

ANNUAL REPORT

2020-21

AYURVEDIC ACADEMY INC.

691 S, Milpitas Blvd Suite 206,

MILPITAS, CA 95035, USA

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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

BANKERS : WELLS FARGO BANK.

DIRECTORS' REPORT

Your directors have pleasure in presenting the 15th Annual Report on the business and operations of your company together with the Audited Accounts for the year ended 31st March 2021. 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 \$ 2,115,735 (previous year \$ 2,005,193) and recorded a Profit of \$ 433,257 (Previous year Profit \$573,836) for the year, before providing tax. During the year, the company has aggressively promoted distance learning and presently operates centers at Seattle and Milpitas 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: June 14, 2021



INDEPENDENT AUDITOR'S REPORT

**To the Members of
AYURVEDIC ACADEMY INC.**

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of AYURVEDIC ACADEMY INC ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of profit and loss, (*statement of changes in equity*) and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information [hereinafter referred to as "the Financial Statements"].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 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, and its profit, (*changes in equity*) and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

"Information Other than the Financial Statements and Auditor's Report Thereon"

The Company's Board of Directors is responsible for the other information. The other information comprises the [information included in the Directors report, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, (*changes in equity*) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Financial Statements.

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

- a. Identify and assess the risks of material misstatement of the 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.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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.
- e. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions

and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) Planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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 Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

The provisions of the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 is not applicable to the Company since

Its total borrowings from banks and financial institutions are not more than Rs.1 Crores at any time during the year; and

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 Statement of Changes in Equity) and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts)

Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) Since the Company's turnover as per last audited Financial Statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017;
- (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 does not have any pending litigations which would impact its financial position.
 - 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.

Place : Bangalore
Date : 14/06/2021



for NDS & Co
Chartered Accountants

S - 17 - 1

Sanjay Shreesha
Partner

FRN NO 009804S

UDIN;21206099AAAAHJ4445

AYURVEDIC ACADEMY INC.
691 S Milpitas Blvd Ste 206, Milpitas, CA95035

Balance Sheet as at March 31, 2021

STOCKHOLDERS EQUITY AND LIABILITY	Schedules	As on March 31,2021		As on March 31,2020	
		Amount in USD		Amount in USD	
Stockholders Equity					
Common Stock					
100 shares of common stock with no par value					
Stockholders Equity					
Retained Earnings		(\$261,900)		(\$695,157)	
Advance from Stockholder		\$1,744,000		\$1,744,000	
Total Stockholders' Equity			\$1,482,100		\$1,048,843
Long Term Liabilities					
Unsecured Loans	2	\$ 339,687	\$ 339,687	\$ 316,351	\$ 316,351
Current Liabilities					
Accounts Payable	3	\$ 313,537		\$ 164,858	
Advances Received		\$ 1,172,767	\$ 1,486,304	\$ 631,214	\$ 796,072
Total Liabilities & Stockholders' Equity			\$3,308,092		\$2,161,266
ASSETS					
Fixed Assets	4				
Gross Block		\$ 102,986		\$ 102,986	
Less :- Depreciation		\$ 77,194		\$ 57,799	
Net Block			\$ 25,792		\$ 45,187
Loans & Advances	5		\$ 1,238,824		\$ 1,008,753
Current Assets					
Cash and Bank Balance	6	\$ 1,185,081		\$ 274,966	
Inventory		\$ 56,462		\$ 40,773	
Accounts Receivable & Advance for Purchase		\$ 801,932		\$ 791,587	
			\$ 2,043,475		\$ 1,107,326
Total Assets			\$3,308,092		\$2,161,266

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
UDIN:21206099AAAAHJ4445
Place: Bengaluru
Date: June 14,2021



On behalf of Board of Directors
For AYURVEDIC ACADEMY INC.

R Vangal
Ramesh Vangal
Chairman

AYURVEDIC ACADEMY INC.

691 S Milpitas Blvd Ste 206, Milpitas, CA95035

Profit & Loss Account for the period April 1, 2020 to March 31, 2021

Particulars	Schedules	2020-21		2019-20	
		Amount In USD		Amount In USD	
Revenues					
Tuition fee	7	\$ 1,500,997		\$ 1,421,209	
Clinic Service Income		\$ 614,738		\$ 583,983	
Total Revenues			\$ 2,115,735		\$ 2,005,193
Cost of Goods Sold	8		\$ 380,408		\$ 366,172
Gross Profit			\$1,735,327		\$1,639,020
Expenses					
Staff Cost	9	\$ 879,129		\$ 581,264	
Administrative Expenses	10	\$ 316,529		\$ 364,231	
Selling & Distribution Expenses	11	\$ 87,016		\$ 103,257	
Financial Charges	12	\$ -		\$ 613	
Amortization & Depreciation	4	\$ 19,395		\$ 15,818	
Sub Total			\$ 1,302,069		\$ 1,065,184
Net Income			\$433,257		\$573,836
Income Tax Provision/Estimate					
Deficit Carried to Balance Sheet			\$433,257		\$573,836
Retained Earning Previous Years			(\$695,157)		(\$1,268,994)
Retained Earning Transferred to Balance Sheet			(\$261,900)		(\$695,157)

Schedules 1 to 12 form an integral part of this statement

In terms of our report attached.

For NDS & Co.,

Chartered Accountants

FRN: 0098045

S. Shreesha

Sanjay Shreesha, B com, FCA

Partner

Membership No. 206099

UDIN:21206099AAAAHJ4445

Place: Bengaluru

Date: June 14, 2021



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.

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Schedules to Balance sheet as on March 31,2021

Schedule -2 Unsecured Loan	As on March 31, 2021	As on March 31, 2020
Ayurvedagram Heritage Wellness Centre	\$ 63,572	\$ 63,572
Kerala Ayurveda India	\$ 276,115	\$ 252,779
Total	\$ 339,687	\$ 316,351
Schedule - 3 Current Liabilities	As on March 31, 2021	As on March 31, 2020
Accounts Payable		
for Services and supplies	\$ 34,676	\$ 65,650
For Payroll and Staff Dues	\$ 94,542	\$ 99,208
PPP Loan	\$ 105,959	
for Others	\$ 78,360	
Total	\$ 313,537	\$ 164,858
Advances Received		
Advance Tution Fee	\$ 1,122,280	\$ 604,959
Advance for India Intensive program	\$ 28,139	\$ 26,255
Advance for Workshop	\$ 22,349	\$ -
Total	\$ 1,172,767	\$ 631,214
Schedule -5 Loans and Advances	As on March 31, 2021	As on March 31, 2020
Deposits	\$ 32,669	\$ 32,669
Advances to Others	\$ 1,206,156	\$ 976,084
Total	\$ 1,238,824	\$ 1,008,753
Schedule -6 Current Assets	As on March 31, 2021	As on March 31, 2020
Cash and Bank Balance		
Wells Fargo(Sea)-7758102136	\$ 1,178,171	\$ 237,664
Cash in Hand	\$ 102	\$ 108
Credit Card Collection Visa/MC WC		\$ 37,194
Credit Card Collection Visa/MC	\$ 1,184	\$ -
Check Collections Fund	\$ 5,625	\$ -
Total	\$ 1,185,081	\$ 274,966
Inventory	\$ 56,462	\$ 40,773
Accounts Receivable		
Tution fee receivable	\$ 19,419	\$ 9,075
Advance for Purchase	\$ 782,512	\$ 782,512
Total	\$ 801,932	\$ 791,587



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Schedule - 4 - FIXED ASSETS forming part of the Balance Sheet as at March 31, 2021

Amt in USD										
Particulars	Percentage (SLM)	GROSS BLOCK			DEPRECIATION				Net Block	
		Cost as on March 31, 2020	Additions / (Deletions)	Cost as on March 31, 2021	Upto Mar 31, 2020	(Deletions)	For the Period	Upto March 31, 2021	As on March 31, 2021	As on March 31, 2020
Office Equipment	14%	\$ 2,293		\$ 2,293	\$ 1,947		\$ 62	\$ 2,009	\$ 284	\$ 346
Computer	30%	\$ 9,173		\$ 9,173	\$ 5,125		\$ 2,858	\$ 7,983	\$ 1,190	\$ 4,048
Furniture	17%	\$ 12,024		\$ 12,024	\$ 1,259		\$ 2,919	\$ 4,178	\$ 7,846	\$ 10,765
				\$ -					\$ -	
Intangible Asset				\$ -					\$ -	
				\$ -					\$ -	
Content Development	20%	\$ 63,352		\$ 63,352	\$ 48,580		\$ 12,672	\$ 61,252	\$ 2,100	\$ 14,773
		\$ -		\$ -				\$ -	\$ -	
Milpitas Buildout	20%	\$ 16,144		\$ 16,144	\$ 888		\$ 884	\$ 1,772	\$ 14,372	\$ 15,255
Total		\$ 102,986		\$ 102,986	\$ 57,799		\$ 19,395	\$ 77,194	\$ 25,792	\$ 45,187

Amt in USD



AYURVEDIC ACADEMY INC.

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Schedules to Profit and Loss Account for the period April 1, 2020 to March 31, 2021

Schedule -7 Revenue	FY 2020-21	FY 2019-20
Registration Fee		\$ 15,606
Tuition fee on Regular Classes	\$ 1,297,553	\$ 554,883
Tuition fee on Distance Learning		\$ 660,636
India Intensive Programme		\$ 42,000
Work Shop Panchkama Classes	\$ 203,444	\$ 148,085
Total Tutition Fee Income	\$ 1,500,997	\$ 1,421,209
Clinic Service Income	\$ 276,620	\$ 275,770
Product Sales	\$ 338,119	\$ 308,213
Total Clinic Service Income	\$ 614,738	\$ 583,983
Total Income	\$ 2,115,735	\$ 2,005,193
Schedule -8 Cost of Goods Sold	FY 2020-21	FY 2019-20
Faculty Travel & Meals	\$ 850	\$ 3,850
Instructors Honorarium	\$ 38,686	\$ 43,015
India Intensive Cost		\$ 26,859
Classroom Rent		\$ 1,840
Academy Materials Supplies		\$ 795
Service provider Fee	\$ 106,874	\$ 64,616
Clinic Consumables and Supplies	\$ 3,120	\$ 2,169
Books and Materials	\$ 6,415	\$ 6,616
Product Consumption	\$ 93,673	\$ 124,819
Laundry Service	\$ 11,507	\$ 11,719
Class coordinator/mentor fee	\$ 32,392	\$ 8,075
Credit Card Merchant Fee	\$ 86,891	\$ 71,800
Total	\$ 380,408	\$ 366,172
Schedule -9 Staff Cost	FY 2020-21	FY 2019-20
Staff cost Allocation	\$ 808,780	\$ 517,675
Workmens' Compensation Fund	\$ 5,355	\$ 5,931
Employee Medical		\$ 11,800
Employer Payroll Taxes	\$ 64,993	\$ 45,858
Total	\$ 879,129	\$ 581,264



Schedule -10 Administrative Expenses	FY 2020-21	FY 2019-20
Independent Contractor	\$ 11,536	\$ 59,488
Computer & Internet Exp	\$ 7,112	\$ 5,015
Printing and Reproduction	\$ 15,315	\$ 19,055
Licenses & Permits	\$ 11,366	\$ 2,096
Meals & Entertainment	\$ 1,290	\$ 15,613
Office Expenses	\$ 500	\$ 4,027
Office Supplies	\$ 6,599	\$ 21,594
Postage & Delivery	\$ 30,485	\$ 16,384
Professional Fees	\$ 60,488	\$ 38,746
Rent	\$ 132,231	\$ 105,008
Taxes	\$ 200	\$ 7,441
Telephone	\$ 6,472	\$ 5,278
Travel		\$ 27,821
Lodging		\$ 17,082
SF - Utilities	\$ 6,966	\$ 7,431
Insurance Expense	\$ 15,331	\$ 5,812
Membership & Subscriptions	\$ 5,798	\$ 1,745
Repairs and Maintenance		\$ 3,031
Shipping	2690	223.97
Storage	\$ 2,152	\$ 1,342
Total	\$ 316,529	\$ 364,231
Schedule - 11 Selling and Distribution Expenses	FY 2020-21	FY 2019-20
Advertising		
Event Expenses	\$ (2,500)	\$ 29,689
Marketing	\$ 57,856	\$ 54,543
Content Creation Expenses	\$ 23,560	
Bank service Charge	\$ 7,646	\$ 6,096
Commissions Paid	\$ 454	\$ 12,930
Total	\$ 87,016	\$ 103,257
Schedule -12 Financial Charges	FY 2020-21	FY 2019-20
Interest Expense		\$ 613
Total	\$ -	\$ 613

