

12th ANNUAL REPORT
2014-2015

AyurvedaGram Heritage Wellness Centre Private Limited

Hemmandanahalli, Samethanahalli Post
Whitefield, Bengaluru-560 067, India
Tel: 91-80-27945430-33 Fax: 91-80-27945427
E-mail : response@ayurvedagram.com
Website : www.ayurvedagram.com

BOARD OF DIRECTORS

CHAIRMAN	: Mr. Ramesh Vangal
DIRECTORS	: Mr. Ronald George Pearce Mr. Anand Subramanian Mr. S K Arunkumar Mrs.Sangeetha Arunkumar
REGISTERED OFFICE	: No.3282, 12 th Main, HAL II Stage Indiranagar, Bengaluru-560 038.
ADMINISTRATIVE OFFICE & RESORT	: Hemmandanahalli, Samethanahalli Post Whitefield, Bengaluru-560 067.
AUDITORS	: S V Sabareesan & Co Chartered Accountants #34, 1st Block, 5th Cross, Kumara Park West Bengaluru - 560020
BANKERS	: Kotak Mahindra Bank Ltd Axis Bank Ltd The Ratnakar Bank Ltd

AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED
Regd.Off: NO.3282,12TH MAIN ROAD HAL II STAGE, INDIRANAGAR, BANGALORE 560038
Ph: +91 (80)27945430-33 Fax: +91(80)027945427
Email: response@ayurvedagram.com Website: www.ayurvedagram.com
CIN : U74140KA2003PTC031511

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 12th Annual General Meeting of the Members of **Ayurvedagram Heritage Wellness Centre Private Limited**, will be held on Thursday, 24th September, 2015 at 11.30 am, at the registered office at No.3282, 12th Main, HAL II Stage, Indiranagar, Bengaluru-560 038 to transact the following business:

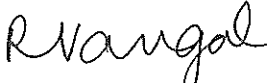
ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2015 and Profit & Loss Account for the year ended on that date and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Ms. Sangeetha Arunkumar, (DIN. 00184320) who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the members of the Company is hereby accorded to ratify the appointment M/s. S V Sabareesan & Co (Firm Regn No. 013599S), 34, 1st Main, 5th Cross, Kumara Park West, Bengaluru.

Place: Bengaluru
Date: 15th May 2015

By order of the Board


Ramesh Vangal
Director
DIN: 00064018

Notes:-

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND & ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- b) Proxies, in order to be valid and effective, must be delivered at the registered office of the company not later than forty-eight hours before the commencement of the meeting.

AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED

DIRECTORS' REPORT

Your directors have pleasure in presenting the 12th Annual Report on the business and operations of your company together with the Audited Accounts for the year ended 31st March 2015.

Financial Results

The Financial Results of the company for the year ended on 31st March 2015 as compared with the previous year are as under:

	Year ended 31 st March 2015 (Rs. in Lacs)	Year ended 31 st March 2014 (Rs. in Lacs)
Net Income from Sales /Services	623.90	554.70
Other Operational Income	12.70	9.30
Total Revenues	636.60	564.00
Profit before Interest, Depreciation and Tax (EBITDA)	179.05	154.22
Finance Charges	(52.40)	(14.51)
Depreciation	(46.26)	(37.10)
Profit before taxation	80.39	102.61
Deferred tax	11.92	0.41
Income Tax	(31.00)	(37.19)
Net Profit/(Loss)	61.31	65.83

Performance Analysis

During the year under review, the company has achieved total revenues of Rs.637 Lacs against a turnover of Rs.564 Lacs of previous financial year. The Net profit of the company for the year, after providing for tax is Rs. 61 Lacs in the current year as compared to Rs.66 Lacs in previous year.

Business Review

The company's performance during the year has clearly improved. The revenues grew by 13% on account of better occupancy and increase in the price of treatment packages.

Reserves:

During the year under report, your directors do not propose to transfer any amount to any Reserves.

Dividend

Though the Company has posted net profit during the year, in order to conserve cash for further investment in the business, your Directors do not propose to recommend any dividend for the year.

Directors Responsibility Statement

In accordance with section 134(5) of the Companies Act, 2013, the Board confirms that:-

- a) in the preparation of the Annual Accounts for the year ended 31st March 2015, the applicable accounting standards had been followed along with proper explanations and there were no material departures.
- b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March 2015 and of the profit and loss of the company for the year ended 31st March 2015.
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Material Changes and Commitments

No material changes and commitments took place in the Company.

Change in the Nature of Business

There was no change in the nature of business of the Company during the financial year ended 31st March, 2015.

Names of Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year

During the financial year ended 31st March, 2015, no entity became or ceased to be the subsidiary, joint venture or associate of the Company.

Deposits

During the year under Review the Company has not accepted any deposits. There are no unclaimed deposit as on date.

Labour Relations

Labour relations have been excellent and harmonious throughout the year.

Statement Concerning Development and Implementation of Risk Management policy of the company

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

Subsidiaries, Joint Ventures and Associate companies

The Company does not have any Subsidiary, Joint venture or Associate Company during the year under review.

Number of Board Meetings

5 Board meetings were held during the year .

Extract of Annual Return

The details forming part of the extract of the Annual return in form MGT-9 is annexed herewith as **Annexure 1**.

Particulars of Contracts or Arrangements with related parties

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso is attached as **Annexure 2**.

Particulars of loans, guarantees or investments under section 186

No loans or Guarantee has been given by the company during the Financial year 2014-15.

Directors

Mrs. Sangeetha Arunkumar, (**DIN. 00184320**), Director of the company retire by rotation at ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

Mr. A T Jacob (DIN 01663815) has resigned on 20.09.2014 and Mr. Anand Subramanian (DIN 00064083) was appointed on 20.09.2014. Board placed its appreciation for the contribution of Mr. A T Jacob during his tenure as a director of the company.

Auditors

S V Sabareesan & Co, Chartered Accountants, was appointed as Statutory Auditors of the company upto the conclusion of Annual General Meeting in 2019 subject to ratification at every Annual General Meeting. Company has received a letter, pursuant to Section 139 of the Companies Act, 2013, from M/s. S V Sabareesan & Co, Chartered Accountants, confirming consent and their eligibility for acting as Statutory Auditors of the Company, if the appointment is ratified at the ensuing Annual General Meeting. The Board also recommends their appointment as Statutory Auditors for the ensuing financial year.

Statutory Auditors' Report

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

Energy Conservation, Research & Development, Technology Absorption, Foreign Exchange Earnings And Outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure 3** and forms part of this Report.

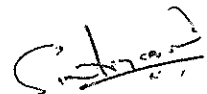
Acknowledgements

Your Directors gratefully acknowledge the continued co-operation and support received from Bankers. Your Directors wish to express their appreciation for the dedicated and sincere efforts put in by employees, which has resulted in a strong performance by the company.

On behalf of the Board of Directors



Ramesh Vangal
Director
DIN: 00064018



Anand Subramanian
Director
DIN:00064083

Date: 15th May, 2015
Place: Bengaluru

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U74140KA2003PTC031511
2	Registration Date	27.01.2003
3	Name of the Company	Ayurvedagram Heritage Wellness Centre Private Limited
4	Category/Sub-category of the Company	Company Limited by Shares and Indian Non-Government Company
5	Address of the Registered office & contact details	NO.3282,12TH MAIN ROADHAL II STAGE,INDIRANAGAR, BANGALORE-560038 E-Mail Id: response@ayurvedagram.com
6	Whether listed company	NO
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
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(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Health Care Services	86901	92.48
2	Ayurvedic Medicines	21003	7.52

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES- NOT APPLICABLE					
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SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1					
2					
3					

IV. SHARE HOLDING PATTERN									
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(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF			-	0.00%			-	0.00%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.			-	0.00%			-	0.00%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)	-	-	-	0.00%	-	-	-	0.00%	0.00%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%

b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	-	-	0.00%	-	-	-	0.00%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B){1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian			1,665,000	74.00%			-	0.00%	-100.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			585,000	26.00%			-	0.00%	-100.00%
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	-	-	2,250,000	100.00%	-	-	-	0.00%	-100.00%
Total Public (B)	-	-	2,250,000	100.00%	-	-	-	0.00%	-100.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%

(ii) Shareholding of Promoter-NOT APPLICABLE

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1			0.00%			0.00%	0.00%	
2			0.00%			0.00%	0.00%	
3			0.00%			0.00%	0.00%	
4			0.00%			0.00%	0.00%	

(iii) Change in Promoters' Shareholding (please specify, if there is no change)-NOT APPLICABLE

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year		0.00%		0.00%
	Changes during the year		0.00%		0.00%
			0.00%		0.00%
			0.00%		0.00%
	At the end of the year		0.00%		0.00%

(iv) Shareholding Pattern of top ten Shareholders*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Kerala Ayurveda Limited & its representatives				
	At the beginning of the year	1,665,000	74.00%		0.00%
	Changes during the year	-	0.00%		0.00%
	At the end of the year	1,665,000	74.00%		0.00%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	S.K.Arun Kumar				
	At the beginning of the year	292,500	13.00%		0.00%
	Changes during the year		0.00%		0.00%
	At the end of the year			292,500	13.00%
2	Sangeetha Arun Kumar				
	At the beginning of the year	292,500	13.00%		0.00%
	Changes during the year		0.00%		0.00%
	At the end of the year			292,500	13.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition				-
* Reduction				-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount				-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-NIL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (Rs/Lac)
	Name		
	Designation		
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission		-
	- as % of profit		-
	- others, specify		-
5	Others, please specify		-
	Total (A)	-	-
	Ceiling as per the Act		

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors	Total Amount (Rs/Lac)
1	Independent Directors		
	Fee for attending board committee		-
	Commission		-
	Others, please specify		-
	Total (1)	-	-
2	Other Non-Executive Directors		-
	Fee for attending board committee		-
	Commission		-
	Others, please specify		-
	Total (2)	-	-
	Total (B)=(1+2)	-	-
	Total Managerial Remuneration		-
	Overall Ceiling as per the Act		

Others, please specify					-
Total (2)		-	-	-	-
Total (B)=(1+2)		-	-	-	-
Total Managerial Remuneration					-
Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		Name			
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(b) Value of perquisites u/s 17(2) Income-				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				
	- as % of profit				-
	- others, specify				-
5	Others, please specify				-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE - 2

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.-NOT APPLICABLE
2. Details of contracts or arrangements or transactions at Arm's length basis.

S.no	Name of the Related Party	Nature of relationship	Duration of the contract, Salient Terms and Advance paid	Transaction Amt in Rs Lacs
1	Purchase of Medicines- Kerala Ayurveda Ltd	Holding Company	NA	34.06
2	Rendering of Services to Kerala Ayurveda Ltd	Holding Company	NA	0.23
3	Rendering of Services by Kerala Ayurveda Ltd	Holding Company	NA	48
4	Rendering of Services- Ayurvedic Academy Inc	Fellow Subsidiary	NA	1.28
5	Rendering of Services- Global Nutrifood Private Limited	Common Director	NA	0.18
6	Rendering of Services- Katra Holding Private Limited	Common Director	NA	23.66
7	Rendering of Services-Katra Phytochem (India) Private Limited	Common Director	NA	0.61
8	Purchase of Vegetables- Avan Agrotech Private Limited	Common Director	NA	0.45
9	Receiving of Ticket Servicing by Mason & Summers Leisure Pvt Ltd	Common Director	NA	3.04
10	Borrowings- Kerala Ayurveda Ltd	Holding Company	NA	(13.37)
11	Borrowings- Katra Holding Private Limited	Common Director	NA	62.06

ANNEXURE 3

Information in accordance with Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Board's Report for the year ended 31st March, 2015.

A. CONSERVATION OF ENERGY

- I. The Steps taken or Impact on conservation of energy- NIL
- II. The Steps taken By the Company for utilizing alternate source of energy -NIL
- III. The Capital Investment on energy conservation equipments - NIL

S V SABAREESAN & CO, Chartered Accountants

34, 1st Block, 5th Cross, Kumarapark West, Bengaluru 560020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 standalone financial statements that give a true and fair view of the financial position of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.



S V SABAREESAN & CO, Chartered Accountants

34, 1st Block, 5th Cross, Kumarapark West, Bengaluru 560020

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

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 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 Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

OTHER MATTERS

The financial statements of the Company for the year ended March 31, 2014 were audited by another auditor whose report dated 23rd May 2014 expressed an unmodified opinion on those statements

Our opinion is not qualified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 (the Order) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 and the Statement of Profit and Loss 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 March 31, 2015 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 Section 164(2) of the Act.

BV

S V SABAREESAN & CO, Chartered Accountants

34, 1st Block, 5th Cross, Kumarapark West, Bengaluru 560020

- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - 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 during the year.

For S V Sabareesan & Co.,
Chartered Accountants
(Firm Regn. No.: 013599S)

Sabarcesan S V.
Sabareesan S V
Proprietor
(Membership No.: 208917)

Bengaluru, May, 15, 2015



S V SABAREESAN & CO, Chartered Accountants

34, 1st Block, 5th Cross, Kumarapark West, Bengaluru 560020

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" SECTION OF THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015.

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. The Company is in process to allot the asset code for its fixed assets. No material discrepancies were noticed on such physical verification.
2. In respect of its inventories:
 - a) Physical verification of inventory has been conducted at reasonable intervals by the management;
 - b) The procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. During the year, the company has not granted any loan to parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services and during the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
5. The Company has not accepted deposits within the meaning of sections 73 to 76 of the Companies Act, 2013, during the year.
6. We have been informed that Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013.
7. According to the information and explanations given to us in respect of statutory dues:
 - a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues, Income-tax, PT, provident fund, employees' state insurance, value added tax, cess, luxury tax, and other material statutory dues with the appropriate authorities. However, we have observed an instance of delay in remitting the Income Tax into the Government account; the same has since been remitted.
 - b) there are no disputes in relation to income tax or sales tax or wealth tax or service tax or other statutory matters.

BV

S V SABAREESAN & CO, Chartered Accountants

34, 1st Block, 5th Cross, Kumarapark West, Bengaluru 560020

- c) During the year, no amount was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
8. The Company neither has accumulated losses as at the end of the financial year nor has incurred cash losses during the financial year and in the immediately preceding financial year.
9. Based on our verification and according to the information and explanations given by the management, the Company has not defaulted in the repayment of dues to banks. The Company has not issued any debentures.
10. The Company has not furnished guarantees for loans availed by others from banks or financial institutions.
11. The Company has not taken any term loans during the year.
12. Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

For S V Sabareesan & Co.,
Chartered Accountants
(Firm Regn. No.: 013599S)

Sabareesan S V.

Sabareesan S V
Proprietor
(Membership No.: 208917)

Bengaluru, May, 15, 2015

SV

Ayurvedagram Heritage Wellness Centre Private Limited

Regd Office: 3282, 12th Main, HAL, 2nd Stage, Bangalore 560008

CIN: U74140KA2003PTC031511

Balance Sheet as at 31 March, 2015

Particulars		Note No.	As at 31 March, 2015	As at 31 March, 2014
			Amount in Rs	Amount in Rs
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	3	22,500,000	22,500,000
	(b) Reserves and surplus	4	22,484,835	18,895,956
			44,984,835	41,395,956
2	Non-current liabilities			
	(a) Long-term borrowings	5	13,335,253	17,406,270
	(b) Deferred tax liabilities (net)		4,940,541	6,132,689
	(c) Long-term provisions	6	1,397,614	1,098,955
			19,673,408	24,637,914
3	Current liabilities			
	(a) Short Term Borrowings	7	14,323,755	14,729,538
	(b) Trade payables	8	1,734,195	4,749,987
	(c) Other current liabilities	9	13,901,401	13,646,983
	(d) Short-term provisions	10	5,250,009	4,724,396
			35,209,360	37,850,905
	TOTAL		99,867,603	103,884,775
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	11	57,364,862	62,576,760
	(b) Long-term Loans and Advances	12	563,304	2,102,121
	(c) Other Non-current Assets	13	30,420,228	30,420,228
			88,348,394	95,099,109
2	Current assets			
	(a) Inventories	14	1,601,672	1,053,214
	(b) Trade receivables	15	4,589,179	6,064,832
	(c) Cash and cash equivalents	16	4,252,591	1,154,974
	(d) Short-term loans and advances	17	1,075,767	512,646
			11,519,209	8,785,666
	TOTAL		99,867,603	103,884,775
See accompanying notes forming part of the financial statements		1 to 30		

In terms of our report attached.

For SV Sabareesan & Co
Chartered Accountants
Firm Regn No.013599S

Sabareesan S.V.
Sabareesan SV
Proprietor
Membership No 208917

Bengaluru, 15 May, 2015

For and on behalf of the Board of Directors
Ayurvedagram Heritage Wellness Centre Pvt Ltd.,

R Vangal
Ramesh Vangal
Director

S. Subramanian
Anand Subramanian
Director

Bengaluru, 15 May, 2015

Ayurvedagram Heritage Wellness Centre Private Limited

Regd Office: 3282, 12th Main, HAL 2nd Stage, Bangalore 560008

CIN: U74140KA2003PTC031511

Statement of Profit and Loss for the year ended 31 March, 2015

Particulars		Note No.	For the year ended 31 March, 2015	For the year ended 31 March, 2014
			Amount in Rs.	Amount in Rs.
1	Revenue from operations	18	63,659,775	56,400,445
2	Total revenue		63,659,775	56,400,445
3	Expenses			
	(a) Purchase of Provisions and Consumables	19-a	4,557,491	4,363,947
	(b) Purchases of Stock-in Trade	19-b	3,347,852	2,726,958
	(c) Changes in inventories of Traded Item & Prov and Consumables	19-c	(548,458)	154,900
	(d) Employee benefits expense	20	17,695,281	13,403,882
	(e) Finance costs	21	5,240,695	1,451,456
	(f) Depreciation and amortisation expense	11	4,626,405	3,709,774
	(g) Other expenses	22	20,701,115	20,328,526
	Total expenses		55,620,380	46,139,443
4	Profit before tax (3 - 2)		8,039,395	10,261,002
5	Tax expense:			
	(a) Current tax		3,100,108	3,718,907
	(b) Deferred tax		(1,192,148)	(41,162)
	Total		1,907,960	3,677,745
6	Profit for the year (4 ± 5)		6,131,435	6,583,258
7	Earnings per equity share			
	(a) Basic		2.73	2.93
	Weighted average number of equity shares (face value of Rs. 10/- each)		2,250,000	2,250,000
See accompanying notes forming part of the financial statements		1 to 30		

In terms of our report attached.

For SV Sabareesan & Co
Chartered Accountants
Firm Regn No.013599S

Sabareesan S.V.

Sabareesan SV
Proprietor
Membership No 208917

Bengaluru, 15 May, 2015

For and on behalf of the Board of Directors
Ayurvedagram Heritage Wellness Centre Pvt Ltd.,

R V Vargal

Ramesh Vargal
Director

S. Subramanian

Anand Subramanian
Director

Bengaluru, 15 May, 2015

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Ayurvedagram Heritage Wellness Centre Private Limited

Regd Office: 3282, 12th Main, HAL 2nd Stage, Bangalore 560008

CIN: U74140KA2003PTC031511

Cash Flow Statement for the year ended 31 March, 2015

Particulars	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Amt in Rs	Amt in Rs
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	8,039,395	10,261,002
<i>Adjustments for:</i>		
Depreciation and amortisation	4,626,405	3,709,774
(Profit) / loss on sale / write off of assets	(70,202)	-
Bad Debts	-	(100,990)
Finance costs	5,240,695	1,451,456
Operating profit / (loss) before working capital changes	17,836,293	15,321,243
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(548,458)	154,900
Trade receivables	1,475,653	(2,186,574)
Short-term loans and advances	(563,122)	(77,436)
Long-term loans and advances	1,538,817	1,319,500
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(3,015,792)	3,516,114
Other current liabilities	254,417	1,702,405
Other long-term liabilities	298,659	205,401
Short-term provisions	525,613	2,131,106
Cash generated from operations	17,802,080	22,086,659
Net income tax (paid) / refunds	(3,100,108)	(3,718,907)
Net cash flow from / (used in) operating activities (A)	14,701,972	18,367,753
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(2,136,861)	(4,945,503)
Proceeds from sale of fixed assets	250,000	-
Net cash flow from / (used in) investing activities (B)	(1,886,861)	(4,945,503)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	4,881,745	(12,912,368)
Repayment of long-term borrowings	(8,952,761)	(8,195,652)
Net increase / (decrease) in working capital borrowings	(405,783)	9,891,744
Finance cost	(5,240,695)	(1,451,456)
Net cash flow from / (used in) financing activities (C)	(9,717,494)	(12,667,733)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	3,097,617	754,516
Cash and cash equivalents at the beginning of the year	1,154,974	400,457
Cash and cash equivalents at the end of the year	4,252,590	1,154,974
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)	4,252,591	1,154,974
Less: Bank balances not considered as Cash and cash equivalents as defined in	-	-
Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i>) included	4,252,591	1,154,974
Cash and cash equivalents at the end of the year *		
* Comprises (a) Cash on hand	2,203,402	194,137
(b) Cheques, drafts on hand	-	-
(c) Balances with banks (i) In current accounts	1,936,764	895,587
(d) Others (Credit Cards Swiping)	112,424	65,250

Notes:

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached.

For SV Sabareesan & Co
Chartered Accountants
Firm Regn No.013599S

For and on behalf of the Board of Directors
Ayurvedagram Heritage Wellness Centre Pvt Ltd.,

Sabareesan S.V.

Sabareesan SV
Proprietor
Membership No 208917

R V Vangal

Ramesh Vangal
Director

Anand Subramanian

Anand Subramanian
Director

Bengaluru, 15 May, 2015

Bengaluru, 15 May, 2015

Ayurvedagram Heritage Wellness Centre Private Limited

Notes forming part of the financial statements

1 Background

Ayurvedagram Heritage Wellness Centre Private Limited was incorporated on 27th January 2003 and CIN is U74140KA2003PTC031511

2 Significant Accounting Policies

a) Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (India GAAP), to comply in all material respects with the Accounting Standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006 (as amended)] and other relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Tangible Fixed Assets

Fixed assets are stated at cost (or fair value, in case of acquisitions under slump sale) less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Interest and other financing costs relating to borrowed funds attributable to the construction or acquisition of fixed assets are capitalized to the extent they relate to the period till such assets are ready to be put to use.

d) Depreciation

i) Depreciation on all other fixed assets is provided based on the useful lives of the asset as prescribed under Schedule II of the Companies Act 2013. Depreciation on additions has been calculated on prorata basis.

Assets	Useful Life in years (Schedule II)
Land	Nil
Building	30
Office Equipments	5
Computers & Peripherals	3
Vehicles	8
Furnitures & Fittings	10

ii) Individual assets with cost not exceeding Rs. 5,000 are depreciated fully in the year of purchase.

e) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and no significant uncertainty exists regarding realization of the consideration. Sales are recognised when the property in the goods is transferred and are recorded net of trade discounts, rebates and value added tax. Sales are inclusive of Excise duty. Interest Income is recognised on a time proportion basis taking into account the amount outstanding and rate of interest applicable.

f) Foreign Currency Transaction

Initial Recognition :

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion :

Foreign currency monetary items are reported using the closing rate. Non-monetary items that are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange Differences :

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

g) Inventories

Raw Materials, are carried at lower of cost and net realisable value. Cost is determined on a weighted average basis. Stores and Spare parts are carried at cost, less provision for obsolescence. Finished goods produced or purchased by the Company are carried at lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of the manufacturing overheads.

h) Taxes on Income

Current income tax expense comprises current tax and deferred tax. Current tax is determined as the amount of tax payable in respect of taxable income for the period and computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised for future tax consequences arising out of the timing differences between the tax basis and the book profit. Deferred Tax assets are recognised only if there is reasonable certainty that they will be realised (except where there are unabsorbed depreciation and carry forward of business losses, it is recognised only if there is virtual certainty) and are reviewed every year. The tax effect is calculated on the accumulated timing differences based on the enacted or substantially enacted tax rates.

I) Earnings per Share

Basic earnings per share is calculated by dividing the profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for effects of all dilutive potential equity shares, where ascertainable.

j) Provision and Contingent Liability

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made to settle the obligation at Balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Liabilities which are material and whose outcome cannot be ascertained with reasonable certainty is treated as contingent and to the extent not provided for are disclosed by way of notes.

k) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and deposits held with bank having maturity period of three months or less from the date of investment.

l) Previous year figures have been regrouped/ reclassified, wherever necessary to correspond with the current year's classification/disclosure.

W

Ayurvedagram Heritage Wellness Centre Private Limited

Notes forming part of the financial statements

3 Share capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	In Rs	Number of shares	In Rs
(a) Authorised Capital Equity shares of Rs. 10/- each with voting rights	2,500,000	25,000,000	2,500,000	25,000,000
(b) Issued Capital Equity shares of Rs. 10/- each with voting rights	2,250,000	22,500,000	2,250,000	22,500,000
(c) Subscribed and fully paid up Equity shares of Rs. 10/- each with voting rights	2,250,000	22,500,000	2,250,000	22,500,000
Total	2,250,000	22,500,000	2,250,000	22,500,000

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Buy back	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2015	2,250,000	-	-	2,250,000
- Number of shares	22,500,000	-	-	22,500,000
- Amount (In Rs.)				
Year ended 31 March, 2014				
- Number of shares	2,250,000	-	-	2,250,000
- Amount (In Rs.)	22,500,000	-	-	22,500,000

Particulars

Notes:

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	Equity shares with voting rights Number of shares
As at 31 March, 2015	
Kerala Ayurveda Ltd, the holding company	1,665,000
Katra Holdings Ltd, the ultimate holding company	
Subsidiaries of the holding company	
Associates of the holding company	
Subsidiaries of the ultimate holding company	
Associates of the ultimate holding company	
As at 31 March, 2014	
Kerala Ayurveda Ltd, the holding company	1,665,000
Katra Holdings Ltd, the ultimate holding company	
Subsidiaries of the holding company	
Associates of the holding company	
Subsidiaries of the ultimate holding company	
Associates of the ultimate holding company	

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Kerala Ayurveda Ltd	1,665,000	74%	1,665,000	74%
Sangeetha Arunkumar	292,500	13%	292,500	13%
S K Arunkumar	292,500	13%	292,500	13%

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Ayurvedagram Heritage Wellness Centre Private Limited

Notes forming part of the financial statements

4 Reserves and surplus	Particulars	As at 31 March, 2015 Amount in Rs	As at 31 March, 2014 Amount in Rs
(a) Surplus / (Deficit) in Statement of Profit and Loss			
Opening balance		18,895,955	12,312,698
Add: Profit / (Loss) for the year		6,131,435	6,583,258
Less: Transfer to Depreciation reserve (Refer note 30)		2,542,556	
Closing balance		22,484,835	18,895,955
Total		22,484,835	18,895,956
5 Long-term borrowings			
	Particulars	As at 31 March, 2015 Amount in Rs	As at 31 March, 2014 Amount in Rs
(a) Term loans			
From banks - Refer Note 23			
Secured		-	9,528,637
Unsecured		1,054,846	478,970
		1,054,846	10,007,607
(b) Loans and advances from related parties- Refer note 23			
Unsecured		12,280,407	7,398,663
		12,280,407	7,398,663
Total		13,335,253	17,406,270
6 Long-term Provisions			
	Particulars	As at 31 March, 2015 Amount in Rs	As at 31 March, 2014 Amount in Rs
(a) Others:			
(i) Gratuity Provision		1,397,614	1,098,956
Total		1,397,614	1,098,956
7 Short-term borrowings			
	Particulars	As at 31 March, 2015 Amount in Rs	As at 31 March, 2014 Amount in Rs
From banks -Notes 24 (i) & (ii)			
Secured		14,323,755	14,729,538
Total		14,323,755	14,729,538

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8 Trade payables			
Particulars	As at 31 March, 2015	As at 31 March, 2014	
	Amount in Rs	Amount in Rs	
Payables for Goods and Services	1,734,195	4,749,987	
Total	1,734,195	4,749,987	
9 Other current liabilities			
Particulars	As at 31 March, 2015	As at 31 March, 2014	
	Amount in Rs	Amount in Rs	
(a) Other payables			
-Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, Service Tax etc.)			
a) TDS Payable- Contractors	758	608	
b) TDS Payable- Commission	-	-	
c) TDS Payable- Professional Charges	29,500	79,448	
d) TDS Payable- Salary	322,961	43,732	
e) Composite tax Payable	86,311	2,240	
f) Hospital Tax Payable	-	58,770	
g) Provident fund payable	101,180	69,676	
h) Professional Tax Payable	5,950	4,200	
(b) Advances from customers	12,780,641	1,239,750	
(c) Loan repayable within one year			
Term Loans-Ratnakar Bank Limited	-	11,946,036	
Axis Bank-Car Loan	226,158	202,523	
Kotak Mahindra Prime Ltd-Car Loan	345,702	-	
Total	13,899,161	13,646,983	
10 Short-term provisions			
Particulars	As at 31 March, 2015	As at 31 March, 2014	
	Amount in Rs	Amount in Rs	
(a) Provision for Employee benefits:			
-Salaries and Wages Payable	934,531	828,219	
(a) Provision - Others:			
(i) Provision for tax (net of advance tax Rs 39,19,603 (As at 31 March, 2014 Rs 35,01,127))	4,070,447	3,701,401	
(ii) Provision for Expenses	245,031	194,776	
Total	5,250,009	4,724,396	

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Ayurvedagram Heritage Wellness Centre Private Limited

Notes forming part of the financial statements

Note: 11 Fixed assets

Tangible assets	Gross Block						Accumulated depreciation and impairment					Net block	
	Balance as at 1 April, 2014	Additions	Deletions	Balance as at 31 March, 2015	Balance as at 1 April, 2014	Depreciation / amortisation expense for the year	Other adjustments	Deduction for the year	Balance as at 31 March, 2015	Balance as at 31 March, 2014	Balance as at 31 March, 2015	Balance as at 31 March, 2014	
	(a) Land Freehold Leasehold *	10,474,545	-	-	10,474,545	-				-	10,474,545	10,474,545	
(b) Buildings Own use Given under operating lease *	72,301,083			72,301,083	26,554,024	3,053,398			29,607,422	42,693,661	45,747,059		
(c) Furniture and Fixtures Owned	6,455,631	10,745		6,466,376	5,214,266	563,325	138,335		5,915,926	550,450	1,241,365		
(d) Vehicles Owned	2,695,850	1,321,693	836,266	3,181,277	905,625	442,992		656,468	692,149	2,489,128	1,790,225		
(e) Office equipment Owned	5,443,761	521,610		5,965,371	2,178,211	464,023	2,347,940		4,990,174	975,197	3,265,550		
(f) Others (Computers), Owned	1,011,431	282,813		1,294,244	953,415	102,667	56,281		1,112,363	181,881	58,016		
Total	98,382,301	2,136,861	836,266	99,682,896	35,805,541	4,626,405	2,542,556	656,468	42,318,034	57,364,862	62,576,760		
Previous year	97,859,225	523,076	-	98,382,301	32,095,767	3,709,774	-	-	35,805,541	62,576,760	65,763,458		

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Ayurvedagram Heritage Wellness Centre Private Limited			
Notes forming part of the financial statements			
12	Long-Term loans and advances		
	Particulars	As at 31 March, 2015	As at 31 March, 2014
		Amount in Rs	Amount in Rs
	(a) Security deposits	383,078	319,888
	(b) MAT credit entitlement - Unsecured, considered good	180,226	1,782,233
	Total	563,304	2,102,121
13	Other non-current assets		
	Particulars	As at 31 March, 2015	As at 31 March, 2014
		Amount in Rs	Amount in Rs
	(a) Others		
	(i) Capital Advances	30,420,228	30,420,228
	Total	30,420,228	30,420,228
	Note: Long-term debts due from:		
	Advance to Holding Company	-	-
		-	-
14	Inventories (At lower of cost and net realisable value)		
	Particulars	As at 31 March, 2015	As at 31 March, 2014
		Amount in Rs	Amount in Rs
	(a) Pharmacy- Medicines	1,091,321	776,502
	(b) Other Consumables	510,351	276,712
	Total	1,601,672	1,053,214
15	Trade receivables		
	Particulars	As at 31 March, 2015	As at 31 March, 2014
		Amount in Rs	Amount in Rs
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	Unsecured, Considered Good	86,422	10,007
	Other Trade receivables		
	Unsecured, Considered Good	4,502,757	6,054,825
	Total	4,589,179	6,064,832
	Note: Trade receivables include debts due from:		
	Directors *		
	Other officers of the Company *		
	Private companies in which any director is a Director	421,380	2,186,145
	Private companies in which any director is a member	-	-

16 Cash and cash equivalents		
Particulars	As at 31 March, 2015	As at 31 March, 2014
	Amount in Rs	Amount in Rs
(a) Cash on hand	2,203,402	194,137
(b) Cheques in Hand		
(c) Balances with banks		
(i) In current accounts	1,936,764	895,587
(d) Others :		
(i) Credit Card collection due	112,424	65,250
Total	4,252,591	1,154,974
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash flow Statements is Rs 39,74,015/- (Previous Year Rs 11,54,974/-)		
17 Short-term loans and advances		
Particulars	As at 31 March, 2015	As at 31 March, 2014
	Amount in Rs	Amount in Rs
(a) Loans and advances to employees	330,211	4,500
(b) Prepaid expenses	17,193	51,919
(c) Balances with government authorities		
(i) Input VAT	168,651	180,099
(ii) TDS Receivable	14,654	200,274
(d) Other Advances		
(i) Advance to Suppliers	545,058	75,854
Total	1,075,767	512,646

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Ayurvedagram Heritage Wellness Centre Private Limited

Notes forming part of the financial statements

18 Revenue from Operations			
	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
		Amount in Rs	Amount in Rs
(a)	Sale of products @ (Refer Note (i) below)	3,518,160	2,716,178
(b)	Sale of services @ (Refer Note (ii) below)	58,870,764	52,754,217
(c)	Other operating revenues @ (Refer Note (iii) below)	1,270,851	930,050
	Total	63,659,775	56,400,445

Note	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
		Amount in Rs	Amount in Rs
(i)	Sale of products comprises @:		
	<u>Traded goods</u>		
	Sale of Medicine	3,518,160	2,716,178
	Total - Sale of traded goods	3,518,160	2,716,178
(ii)	Sale of services comprises @:		
	Treatment & Nursing	58,870,764	52,754,217
	Total - Sale of services	58,870,764	52,754,217
(iii)	Other operating revenues # comprise:		
	Other Income	1,270,851	930,050
	Total - Other operating revenues	1,270,851	930,050

Ayurvedagram Heritage Wellness Centre Private Limited
Notes forming part of the financial statements

19-a Purchase of Provisions and Consumables			
	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
		Amount in Rs	Amount in Rs
	Purchase of Provisions and Consumables	4,557,491	4,363,947
	Total	4,557,491	4,363,947
19-b Purchase of traded goods-Medicines			
	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
		Amount in Rs	Amount in Rs
	Purchase of Medicine for resale	3,347,852	2,726,958
	Total	3,347,852	2,726,958
19-c Changes in inventories of Traded Items and Provision & Consumables			
	Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
		Amount in Rs	Amount in Rs
	<u>Inventories at the end of the year:</u>		
	Stock of Provisions and Consumables	510,351	276,712
	Stock of Medicines	1,091,321	776,502
		1,601,673	1,053,214
	<u>Inventories at the beginning of the year:</u>		
	Stock of Provisions and Consumables	276,712	262,267
	Stock of Medicines	776,502	945,847
		1,053,214	1,208,114
	Net (increase) / decrease	(548,458)	154,900

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Ayurvedagram Heritage Wellness Centre Private Limited
Notes forming part of the financial statements

20 Employee benefits expense			
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
	Amount in Rs	Amount in Rs	
Salaries and wages	16,281,294	12,424,613	
Contributions to provident funds	586,348	454,619	
Gratuity	346,845	235,990	
Staff welfare expenses	480,794	288,660	
Total	17,695,281	13,403,882	
21 Finance costs			
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
	Amount in Rs	Amount in Rs	
(a) Interest expense on:			
(i) Borrowings	4,486,497	1,121,974	
(ii) Others			
- Interest on delayed / deferred payment of income tax	670,090	288	
- Interest on Vehicle Loans	65,185	87,952	
- Bank Charges	18,923	241,242	
Total	5,240,695	1,451,456	
22 Other expenses			
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
	Amount in Rs	Amount in Rs	
Consumption of stores and spare parts			
Advertisement	348,366	496,046	
Power and fuel	963,976	905,754	
Repairs and maintenance - Buildings	1,568,054	1,606,263	
Repairs and maintenance - Others	2,255,340	1,787,346	
Insurance	70,216	62,153	
Rates and taxes	213,633	317,800	
Communication	292,558	169,586	
Marketing Expenses	258,406	137,507	
Travelling and conveyance	410,017	265,581	
Treatment Expense	5,344,494	2,930,587	
Printing and stationery	29,166	54,809	
Freight and forwarding	36,850	26,305	
Sales commission	524,996	516,090	
Sales discount	6,519,426	6,845,155	
Security Charges	717,815	642,524	
Business promotion	104,458	297,814	
Legal and professional	98,000	2,279,401	
Payments to auditors (Refer Note (i) below)	88,270	56,180	
Bad trade and other receivables, loans and advances written off	-	100,990	
Miscellaneous expenses	857,075	830,635	
Total	20,701,115	20,328,526	
Notes:			
Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014	
	Amount in Rs	Amount in Rs	
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):			
As auditors - statutory audit	56,180	56,180	
For taxation matters	28,090	11,236	
Out of pocket expense	4,000		
Total	88,270	67,416	

Ayurvedagram Heritage Wellness Centre Private Limited
Notes forming part of the financial statements

23 Long-term borrowings (refer Note 5)

Notes:

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security*	As at 31 March, 2015		As at 31 March, 2014	
		Secured	Unsecured	Secured	Unsecured
<u>Term loans from banks:</u>					
Ratnakar Bank Ltd (Repayable after 1 year)	Equitable Paripassu Mortgage of Land & Building, Personal Guarantee of Two Directors and Corporate Guarantee of Holding Company M/s Kerala Ayurveda Ltd	-		9,528,637	
Kotak Prime Bank-Innova Car Loan	Secured by Car taken on Loan personal guarantee of one director	-	802,298	-	478,970
Axis Bank-Innova Car Loan	Secured by Car taken on Loan personal guarantee of one director	-	252,548	-	478,970
Total - Term loans from banks		-	1,054,846	9,528,637	478,970
<u>Loans and advances from related parties:</u>					
Kerala Ayurveda Ltd			336,606		1,674,396
Katra Holding Pvt Ltd			11,943,801		5,724,266
Total - Loans and advances from related parties		-	12,280,407	-	7,398,663

24 Short Term Borrowings (refer Note 7)

(i) Details of security for the secured short-term borrowings:

Particulars	Nature of security	As at 31 March, 2015		As at 31 March, 2014	
		Secured	Unsecured	Secured	Unsecured
<u>Loans repayable on demand from banks:</u>					
Over Draft-Kotak Mahindra Bank Limited	Exclusive charges on entire current current assets of the Company both present & future and land belonging to chairman of the company and Personal Guarantee of One Director	14,323,755		14,729,538	
Total - from banks		14,323,755		14,729,538	

(ii) Details of short-term borrowings guaranteed by some of the directors or others:

Particulars	As at 31 March, 2015	As at 31 March, 2014
Loans repayable on demand from above mentioned banks.	14,323,755	14,729,538

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Ayurvedagram Heritage Wellness Centre Private Limited
Notes forming part of the financial statements

25 Earnings in Foreign Currency :		Amount in Rs	
Particulars	March 31, 2015	March 31, 2014	
Rendering of Services-Treatment	20,519,304	20,947,137	
Total	20,519,304	20,947,137	
Expenditure in Foreign Currency :			
Particulars	March 31, 2015	March 31, 2014	
Advertisement	56,163	56,885	
Total	56,163	56,885	
26 Related party transactions			
Details of related parties:			
Description of relationship	Names of related parties		
Holding Company	Kerala Ayurveda Ltd		
Fellow Subsidiary	Ayurvedic Academy Inc, USA		
Companies where promoter Director is having control/significant influence.	Avan Agrotech Pvt Ltd Global Agri System Pvt Ltd Global Nutrifood Pvt Ltd Katra Holding Pvt Ltd Katra Phytochem (India) Pvt Ltd Mason & Summers Leisure Pvt Ltd		
Note: Related parties have been identified by the Management.			
Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:			
	March 31, 2015	March 31, 2014	
Purchase of Medicines- Kerala Ayurveda Ltd	3,406,462	2,597,111	
Rendering of services to Kerala Ayurveda Ltd	23,283	79,064	
Rendering of services by Kerala Ayurveda Ltd	4,800,000	3,050,000	
Rendering of services- Ayurvedic Academy Inc	128,163	588,260	
Rendering of services- Global Nutrifood Pvt Ltd	18,850	96,922	
Rendering of services- Katra Holding Pvt ltd	2,366,705	1,610,897	
Rendering of services- Katra Phytochem (India) Pvt Ltd	61,508	78,149	
Purchase of Vegetables-Avan Agrotech Pvt Ltd	45,054	-	
Receiving of Ticketing services by Mason & Summers Leisure P Ltd	304,593	193,626	
Borrowings during the year {(repay)/additional loan}-Kerala Ayurveda Ltd	(1,337,791)	(3,193,628)	
Borrowings during the year {(repay)/additional loan}-Katra Holding P Ltd	6,206,445	(9,718,740)	
Balances outstanding at the end of the year			
Borrowings-Kerala Ayurveda Ltd	336,605	1,674,396	
Borrowings- Katra Holding Pvt Ltd	11,930,711	5,724,266	
27 Auditors Remuneration includes :			
Particulars	March 31, 2015	March 31, 2014	
Statutory Audit (inclusive of Service Tax)	56,180	56,180	
Tax Audit (inclusive of Service Tax)	26,090	-	
Out of pocket expense	4,000	-	
Total	82,270	56,180	

Ayurvedagram Heritage Wellness Centre Private Limited
Notes forming part of the financial statements

25 Earnings in Foreign Currency :		Amount in Rs	
Particulars	March 31, 2015	March 31, 2014	
Rendering of Services-Treatment	20,519,304	20,947,137	
Total	20,519,304	20,947,137	
Expenditure in Foreign Currency :			
Particulars	March 31, 2015	March 31, 2014	
Advertisement	56,163	56,885	
Total	56,163	56,885	

26 Related party transactions	
Details of related parties:	
Description of relationship	Names of related parties
Holding Company	Kerala Ayurveda Ltd
Fellow Subsidiary	Ayurvedic Academy Inc, USA
Companies where promoter Director is having control/significant influence.	Avan Agrotech Pvt Ltd Global Agri System Pvt Ltd Global Nutrifood Pvt Ltd Katra Holding Pvt Ltd Katra Phytochem (India) Pvt Ltd Mason & Summers Leisure Pvt Ltd

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:

	March 31, 2015	March 31, 2014
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Rendering of services to Kerala Ayurveda Ltd	23,283	79,064
Rendering of services by Kerala Ayurveda Ltd	4,800,000	3,050,000
Rendering of services- Ayurvedic Academy Inc	128,163	588,260
Rendering of services- Global Nutrifood Pvt Ltd	18,850	96,922
Rendering of services- Katra Holding Pvt ltd	2,366,705	1,610,897
Rendering of services- Katra Phytochem (India) Pvt Ltd	61,508	78,149
Purchase of Vegetables-Avan Agrotech Pvt Ltd	45,054	-
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Borrowings during the year ((repay)/additional loan)-Kerala Ayurveda Ltd	(1,337,791)	(3,193,628)
Borrowings during the year ((repay)/additional loan)-Katra Holding P Ltd	6,206,445	(9,718,740)
Balances outstanding at the end of the year		
Borrowings-Kerala Ayurveda Ltd	336,605	1,674,396
Borrowings- Katra Holding Pvt Ltd	11,930,711	5,724,266

27 Auditors Remuneration includes :			
Particulars	March 31, 2015	March 31, 2014	
Statutory Audit (inclusive of Service Tax)	56,180	56,180	
Tax Audit (inclusive of Service Tax)	26,090	-	
Out of pocket expense	4,000	-	
Total	82,270	56,180	

28 Deferred tax assets/ (liabilities)			
Particulars	As at March 31, 2014	Movement	As at March 31, 2015
Book/Tax depreciation difference	(6,472,266)	1,099,863	(5,372,403)
Provision for Gratuity	339,577	92,285	431,863
Carry forward of business Loss	-	-	-
Expense allowed on payment basis (Net)	-	-	-
Total deferred tax liability	(6,132,689)	1,192,148	(4,940,541)

29 Earnings/ (Loss) per share :			
Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014	
Net Profit /(Loss) after Tax	6,131,435	6,583,258	
Weighted Average Number of Shares outstanding during the year	2,250,000	2,250,000	
Earnings/ (Loss) Per Share (Rs)	2.73	2.93	
Nominal Value of Shares (Rs)	10.00	10.00	

30 During the year, the company has changed the depreciation policy as per the Schedule II of the The Companies Act 2013 and depreciation is provided over the useful life of the asset. Prior to the this, the company was following SLM method as per the Companies Act 1956. Due to the change in policy, the depreciation of Rs.25,42,556/- has been adjusted to the opening reserves

Previous year figures have been regrouped & reclassified wherever necessary & some figures may not be comparable.

In terms of our report attached.

For SV Sabareesan & Co
Chartered Accountants
Firm Regn No.013599S

Sabareesan S.V.

Sabareesan SV
Partner
Membership No 208917

Bengaluru, 15 May, 2015

For and on behalf of the Board of Directors
Ayurvedagram Heritage Wellness Centre Pvt Ltd.,

R Vangal

Ramesh Vangal
Director
DIN: 00064018

Bengaluru, 15 May, 2015

S. Anand

Anand Subramanian
Director
DIN: 00064083