

ANNUAL REPORT

2014-15

Ayurvedic Academy Inc.

8234A, 17 Ave NE,

SEATTLE WA 981115, USA

Tel: 001-2067299999 Fax: 001-2067290164

E-mail : info@ayurvedaonline.com

Website: www.ayurvedaonline.com

www.ayurvedaacademy.com

Ayurvedic Academy Inc.

BOARD OF DIRECTORS

CHAIRMAN : Mr. Ramesh Vangal

DIRECTORS : Mr. Anand Subramanian

REGISTERED OFFICE : 8234 A, 17 Ave NE,
SEATTLE WA 98115,
USA

BANKERS : WELLS FARGO BANK.

DIRECTORS' REPORT

Your directors have pleasure in presenting the 9th Annual Report on the business and operations of your company together with the Audited Accounts for the year ended 31st March 2015. 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.

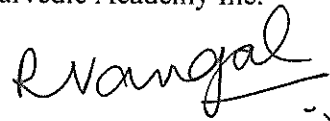
Financial Results

During the year under review, your company has achieved a turnover of \$ 614,911 (previous year \$ 616,481) and recorded a Loss of \$ 16425 (Previous year Loss \$167,118) for the year, before providing tax. During the year, the company is aggressively promoted distance learning and presently operates at Seattle, Fremont, Los Angeles and Boston in US. The company is making all efforts to improve the performance in the coming year.

Acknowledgements

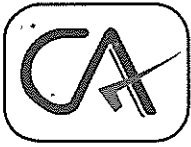
Your Directors wish to place on record the continued co-operation and support received from Bankers. Your Directors wish to acknowledge the support and contributions on the part of employees, institution, bankers, customers etc.

On behalf of the Board of Directors
Ayurvedic Academy Inc.



RAMESH VANGAL
Chairman

Date : May 9, 2015



Independent Auditor's Report

To the Members of

AYURVEDIC ACADEMY INC

Report On the Financial Statement

We have audited the accompanying financial statements of AYURVEDIC ACADEMY INC, which comprise the Balance Sheet as at March 31,2015 , and the Statement of Profit and Loss for year and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so

required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Profit and Loss Account, of the loss for the year ended on that date

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give NIL statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

the Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.

in our opinion, the Balance Sheet, Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Forming an Opinion and Reporting on Financial Statements

For NDS & CO
Chartered Accountants

S S S S S

Sanjay Shreesha
Partner
FRN NO 009804S

Place : **Bangalore**
Date : 09/05/2015



AYURVEDIC ACADEMY INC.
8234A 17th Ave NE Seattle, WA 98115, USA

Balance Sheet as at March 31, 2015

STOCKHOLDERS EQUITY AND LIABILITY	Schedules	As on March 31,2015		As on March 31,2014	
		Amount in USD		Amount in USD	
Stockholders Equity					
Common Stock					
Stockholders Equity					
Retained Earnings		(\$1,586,686)		(\$1,570,262)	
Total Stockholders' Equity			(\$1,586,686)		(\$1,570,262)
Long Term Liabilities					
Unsecured Loans	2	\$2,996,962	\$2,996,962	\$2,882,144	\$2,882,144
Current Liabilities					
Accounts Payable	3	\$464,278		\$391,041	
Advances Received		\$148,302	\$612,580	\$159,439	\$550,480
Total Liabilities & Stockholders' Equity			\$2,022,856		\$1,862,362
ASSETS					
Fixed Assets	4				
Gross Block		\$203,131		\$203,131	
Less :- Depreciation		\$172,309		\$157,680	
Net Block			\$30,822		\$45,452
Loans & Advances	5		\$ 1,894,203		\$1,764,181
Current Assets					
Cash and Bank Balance	6	\$26,731		\$21,301	
Inventory		\$43,624			
Accounts Receivable		\$27,477		\$31,429	
			\$97,831		\$52,730
Total Assets			\$2,022,856		\$1,862,362

Schedules 1 to 12 form an integral part of this statement

In terms of our report attached.

For NDS & Co.,
Chartered Accountants

S Shreesh

Sanjay Shreesh, B com, FCA
Partner

Membership No. 206099

Firm No. 0098045

Place: Bangalore

Date: May 9, 2015



On behalf of Board of Directors
For AYURVEDIC ACADEMY INC.

R Vangal

Ramesh Vangal
Chairman


AYURVEDIC ACADEMY INC.
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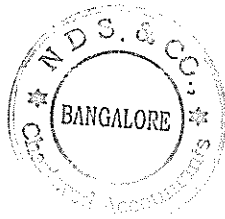
Profit & Loss Account for the year ended as on March 31, 2015

Particulars	Schedules	2014-15		2013-14	
		Amount In USD		Amount In USD	
Revenues					
Tuition fee	7	\$ 490,363.42		\$616,481	
Clinic Service Income		\$ 124,547.26			
Other Income					
Total Revenues			\$ 614,911		\$616,481
Cost of Goods Sold	8		\$149,101		\$116,542
Gross Profit			\$465,809		\$499,939
Expenses					
Staff Cost	9	\$221,491		\$221,967	
Administrative Expenses	10	\$227,595		\$205,335	
Selling & Distribution Expenses	11	\$11,702		\$219,441	
Financial Charges	12	\$6,819		\$6,923	
Amortization & Depreciation	4	\$14,629		\$13,391	
Sub Total			\$482,234		\$667,057
Net Income			(\$16,425)		(\$167,118)
Income Tax Provision/Estimate					
Deficit Carried to Balance Sheet			(\$16,425)		(\$167,118)
Retained Earning Previous Years			(\$1,570,262)		(\$1,403,144)
Retained Earning Transferred to Balance Sheet			(\$1,586,686)		(\$1,570,262)

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



On behalf of Board of Directors
For AYURVEDIC ACADEMY INC.


Ramesh Vangal
Chairman

AYURVEDIC ACADEMY INC.
8234A 17th Ave NE Seattle, WA 98115, USA

Schedules to Balancesheet as on March 31, 2015

Schedule -2 Unsecured Loan	As on March 31,2015	As on March 31,2014
Kerala Ayurveda Ltd, India	\$ 2,397,000	\$ 2,397,000
CMS Katra Nursing LLC	\$ 115,018	
CMS Katra Holdings LLC	\$ 484,944	\$ 485,144
Total	\$ 2,996,962	\$ 2,882,144

Schedule -3 Current Liabilities	As on March 31,2015	As on March 31,2014
Accounts Payable		
for Services and supplies	\$ 328,269	\$ 324,891
For Payroll and Staff Dues	\$ 136,009	\$ 66,150
Total	\$ 464,278	\$ 391,041
Advances Received		
Advance Tution Fee	\$ 148,302	\$ 159,439
Advance for India Intenstive programme		\$ -
Total	\$ 148,302	\$ 159,439

Schedule -5 Loans and Advances	As on March 31,2015	As on March 31,2014
Deposits	\$ 5,750	\$ 5,750
Advances to Others	\$ 1,888,453	\$ 1,758,431
Total	\$ 1,894,203	\$ 1,764,181

Schedule -6 Current Assets

Cash and Bank Balance	As on March 31,2015	As on March 31,2014
Wells Fargo(FC)-7758101963		
Wells Fargo SB A/c -146931024		\$ 0
Wells Fargo(Sea)-7758102136	\$ 23,298	\$ 14,417
Cash in Hand	\$ -	\$ 71
Credit Card Collection Visa/MC FC	\$ 1,324	\$ -
Credit Card Collection Visa/MC	\$ 2,109	\$ 6,813
Total	\$ 26,731	\$ 21,301
Accounts Receivable		
Tution fee receivable	\$ 27,476.55	\$ 31,429.07
Inventory	\$ 43,623.70	\$ -

AYURVEDIC ACADEMY INC.

8234A 17th Ave NE Seattle, WA 98115, USA

Schedule - 4 - FIXED ASSETS forming part of the Balance Sheet as at March 31, 2015

Particulars	Percentage (SLM)	Gross Block			Depreciation & Amortisation			Net Block	
		Cost as on April 1, 2014	Additions / Deletions	Cost as on March 31, 2015	Upto March 31, 2014	For the Period	Upto March 31, 2015	As on March 31, 2015	As on March 31, 2014
Office Equipment	14%	\$ 1,848		\$ 1,848	\$ 1,483	\$ 259	\$ 1,742	\$ 106	\$ 365
Computer	30%	\$ 2,741		\$ 2,741	\$ 1,993	\$ 748	\$ 2,741	-	\$ 748
Intangible Asset									
Project Expenses-1	20%	\$ 130,431		\$ 130,431	\$ 130,431	-	\$ 130,431	-	\$ -
Moodle	20%	\$ 28,659		\$ 28,659	\$ 17,195	\$ 5,732	\$ 22,927	\$ 5,732	\$ 11,464
Content Development	20%	\$ 13,202		\$ 13,202	\$ 2,640	\$ 2,640	\$ 5,281	\$ 7,921	\$ 10,562
Fremont Buildout	20%	\$ 26,250		\$ 26,250	\$ 3,938	\$ 5,250	\$ 9,188	\$ 17,062	\$ 22,313
Total		\$ 203,131		\$ 203,131	\$ 157,680	\$ 14,629	\$ 172,309	\$ 30,822	\$ 45,452

AYURVEDIC ACADEMY INC.

Schedules to Profit and Loss Account for the period April 1, 2014 to March 31, 2015

Schedule -7 Revenue	FY 2014-15	FY 2013-14
Registration Fee	\$ 6,900.00	\$ 6,900
Tuition fee on Regular Classes	\$ 253,224.82	\$ 270,659
Tuition fee on Distance Learning	\$ 163,825.29	\$ 254,589
India Intensive Programme	\$ 7,977.81	\$ 50,036
ICS/Bundle and Mis.Income	\$ 7,000.00	\$ 11,712
Work Shop Panchkama Classes	\$ 51,435.50	\$ 22,585
Rental Income	\$ 1,800.00	
Clinic Service Income	\$ 103,932.34	
Product Sales	\$ 18,814.92	
Total	\$ 614,910.68	\$ 616,481

Schedule -8 Cost of Goods Sold	FY 2014-15	FY 2013-14
Faculty Travel & Meals	\$ 18,559.40	\$ 12,069
Instructors Honorarium	\$ 34,100.00	\$ 29,691
India Intensive Cost	\$ 6,000.00	\$ 35,250
Classroom Rent	\$ 5,215.28	\$ 9,262
Academy Materials Supplies	\$ 8,898.12	\$ 12,966
Service provider Fee	\$ 28,972.14	
Clinic Consumables and Supplies	\$ 4,540.47	
Product Consumption	\$ 19,178.24	
Laundry Service	\$ 4,493.88	
Credit Card Merchant Fee	\$ 19,143.77	\$ 17,304
Total	\$ 149,101.30	\$ 116,542

Schedule -9 Staff Cost	FY 2014-15	FY 2013-14
Payroll Expenses	\$ 146,079	\$ 193,884
Workmens' Compensation Fund	\$ 1,129	\$ 2,372
Employee Medical	\$ 13,020	\$ 11,820
Employer Payroll Taxes	\$ 61,135	\$ 13,847
Employer Payroll WA L&I Taxes	\$ 128	\$ 44
Total	\$ 221,491	\$ 221,967

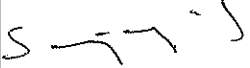


Schedule -10 Administrative Expenses	FY 2014-15	FY 2013-14
Independent Contractor	\$ 79,562	\$ 15,664
Computer & Internet Exp	\$ 279	\$ 23,236
Printing and Reproduction	\$ 1,793	\$ 6,721
Licenses & Permits	\$ 6,093	\$ 4,920
Meals & Entertainment	\$ 2,609	\$ 4,127
Office Expenses	\$ 367	\$ 6,114
Office Supplies	\$ 6,138	\$ 6,313
Postage & Delivery	\$ 6,713	\$ 5,953
Professional Fees	\$ 33,961	\$ 23,152
Rent	\$ 57,551	\$ 69,626
Taxes	\$ 6,302	\$ 9,188
Telephone	\$ 3,516	\$ 5,166
Travel	\$ 6,708	\$ 10,860
Lodging	\$ 1,245	\$ 3,456
SF - Utilities	\$ 5,377	\$ 5,642
Insurance Expense	\$ 3,709	\$ 2,310
Repairs and Maintenance	\$ 882	\$ 1,562
Cleaning Services	\$ 4,789	
Total	\$ 227,595	\$ 205,335

Schedule - 11 Selling and Distribution Expenses	FY 2014-15	FY 2013-14
Advertising		
Event Expenses	\$ 4,964	\$ 5,838
Marketing	\$ 72	\$ 169,477
Commissions Paid	\$ 6,665	\$ 39,747
Total	\$ 11,702	\$ 219,441

Schedule -12 Financial Charges	FY 2014-15	FY 2013-14
Bank Service Charges	\$ 3,085	\$ 2,678
Interest Expense	\$ 3,734	\$ 4,244
Total	\$ 6,819	\$ 6,923

AYURVEDIC ACADEMY INC.
8234A 17th Ave NE Seattle, WA 98115, USA

Balance Sheet as at March 31, 2014

STOCKHOLDERS EQUITY AND LIABILITY	Schedules	As on March 31, 2015		As on March 31, 2014	
		Amount in INR		Amount in INR	
Stockholders Equity					
Common Stock					
Stockholders Equity					
Retained Earnings		-99311976.1		(94,372,720)	
Total Stockholders' Equity			(99,311,976)		(94,372,720)
Long Term Liabilities					
Unsecured Loans	2	187,582,277	187,582,277	173,216,860	173,216,860
Total Liabilities					
LIABILITIES					
Current Liabilities					
Accounts Payable	3	29,059,520		23,501,559	
Advances Received		9,282,366	38,341,886	9,582,257	33,083,816
Total Liabilities & Stockholders' Equity			126,612,187		111,927,956
ASSETS					
Fixed Assets	4				
Gross Block		12714131.79		12,208,228	
Less :- Depreciation		10784945.48		9,476,586	
Net Block			1,929,186		2,731,642
Loans & Advances	5		118559672		106,027,250
Current Assets					
Cash and Bank	6	1,673,107		1,280,178	
Inventory		2,730,442			
Accounts Receivable		1719779.246		1,888,887	
			6,123,329		3,169,065
Total Assets			126,612,187		111,927,958
Schedules 1 to 12 form an integral part of this statement In terms of our report attached.					
For NDS & Co., Chartered Accountants			On behalf of Board of Directors For AYURVEDIC ACADEMY INC.		
 Sanjay Shreesha, B com, FCA Partner Membership No. 206099 Firm No. 0098045 Place: Bangalore Date: May 9, 2015			  Ramesh Vangal Chairman		

AYURVEDIC ACADEMY INC.
8234A 17th Ave NE Seattle, WA 98115, USA

Profit & Loss Account for the year ended as on March 31, 2014

Particulars	Schedules	2014-15		2013-14	
		Amount in INR		Amount in INR	
Revenues					
Tuition fee	7	30,692,239		37,050,509	
Clinic Service Income		7,795,513			
Other Income					
Total Revenues			38,487,751		37,050,509
Cost of Goods Sold	8		9,332,370		7,004,201
Gross Profit			29,155,382		30,046,307
Expenses					
Staff Cost	9	13,863,273		13,340,197	
Administrative Expenses	10	14,245,322		12,340,660	
Selling & Distribution Expenses	11	732,415		13,188,400	
Financial Charges	12	426,783		416,060	
Amortization & Depreciation	4	915,637		804,783	
Sub Total			30,183,430		40,090,100
Net Income			(1,028,048)		(10,043,792)
Income Tax Provision/Estimate					
Deficit Carried to Balance Sheet			(1,028,048)		(10,043,792)
Retained Earning Previous Years			(94,372,720)		(76,316,977)
Exchange difference			(3,911,208)		(8,011,951)
Retained Earning Transferred to Balance Sheet			(99,311,976)		(94,372,720)

In terms of our report attached.

For NDS & Co.,
Chartered Accountants
FRN: 0098045

Sanjay Shreesh

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



On behalf of Board of Directors
For AYURVEDIC ACADEMY INC.

R Vangal

Ramesh Vangal
Chairman

Place: Bangalore
Date: May 9, 2015

AYURVEDIC ACADEMY INC.

8234A 17th Ave NE Seattle, WA 98115, USA

Schedules to Balancesheet as on March 31, 2015

Amount in INR

Schedule -2 Unsecured Loan	As on March 31,2015	As on March 31,2014
Kerala Ayurveda Ltd, India	150,030,148	144,059,700
CMS Katra Nursing LLC	7,199,090	
CMS Katra Holdings LLC	30,353,039	29,157,160
Total	187,582,277	173,216,860

Schedule - 3 Current Liabilities

Accounts Payable		
for Services and supplies	20,546,624	19,525,953
For Payroll and Staff Dues	8,512,896	3,975,606
Total	29,059,520	23,501,559
Advances Received		
Advance Tution Fee	9,282,366	9,582,257
Total	9,282,366	9,582,257

Scheduel -5 Loans and Advances

Advances to Staff		
Deposits	359897.1	345,575
Advances to Others	118199774.6	105,681,675
Total	118559671.7	106,027,250

Scheduel -6 Current Assets

Cash and Bank	As on March 31,2015	As on March 31,2014
Wells Fargo(Sea)-7758102136	1,458,220	866,459
Cash in Hand	0	4,288
Visa Debit Card		0
Credit Card Collection Visa FC	82,873	0
Credit Card Collection Visa/MC	132,015	409,431
Total	1,673,107	1,280,178
Accounts Receivable		
Tution fee receivable	1719779.246	1,888,887
Inventory	\$ 2,730,442.28	\$ -

AYURVEDIC ACADEMY INC.
8234A 17th Ave NE Seattle, WA 98115, USA

Schedule - 4 - FIXED ASSETS forming part of the Balance Sheet as at March 31, 2015

Particulars	Percentage (SLM)	Gross Block			Depreciation & Amortisation			Net Block	
		Cost as on April 1, 2014	Additions / Deletions	Cost as on March 31, 2015	Upto March 31, 2014	For the Period	Upto March 31, 2015	As on March 31, 2015	As on March 31, 2014
Office Equipment	14%	115,668		115,668	92,810	16,193	109,004	6,664.2	18,258
Computer	30%	171,561		171,561	124,744	46,818	171,561	(0.0)	39,992
Intangible Asset				-					
Project Expenses-1	20%	8,163,781		8,163,781	8,163,781	-	8,163,781	-	-
Moodle	20%	1,793,790		1,793,790	1,076,251	358,750	1,435,002	358,788.0	646,128
Content Developmen	20%	826,324		826,324	165,266	165,266	330,532	495,791.7	628,198
Fremont Buildout	20%	1,643,009		1,643,009	246,457	328,609	575,066	1,067,942.4	1,331,192
Total		12,714,132		12,714,132	9,869,309	915,637	10,784,945	1,929,186	2,663,768

AYURVEDIC ACADEMY INC.

Schedules to Profit and Loss Account for the period April 1, 2013 to March 31, 2015

Schedule 7 - Revenue	As on March 31, 2015	As on March 31, 2014
Registration Fee	431876.52	414,690
Tuition fee on Regular Classes	15849544.06	16,266,615
Tuition fee on Distance Learning	10253955.96	15,300,800
India Intensive Programme	499337.5101	3,007,153
ICS/Bundle and Mis.Income	438135.6	703,893
Work Shop Panchkama Classes	3219389.093	1,357,359
Rental Income	112663.44	
Clinic Service Income	6505208.306	
Product Sales	1177640.895	
Total	38487751.39	37,050,509

Schedule - 8 - Cost of Goods Sold

Faculty Travel & Meals	1161647.694	725,368
Instructors Honorarium	2134346.28	1,784,418
India Intensive Cost	375544.8	2,118,525
Classroom Rent	326428.5474	556,675
Academy Materials Supplies	556940.4493	779,250
Credit Card Merchant Fee	1198223.879	1,039,965
Service provider Fee	1813389.42	
Clinic Consumables and Supplies	284191.6497	
Product Consumption	1200381.384	
Laundry Service	281275.5443	
Total	9332369.648	7,004,201

Schedule - 9 - Staff Cost

Payroll Expenses	9,143,213	11,652,430
Workmens' Compensation Fund	70,658	142,554
Employee Medical	814,932	710,382
Employer Payroll Taxes	3,826,468	832,203
Employer Payroll WA L&I Taxes	8,002	2,629
Total	13,863,273	13,340,197

Schedule -10 -Administrative Expenses

Independent Contractor	4,979,841	941,409
Computer & Internet Exp	17,485	1,396,496
Printing and Reproduction	112,255	403,931
Licenses & Permits	381,387	295,706
Meals & Entertainment	163,323	248,007
Office Expenses	22,992	367,430
Office Supplies	384,190	379,381
Postage & Delivery	420,189	357,773
Professional Fees	2,125,617	1,391,458
Rent	3,602,163	4,184,523
Taxes	394,430	552,171
Telephone	220,087	310,476
Travel	419,845	652,699
Lodging	77,951	207,704
SF - Utilities	336,542	339,055
Staff Welfare Expenses		45,195
Insurance Expense	232,121	138,827
Membership & Subscriptions		33,325
Repairs and Maintenance	55,188	93,897
Storage		1,195
Cleaning Service	299,716	
Total	14,245,322	12,340,660

Schedule - 11 -Selling and Distribution Expenses

Event Expenses	310,694	350,874
Marketing	4,530	10,185,541
Commissions Paid	417,191	2,388,771
Fremont Grand Opening Expense		263,215
Total	732,415	13,188,400

Schedule -12 Financial Charges

Bank Service Charges	193,079	160,970
Interest Expense	233,703	255,090
Total	426,783	416,060

AYUVEDIC ACADEMY INC.

Schedule 1:

Note 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 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.