

**ANNUAL REPORT**  
**2014-2015**

**CMS Katra Holdings LLC.**  
874, Walker Road, STE C  
Dover DE- 19904

**CMS Katra Holdings LLC.**

**MEMBERS OF THE BOARD OF MANAGERS**

CHAIRMAN : Mr. Ramesh Vangal

DIRECTORS : Mr. Anand Subramanian

REGISTERED OFFICE : 874, Walker RD, STE C,  
Dover DE 19904

BRANCH OFFICE : 8234A, 17 Ave NE,  
Seattle WA 98115  
USA

BANKERS : WELLS FARGO BANK.

## DIRECTORS' REPORT

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

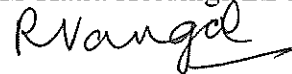
### Financial Results

During the year under review, your company has achieved a turnover of \$ NIL (previous year \$ NIL) and incurred a Loss of \$ 246 (Previous year Loss \$10,989) for the year, 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  
CMS Katra Holdings LLC



RAMESH VANGAL  
Chairman

Date : May 9, 2015

## CMS KATRA HOLDINGS LLC

### Notes to Accounts

#### 1. Significant Accounting Policies

a. 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.

b. 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.

c. Revenue Recognition

Income is recognized only when realization is certain





*Independent Auditor's Report*

To the Members of

CMS Katra Holdings LLC

**Report On the Financial Statement**

We have audited the accompanying financial statements of CMS Katra Holdings LLC, which comprise the Balance Sheet as at March 31,2014, 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;

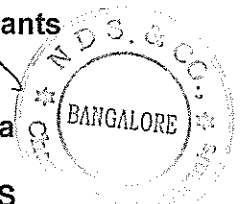
on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies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


  
Sanjay Shreesh  
Partner  
FRN NO 009804S



Place : Bangalore  
Date : 9/5/2015

**CMS KATRA HOLDINGS LLC**  
8234A 17th Ave NE Seattle, WA 98115, USA

Balance Sheet  
From April 1, 2014 to March 31, 2015

Particulars	Schedules	Amount in USD		Amount in USD	
		2014-15		2013-14	
<b>EQUITY AND LIABILITIES</b>					
Stockholders Equity					
Stockholders Equity		\$ 1,000		\$ 1,000	
Retained Earnings		\$ (462,976)		\$ (462,730)	
Total Stockholders' Equity			\$ (461,976)		\$ (461,730)
Current Liabilities		\$ -		\$ -	
Total Current Liabilities			\$ -		\$ -
Unsecured Loans	2	\$ 2,228,765		\$ 2,228,765	
			\$ 2,228,765		\$ 2,228,765
<b>Total Liabilities &amp; Stockholders' Equity</b>			<b>\$ 1,766,790</b>		<b>\$ 1,767,036</b>
<b>ASSETS</b>					
Loans and Advances					
CMS Katra Nursing LLC		\$ 1,276,703		\$ 1,276,703	
Ayurvedic Academy Inc		\$ 484,944	\$ 1,761,647	\$ 485,144	\$ 1,761,847
Goodwill and Project Expenditure		\$ -		\$ -	
Investments					
Subsidiary-CMS Katra Nursing LLC		\$ 5,100		\$ 5,100	
Total Current Assets			\$ 5,143		\$ 5,189
Current Assets					
Cash in Bank	3	\$ 43		\$ 89	
<b>Total Assets</b>			<b>\$ 1,766,790</b>		<b>\$ 1,767,036</b>
Schedule 1 to 3 form an integral part of this statement In terms of our report attached.					
For NDS & Co., Chartered Accountants FRN: 0098045 Sanjay Shreesha, B com, FCA Partner Membership No. 206099  Place: Bangalore Date: May 9, 2015			On behalf of Board of Directors For CMS KATRA HOLDINGS LLC;   Ramesh Vangal Chairman		

**CMS KATRA HOLDINGS LLC**

8234A 17th Ave NE Seattle, WA 98115, USA  
Income Statement  
From April 1, 2014 to March 31, 2015

Particulars	Schedules	Amount in USD	
		2014-15	2013-14
<b>Revenues</b>			
Interest Income		\$ -	\$ -
<b>Total Revenues</b>		\$ -	\$ -
<b>Cost of Goods Sold</b>			
Total Cost of Goods Sold		\$ -	\$ -
<b>Gross Income</b>		\$ -	\$ -
<b>Expenses</b>			
Staff Cost			
Administrative Expenses		\$ 246	\$ 1,037
Selling & Distribution Expenses			
Financial Charges			
Ammortisation of Goodwill & Project Exp			\$ 9,953
<b>Total Expenses before Taxes</b>		\$ (246)	\$ (10,989)
Provision for Tax			
<b>Deficit for the year</b>		\$ (246)	\$ (10,989)
<b>Retained Earning Previous Years</b>		\$ (462,730)	\$ (451,740)
<b>Retained Earning Transferred to Balance Sheet</b>		\$ (462,976)	\$ (462,730)

Schedule 1 to 3 form an integral part of this statement  
In terms of our report attached.

For NDS & CO

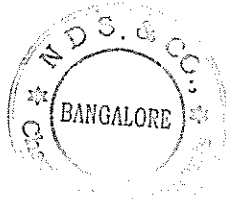
Chartered Accountants

FRN: 0098045

Sanjay Shreeshya, B com, FCA

Partner

Membership No. 206099



On behalf of Board of Directors  
For CMS KATRA HOLDINGS LLC;

*R Vangal*

Ramesh Vangal  
Chairman

Place: Bangalore

Date: May 9, 2015



**CMS KATRA HOLDINGS LLC**  
8234A 17th Ave NE Seattle, WA 98115, USA

Balance Sheet  
From April 1, 2014 to March 31, 2015

Amount in INR

Amount in INR

Particulars	Schedules	2014-15		2013-14	
<b>ASSETS</b>					
Current Assets					
Cash in Bank	Ref A	2,672		5,330	
Investments					
Subsidiary-CMS Katra Nursing LLC		319,213		306,510	
Total Current Assets			321,885		311,840
Other Assets					
Loan to Subsidiary-CMS Katra Nursing LLC		79,909,845		76,729,833	
Other assets		30,353,039	110,262,884	29,157,161	105,886,994
<b>Total Assets</b>			<b>110,584,769</b>		<b>106,198,834</b>
<b>EQUITY AND LIABILITIES</b>					
Current Liabilities					
Total Current Liabilities		-	-	-	-
Unsecured Loans	Ref B	139,500,191		133,948,783	
Total Liabilities			139,500,191		133,948,783
Stockholders Equity					
Stockholders Equity		62,591		60,100	
Retained Earnings		(28,978,013)		(27,810,049)	
Total Stockholders' Equity			(28,915,422)		(27,749,949)
<b>Total Liabilities &amp; Stockholders' Equity</b>			<b>110,584,769</b>		<b>106,198,834</b>

*Schedule 1 to 3 form an integral part of this statement*

In terms of our report attached.

For NDS & CO  
Chartered Accountants

FRN:

Name:

Partner

M.No: 206099



On behalf of Board of Directors  
For CMS KATRA HOLDINGS LLC;

*R. Vangal*

Ramesh Vangal  
Chairman

**CMS KATRA HOLDINGS LLC**  
8234A 17th Ave NE Seattle, WA 98115, USA

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

Particulars	Schedules	Amount in INR	
		2014-15	2013-14
<b>Revenues</b>			
Interest Income		0	0
<b>Total Revenues</b>		0	0
<b>Cost of Goods Sold</b>			
Total Cost of Goods Sold		0	0
<b>Gross Income</b>		0	0
<b>Expenses</b>			
Staff Cost			
Administrative Expenses		15,397	62,294
Selling & Distribution Expenses			
Financial Charges			
Ammortisation of Goodwill & Project Exp		0	598,154
<b>Total Expenses before Taxes</b>		(15,397)	(660,448)
Provision for Tax			
<b>Deficit for the year</b>		(15,397)	(660,448)
Forex Fluctuation		(1,152,567)	(2,579,438)
<b>Retained Earning Previous Years</b>		(27,810,049)	(24,570,163)
<b>Retained Earning Transferred to Balance Sheet</b>		<b>(28,978,013)</b>	<b>(27,810,049)</b>

In terms of our report attached.

For NDS & CO

Chartered Accountants

FRN: 0098045

Name: S - 7 - 1

Partner

M.No: 206099



Place : Bangalore

Date : May 2nd, 2015

On behalf of Board of Directors  
For CMS KATRA HOLDINGS LLC;

*R Vangal*

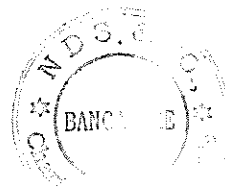
Ramesh Vangal  
Chairman

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

Schedules to Balancesheet as on March 31, 2015

Ref A	Amount in INR 2014-15	Amount in INR 2013-14
<b>Cash &amp; Bank Balance</b>		
Wells Fargo A/c, Seattle 3456	2,672	5,330
<b>Total</b>	<b>2,672</b>	<b>5,330</b>

Ref B		
<b>Unsecured Loans</b>		
Ayu Inc	2,286,234	2,195,253
Katra Finance Ltd, Mauritius	24,613,108	23,633,630
M C Mohan	625,908	601,000
Kerala Ayurveda Ltd, India	111,974,941	107,518,900
<b>Total</b>	<b>139,500,191</b>	<b>133,948,783</b>



**CMS KATRA HOLDINGS LLC**  
 8234A 17th Ave NE Seattle, WA 98115, USA

Schedules to Balancesheet as on March 31, 2015

Amount in USD      Amount in USD  
 2014-15                      2013-14

Schedule 2

Unsecured Loans		
Ayu Inc	\$ 36,527	\$ 36,527
Katra Finance Ltd, Mauritius	\$ 393,238	\$ 393,238
M C Mohan	\$ 10,000	\$ 10,000
Kerala Ayurveda Ltd, India	\$ 1,789,000	\$ 1,789,000
<b>Total</b>	<b>\$ 2,228,765</b>	<b>\$ 2,228,765</b>

Schedule 3

Cash & Bank Balance		
Wells Fargo A/c, Seattle 3456	\$ 43	\$ 89
<b>Total</b>	<b>\$ 43</b>	<b>\$ 89</b>

