

- i. Public/Right/Preferential issue of shares / debentures/sweat equity;
- ii. Redemption / buy-back of securities;
- iii. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- iv. Merger / amalgamation / reconstruction;
- v. Foreign technical collaborations.



This report is to be read with **Annexure A** of even date and the same forms an integral part of this report.



(V. Padmanabhan)
FCS 6043 / CP 6283

UDIN: F006043C000780652

Place : Bengaluru

Date : 13.8.2021



ANNEXURE A

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

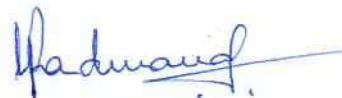
To
The Members,
AYURVEDAGRAM HERITAGE WELLNESS CENTRE PVT LTD
Hemmandanahalli,
Samethanalli Post, Whitefield,
Bengaluru-560067

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of the secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. We have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc., wherever required. We relied on management representation where we were unable to verify the underlying documents.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2021 but before issue of the Report.



7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.



(V. Padmanabhan)
FCS 6043 / CP 6283

UDIN: F006043C000780652

Place : Bengaluru

Date : 13.8.2021



INDEPENDENT AUDITORS' REPORT

To the Members of

AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED ('the Company')**, which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss for the period, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Other information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we will perform, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure, and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

- f. No managerial remuneration has been paid for the year ended March 31, 2021, consequently we do not comment on the compliance with the provisions of Section 197 read with Schedule V of the Act.;
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company did not have any pending litigations which have an impact on its financial position in its standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For S V Sabareesan & Co.,
Chartered Accountants
(FRN. 013995S)

Sabareesan Sarangapani Venkatesh
Proprietor
(Membership No. 208917)
UDIN: 21208917AAAABM4500

Bengaluru, June 30, 2021

Annexure A to the Independent Auditors' Report of even date on the Standalone Ind AS Financial Statement of Ayurvedagram Heritage Wellness Centre Private Limited

Report on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order")

1. **In respect of its fixed assets:**
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant, and equipment.
 - a. The property, plant and equipment are located in a single location and are secured with security personnel. Considering the size and nature of the Company and the nature of its assets, the procedures followed are reasonable. No discrepancies were noticed on such verification.
 - b. According to the information and explanations given by the management we state that the aforesaid land is registered in the name of the Company.
2. The Company has conducted physical verification of inventories at reasonable intervals and no material discrepancies were noted.
3. The Company has not granted any loans, secured or unsecured to companies, firms, LLPs or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
4. In our opinion and according to the information and explanations given to us, with respect to provisions of section 185 and 186 of the Act, during the year, the Company has not granted any loan or advance to its Directors or entities in which they are interested.
5. The Company during the year did not accept any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
6. According to the information and explanation given to us, Central Government has not prescribed maintenance of cost records under section 148(1) of the Act.
7. Turnover of the company does not exceed the limit for maintaining Cost Records and Cost Audit as prescribed under section 148(1) of the Act.
8. According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Tax Deducted at Source, Professional Tax, Goods and Services Tax, and Other Statutory Dues applicable to it.
 - (b) No undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Tax Deducted at Source, Professional Tax, Goods and Services Tax, and Other Statutory Dues outstanding, at the year end, for a period of more than six months from the date they became payable.
9. To the best of our knowledge and according to information and explanation given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
10. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

11. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers of the Company has been noticed or reported during the year.
12. The Company has not paid managerial remuneration during the financial year.
13. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
14. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
15. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
16. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.
17. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934, are not applicable to the Company.

For S V Sabareesan & Co.,
Chartered Accountants
(FRN. 013995S)

Sabareesan Sarangapani Venkatesh
Proprietor
(Membership No. 208917)
UDIN: 21208917AAAABM4500

Bengaluru, June 30, 2021

Ayurvedagram Heritage Wellness Centre Private Limited
CIN: U74140KA2003PTC031511
Balance Sheet as at 31 March 2021

(Amount in INR)

	Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
A	Assets			
	Non Current Assets			
	Property, Plant and Equipment	4	5,04,29,873	5,33,94,431
	Capital work in progress		2,11,36,986	2,11,36,986
	Financial assets			
	i. Investments		-	-
	ii. Loans		-	-
	iii. Other financial assets	5	5,03,44,530	3,44,530
	Income tax assets (net)	6	-	-
	Total Non-current assets		12,19,11,389	7,48,75,947
	Current Assets			
	Inventories	7	13,15,286	21,19,679
	Financial assets			
	i. Trade receivables	8	1,79,34,867	1,82,67,002
	ii. Cash and cash equivalents	9	3,42,19,793	2,06,32,088
	Other current assets	10	11,55,601	80,26,091
	Total Current Assets		5,46,25,547	4,90,44,860
	Total Assets		17,65,36,936	12,39,20,807
B	EQUITY AND LIABILITIES			
	Equity			
	Equity Share Capital	11	2,25,00,000	2,25,00,000
	Other Equity	12	3,47,57,104	4,41,07,025
	Total Equity		5,72,57,104	6,66,07,025
	Liabilities			
	Non-current liabilities			
	Financial liabilities			
	Borrowings	13	6,89,73,942	2,58,52,880
	Provisions	14	31,40,568	33,96,180
	Deferred Tax liabilities (net)	15	11,00,685	37,92,204
	Total Non-current liabilities		7,32,15,195	3,30,41,264
	Current liabilities			
	Financial liabilities			
	i. Borrowings	16	3,03,23,133	1,05,58,998
	ii. Trade payables	17	86,29,748	10,48,804
	Other current liabilities	18	54,43,339	80,34,719
	Provisions	19	16,68,417	46,29,997
	Total Current liabilities		4,60,64,637	2,42,72,518
	Total Liabilities		11,92,79,832	5,73,13,782
	Total Equity and Liabilities		17,65,36,936	12,39,20,807

The accompanying notes form an integral part of the financial statements
In terms of our report attached.

For S V Sabareesan & Co.,
Chartered Accountants
(FRN.013995S)

Sabareesan S Venkatesh
Proprietor
(Membership No. 208917)
UDIN: 21208917AAAABM4500

Bengaluru, June 30, 2021

For and on behalf of the Board of Directors of
Ayurvedagram Heritage Wellness Centre Private Limited

Ramesh Vangal
Director
DIN 00064018

Anand Subramanian
Director
DIN 00064083

Singapore, June 30, 2021

Bengaluru, June 30, 2021

Ayurvedagram Heritage Wellness Centre Private Limited
CIN: U74140KA2003PTC031511
Statement of Profit and Loss for the year ended 31 March 2021

		(Amount in INR)	
Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	20	2,88,89,910	8,42,27,297
Total Revenue		2,88,89,910	8,42,27,297
Expenses			
(a) Cost of materials consumed	21	28,94,910	58,28,471
(b) Purchases	22	35,41,108	68,73,799
(c) Changes in Inventories of FG, WIP & Stock In Trade	23	4,23,631	(63,364)
(d) Employee benefits expense	24	1,73,21,988	3,46,34,723
(e) Finance costs	25	43,90,351	45,37,644
(f) Depreciation	4	30,93,807	33,69,211
(g) Other expenses	26	92,65,552	2,15,93,616
Total Expenses		4,09,31,349	7,67,74,101
Profit Before Tax		(1,20,41,439)	74,53,197
Tax expense:			
(a) Current tax		-	21,22,596
(b) Deferred tax		(26,91,518)	(6,68,308)
(c) (Less): MAT credit (where applicable)		-	-
		(26,91,518)	14,54,288
Profit for the period		(93,49,921)	59,98,909

The accompanying notes form an integral part of the financial statements

In terms of our report attached.

For S V Sabareesan & Co.,
Chartered Accountants
(FRN.013995S)

For and on behalf of the Board of Directors of
Ayurvedagram Heritage Wellness Centre Private Limited

Sabareesan S Venkatesh
Proprietor
(Membership No. 208917)
UDIN: 21208917AAAABM4500

Ramesh Vangal
Director
DIN 00064018

Anand Subramanian
Director
DIN 00064083

Bengaluru, June 30, 2021

Singapore, June 30, 2021

Bengaluru, June 30, 2021

Ayurvedagram Heritage Wellness Centre Private Limited
CIN: U74140KA2003PTC031511
Statement of Changes in Equity for the year ended 31 March 2021

a	Equity Share Capital		
	Particulars	As at 31 March 2021	As at 31 March 2020
	Balance at the beginning of the year	2,25,00,000	2,25,00,000
	Changes in Equity share capital during the year	-	-
	Balance at the end of the year	2,25,00,000	2,25,00,000
b	Other equity		
	Particulars	Reserves and Surplus	
(a)	Balance as at 31st March 2019	3,81,08,116	
(b)	Profit for the period	59,98,909	
(c)	Other comprehensive income	-	
(d)	Total comprehensive income for the year(b)+(c)	59,98,909	
(e)	Balance as at 31st March 2020 (a)+(d)	4,41,07,025	
(f)	Profit for the period	(93,49,921)	
(g)	Other comprehensive income	-	
(h)	Total comprehensive income for the year(f)+(g)	(93,49,921)	
(i)	Balance as at 31st March 2021 (e)+(h)	3,47,57,104	

The accompanying notes form an integral part of the financial statements

In terms of our report attached.

For S V Sabareesan & Co.,

Chartered Accountants

(FRN.013995S)

Sabareesan S Venkatesh

Proprietor

(Membership No. 208917)

UDIN: 21208917AAAABM4500

Bengaluru, June 30, 2021

For and on behalf of the Board of Directors of

Ayurvedagram Heritage Wellness Centre Private Limited

Ramesh Vangal

Director

DIN 00064018

Singapore, June 30, 2021

Anand Subramanian

Director

DIN 00064083

Bengaluru, June 30, 2021

Ayurvedagram Heritage Wellness Centre Private Limited
CIN: U74140KA2003PTC031511
Cash flow statement for the year ended 31 March 2021

Particulars	(Amount in INR)	
	Year ended 31 March 2021	Year ended 31 March 2020
A. Cash flow from operating activities		
Net Profit / (Loss) before tax	(1,20,41,439)	74,53,197
<i>Adjustments for:</i>		
Depreciation and amortisation	30,93,807	33,69,211
(Profit) / loss on sale / write off of assets	-	-
Finance costs	43,90,351	45,37,644
Operating profit / (loss) before working capital changes	(45,57,280)	1,53,60,052
Changes in working capital:		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	8,04,393	5,08,635
Trade receivables	3,32,135	33,15,160
Other Current Assets	68,70,490	(62,35,984)
Non current financial assets	-	67,096
Income tax assets	-	-
Other Financial assets	-	67,096
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	75,80,944	(1,50,79,882)
Other current liabilities	(25,91,380)	(5,48,833)
Short-term provisions	(29,61,580)	10,18,680
Non current liabilities	(2,55,612)	6,54,868
Cash generated from operations	52,22,110	(9,40,208)
Net income tax (paid) / refunds	(2)	(21,22,598)
Net cash flow from / (used in) operating activities (A)	52,22,108	(30,62,806)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(1,29,248)	(2,61,005)
Investment in Fixed Deposits	(5,00,00,000)	-
Proceeds from sale of fixed assets	-	-
Net cash flow from / (used in) investing activities (B)	(5,01,29,248)	(2,61,005)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	4,31,21,062	30,73,264
Repayment of long-term borrowings	-	-
Proceeds from short-term borrowings	-	41,42,710
Repayment of short-term borrowings	1,97,64,135	-
Finance cost	(43,90,351)	(45,37,644)
Net cash flow from / (used in) financing activities (C)	5,84,94,845	26,78,330
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	1,35,87,705	(6,45,481)
Cash and cash equivalents at the beginning of the year	2,06,32,088	2,12,77,569
Cash and cash equivalents at the end of the year	3,42,19,793	2,06,32,088
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)		
Cash and cash equivalents at the end of the year		
(a) Cash on hand	81,711	2,08,529
(b) Cheques / Drafts on hand & balances with banks in current accounts	3,41,38,082	2,03,57,081
(d) Others (Credit Cards Swiping)	-	66,478
	3,42,19,793	2,06,32,088

In terms of our report attached.

For S V Sabareesan & Co.,
Chartered Accountants
(FRN.013995S)

Sabareesan S Venkatesh
Proprietor
(Membership No. 208917)
UDIN: 21208917AAAABM4500

Bengaluru, June 30, 2021

For and on behalf of the Board of Directors of
Ayurvedagram Heritage Wellness Centre Private Limited

Ramesh Vangal
Director
DIN 00064018

Anand Subramanian
Director
DIN 00064083

Singapore, June 30, 2021

Bengaluru, June 30, 2021

Ayurvedagram Heritage Wellness Centre Private Limited
Notes forming part of the financial statements

Note 4- Property, Plant and Equipment

Particulars	Gross Block			Accumulated depreciation			(Amount in INR)	
	As at	Additions	Deletions	As at	As at	As at	As at	As at
	31 March 2020			31 March 2021	31 March 2020	Depreciation for the year	31 March 2021	31 March 2020
A. Tangible Assets								
(a) Land	1,04,74,545	-	-	1,04,74,545	-	-	-	1,04,74,545
(b) Buildings	10,22,18,962	-	-	10,22,18,962	6,57,30,809	15,56,143	6,72,86,952	3,64,88,153
(c) Furniture and Fixtures	65,49,554	1,09,000	-	66,58,554	63,21,625	53,979	63,75,603	2,27,930
(d) Vehicles	47,74,241	-	-	47,74,241	20,17,913	3,39,058	23,56,971	27,56,328
(e) Office equipment	84,53,532	8,999	-	84,62,531	75,74,264	1,80,516	77,54,780	8,79,267
(f) Computers	31,18,319	11,250	-	31,29,569	23,75,665	5,42,165	29,17,830	7,42,653
(g) Plant & Machinery	27,55,326	-	-	27,55,326	9,29,771	4,21,947	13,51,718	18,25,555
Total	13,83,44,479	1,29,249	-	13,84,73,728	8,49,50,047	30,93,807	8,80,43,855	5,04,29,873
Previous year	13,80,69,183	2,75,296	-	13,83,44,479	8,15,80,837	33,69,211	8,49,50,048	5,33,94,431
B. Capital work-in-progress								
(a) Capital work-in-progress / Capital advance	2,11,36,986	-	-	2,11,36,986	-	-	-	2,11,36,986
Total	2,11,36,986	-	-	2,11,36,986	-	-	-	2,11,36,986
Previous year	2,11,51,276	2,00,000	2,14,290	2,11,36,986	-	-	-	2,11,51,276

Notes forming part of the financial statements

		(Amount in INR)	
Particulars		As at 31 March 2021	As at 31 March 2020
5	Other Financial Asset		
	(a) Security deposits	5,03,44,530	3,44,530
	(b) Balances with government, authorities	-	-
		5,03,44,530	3,44,530
6	Income Tax Assets (Net)		
	Income Tax / TDS Refunds	-	-
		-	-
7	Inventories		
	(a) Pharmacy- Medicines	7,47,112	11,70,742
	(b) Other Consumables	5,68,174	9,48,937
		13,15,286	21,19,679
8	Trade receivables		
	Outstanding for a period exceeding six months from the date they were due for payment	-	-
	Unsecured, Considered Good	-	-
	Other Trade receivables (refer 8(a) below)	1,79,34,867	1,82,67,002
		1,79,34,867	1,82,67,002
	8 (a) Trade receivables include debts due from:		
	Private companies in which any director is a Director	1,53,16,977	1,41,09,670
9	Cash and cash equivalents		
	(a) Cash on hand	81,711	2,08,529
	(b) Cheques on hand & Balance in current accounts & Fixed Deposits	3,41,38,082	2,03,57,081
	(c) Others :		
	Credit Card collection due	-	66,478
		3,42,19,793	2,06,32,088
10	Other current assets		
	(a) Loans and advances to employees		
	Unsecured, Considered Good	-	60,300
	(b) Other Advances		
	(i) Prepaid expense	-	-
	(ii) Advance to Suppliers	-	76,13,750
	(iii) Others	11,55,601	3,52,041
		11,55,601	80,26,091

Ayurvedagram Heritage Wellness Centre Private Limited
Notes forming part of the financial statements

		(Amount in INR)	
	Particulars	As at 31st March 2021	As at 31st March 2020
11	Share capital		
	(a) Authorised Capital 2500000 Equity shares of Rs. 10/- each	2,50,00,000	2,50,00,000
		-	-
	(b) Issued Capital 2250000 Equity shares of Rs. 10/- each	2,25,00,000	2,25,00,000
		-	-
	(c) Subscribed and fully paid up 2250000 Equity shares of Rs. 10/- each	2,25,00,000	2,25,00,000
		<u>2,25,00,000</u>	<u>2,25,00,000</u>
11.1	Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:		
	Equity shares with voting rights		
	Opening Balance	22,50,000	22,50,000
	Fresh issue	-	-
	Buy back	-	-
	Closing Balance	<u>22,50,000</u>	<u>22,50,000</u>
11.2	Details of shares held by the holding company, the ultimate holding company, their subsidiaries: Kerala Ayurveda Ltd, the holding company and its nominees	16,65,000	16,65,000
11.3	Details of shares held by each shareholder holding more than 5% shares: Class of shares / Name of shareholder		
	Equity shares with voting rights(in Numbers)		
	M/s Kerala Ayurveda Ltd	16,64,996	16,64,996
	% holding	73.99%	73.99%
	Mrs.Sangeetha Arunkumar	2,92,500	2,92,500
	% holding	13.00%	13.00%
	Mr. S K Arunkumar	2,92,500	2,92,500
	% holding	13.00%	13.00%
12	Other Equity		
	Reserves and Surplus	3,47,57,104	4,41,07,025
12.1	Particulars		
	Balance at the beginning of the year	4,41,07,025	3,81,08,116
	Profit for the year	(93,49,921)	59,98,909
	Other Comprehensive income	-	-
	Balance at the end of the year	<u>3,47,57,104</u>	<u>4,41,07,025</u>

Notes forming part of the financial statements

		(Amount in INR)	
	Particulars	As at 31 March 2021	As at 31 March 2020
13	Long-term borrowings		
	Loans & advances from related parties		
	Unsecured		
	From Holding Company		
	Kerala Ayurveda Limited	3,97,76,217	2,07,95,057
		3,97,76,217	2,07,95,057
	Others		
	Term Loan from Karnataka Bank Limited	3,94,60,838	-
	Unsecured from financial institutions #	1,06,21,242	1,52,26,417
	Less: Current maturities of long-term borrowings	(2,08,84,355)	(1,01,68,594)
		2,91,97,725	50,57,823
		6,89,73,942	2,58,52,880
14	Long-term Provisions		
	Provision for employee benefits	31,40,568	33,96,180
		31,40,568	33,96,180
16	Short-term borrowings		
	Unsecured #		
	Current maturities of Long-Term Borrowings	2,08,84,355	1,01,68,594
		2,08,84,355	1,01,68,594
	From banks #		
	Kotak Mahindra Bank Limited	1,82,532	3,90,404
	Karnataka Bank Limited	92,56,245	-
		3,03,23,133	1,05,58,998
# The aforesaid unsecured loans from financial institutions are supported by personal guarantee of two directors of the Company.			
17	Trade payables		
	Dues to micro enterprises and small enterprises	-	-
	Dues to other than micro and small enterprises	86,29,748	10,48,804
		86,29,748	10,48,804
18	Other current liabilities		
	(a) Other payables		
	TDS	4,58,483	3,14,249
	GST	-	-
	Tips collected and Payable	14,477	52,944
	Provident Fund	1,26,116	1,32,873
	Professional Tax	4,200	5,800
	ESI collected and payable	18,298	28,296
	Rent	22,160	33,820
	(b) Advance from customers	27,48,109	56,70,449
	(c) Other Payables	5,80,369	3,35,983
	Salaries and Wages Payable	14,71,128	14,60,305
		54,43,339	80,34,719
19	Short-term provisions		
	Provision for Expenses	14,13,494	21,33,638
	Provision for Gratuity - Current	2,54,923	1,66,392
	Provision for tax	-	23,29,967
		16,68,417	46,29,997

Notes forming part of the financial statements

		(Amount in INR)		
15	Particulars	For the year ended 31 March 2021		
		Opening Balance	Recognised in Profit and Loss	Closing Balance
	(a) Deferred Tax Liabilities			
	Depreciation	(50,69,565)	49,319	(50,20,246)
	(b) Deferred Tax Assets			
	Provision for Gratuity	8,96,343	(42,037)	8,54,306
	Prov for PL encashment	3,81,018	(50,834)	3,30,184
	(c) Business Loss / Depn Loss carried forward	-	27,35,071	27,35,071
	Net Tax Assets/(Liabilities)	(37,92,204)	26,91,519	(11,00,685)

		(Amount in INR)		
	Particulars	For the year ended 31 March 2020		
		Opening Balance	Recognised in Profit and Loss	Closing Balance
	(a) Deferred Tax Liabilities			
	Depreciation	(52,89,982)	2,20,417	(50,69,565)
	(b) Deferred Tax Assets			
	Provision for Gratuity	7,41,399	1,54,944	8,96,343
	Prov for PL encashment	88,071	2,92,947	3,81,018
	Net Tax Assets/(Liabilities)	(44,60,512)	6,68,308	(37,92,204)

Notes forming part of the financial statements

Particulars	(Amount in INR)	
	Year ended 31 March 2021	Year ended 31 March 2020
20 Revenue from Operations		
(a) Revenue from rendering of healthcare services	2,30,74,936	7,17,54,623
(b) Revenue from sale of traded goods	47,09,747	85,07,098
(c) Other operating revenue	11,05,227	39,65,576
	2,88,89,910	8,42,27,297
21 Cost of materials consumed		
Raw Material		
Opening stock	9,48,937	15,20,936
Add: Purchases	25,14,148	52,56,472
Less: Closing stock	5,68,174	9,48,937
Material consumed	28,94,910	58,28,471
22 Purchases		
Purchase of Medicine	35,41,108	68,73,799
	35,41,108	68,73,799
23 Changes in inventories of Traded Items and Provision & Consumables		
<u>Inventories at the end of the year:</u>		
Stock of Medicines	7,47,112	11,70,742
	7,47,112	11,70,742
<u>Inventories at the beginning of the year:</u>		
Stock of Medicines	11,70,742	11,07,378
	11,70,742	11,07,378
Net (increase) / decrease	4,23,631	(63,364)
24 Employee benefits expense		
Salaries and wages	1,51,66,734	3,03,46,033
Contributions to PF & Other funds	10,68,837	20,69,632
Gratuity	3,90,343	7,11,038
Staff welfare expenses	6,96,074	15,08,020
	1,73,21,988	3,46,34,723
25 Finance costs		
Interest expense on:		
(i) Borrowings	41,26,743	43,31,288
(ii) Others	2,63,608	2,06,356
	43,90,351	45,37,644
26 Other expenses		
Power and fuel	12,88,720	26,68,796
Repairs and maintenance - Buildings	5,17,305	27,22,162
Repairs and maintenance - Others	4,51,557	10,36,371
Rates and taxes	3,73,636	9,66,541
Communication	7,80,489	8,83,216
Marketing Expenses	25,12,866	39,91,385
Travelling and conveyance	1,800	15,845
Treatment Expense	5,58,915	55,98,421
Referral expenses	3,641	57,194
Security Charges	22,11,986	23,62,134
General & Administration expense (refer note below)	5,64,637	12,91,552
	92,65,552	2,15,93,616
Notes:		
(i) Payment to auditors (net of levies):		
Statutory audit	2,00,000	1,00,000
Tax audit / TP Audit	-	-
Certification	-	12,500
Re-imbursement of expenses/Others	-	-

1. Overview

Company Overview

Ayurvedagram Heritage Wellness Centre Private Limited was incorporated on 27th January 2003 and CIN is U74140KA2003PTC031511. The Company is into hospital services. The principal place of operations of the Company is located at Hemmandanahalli, Sametanahalli post, Whitefield, Bengaluru.

2. Significant Accounting Policies

a) Basis of preparation of Financial Statements

I. Accounting Convention

The Standalone Financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the act.

II. Historical Cost Convention

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

III. Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires the use of accounting 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.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

b) Property, Plant and Equipment

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Interest and other financing costs relating to borrowed funds attributable to the construction or acquisition of fixed assets are capitalized to the extent they relate to the period till such assets are ready to be put to use.

Capital work-in-progress includes capital advances.

c) Depreciation / amortization methods, estimated useful lives and residual value

Depreciation on all fixed assets is provided based on the useful lives of the asset as prescribed under Schedule II of the Companies Act, 2013. Depreciation on additions has been calculated on pro rata basis.

d) Inventories

Inventories of medicines, medicare items traded and dealt with by the company are valued at cost. Stock of provisions, stores, stationeries, and housekeeping items are stated at cost. The net realizable value is not applicable in the absence of any further modification/alteration before being consumed in house only.

Cost comprises of costs of purchase and other costs incurred in bringing the inventories to their present location.

e) Trade Receivables

The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realise within a short period

from the date of balance sheet. Management believes that the amounts that are past the credit period are still collectible in full based on historical payment behaviour and analysis of customer credit risk.

f) Employee benefits

i. Short-term benefits:

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave and other short-term benefits in the period the related service is rendered, at undiscounted amount, for benefits expected to be paid in exchange for the service.

ii. Other Long-Term benefits:

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Gratuity

The Company has an obligation towards gratuity as per actuarial valuation.

Provident fund

Payments to defined contribution plans are recognized as expense when employees have rendered service entitling them to the contribution.

The basis for determination of liability is as under:

	Gratuity	
	Current year	Previous year
Change in present value of obligation		
1. Present value of the obligation at the beginning of the year	35,62,572	28,51,534
2. Current service cost	4,52,047	3,96,895
3. Interest on defined benefit obligation	2,40,077	2,08,334
4. Actuarial (gain)/loss	(3,01,781)	1,05,809
5. Benefits paid	(5,57,424)	-
6. Present value of obligation at the end of the year	33,95,491	35,62,572
Liability recognized in the Financial statements		
Long term	31,40,568	33,96,180
Short term	2,54,923	1,66,392
Costs for the year		
Change in the present value of obligation		
1. Current service cost	4,52,047	3,96,895
2. Interest Cost	2,40,077	2,08,334
3. Actuarial (gain)/loss	-	-
4. Total Expenses	6,92,124	6,05,229
Main Actuarial Assumptions		
Discount rate (p.a)	6.85%	6.90%
Salary escalation rate (p.a)	8.00%	8.00%
Method	Projected Unit Credit Method	Projected Unit Credit Method

g) Taxes on Income

Current income tax expense comprises current tax and deferred tax. Current tax is determined as the amount of tax payable in respect of taxable income for the period and computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

h) Revenue recognition**a) Rendering of Services**

Revenue primarily comprises fee charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical & professional services, equipment, and pharmaceutical goods used. Revenue is recorded and recognized during the period in which the hospital service is provided, based upon the amounts due from patients.

b) Sale of Goods

Revenue is measured at the value of consideration received or receivable, taking into account contractually defined terms of payment, excluding taxes and duties collected on behalf of the government. Revenue is stated net of returns and discounts wherever applicable.

c) Other operating revenue

Other operating revenue comprises of travelling income and other miscellaneous income.

i) Foreign Currency Transactions**Initial Recognition:**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items that are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange Differences:

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

j) Provision and Contingent Liability.**I. Provisions**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made to settle the obligation

II. Contingent Liability

Contingent liability is disclosed for :

- (i) Possible obligations that arise from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise.

- (ii) Present obligation which arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or a reliable estimate of the amount of the obligation cannot be made.

k) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank in current account, cash in hand and include cheques / drafts in hand and collection due from credit cards.

l) Finance Costs

Finance costs consist of interest and other costs that the entity incurs in connection with borrowing of funds.

Borrowing costs that are directly attributable to acquisition or construction of qualifying assets are capitalized as part of cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are charged to revenue.

m) Financial Instruments

Financial instruments comprise of financial assets and financial liabilities.

I. Financial assets

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets at amortized cost are represented by loans and advances and other deposits, trade receivables, cash and cash equivalents and other advances.

II. Financial Liability

All financial liabilities are recognized initially at fair value and in case of loans and borrowings net of directly attributable costs. Financial liabilities are subsequently measured at amortized cost using effective interest method. Financial liabilities are represented by borrowings, provisions, Trade payables and other current liabilities.

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n) Details of Transactions with Related Parties

Disclosure of transactions with the related parties are given below:

i. List of Related party where control exists

Sl No	Name of the Related Party	Relationship
1	Katra Holdings Limited, Mauritius	Ultimate Holding Company
2	Kerala Ayurveda Limited	Holding Company
3	Mason and Summers Leisure Private Limited	Companies under common control
4	Katra Holding Private Limited	
5	Global Agri Systems Private Limited	
6	Global Nutri Food Private Limited	
7	Katra Phytochem (India) Private Limited	
8	Ayurvedic Academy Inc., USA	Fellow Subsidiaries
9	Suveda Inc, USA	
10	Ayu Natural Medicine Clinic PS, USA	
11	CMS Katra Holdings LLC, USA	
12	CMS Katra Nursing LLC, USA	
13	Nutraveda Pte Ltd. Singapore	Individual owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.
14	Ramesh Vangal	

ii. Transaction during the year with Related Parties

Particulars	31st March 2021	31st March 2020
Sale of Goods/Services		
Kerala Ayurveda Limited	-	6,23,888
Katra Holding Private Limited	-	12,24,875
Katra Phytochem (India) Private Limited	-	1,48,809
Ayurvedic Academy Inc., USA	-	5,53,152
Purchase of Goods/Services		
Kerala Ayurveda Limited	35,86,365	1,14,43,219
Mason and Summers Leisure Private Limited	-	1,60,570
Interest Paid		
Kerala Ayurveda Limited	14,93,842	13,65,852

iii. Balances outstanding at the end of the year.

S. No.	Particulars	31st March 2021	31st March 2020
1	Payables		
	Kerala Ayurveda Limited	87,44,916	-
2	Advance		
	Mason and Summers Leisure Private Limited	16,72,452	15,45,938
3	Receivables		
	Katra Holding Private Limited	1,41,09,670	1,41,09,670
	Ayurvedic Academy Inc., USA	34,32,315	34,32,315
	Global Agri Systems Private Limited	-	-
	Global Nutri Food Private Limited	-	-
	Kerala Ayurveda Limited	-	60,67,812
4	Advance from Holding Co.		
	Kerala Ayurveda Limited	3,97,76,217	2,07,95,057

o) MSME

There are no Micro, Small & Medium Enterprises to whom the company owes dues. The Micro, Small & Medium Enterprises have been identified on the basis of information available with the company.

p) Expenditure in Foreign Currency

Particulars	31st March 2021	31st March 2020
Advertisement	-	-
Subscriptions	-	-
	-	-

q) Earnings in Foreign Currency

Particulars	31st March 2021	31st March 2020
Rendering of Services Treatment	-	-
	-	-

- o) Segment results:** The company is primarily engaged in Treatment services and medicines. Accordingly, there is no separate reportable segment in accordance with AS 17- Segment reporting prescribed under the Companies (Accounting Standards) Rules 2006.

p) **Contingent Liabilities and Commitments**

Particulars	31st March 2021	31st March 2020
Contracts remaining to be executed on Capital account and not provided for:	-	-
Guarantee given to ECL Finance Limited (Amount in INR)		
For Loans taken by the Parent Company	30,00,00,000	30,00,00,000
For Loans taken by Promoter Group Company	55,00,00,000	55,00,00,000
	85,00,00,000	85,00,00,000

q) **Borrowings**

The Company has obtained a Loan from Karnataka Bank for the amount of Rs. 5,00,00,000 for a period of 34 months, repayable in 34 equated monthly installments. The Interest on such loan is recognized in the Statement of Profit and Loss.

For and on behalf of the Board of Directors
Ayurvedagram Heritage Wellness Centre Private Limited

Ramesh Vangal	Anand Subramanian
Director	Director
DIN:00064018	DIN:00064083

June 30, 2021	June 30, 2021
Singapore	Bengaluru