

ANNUAL REPORT

2014-2015

Nutraveda Inc.(Formerly known as Ayu 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

Nutraveda Inc. (Formerly known as Ayu 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 \$ 31,432 (Previous Year \$ 67,538) and incurred a loss of \$ 23,551 (previous year \$62,843 loss) for the company, before providing tax.

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
Nutraveda Inc.



RAMESH VANGAL
Chairman

Date : May 9,2015

Nutraveda Inc. (Formerly known as Ayu 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 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.



Independent Auditor's Report

To the Members of

Nutraveda Inc

Report On the Financial Statement

We have audited the accompanying financial statements of Nutraveda 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 

Sanjay Shreesh
Partner
FRN NO 009804S



Place : **Bangalore**
Date : 09/5/2015

Balance Sheet
As on March 31, 2015

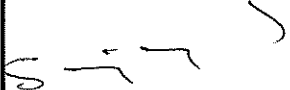
EQUITY AND LIABILITIES	Schedules	As on March 31, 2015		As on March 31, 2014	
		Amount in USD		Amount in USD	
Stockholders Equity					
Common Stock					
Stockholders Equity					
Retained Earnings		(\$964,631)		(\$941,081)	
Total Stockholders' Equity			(\$964,631)		(\$941,081)
Current Liabilities	2				
Accounts Payable		37,257.21		\$34,098	
Unsecured Loans		\$2,323,944		\$2,251,950	
Total Liabilities			\$2,361,201		\$2,286,048
Total Liabilities & Stockholders' Equity			\$1,396,570		\$1,344,967
ASSETS					
Fixed Asset	3				
Gross Block		\$79,019		\$79,019	
Less:- Depreciation		\$78,900		\$77,663	
Net Block			\$120		\$1,356
Investment	4		\$85,000		\$85,000
Current Assets	5				
Cash and Bank Balances		\$723		\$9,003	
Accounts Receivable		175.4		\$1,150	
Inventory		\$0		\$52,170	
Loans and Advances		\$1,310,552		\$1,196,288	
Total Current Assets			\$1,311,450		\$1,258,611
Total Assets			\$1,396,570		\$1,344,967

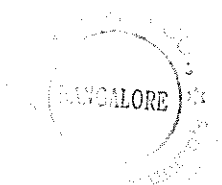
Schedules 1 to 11 form an integral part of this statement

In terms of our report attached.

For NDS & Co.,
Chartered Accountants

On behalf of Board of Directors
For NUTRAVEDA INC.


Sanjay Shreesha, B com, FCA
Partner
Membership No. 206099
Firm No. 0098045
Place: Bangalore
Date: May 9, 2015




Ramesh Vangal
Chairman

NUTRAVEDA INC. (Formerly known as Ayu Inc)

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

Income Statement
From April 1, 2014 to March 31, 2015


Particulars	Schedules	2014-15		2013-14	
		Amount in USD		Amount in USD	
Revenues					
Services & Products Sales	6	\$31,432		\$67,538	
Total Revenues			\$31,432		\$67,538
Cost of Goods Sold	7		\$17,643		\$28,998
Gross Profit			\$13,789		\$38,541
Expenses					
Staff Costs	8	\$0		\$60,145	
Administrative Expenses	9	\$28,655		\$30,384	
Selling & Distribution Expenses	10	\$0		\$517	
Financial Charges	11	\$7,449		\$7,994	
Amortization & Depreciation	3	\$1,236		\$2,344	
Sub Total			\$37,340		\$101,383
Net Income			(\$23,551)		(\$62,843)
Income Tax Provision/Estimate			\$0		\$0
Deficit Carried to Balance Sheet			(\$23,551)		(\$62,843)
Retained Earning Previous Year b/f			(\$941,081)		(\$878,238)
Retained Losses Transferred to Balance Sheet			(\$964,631)		(\$941,081)

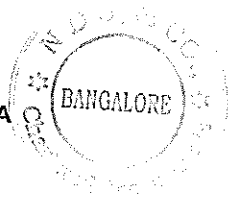
Schedules 1 to 11 form an integral part of this statement


In terms of our report attached.

For NDS & Co.,
Chartered Accountants
FRN: 0098045

On behalf of Board of Directors
For NUTRAVEDA INC.


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



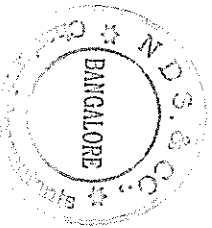

Ramesh Vangal
Chairman

Place: Bangalore
Date: May 9, 2015

NUTRAVEDA INC. (Formerly Known as Ayu Inc)
 8234A 17th Ave NE Seattle, WA 98115, USA

Schedule 3 - Fixed Assets and Depreciation
 For the period April 1, 2014 to March 31, 2015

Particulars	Depreciation %	Gross Block			Depreciation			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	14.0%	9,707		\$9,707.29	\$8,351	\$1,236	\$9,587	\$119.82	\$1,356
Furniture & Fixtures	16.6%	17,956		\$17,956.05	\$17,956	\$0	\$17,956	\$0	\$0
Computers	40.0%	6,470		\$6,469.95	\$6,470	\$0	\$6,470	\$0	\$0
Remodel	20.0%	10,107		\$10,107.08	\$10,107	\$0	\$10,107	\$0	\$0
Lease Hold Improvements	20.0%	34,779		\$34,779.00	\$34,779	\$0	\$34,779	\$0	\$0
Total		79,019		\$79,019	\$77,663	\$1,236	\$78,900	\$120	\$1,356

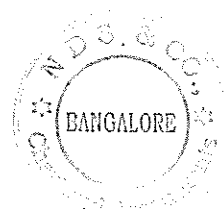


NUTRAVEDA INC. (Formerly known as Ayu Inc)
8234A 17th Ave NE Seattle, WA 98115, USA

Schedules to Balance Sheet
As on March 31, 2015

Amount in USD

	As on March 31, 2015	As on March 31, 2014
Schedule 2		
Current Liabilities		
Accounts Payable		
for Services and supplies	7,147.21	\$6,438
for Payroll and Staff Dues	\$0	\$4,119
for Others	\$30,110	\$23,540
Total	37,257.21	\$34,098
Unsecured Loans		
Ayurvedic Academy Inc	\$39,129	\$217,272
CMS Katra Nursing LLC	\$4,874	\$874
Kerala Ayurveda Ltd, India - Loan	\$2,250,000	\$2,000,000
Bank of America Credit Card-6128	\$7,748	\$8,741
Chase Credit Card -3720	\$22,193	\$25,063
Total	\$2,323,944	\$2,251,950
Schedule 4		
Investment		
Stake in CMS Katra Nursing LLC (49%)	\$85,000	\$85,000
Total	\$85,000	\$85,000
Schedule 5		
CURRENT ASSETS		
Cash and Bank Balances		
Wells Fargo A/c No 1997	\$704	\$8,280
Cash Collection Fund		\$185
Credit Card Collection Fund - Other		\$214
Check Collection Fund		\$135
Cash on hand	\$19	\$188
TOTAL	\$723	\$9,003
Accounts Receivable	175.4	\$1,150
Inventory	\$0	\$52,170
Loans & Advances		
Ayu Natural Medicine Clinic	\$1,531	\$450
Katra Group Inc	\$1,243,958	\$1,130,926
CMS Katra Holdings LLC	\$36,527	\$36,527
Project Suveda	\$28,535	\$28,385
Total	\$1,310,552	\$1,196,288



Schedules to Profit & Loss Account

For the period April 1, 2013 to March 31, 2014

		2013-14
Schedule 6		
Revenue		
Treatment & Consultation Services	\$0	\$21,455
Products Sale	\$31,432	\$46,084
Total	31,432.33	\$67,538
Other Income		
Mis. Income		
Schedule 7		
Cost of Goods Sold		
Products Consumption	\$16,671	\$19,545
Clinic Consumables		\$959
Credit Card Merchant Fee	\$972	\$2,527
Service Provider Fee		\$4,240
Other Direct Expenses		\$1,726
Total	\$17,643	\$28,998
Schedule 8		
Staff Cost		
Employee Medical		\$2,650
Payroll Expenses		\$52,800
ER PR Tax Expenses		\$4,695
Total	\$0	\$60,145
Schedule 9		
Administration		
Staff Welfare Expenses		
Professional Fees	\$1,757	\$4,903
Taxes -State	\$4,244	\$1,378
Licence and Permits	\$110	\$1,266
Independent Contractor		\$2,746
Computer and Internet Expenses	\$581	\$2,438
Office Supplies	\$190	\$740
Insurance Expense	\$1,056	\$1,018
Postage Expenses	\$1,540	\$1,280
Rent	\$16,992	\$12,000
Office Expenses		\$527
Printing and Reproduction	\$519	\$1,133
Telephone Expense	\$293	\$321
Cleaning Service	\$990	
Utilities and Energy	\$384	\$634
Total	\$28,655	\$30,384
Schedule 10		
Selling & Distribution Expenses		
Marketing		\$517
Total	\$0	\$517
Schedule 11		
Financial Charges		
Bank Service Charges	\$3,437	\$4,368
Interest expenses	\$4,012	\$3,625
Total	\$7,449	\$7,994



NUTRAVEDA INC. (Formerly known as Ayu Inc)

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


Balance Sheet
As on March 31, 2015

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		(60,377,047)		(56,558,754)	
Total Stockholders' Equity			(60,377,047)		(56,558,754)
Current Liabilities	2				
Accounts Payable		2,331,959		2,049,273	
Unsecured Loans		145,457,494		135,341,741	
Total Liabilities			147,789,453		137,391,014
LIABILITIES AND STOCKHOLDERS' EQUITY			\$87,412,406		\$80,832,260
ASSETS					
Fixed Asset	3				
Gross Block		4,945,886		4,749,048	
Less:- Depreciation		4,938,390		4,667,558	
Net Block			7,496		81,490
Investment	4		5,320,218		5,108,483
Current Assets	5				
Cash and Bank Balances		45,224		541,068	
Accounts Receivable		10978		69,129	
Inventory		0		3,135,413	
Loans and Advances		82,028,489		71,896,677	
Total Current Assets			82,084,692		75,642,287
Total Assets			87,412,406		80,832,260


Schedules 1 to 11 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 NUTRAVEDA INC.


Sanjay Shreesha, B com, FCA
Partner
Membership No. 206099
Firm No. 0098045
Place: Bangalore
Date: May 9, 2015




Ramesh Vangal
Chairman

NUTRAVEDA INC. (Formerly known as Ayu Inc)

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Income Statement
From April 1, 2014 to March 31, 2015

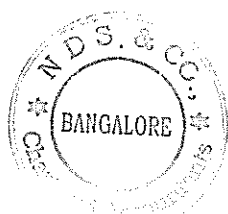
Particulars	Schedules	2014-15		2013-14	
		Amount in INR		Amount in INR	
Revenues					
Services & Products Sales	6	1,967,375		4,059,038	
Total Revenues			1,967,375		4,059,038
Cost of Goods Sold	7		1,104,284		1,742,750
Gross Profit			863,090		2,316,288
Expenses					
Staff Costs	8	0		3,614,707	
Administrative Expenses	9	1,793,521		1,826,049	
Selling & Distribution Expenses	10	0		31,051	
Financial Charges	11	466,258		480,429	
Amortization & Depreciation	3	77,372		140,884	
Sub Total			2,337,151		6,093,120
Net Income			(1,474,061)		(3,776,832)
Income Tax Provision/Estimate			0		0
Deficit Carried to Balance Sheet			(1,474,061)		(3,776,832)
Retained Earning Previous Year b/f			(56,558,754)		(47,767,359)
Forex Fluctuation			(2,344,232)		(5,014,563)
Retained Losses Transferred to Balance Sheet			(60,377,047)		(56,558,754)

Schedules 1 to 11 form an integral part of this statement

In terms of our report attached.

For NDS & Co.,
Chartered Accountants
FRN: 0098045

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



On behalf of Board of Directors
For NUTRAVEDA INC.

R Vangal
Ramesh Vangal
Chairman

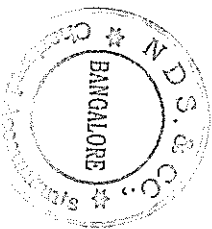
Place: Bangalore
Date: May 9, 2015

NUTRAVEDA INC. (Formerly Known as Ayu Inc)
 8234A 17th Ave NE Seattle, WA 98115, USA

Schedule 3 - Fixed Assets and Depreciation
 For the period April 1, 2014 to March 31, 2015

Amount in INR

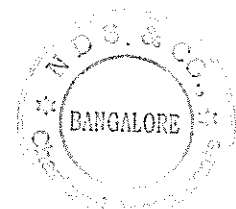
Particulars	Gross Block					Depreciation			Net Block		
	Depreciation %	Cost as on 1.4.2010	Additions/Deletions	Cost as on April 1, 2014	Additions/Deletions	Cost as on March 31, 2015	Upto March 31, 2014	For the period	Upto March 31, 2015	As on March 31, 2015	As on March 31, 2014
Office Equipment	14.0%	9,707		607,587		607,587	522,716	77,372	600,087	7,496	81,494
Furniture & Fixtures	16.6%	17,956		1,123,884		1,123,884	1,123,884	0	1,123,884	0	0
Computers	40.0%	6,470		404,959		404,959	404,963	0	404,963	0	0
Remodel	20.0%	10,107		632,610		632,610	632,610	0	632,610	0	0
Lease Hold Improvements	20.0%	34,779		2,176,845		2,176,845	2,176,845	0	2,176,845	0	0
Total		79,019	-	4,945,886		4,945,886	4,861,018	77,372	4,938,390	7,496	81,494



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

Schedules to Balance Sheet
As on March 31, 2015

	Amount in INR	Amount in INR
	As on March 31, 2015	As on March 31, 2014
Schedule 2		
Current Liabilities		
Accounts Payable		
for Services and supplies	447,350	386,935
for Payroll and Staff Dues	0	247,566
for Others	1,884,609	1,414,773
Total	2,331,959	2,049,273
Unsecured Loans		
Ayurvedic Academy Inc	2,449,120	13,057,979
Ayu Natural Medicine Clinic		
Katra Group Inc		
Kerala Ayurveda Ltd, India - Loan	140,829,300	120,199,600
CMS Katra Nursing LLC	305,063	52,523
Bank of America Credit Card-6128	484,957	525,347
Chase Credit Card -3720	1,389,054	1,506,292
Wells Fargo LOC 3738		
Home Depot		
Wells Fargo CC 0249		
Total	145,457,494	135,341,741
Schedule 4		
Investment		
Stake in CMS Katra Nursing LLC (49%)	5320218	5,108,483
Total	5,320,218	5,108,483
Schedule 5		
CURRENT ASSETS		
Cash and Bank Balances		
Wells Fargo A/c No 1997	44,033	497,637
Cash on hand	1,192	11,305
TOTAL	45,224	541,068
Accounts Receivable	10978	69,129
Inventory	0	3,135,413
Loans & Advances		
Ayu Natural Medicine Clinic	95,857	27,045
Ayurvedic Academy Inc		
Katra Group Inc	77,860,342	67,968,426
CMS Katra Holdings LLC	2,286,234	2,195,246
CMS Katra Nursing LLC		
Advance to Others	0	
Project Suveda	1,786,056	1,705,959
Prepaid Expenses		
Total	82,028,489	71,896,677



Schedules to Profit & Loss Account
For the period April 1, 2014 to March 31, 2015

		2013-14
Schedule 6		
Revenue		
Treatment & Consultation Services	0	1,289,417
Products Sale	1967375	2,769,621
Total	1,967,375	4,059,038
Schedule 7		
Cost of Goods Sold		
Products Consumption	1043449.349	1,174,668
Clinic Consumables	0	57,654
Credit Card Merchant Fee	60835.12806	151,870
Service Provider Fee		254,850
Other Direct Expenses		103,708
Total	1,104,284	1,742,750
Schedule 8		
Staff Cost		
Employee Medical		159,264
Payroll Expenses		3,173,281
ER PR Tax Expenses		282,161
Total	0	3,614,707
Schedule 9		
Administration		
Professional Fees	109,958	294,696
Taxes -State	265,625	82,820
Licence and Permits	6,885	76,101
Independent Contractor	0	165,024
Computer and Internet Expenses	36,343	146,513
Insurance Expense	66,096	61,174
Office Supplies	11,872	44,456
Postage Expenses	96,404	76,925
Rent	1,063,543	721,198
Printing and Reproduction	32,455	68,117
Telephone Expense	18,330	19,281
Utilities and Energy	24,046	38,092
Cleaning Services	61,965	
Total	1,793,521	1,826,049
Schedule 10		
Selling & Distribution Expenses		
Marketing	0	31,051
Total	0	31,051
Schedule 11		
Financial Charges		
Bank Service Charges	215,150	262,545
Interest expenses	251,109	217,885
Total	466,258	480,429

