

ANNUAL REPORT

2016-17

AYURVEDIC ACADEMY INC.

46500 Fremont Blvd Suite 702,

FREMONT, CA 94538, USA

Tel: +1-888-275-9103 Fax: +1-510-257-4378

E-mail: info@ayurvedaonline.com

Website: www.ayurvedaacademy.com

AYURVEDIC ACADEMY INC.

BOARD OF DIRECTORS

CHAIRMAN : Mr. Ramesh Vangal

DIRECTORS : Mr. Anand Subramanian

CALIFORNIA OFFICE : 46500, Fremont Blvd, Suite#702
Fremont, CA 94538,
USA

WASHINGTON OFFICE : 22429 Spruce Dr.,
Monroe, WA 98272

BANKERS : WELLS FARGO BANK.

DIRECTORS' REPORT

Your directors have pleasure in presenting the 11th Annual Report on the business and operations of your company together with the Audited Accounts for the year ended 31st March 2017. 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.

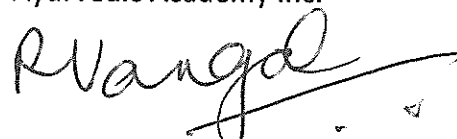
Financial Results

During the year under review, your company has achieved a turnover of \$ 875,018 (previous year \$ 768,579) and recorded a Profit of \$ 19,497 (Previous year Profit \$30,346) for the year, before providing tax. During the year, the company has aggressively promoted distance learning and presently operates centers at Seattle, Fremont, Los Angeles and Boston 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: May 5, 2017



Independent Auditor's Report

To the Members of

AYURVEDA ACADEMY INC

Report On the Financial Statement

We have audited the accompanying financial statements of AYURVEDA ACADEMY INC, which comprise the Balance Sheet as at March 31,2017, 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:

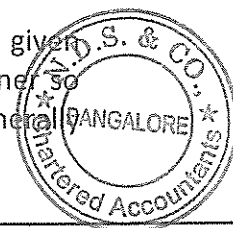
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform 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 required and give a true and fair view in conformity with the accounting principles generally



accepted in India:

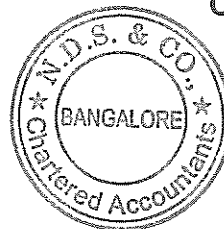
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date

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
 - c) the Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d) 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;
 - e) on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) 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 Shreesha*

Sanjay Shreesha
Partner
FRN NO 009804S

Place : **Bangalore**
Date : **05/05/2017**

AYURVEDIC ACADEMY INC.
46500 Fremont Blvd Suite 702, Fremont ,CA 94538 , USA

Balance Sheet as at March 31, 2017

STOCKHOLDERS EQUITY AND LIABILITY	Schedules	As on March 31,2017		As on March 31,2016	
		Amount in USD		Amount in USD	
Stockholders Equity					
Common Stock					
100 shares of common stock with no par value					
Stockholders Equity					
Retained Earnings		(\$1,536,843)		(\$1,556,340)	
Advance from Stockholder		\$2,397,000			
Total Stockholders' Equity			\$860,157		(\$1,556,340)
Long Term Liabilities					
Unsecured Loans	2	\$ 344,997	\$ 344,997	\$ 3,019,885	\$ 3,019,885
Current Liabilities					
Accounts Payable	3	\$ 163,875		\$ 537,355	
Advances Received		\$ 390,223	\$ 554,098	\$ 237,813	\$ 775,168
Total Liabilities & Stockholders' Equity			\$1,759,252		\$2,238,712
ASSETS					
Fixed Assets	4				
Gross Block		\$ 254,583		\$ 204,033	
Less :- Depreciation		\$ 194,364		\$ 186,172	
Net Block			\$ 60,219		\$ 17,861
Loans & Advances	5		\$ 857,714		\$ 2,154,020
Current Assets					
Cash and Bank Balance	6	\$17,343		\$7,501	
Inventory		\$ 34,667		\$ 52,008	
Accounts Receivable & Advance for Purchase		\$ 789,309		\$ 7,322	
			\$841,319		\$66,832
Total Assets			\$1,759,252		\$2,238,712

Schedules 1 to 12 form an integral part of this statement

In terms of our report attached.

For NDS & Co.,
Chartered Accountants
FRN: 009804S

S. 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: Bengaluru
Date: May 5, 2017

AYURVEDIC ACADEMY INC.

46500 Fremont Blvd Suite 702, Fremont ,CA 94538 , USA

Profit & Loss Account for the year ended as on March 31, 2017

Particulars	Schedules	2016-17		2015-16	
		Amount In USD		Amount In USD	
Revenues					
Tuition fee	7	\$ 622,860		\$ 578,836	
Clinic Service Income		\$ 252,158		\$ 189,743	
Other Income					
Total Revenues			\$ 875,018		\$ 768,579
Cost of Goods Sold	8		\$ 263,833		\$ 206,176
Gross Profit			\$611,184		\$562,403
Expenses					
Staff Cost	9	\$ 334,798		\$ 198,721	
Administrative Expenses	10	\$ 210,541		\$ 238,801	
Selling & Distribution Expenses	11	\$ 24,992		\$ 68,259	
Financial Charges	12	\$ 13,165		\$ 12,411	
Amortization & Depreciation	4	\$ 8,192		\$ 13,864	
Sub Total			\$591,687		\$532,057
Net Income			\$19,497		\$30,346
Income Tax Provision/Estimate					
Deficit Carried to Balance Sheet			\$19,497		\$30,346
Retained Earning Previous Years			(\$1,556,340)		(\$1,586,686)
Retained Earning Transferred to Balance Sheet			(\$1,536,843)		(\$1,556,340)

Schedules 1 to 12 form an integral part of this statement

In terms of our report attached.

For NDS & Co.,
Chartered Accountants
FRN: 009804S

S. Shreesha

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



On behalf of Board of Directors
For AYURVEDIC ACADEMY INC.

R. Vangal
Ramesh Vangal
Chairman

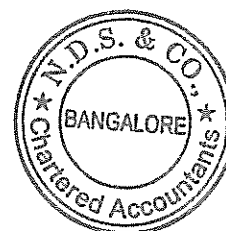
Place: Bengaluru
Date: May 5, 2017

AYURVEDIC 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 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.

46500 Fremont Blvd Suite 702, Fremont ,CA 94538, USA

Schedules to Balance sheet as on March 31, 2017

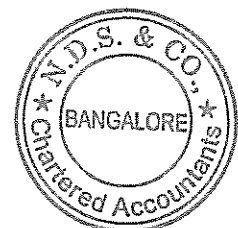
Schedule -2 Unsecured Loan	As on March 31, 2017	As on March 31, 2016
Kerala Ayurveda Ltd, India		\$ 2,397,000
CMS Katra Nursing LLC	\$ -	\$ 138,096
CMS Katra Holdings LLC	\$ -	\$ 484,788
Ayurvedagram Heritage Wellness Centre	\$ 63,545	\$ -
Kerala Ayurveda India	\$ 248,910	\$ -
Credit Card	\$ 32,541	\$ -
Total	\$ 344,997	\$ 3,019,885

Schedule - 3 Current Liabilities	As on March,2017	As on March 31,2016
Accounts Payable		
for Services and supplies	\$ 23,537	\$ 404,553
For Payroll and Staff Dues	\$ 140,338	\$ 132,802
Total	\$ 163,875	\$ 537,355
Advances Received		
Advance Tution Fee	\$ 302,818	\$ 186,330
Advance for India Intenstive program	\$ 3,300	\$ 10,800
Advance for Workshop	\$ 84,105	\$ 40,683
Total	390223.25	\$ 237,812.89

Schedule -5 Loans and Advances	As on March,2017	As on March 31,2016
Deposits	\$ 5,050	\$ 6,300
Advances to Others	\$ 852,664	\$ 2,147,720
Total	\$ 857,714	\$ 2,154,020

Schedule -6 Current Assets

Cash and Bank Balance	As on March,2017	As on March 31,2016
Wells Fargo(Sea)-7758102136	\$ 11,120	\$ 1,042
Cash in Hand	\$ 10	\$ -
Credit Card Collection Visa/MC FC	\$ 2,203	\$ -
Credit Card Collection Visa/MC	\$ 3,514	\$ 6,431
Cash Collections Fund	\$ 496	\$ 28
Total	\$17,343	\$7,501
Accounts Receivable		
Tution fee receivable	6,797.04	\$ 7,321.90
Inventory	34,666.81	\$ 52,008.28

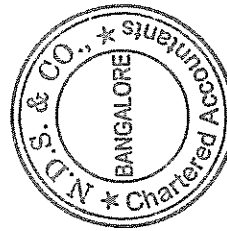


AYURVEDIC ACADEMY INC.

46500 Fremont Blvd Suite 702, Fremont ,CA 94538 , USA

Schedule - 4 - FIXED ASSETS forming part of the Balance Sheet as at March 31, 2017

Particulars	Percentage (SLM)	Cost as on					Net Block		Amount in USD	
		Apr 1, 2016	Additions / Deletions	March 31, 2017	Upto March 31, 2016	For the Period	Upto March 31, 2017	As on March 31, 2017	As on March 31, 2016	
Office Equipment	14%	\$ 1,848		\$ 1,848	\$ 1,848	\$ -	\$ 1,848	\$ -	\$ -	
Computer	30%	\$ 3,643	\$ 400	\$ 4,043	\$ 2,875	\$ 301	\$ 3,176	\$ 867	\$ 768	
Intangible Asset				\$ -			\$ -	\$ -		
Project Expenses-1	20%	\$ 130,431		\$ 130,431	\$ 130,431	\$ -	\$ 130,431	\$ -	\$ -	
Moodle	20%	\$ 28,659		\$ 28,659	\$ 28,659		\$ 28,659	\$ -	\$ -	
Content Development	20%	\$ 13,202	\$ 50,150	\$ 63,352	\$ 7,921	\$ 2,641	\$ 10,562	\$ 52,790	\$ 5,280	
Fremont Buildout	20%	\$ 26,250		\$ 26,250	\$ 14,438	\$ 5,250	\$ 19,688	\$ 6,562	\$ 11,812	
Total		\$ 204,033	\$ 50,550	\$ 254,583	\$ 186,172	\$ 8,191.65	\$ 194,364	\$ 60,219	\$ 17,860	



AYURVEDIC ACADEMY INC.

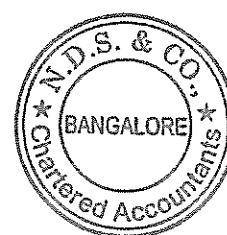
46500 Fremont Blvd Suite 702, Fremont ,CA 94538, USA

Schedules to Profit and Loss Account for the period April 1, 2016 to March 31, 2017

Schedule -7 Revenue	FY 2016-17	FY 2015-16
Registration Fee	\$ 6,200	\$ 3,400
Tuition fee on Regular Classes	\$ 246,994	\$ 276,911
Tuition fee on Distance Learning	\$ 233,809	\$ 204,385
India Intensive Programme	\$ 2,968	\$ 9,000
ICS/Bundle and Mis.Income	\$ 5,700	\$ 6,700
Work Shop Panchkama Classes	\$ 127,188	\$ 78,441
Rental Income	\$ -	\$ 1,880
Clinic Service Income	\$ 123,161	\$ 96,691
Product Sales	\$ 128,996	\$ 91,172
Total	\$ 875,018	\$ 768,579

Schedule -8 Cost of Goods Sold	FY 2016-17	FY 2015-16
Faculty Travel & Meals	\$ 25,034	\$ 26,671
Instructors Honorarium	\$ 50,950	\$ 53,550
India Intensive Cost	\$ -	\$ 6,000
Classroom Rent	\$ 6,322	\$ 10,197
Academy Materials Supplies	\$ 5,308	\$ 3,352
Service provider Fee	\$ 40,519	\$ 24,614
Clinic Consumables and Supplies	\$ 11,350	\$ 7,429
Product Consumption	\$ 71,160	\$ 32,007
Laundry Service	\$ 6,912	\$ 5,740
Class coordinator/mentor fee	\$ 14,554	\$ 10,240
Credit Card Merchant Fee	\$ 31,723	\$ 26,376
Total	\$ 263,833	\$ 206,176

Schedule -9 Staff Cost	FY 2016-17	FY 2015-16
Payroll Expenses	\$ 309,353	\$ 168,029
Workmens' Compensation Fund	\$ 1,209	\$ 1,180
Employee Medical	\$ 8,400	\$ 9,555
Employer Payroll Taxes	\$ 15,835	\$ 19,958
Employer Payroll WA L&I Taxes		
Total	\$ 334,798	\$ 198,721



Schedule -10 Administrative Expenses	FY 2016-17	FY 2015-16
Independent Contractor	\$ 56,445	\$ 57,203
Computer & Internet Exp	\$ 4,559	\$ 22,534
Printing and Reproduction	\$ 10,006	\$ 6,667
Licenses & Permits	\$ 10,508	\$ 9,456
Meals & Entertainment	\$ 211	\$ 1,706
Office Expenses	\$ 4,965	\$ 2,815
Office Supplies	\$ 8,255	\$ 5,555
Postage & Delivery	\$ 10,170	\$ 10,482
Professional Fees	\$ 23,379	\$ 27,450
Rent	\$ 50,928	\$ 57,614
Taxes	\$ 6,259	\$ 5,487
Telephone	\$ 4,624	\$ 4,413
Travel	\$ 10,785	\$ 5,565
Lodging	\$ 658	\$ 1,703
SF - Utilities	\$ 6,048	\$ 7,494
Insurance Expense	\$ 2,161	\$ 3,492
Membership & Subscriptions	\$ 550	\$ 2,630
Repairs and Maintenance	\$ 30	\$ 800
Cleaning Services		\$ 5,735
Total	\$ 210,541	\$ 238,801

Schedule - 11 Selling and Distribution Expenses	FY 2016-17	FY 2015-16
Advertising		
Event Expenses	\$ 5,022	\$ 5,333
Marketing	\$ 15,356	\$ 31,576
Commissions Paid	\$ 4,615	\$ 31,350
Total	\$ 24,992	\$ 68,259

Schedule -12 Financial Charges	FY 2016-17	FY 2015-16
Bank Service Charges	\$ 7,060	\$ 5,390
Interest Expense	\$ 6,105	\$ 7,021
Total	\$ 13,165	\$ 12,411

