

# **15<sup>th</sup> ANNUAL REPORT**

## **2017-2018**

**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](mailto:response@ayurvedagram.com)

Website : [www.ayurvedagram.com](http://www.ayurvedagram.com)

## BOARD OF DIRECTORS

CHAIRMAN	: Mr. Ramesh Vangal
DIRECTORS	: Mr. Anand Subramanian Mr. S Krishnamurthy Mr. S K Arunkumar Mrs. Sangeetha Arunkumar
REGISTERED OFFICE & RESORT :	: Hemmandanahalli, Samethanahalli Post Whitefield, Bangalore -560067.
CORPORATE OFFICE	: No.1134, 1st Floor, 100 Feet Road, HAL 2 <sup>nd</sup> Stage, Bangalore-560008
AUDITORS	: S V Sabareesan & Co Chartered Accountants #34, 1st Block, 5th Cross, Kumara Park West Bangalore - 560020

**AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED**  
Regd.Off: Hemmandanahalli, Samethanahalli Post, Whitefield, Bengaluru-560 067.  
Ph: +91 (80)27945430-33 Fax: +91(80)027945427  
Email: response@ayurvedagram.com Website: www.ayurvedagram.com  
(CIN: U74140KA2003PTC031511)

## **NOTICE OF ANNUAL GENERAL MEETING**

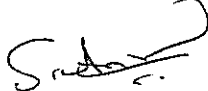
Notice is hereby given that the 15th Annual General Meeting of the Members of Ayurvedagram Heritage Wellness Centre Private Limited will be held on Saturday, the 29<sup>th</sup> September, 2018 at 10.30 A.M at the registered office of the company at Hemmandanahalli, Samethanahalli Post, Whitefield, Bangalore -560 067 to transact the following business:

### **ORDINARY BUSINESS**

1. To consider, approve and adopt the Audited Financial Statements of the Company comprising the Balance Sheet as on March 31, 2018, Statement of Profit & Loss and Cash Flow Statement and Notes thereto for the financial year ended on March 31, 2018 together with the Report of the Board of Directors and Auditors' thereon.
2. To consider appointment of a Director in place of Mr. Anand Subramanian,(DIN: 00064083), who retires by rotation and being eligible, offers himself for re-appointment.
3. To take note of the appointment of M/S. S V Sabareesan & Co, Chartered Accountants (Membership No. 208917) who were appointed as the Statutory Auditors of the Company for a period of five years in the Annual General Meeting of the Company held on 30th September, 2014, to hold their office till the conclusion of 16<sup>th</sup> Annual General Meeting (upto the Financial Year ending 2019).

Place: Bangalore  
Date: 01<sup>st</sup> September, 2018

**By order of the Board of Directors**

  
Anand Subramanian  
Director  
(DIN: 00064083)

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### **Note:**

- a. A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf.
  - b. A proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the company not less than forty eight hours before this Annual General Meeting.
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## AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED

### DIRECTORS' REPORT

Your directors have pleasure in presenting the 15th Annual Report on the business and operations of your company together with the Audited Accounts for the year ended 31st March 2018.

#### Financial Results

The Financial Results of the company for the year ended on 31st March 2018 as compared with the previous year are as under:

	Year ended 31 <sup>st</sup> March 2018 (Rs. in Lakhs)	Year ended 31 <sup>st</sup> March 2017 (Rs. in Lakhs)
Net Income from Sales /Services	737.55	766.77
Other Operational Income	26.39	29.67
<b>Total Revenues</b>	<b>763.94</b>	<b>796.44</b>
Profit before Interest, Depreciation and Tax (EBITDA)	192.75	205.63
Finance Charges	(26.78)	(18.13)
Depreciation	(119.91)	(115.74)
<b>Profit before taxation</b>	<b>46.06</b>	<b>71.76</b>
Deferred tax	28.01	26.4
Income Tax	(46.69)	(13.26)
MAT Credit	-	-
<b>Net Profit/(Loss)</b>	<b>27.38</b>	<b>84.90</b>

#### Performance Analysis

During the year under review, the company has achieved total revenues of Rs. 763.94 Lakhs against revenue of Rs. 796.44 Lakhs of previous financial year. The Net profit of the company for the year, after providing for tax is Rs. 27.38 Lakhs in the current year as compared to Rs.84.90 Lakhs in previous year.

#### Business Review

The Net Profit of the company in the current year has declined from 84.90 lakhs to 27.38 lakhs due to decrease in sales and increase in Tax expenses.

### 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 31<sup>st</sup> March 2018, 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 judgments 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 31<sup>st</sup> March 2018 and of the profit and loss of the company for the year ended 31<sup>st</sup> March 2018.
- 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 during the financial year.

### Change in the Nature of Business

There was no change in the nature of business of the Company during the financial year ended 31<sup>st</sup> March, 2018.

### 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 31<sup>st</sup> March, 2018, 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.

## **Extract of Annual Return**

Pursuant to Section 92(3) and 134(3)(a) of the Companies act, 2013, the extract of the Annual Return as on March 31,2018 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 2017-18.

## **Directors**

### **(Appointment/Reappointment/Resignation of Directors)**

Pursuant to the provisions of Section 152 of the Companies act, 2013 and in terms of Articles of Association of the Company, Mr. Anand Subramanian, (DIN: 00064083), Director of the company retires by rotation at ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his reappointment.

There has been no change in the constitution of Board during the year under review i.e. the structure of the Board remains the same.

### Meeting of Board of Directors

The Board meets at the regular intervals to discuss business plan and strategies. The notice of the Board Meeting is given well in advance to all the Directors.

During the financial year ended 31<sup>st</sup> March 2018, the following were the dates on which Board meetings of the company were held:

Serial Number	Date of the Board Meetings
1	15 May 2017
2	29 May 2017
3	29 July 2017
4	25 October 2017
5	11 November 2017
6	10 January 2018
7	21 February 2018

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

### Auditors

M/s. S V Sabareesan & Co, Chartered Accountants, were appointed as Statutory Auditors of the company in the Annual General Meeting held on 30<sup>th</sup> September 2014 for a term of 5 years upto the conclusion of Annual General Meeting in 2019.

Vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in Notice of the 15<sup>th</sup> AGM.

### 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

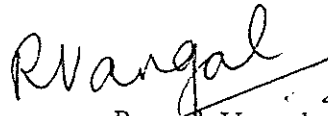
The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure 3 and forms part of this Report.

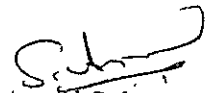
## Acknowledgements

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

Date: 01<sup>st</sup> September, 2018  
Place: Bangalore

  
Ramesh Vangal  
Director  
DIN: 00064018

  
Anand Subramanian  
Director  
DIN: 00064083



FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2018

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	Hemmandanahalli, Samethanalli Post, Whitefield, Bangalore 560067 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			
(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	93.36
2	Ayurvedic Medicines	21003	6.64

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	KERALA AYURVEDA LIMITED	L24233KL1992PLC006592	Holding	74%	2(46)
2					
3					

IV. SHARE HOLDING PATTERN									
(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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF		585,004	585,004	26.00%		585,004	585,004	26.00%	0.00%
b) Central Govt			-	0.00%			-	0.00%	
c) State Govt(s)			-	0.00%			-	0.00%	
d) Bodies Corp.		1,664,996	1,664,996	74.00%		1,664,996	1,664,996	74.00%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	
f) Any other			-	0.00%			-	0.00%	
Sub Total (A) (1)	-	2,250,000	2,250,000	100.00%	-	2,250,000	2,250,000	100.00%	0.00%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	
b) Other Individuals			-	0.00%			-	0.00%	
c) Bodies Corp.			-	0.00%			-	0.00%	
d) Any other			-	0.00%			-	0.00%	
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	
<b>TOTAL (A)</b>	-	2,250,000	2,250,000	100.00%	-	2,250,000	2,250,000	100.00%	0.00%
<b>B. Public</b>									
<b>1. Institutions</b>									
a) Mutual Funds			-	0.00%			-	0.00%	
b) Banks / FI			-	0.00%			-	0.00%	
c) Central Govt			-	0.00%			-	0.00%	
d) State Govt(s)			-	0.00%			-	0.00%	

e) Venture Capital Funds			-	0.00%			-	0.00%	
f) Insurance Companies			-	0.00%			-	0.00%	
g) FIs			-	0.00%			-	0.00%	
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	
i) Others (specify)			-	0.00%			-	0.00%	
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian				0.00%			-	0.00%	
ii) Overseas			-	0.00%			-	0.00%	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh				0.00%			-	0.00%	
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	
Overseas Corporate Bodies			-	0.00%			-	0.00%	
Foreign Nationals			-	0.00%			-	0.00%	
Clearing Members			-	0.00%			-	0.00%	
Trusts			-	0.00%			-	0.00%	
Foreign Bodies - D R			-	0.00%			-	0.00%	
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%	
Total Public (B)	-	-	-	0.00%	-	-	-	0.00%	
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	
Grand Total (A+B+C)	-	2,250,000	2,250,000	100.00%	-	2,250,000	2,250,000	100.00%	0.00%

(ii) Shareholding of Promoter

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	KERALA AYURVEDA LIMITED	1,664,996	74.00%		1,664,996	74.00%		0.00%
2	S K ARUNKUMAR	292,500	13.00%		292,500	13.00%		0.00%
3	SANGEETHA ARUNKUMAR	292,500	13.00%		292,500	13.00%		0.00%
4	ANAND SUBRAMANIAN	1	0.00%		1	0.00%		0.00%
5	ARVIND AGARWAL	1	0.00%		1	0.00%		0.00%
6	SURYA KAMAL KATHPALIA	1	0.00%		1	0.00%		0.00%
7	MANIKANDAN ACHUTHAN	1	0.00%		1	0.00%		0.00%
	TOTAL	2,250,000	100.00%		2,250,000	100.00%		0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)-NO CHANGE

SN	Particulars	Date	Reason	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): NIL

SN	For each of the Top 10 shareholders	Date	Reason	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	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year				0.00%		0.00%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	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	Name MR S K ARUNKUMAR						
	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%	292,500	13.00%
2	Name SANGEETHA ARUNKUMAR						
	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%	292,500	13.00%
3	Name ANAND SUBRAMANIAN						
	At the beginning of the year			1	0.00%		0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year					1	0.00%

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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	16,243,899.00			16,243,899.00
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
<b>Total (i+ii+iii)</b>	<b>16,243,899.00</b>	<b>-</b>	<b>-</b>	<b>16,243,899.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition				-
* Reduction	16,243,899.00	-		
<b>Net Change</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount		31,003,269.00		31,003,269.00
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>31,003,269.00</b>	<b>-</b>	<b>31,003,269.00</b>

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)	-	-	NIL
		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 meetings				-
	Commission				-
	Others, please specify				-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors				-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				NIL
	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-tax Act,				-
	(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		-	-	-
					NIL

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

There were no penalties/punishment/compounding of offences under the Companies Act, 2013 for the year ending 31st March, 2018, except for late filing fees paid for delayed e filing of ROC forms amounting to Rs. 18,000/-

## 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:

Serial No.	Particulars	Details
a)	Name of the related party & nature of relationship	KERALA AYURVEDA LIMITED
b)	Nature of contracts/arrangements/transaction	Purchase of Medicines
c)	Duration of contracts/arrangements/transaction	01.04.2017 to 31.03.2020
d)	Salient terms of contracts/arrangements/transaction including the value, if any	15% discount on MRP of KAL Products
e)	Justification for entering into such contracts/arrangements/transaction	Being a subsidiary of the company, KAL is offering such discount
f)	Date of approval by the Board	29 th July, 2017
g)	Amount paid as advances, if any	NIL
h)	Date on which the Special resolution was passed in General Meeting as required under first proviso to section 188	21 <sup>st</sup> September. 2017
i)	Total value of transaction during the year	49.23 lakhs

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl No	Name of the Related Party	Nature of Contract/ Transactions	Nature of relationship	Duration of the contract, Salient terms & Advance paid	Transaction Amount in Rs Lakhs
1	KERALA AYURVEDA LIMITED	Services rendered	Holding Company	NA	9.00
2	KATRA HOLDING PRIVATE LIMITED	Services rendered	Common Director	NA	11.30
3	KATRA PHYTOCHEM (INDIA) PVT LTD.	Services rendered	Common Director	NA	54.32
4	AYURVEDIC ACADEMY INC, USA	Services rendered	Fellow Subsidiary	NA	19.74
5	KERALA AYURVEDA LIMITED	Purchase of Services	Holding Company	NA	62.50
6	MASON AND SUMMERS LEISURE PVT LTD	Services received	Common Director	NA	1.66
7	KERALA AYURVEDA LIMITED	Loan taken	Holding Company	NA	174.90
8	KERALA AYURVEDA LIMITED	Interest paid	Holding Company	NA	10.18
9	KERALA AYURVEDA LIMITED	Trade payables	Holding Company	NA	104.32
10	KATRA HOLDING PRIVATE LIMITED	Trade receivables	Common Director	NA	82.16
11	AYURVEDIC ACADEMY INC, USA	Trade receivables	Fellow Subsidiary	NA	45.32
12	GLOBAL AGRI SYSTEMS PRIVATE LIMITED	Trade receivables	Common Director	NA	2.36
13	GLOBAL NUTRI FOOD PRIVATE LIMITED	Trade receivables	Common Director	NA	10.65

### 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 31<sup>st</sup> March, 2018.

#### 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

#### B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- I. The efforts made towards technology absorption  
All developments were done indigenously
- II. The benefits derived like product improvement, cost reduction, product development or import substitution -NIL
- III. Details of imported technology  
During the year, company has not imported any technology. All developments were done indigenously.
- IV. The expenditure incurred on research and development- NIL

#### C. FOREIGN EXCHANGE EARNINGS & OUTGO

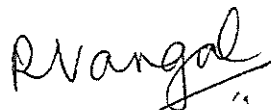
The details of foreign exchange earnings and outgo are as under:

Foreign Exchange earnings & outgo	Current year
Earnings	Rs 38.54 Lakhs
Out go	Nil

On behalf of the Board of Directors

Date: 01<sup>st</sup> September, 2018

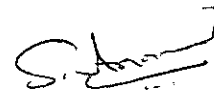
Place: Bangalore



Ramesh Vangal

Director

DIN: 00064018



Anand Subramanian

Director

DIN: 00064083



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

### **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED** ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

The Company's Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility 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 judgements 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.

### **Auditor's 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

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# S V SABAREESAN & CO, Chartered Accountants

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

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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over the financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Management, 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 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 including Ind AS specified under section 133 of the Act:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018
- b) In the case of the Statement of Profit and Loss(including other comprehensive income), of the profit of the Company for the year ended on that date; and
- c) In the case of the Cash Flow statement, cash flows of the Company for the year then ended on that date.
- d) Changes in equity for the year then ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 the paragraph 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 Ind AS specified under Section 133 of the Act.

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## S V SABAREESAN & CO, Chartered Accountants

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

- e. on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company did not have any pending litigations which have an impact on its financial position in its financial statement;
  - 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  
(FRN. 013995S)

*Sabareesan S.V.*  
Sabareesan S V  
Proprietor  
(Membership No. 208917)

Bengaluru, May 21, 2018

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## 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 India Private Limited on the accounts for the year ended March 31, 2018.

1. In respect of its fixed assets:
  - a. the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b. the fixed assets were physically verified during the year by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c. the title deeds of immovable properties are held in the name of the company.
2. According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
3. According to the information and explanation given to us, the company has not granted loans, unsecured to companies covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
4. According to the information and explanations given to us, in respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted deposits within the meaning of section 73 to 76 of the Act during the year.
6. According to the information and explanation given to us, Central Government has not prescribed maintenance of cost records under section 148(1) of the Act.
7. According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Tax Deducted at Source, Professional Tax, Goods and Services Tax, and Other Statutory Dues applicable to it.
  - (b) No undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Tax Deducted at Source, Professional Tax, Goods and Services Tax, and Other Statutory Dues outstanding, at the year end, for a period of more than six months from the date they became payable.



## S V SABAREESAN & CO, Chartered Accountants

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

8. To the best of our knowledge and according to information and explanation given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Consequently, reporting on utilization of such money does not arise.
10. 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.
11. The company has not paid managerial remuneration during the year.
12. The Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and details have been disclosed in the financial statements.
14. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under Section 42 of the Act.
15. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S V Sabareesan & Co.,  
Chartered Accountants  
(FRN. 013995S)

*Sabareesan S.V.*  
Sabareesan S V  
Proprietor  
(Membership No. 208917)

Bengaluru, May 21, 2018

## 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. The Company is into hospital services located in Hemmandanahalli, Sametanahalli post, Whitefield, Bengaluru.

#### 2. Significant Accounting Policies

##### a. Basis of preparation and presentation of financial statements

###### i. Accounting Convention

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2017, the company prepared its financial statements in accordance with the Accounting Standards earlier notified under Section 133 of the Companies Act, 2013, read together with Companies (Accounts) Rules, 2014 (Indian GAAP).

These are the Company's first annual financial statements prepared in accordance with Ind AS. The Company has adopted all applicable standards and adoptions were carried out in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards.

###### ii. Historical cost convention

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated.

###### iii. Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires the use of accounting 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.

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All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Act.

**b. Property, plant & Equipment**

Fixed assets are stated at cost 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.

**(i) Depreciation and amortization methods, estimated useful lives and residual value**

Depreciation on all 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. Capital work-in-progress also includes capital advances.

**(ii) Deemed Cost on transition to Ind AS**

On transition to Ind AS, the Company has elected to measure all its property, plant and equipment measured as per the previous GAAP and use such carrying value as its deemed cost on the date of transition of Ind AS i.e., 1 April 2016.

**c. Inventories**

The inventories of all medicines, medicare items traded and dealt with by the company are valued at cost. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the net realizable value is not applicable. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location.

Stock of provisions, stores, stationeries and housekeeping items are stated at cost. The net realizable value is not applicable in the absence of any further modification/alteration before being consumed in house only. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location.

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**d. Trade Receivables**

The trade receivables have been recorded at their respective carrying amounts and are not considered to be materially different from their fair values as these are expected to realize within the credit period. Management believes that the amounts that are past the credit period are collectible in full, based on historical payment behavior and analysis of customer credit risk.

**e. Employee benefits**

**i. Short-term benefits:**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave and other short term benefits in the period related service is rendered at undiscounted amount of benefits expected to be paid in exchange for that service.

**ii. Other Long Term benefits:**

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

**Gratuity**

Gratuity is provided for on arithmetic basis. No actuarial valuation has been done as the amounts are not material.

**Provident fund**

Payments to defined contribution plans are recognized as expense when employees have rendered service entitling them to the contributions.

**f. Revenue recognition**

**i. Rendering of Services**

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment and pharmaceutical goods used. Revenue is recorded and recognised during the period in which the hospital service is provided, based upon the estimated amounts due from patients.

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## II. Sale of Goods

Sales are recognised when the risk and reward of ownership is passed to the customer. Revenue is measured at the value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxed and duties collected on behalf of the government. Revenue is stated net of returns and discounts wherever applicable.

## III. Other operating revenue

Other operating revenue comprises of Travelling income and other miscellaneous income.

### g. 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 recognized as income or as expenses in the year in which they arise.

### 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 income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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**i. Provision and Contingent Liability.**

**I. Provisions**

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

**II. Contingent Liability**

Contingent liability is disclosed for (i) Possible obligations that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise (ii) Present obligation which arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or a reliable estimate of the amount of the obligation cannot be made.

**j. Cash and Cash Equivalentents**

Cash and cash equivalentents comprise cash at bank in current account, cash in hand and include cheques / drafts in hand and collection due from credit cards.

**k. Finance Costs**

Finance costs consist of interest and other costs that the entity incurs in connection with borrowing of funds.

Borrowing costs that are directly attributable to acquisition or construction of qualifying assets are capitalized as part of cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are charged to revenue.

**l. Financial Instruments**

Financial instruments comprise of financial assets and financial liabilities.

**I. Financial assets**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets at amortized cost are represented by loans and advances and other deposits, trade receivables, cash and cash equivalentents and other advances.

**II. Financial Liability**

All financial liabilities are recognized initially at fair value and in case of loans and borrowings net of directly attributable costs. Financial liabilities are subsequently measured at amortized cost using effective interest method. Financial liabilities are represented by borrowings, provisions, Trade payables and other current liabilities.

m Details of Transactions with Related Parties

Disclosure of transactions with the related parties are given below:

i) List of Related party where control exists

Sl No	Name of the Related Party	Relationship	
1	Katra Holdings Ltd, Mauritius	Ultimate-Holding Company	
2	Kerala Ayurveda Limited	Holding Company	
3	Mason and Summers Leisure Private Limited	Companies under common control	
4	Katra Holding Private Limited		
5	Global Agri Systems Private Limited		
6	Global Nutri Food Private Limited		
7	Katra Phytochem (India) Private Limited		
8	Ayurvedic Academy Inc., USA		Fellow Subsidiaries
9	Nutraveda Inc, USA		
10	Ayu Natural Medicine Clinic PS, USA		
11	CMS Katra Holdings LLC, USA		
12	CMS Katra Nursing LLC, USA		
13	Nutraveda Pte Ltd, Singapore		
14	Ramesh Vangal	Individual owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.	

ii) Transactions during the year with related parties

Particulars	31 st March, 2018	31 st March 2017
<b>Sale of Goods/Services:</b>		
Kerala Ayurveda Limited	900,624	536,706
Katra Holding Private Limited	1,130,468	2,577,305
Katra Phytochem (India) Private Limited	5,432,243	5,699,958
Global Agri Systems Private Limited	-	212,565
Ayurvedic Academy Inc., USA	1,974,286	24,060
<b>Purchase of Goods/Services:</b>		
Kerala Ayurveda Limited	11,173,186	10,033,227
Mason and Summers Leisure Private Limited	166,677	208,392
<b>Loan Taken</b>		
Kerala Ayurveda Limited	17,490,000	-
<b>Interest Paid</b>		
Kerala Ayurveda Limited	1,018,000	-

Balances outstanding at the end of the year	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Payables</b>			
Kerala Ayurveda Limited	10,432,484	4,464,756	1,701,368
Mason and Summers Leisure Private Limited	-	-	240,860
<b>Receivables</b>			
Katra Holding Private Limited	8,216,446	4,877,994	1,466,355
Katra Phytochem (India) Private Limited	-	-	801,848
Ayurvedic Academy Inc., USA	4,532,555	3,432,315	3,408,255
Global Agri Systems Private Limited	236,800	236,800	24,235
Global Nutri Food Private Limited	1,065,109	384,409	384,409
<b>Advance from customer</b>			
Katra Phytochem (India) Private Limited	-	201,982	-

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n There are no Micro, Small & Medium Enterprises to whom the company owes dues. The Micro, Small & Medium Enterprises have been identified on the basis of information available with the company.

o **Expenditure in Foreign Currency**

Particulars	31st March, 2018	31st March, 2017	1st April 2016
Advertisement	-	229,427	-
Subscriptions	-	203,691	-
	-	433,118	-

p **Earnings in Foreign Currency**

Particulars	31st March, 2018	31st March, 2017	1st April 2016
Rendering of Services-Treatment	3,854,488	29,704,550	23,839,422

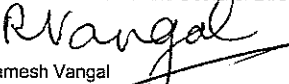
q Segment results: The company is primarily engaged in Treatment services and medicines. Accordingly there is no separate reportable segment in accordance with AS 17- Segment reporting prescribed under the Companies (Accounting Standards) Rules 2006.

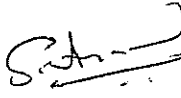
r **Contingent liabilities & Commitments**

Particulars	31st March, 2018	31st March, 2017	1st April 2016
Contracts remaining to be executed on Capital account and not provided for:			
Guarantee given to ECL Finance Limited:			
For loans taken by the Parent company	300,000,000	-	-
For loans taken by the Promoter group company	550,000,000	-	-
	852,095,000	2,095,000	-

The figures of previous year have been reclassified wherever necessary in order to conform to current year figures.

For and on behalf of the Board of Directors

  
Ramesh Vangal  
Director  
DIN 00064018

  
Anand Subramanian  
Director  
DIN 00064083

Place : Bengaluru  
Date : May 21, 2018



### 3 First-time adoption of Ind AS

In accordance with Ind AS 101 on First-time adoption of Indian Accounting Standards, the Company's first Ind AS financial statements include, three balance sheets, namely, the opening balance sheet as at 1 April 2016 and balance sheets as at 31 March 2017 and 2018, and statements of profit and loss, cash flows and changes in equity for the years ended 31 March 2017 and 2018 together with related notes. The same accounting policies have been used for all periods presented, except where the Company has made use of exceptions or exemptions allowed under Ind AS 101 in the preparation of the opening Ind AS balance sheet. The balance sheets, statements of profit and loss, statements of cash flows and statements of changes in equity of the prior years presented has been recast in accordance with Ind AS.

Ayurvedagram Heritage Wellness Centre Private Limited  
CIN: U74140KA2003PTC031511  
Balance Sheet as at 31st March, 2018

Particulars	Note	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>A Assets</b>				
<b>Non Current Assets</b>				
Property, Plant and Equipment	4	5,38,53,879	6,36,46,707	7,44,93,976
Capital work in progress		2,31,65,486	11,31,986	5,46,455
<b>Financial assets</b>				
i. Investments				
-				
ii. Loans				
-				
iii. Other financial assets	5	6,44,926	5,24,456	4,82,734
Income tax assets (net)	6	-	18,01,666	15,90,179
<b>Total non-current assets</b>		<b>7,76,64,291</b>	<b>6,71,04,815</b>	<b>7,71,13,344</b>
<b>Current Assets</b>				
Inventories	7	22,50,111	15,37,745	12,51,084
<b>Financial assets</b>				
i. Trade receivables				
8				
ii. Cash and cash equivalents				
9				
Other current assets	10	1,68,088	1,26,233	5,82,894
<b>Total Current Assets</b>		<b>3,90,29,959</b>	<b>2,71,42,235</b>	<b>1,01,91,495</b>
<b>Total Assets</b>		<b>11,66,94,250</b>	<b>9,42,47,050</b>	<b>8,73,04,839</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	11	2,25,00,000	2,25,00,000	2,25,00,000
Other Equity	12	3,50,81,120	3,23,43,074	2,38,53,375
<b>Total Equity</b>		<b>5,75,81,120</b>	<b>5,48,43,074</b>	<b>4,63,53,375</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings				
13				
Provisions	14	21,98,392	17,09,331	15,56,070
Deferred Tax liabilities (net)	15	54,82,655	82,83,598	1,09,23,578
<b>Total non-current liabilities</b>		<b>2,61,99,227</b>	<b>1,04,35,366</b>	<b>1,33,00,277</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
i. Borrowings				
16				
ii. Trade payables				
17				
Other current liabilities	18	53,68,767	56,34,145	61,40,508
Provisions	19	33,63,832	17,30,147	15,06,727
<b>Total current liabilities</b>		<b>3,29,13,902</b>	<b>2,89,68,610</b>	<b>2,76,51,187</b>
<b>Total liabilities</b>		<b>5,91,13,129</b>	<b>3,94,03,976</b>	<b>4,09,51,464</b>
<b>Total equity and liabilities</b>		<b>11,66,94,250</b>	<b>9,42,47,050</b>	<b>8,73,04,839</b>

The accompanying notes form an integral part of the financial statements  
In terms of our report attached.

For S V Sabareesan & Co.,  
Chartered Accountants  
(FRN.013995S)

*Sabareesan S.V.*  
Sabareesan S V  
Proprietor  
(Membership No. 208917)

Place : Bengaluru  
Date : May 21, 2018

For and on behalf of the Board of Directors

*Ramesh Vangel*  
Ramesh Vangel      Anand Subramanian  
Director              Director  
DIN 00064048      DIN 00064083

Place : Bengaluru  
Date : May 21, 2018

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Ayurvedagram Heritage Wellness Centre Private Limited  
CIN: U74140KA2003PTC031511  
Profit & Loss Statement for the period ended 31st March, 2018

Particulars	Note	For the year ended 31st march 2018	For the year ended 31st march 2017
<b>Income</b>			
Revenue from operations	20	7,63,94,052	7,96,44,116
Total revenue		<u>7,63,94,052</u>	<u>7,96,44,116</u>
<b>Expenses</b>			
(a) Cost of materials consumed	21	46,60,803	48,70,264
(b) Purchases	22	49,48,884	41,44,511
(c) Changes in Inventories of FG, WIP & Stock In Trade	23	(38,357)	(27,335)
(d) Employee benefits expense	24	2,35,62,238	2,58,29,798
(e) Finance costs	25	26,77,838	18,12,826
(f) Depreciation	4	1,19,91,129	1,15,74,440
(g) Other expenses	26	2,39,85,273	2,42,63,831
Total Expenses		<u>7,17,87,808</u>	<u>7,24,68,335</u>
Profit Before Exceptional items and Tax		46,06,244	71,75,781
Add: Exceptional Items		-	-
Profit Before Tax		<u>46,06,244</u>	<u>71,75,781</u>
Tax expense:			
(a) Current tax		46,69,140	13,26,062
(b) Deferred tax		(28,00,943)	(26,39,980)
(c) (Less): MAT credit (where applicable)		<u>18,68,197</u>	<u>(13,13,918)</u>
Profit for the period		27,38,047	84,89,699

The accompanying notes form an integral part of the financial statements  
In terms of our report attached.

For S V Sabareesan & Co.,  
Chartered Accountants  
(FRN.013995S)

*Sabareesan S V*  
Sabareesan S V  
Proprietor  
(Membership No. 208917)

Place : Bengaluru  
Date : May 21, 2018

For and on behalf of the Board of Directors

*R Vangal*      *S. Anand*  
Ramesh Vangal      Anand Subramanian  
Director      Director  
DIN 00064018      DIN 00064083

Place : Bengaluru  
Date : May 21, 2018


*AK*  
*AK*

Ayurvedagram Heritage Wellness Centre Private Limited  
CIN: U74140KA2003PTC031511  
Cash Flow Statement for the year ended 31st March, 2018

Particulars	Amount in Rs	
	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	46,06,244	71,75,781
<i>Adjustments for:</i>		
Depreciation and amortisation	1,19,91,129	1,15,74,440
(Profit) / loss on sale / write off of assets	-	-
Finance costs	<u>26,77,838</u>	<u>18,12,826</u>
Operating profit / (loss) before working capital changes	1,92,75,211	2,05,63,047
Changes in working capital:		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(7,12,366)	(2,86,661)
Trade receivables	(49,38,057)	(34,37,486)
Other Current Assets	(41,855)	4,56,661
Non current Financial assets	16,81,196	(2,53,209)
Income tax assets	18,01,666	(2,11,487)
Other Financial assets	(1,20,470)	(41,722)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	63,35,795	22,40,748
Other current liabilities	(7,07,815)	(4,42,118)
Short-term provisions	16,33,685	2,23,420
Non current Financial liabilities	4,89,061	1,53,261
Cash generated from operations	2,30,14,855	1,92,17,663
Net income tax (paid) / refunds	<u>(46,69,140)</u>	<u>(13,26,062)</u>
Net cash flow from / (used in) operating activities (A)	1,83,45,715	1,78,91,601
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(2,42,31,801)	(13,12,702)
Proceeds from sale of fixed assets	-	-
Net cash flow from / (used in) investing activities (B)	<u>(2,42,31,801)</u>	<u>(13,12,702)</u>
<b>C. Cash flow from financing activities</b>		
Proceeds from long-term borrowings	1,85,18,180	-
Repayment of long-term borrowings	-	(4,42,437)
Proceeds from short-term borrowings	1,24,85,089	-
Repayment of short-term borrowings	-	(26,75,343)
Finance cost	<u>(26,77,838)</u>	<u>(18,12,826)</u>
Net cash flow from / (used in) financing activities (C)	2,83,25,431	(49,30,606)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	2,24,39,345	1,16,48,293
Cash and cash equivalents at the beginning of the year	<u>(5,00,464)</u>	<u>(1,21,48,757)</u>
Cash and cash equivalents at the end of the year	<u>2,19,38,881</u>	<u>(5,00,464)</u>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)		
Cash and cash equivalents at the end of the year		
(a) Cash on hand	1,06,325	5,90,891
(b) Cheques / Drafts on hand & balances with banks in current accounts	2,17,38,801	1,50,76,346
(d) Others (Credit Cards Swiping)	93,755	76,198
Bank Overdraft	<u>-</u>	<u>(1,62,43,899)</u>
	<u>2,19,38,881</u>	<u>(5,00,464)</u>


In terms of our report attached.

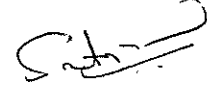
For S V Sabareesan & Co.,  
Chartered Accountants  
(FRN.013995S)

  
Sabareesan S V  
Proprietor  
(Membership No. 208917)

Place : Bengaluru  
Date : May 21, 2018

For and on behalf of the Board of Directors

  
Rangan Vangal  
Director  
DIN 00064018

  
Anand Subramanian  
Director  
DIN 00064083

Place : Bengaluru  
Date : May 21, 2018





Ayurvedagram Heritage Wellness Centre Private Limited

CIN: U74140KA2003PTC031511

Statement of Changes in Equity for the year ended 31st March, 2018

a		Equity Share Capital	
	Particulars	Amount	
	Balance as at 1 April,2016	2,25,00,000	
	Changes in Equity share capital during the year,2016-17	-	
	Balance as at 31st March 2017	2,25,00,000	
	Changes in Equity share capital during the year,2017-18	-	
	Balance as at 31st March 2018	2,25,00,000	

b		Other equity	
	Particulars	Reserves and Surplus	
(a)	Balances as at 1 April 2016	2,38,53,375	
(b)	Profit for the period	84,89,699	
(c)	Other comprehensive income	-	
(d)	Total comprehensive income for the year(b)+(c)	84,89,699	
(e)	Balance as at 31st March 2017 (a)+(d)	3,23,43,074	
(f)	Profit for the period	27,38,047	
(g)	Other comprehensive income	-	
(h)	Total comprehensive income for the year(f)+(g)	27,38,047	
(i)	Balance as at 31st March 2018 (e )+(h)	3,50,81,120	

The accompanying notes form an integral part of the financial statements  
In terms of our report attached.

For S V Sabareesan & Co.,  
Chartered Accountants  
(FRN.013995S)

*Sabareesan S.V.*  
Sabareesan S V  
Proprietor  
(Membership No. 208917)

Place : Bengaluru  
Date : May 21, 2018

For and on behalf of the Board of Directors

*R. Vangal*  
Ramesh Vangal  
Director  
DIN 00064018

*S. Anand*  
Anand Subramanian  
Director  
DIN 00064083

Place : Bengaluru  
Date : May 21, 2018

*SW*  
*B.*

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

Note 4- Property, Plant and Equipment

Particulars	Gross Block		Accumulated depreciation		Net block	
	As at 31 March, 2017	Additions	As at 31 March, 2017	Depreciation for the year	As at 31 March, 2018	As at 31 March, 2017
<b>A. Tangible Assets</b>						
(a) Land	1,04,74,545	-	-	-	1,04,74,545	1,04,74,545
(b) Buildings	10,21,84,325	-	5,16,07,261	1,10,10,680	6,26,17,941	5,05,77,064
(c) Furniture and Fixtures	64,66,376	-	61,91,803	38,887	62,30,690	2,74,573
(d) Vehicles	31,81,277	-	25,67,696	1,13,276	26,80,972	6,13,581
(e) Office equipment	74,64,483	7,98,403	58,95,872	5,69,265	64,65,137	15,68,611
(f) Computers	14,81,819	13,59,750	13,43,486	2,58,218	16,01,704	1,38,333
(g) Others	-	40,148	-	803	803	-
<b>Total</b>	<b>13,12,52,825</b>	<b>21,98,301</b>	<b>6,76,06,118</b>	<b>1,19,91,129</b>	<b>7,95,97,247</b>	<b>6,36,46,707</b>
Previous year	13,05,25,654	7,27,171	5,60,31,678	1,15,74,440	6,76,06,118	7,44,93,976
<b>B. Capital work-in-progress</b>						
(a) Capital work-in-progress/Capital advance	11,31,986	2,20,33,500	-	-	-	11,31,986
<b>Total</b>	<b>11,31,986</b>	<b>2,20,33,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,31,986</b>
Previous year	5,46,455	5,85,531	-	-	-	5,46,455

*Handwritten initials/signature*

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>5 Other Financial Asset</b>			
(a) Security deposits	4,28,026	3,87,666	3,61,566
(b) Balances with government. authorities	2,16,900	1,36,790	1,21,168
	<u>6,44,926</u>	<u>5,24,456</u>	<u>4,82,734</u>
<b>6 Income Tax Assets(Net)</b>			
MAT credit entitlement - Unsecured, considered good	-	18,01,666	15,90,179
	<u>-</u>	<u>18,01,666</u>	<u>15,90,179</u>
<b>7 Inventories</b>			
(a) Pharmacy- Medicines	7,77,743	7,98,359	7,12,051
(b) Other Consumables	14,72,368	7,39,386	5,39,033
	<u>22,50,111</u>	<u>15,37,745</u>	<u>12,51,084</u>
<b>8 Trade receivables</b>			
Trade receivables outstanding for a period exceeding six months from the date they were due for payment			
Unsecured, Considered Good	1,15,238	1,21,150	2,23,960
Other Trade receivables			
Unsecured, Considered Good (refer 5(a) below)	<u>1,45,57,641</u>	<u>96,13,672</u>	<u>60,73,376</u>
	<u>1,46,72,879</u>	<u>97,34,822</u>	<u>62,97,336</u>
<b>8 (a) Trade receivables include debts due from:</b>			
Private companies in which any director is a Director	95,18,355	54,99,203	12,10,492
<b>9 Cash and cash equivalents</b>			
(a) Cash on hand	1,06,325	5,90,891	13,22,758
(b) Cheques / Drafts on hand & Balance in current accounts	2,17,38,801	1,50,76,346	5,69,404
(c) Others :			
Credit Card collection due	93,755	76,198	1,68,019
	<u>2,19,38,881</u>	<u>1,57,43,435</u>	<u>20,60,181</u>
<b>10 Other current assets</b>			
(a) Loans and advances to employees			
Unsecured, Considered Good	14,237	90,001	2,24,560
(b) Other Advances			
(i) Prepaid expense	1,23,750	-	-
(ii) Advance to Suppliers	30,101	36,232	3,58,334
	<u>1,68,088</u>	<u>1,26,233</u>	<u>5,82,894</u>


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

		(Amount in Rs.)		
Particulars		As at 31 March, 2018	As at 31 March, 2017	As at 1st April, 2016
11	Share capital			
	(a) Authorised Capital			
	2500000 Equity shares of Rs. 10/- each	2,50,00,000	2,50,00,000	2,50,00,000
	(b) Issued Capital			
	2250000 Equity shares of Rs. 10/- each	2,25,00,000	2,25,00,000	2,25,00,000
	(c) Subscribed and fully paid up			
	2250000 Equity shares of Rs. 10/- each	2,25,00,000	2,25,00,000	2,25,00,000
		<u>2,25,00,000</u>	<u>2,25,00,000</u>	<u>2,25,00,000</u>

11.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Equity shares with voting rights			
Opening Balance	22,50,000	22,50,000	22,50,000
Fresh issue	-	-	-
Buy back	-	-	-
Closing Balance	<u>22,50,000</u>	<u>22,50,000</u>	<u>22,50,000</u>

11.2 Details of shares held by the holding company, the ultimate holding company, their subsidiaries:

Kerala Ayurveda Ltd, the holding company and its nominees	16,65,000	16,65,000	16,65,000
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11.3 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder

Equity shares with voting rights( in Numbers)			
M/s Kerala Ayurveda Ltd	16,64,996	16,64,996	16,64,996
% holding	73.99%	73.99%	73.99%
Mrs.Sangeetha Arunkumar	2,92,500	2,92,500	2,92,500
% holding	13%	13%	13%
Mr. S K Arunkumar	2,92,500	2,92,500	2,92,500
% holding	13%	13%	13%

12 Other Equity

Particulars	Note	As at	As at	As at
		31st March 2018	31st March 2017	1 April 2016
Reserves and Surplus	12.1	3,50,81,122	3,23,43,074	2,38,53,375

12.1

Particulars	Year ended	Year ended
	31st March 2018	31st March 2017
Balance at the beginning of the year	3,23,43,074	2,38,53,375
Profit for the year	27,38,048	84,89,699
Other Comprehensive income	-	-
Balance at the end of the year	<u>3,50,81,122</u>	<u>3,23,43,074</u>

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Particulars	Amount in Rs		
	As at 31st March, 2018	As at 31st March, 2017	As at 1 April 2016
<b>13 Long-term borrowings</b>			
i. Loans & advances from related parties			
Unsecured			
From Holding Company			
Kerala Ayurveda Limited	1,85,18,180	-	-
ii. Term loan from Banks			
Unsecured			
Kotak Mahindra			
Non current portion	-	-	4,42,437
Current maturities	-	4,42,437	3,78,192
	<u>1,85,18,180</u>	<u>4,42,437</u>	<u>8,20,629</u>
<b>14 Long-term Provisions</b>			
Provision for employee benefits	21,98,392	17,09,331	15,56,070
	<u>21,98,392</u>	<u>17,09,331</u>	<u>15,56,070</u>
<b>16 Short-term borrowings</b>			
From banks			
Secured			
Over Draft-Kotak Mahindra Bank Limited	-	1,62,43,899	1,42,08,938
(Exclusive charges on entire current assets of the Company both present & future and land belonging to chairman of the company and guarantee from NBFC's)			
Unsecured			
TATA Capital Financial Services Limited	23,84,958	-	-
Bajaj Finance Limited	25,25,000	-	-
Capital First Limited	43,68,153	-	-
From banks			
Kotak Mahindra Bank Ltd	32,06,978	-	26,75,343
	<u>1,24,85,089</u>	<u>1,62,43,899</u>	<u>1,68,84,281</u>
<b>17 Trade payables</b>			
Dues to micro enterprises and small enterprises	-	-	-
Dues to other than micro and small enterprises	1,16,96,214	53,60,419	31,19,671
	<u>1,16,96,214</u>	<u>53,60,419</u>	<u>31,19,671</u>
<b>18 Other current liabilities</b>			
(a) Other payables			
i) TDS Payable	7,99,006	2,15,120	2,74,904
ii) Composite Tax payable	-	49,892	-
ii) Tips collected & payable	23,856	-	2,240
iii) Hospital Tax Payable	-	1,07,250	67,902
iv) Provident fund payable	1,76,450	1,67,507	1,22,687
v) Professional Tax Payable	5,800	4,600	6,600
vi) ESI collected and Payable	48,179	48,136	-
vii) Provision for Expenses	2,31,512	1,35,573	1,96,422
ix) Service tax payable	-	-	2,01,266
(b) Advance from customers	13,68,231	21,38,327	26,88,003
(c) Loan from Kerala Ayurevda Limited	-	-	14,66,355
(c) Loan repayable within one year			
Axis Bank-Car Loan	-	-	2,52,548
(d) Provision for Employee benefits:			
Salaries and Wages Payable	27,15,733	27,67,740	8,61,581
	<u>53,68,767</u>	<u>56,34,145</u>	<u>61,40,508</u>
<b>19 Short-term provisions</b>			
Provision for tax	33,63,832	17,30,147	15,06,727
	<u>33,63,832</u>	<u>17,30,147</u>	<u>15,06,727</u>


AYURVEDAGRAM HERITAGE WELLNESS CENTRE PRIVATE LIMITED

15 Computation of Deferred Tax for the year ended 31.3.2018

Particulars	For the year ended 31st March 2018		
	Opening Balance	Recognised in Profit and Loss	Closing Balance
<b>(a) Deferred Tax Liabilities</b>			
Depreciation	(88,11,782)	26,49,823	(61,61,959)
<b>(b) Deferred Tax Assets</b>			
Provision for Gratuity	5,28,183	1,51,120	6,79,303
<b>Net Tax Assets/(Liabilities)</b>	<b>(82,83,598)</b>	<b>28,00,943</b>	<b>(54,82,655)</b>

Particulars	For the year ended 31st March 2017		
	Opening Balance	Recognised in Profit and Loss	Closing Balance
<b>(a) Deferred Tax Liabilities</b>			
Depreciation	(1,14,04,404)	25,92,622	(88,11,782)
<b>(b) Deferred Tax Assets</b>			
Provision for Gratuity	4,80,826	75,888	
		(28,530)	5,28,183
<b>Net Tax Assets/(Liabilities)</b>	<b>(1,09,23,578)</b>	<b>26,39,980</b>	<b>(82,83,598)</b>

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

Particulars	Amount in Rs	
	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>20 Revenue from Operations</b>		
(a) Revenue from rendering of healthcare services	6,76,92,276	7,12,98,334
(b) Revenue from sale of traded goods	60,62,409	53,79,068
(c) Other operating revenue	26,39,367	29,66,714
	<u>7,63,94,052</u>	<u>7,96,44,116</u>
<b>21 Cost of materials consumed</b>		
Raw Material		
Opening stock	7,98,359	5,39,033
Add: Purchases	53,34,812	51,29,590
Less: Closing stock	14,72,368	7,98,359
Cost of material consumed(A+B)	<u>46,60,803</u>	<u>48,70,264</u>
<b>22 Purchases</b>		
Purchase of Medicine	49,48,884	41,44,511
	<u>49,48,884</u>	<u>41,44,511</u>
<b>23 Changes in inventories of Traded Items and Provision &amp; Consumables</b>		
<u>Inventories at the end of the year:</u>		
Stock of Medicines	7,77,743	7,39,386
	<u>7,77,743</u>	<u>7,39,386</u>
<u>Inventories at the beginning of the year:</u>		
Stock of Medicines	7,39,386	7,12,051
	<u>7,39,386</u>	<u>7,12,051</u>
Net (Increase) / decrease	<u>(38,357)</u>	<u>(27,335)</u>
<b>24 Employee benefits expense</b>		
Salaries and wages	2,04,02,536	2,42,55,672
Contributions to provident funds	11,07,072	8,86,353
Gratuity	4,89,061	2,45,591
Staff welfare expenses	15,63,569	4,42,182
	<u>2,35,62,238</u>	<u>2,58,29,798</u>
<b>25 Finance costs</b>		
Interest expense on:		
(i) Borrowings	7,05,267	16,19,868
(ii) Others	19,72,571	1,92,958
	<u>26,77,838</u>	<u>18,12,826</u>
<b>26 Other expenses</b>		
Power and fuel	11,49,413	11,97,166
Repairs and maintenance - Buildings	23,31,039	40,45,371
Repairs and maintenance - Others	9,68,652	24,82,830
Rates and taxes	7,69,061	3,17,887
Communication	7,87,857	6,29,763
Marketing Expenses	17,72,481	14,58,855
Travelling and conveyance	3,36,874	5,92,319
Treatment Expense	98,85,647	85,58,886
Referral expenses	1,06,180	4,29,571
Security Charges	21,46,493	12,87,126
Legal and professional (Refer Note below)	7,35,201	6,82,871
General & Administration expense	16,05,642	10,14,705
Miscellaneous expenses	14,10,733	15,66,481
	<u>2,39,85,273</u>	<u>2,42,63,831</u>
<b>Notes:</b>		
(i) Payments to the auditors comprises (net of applicable tax):		
Statutory audit	1,00,000	1,00,000
Tax audit	30,000	30,000
Certification	12,500	6,825
Re-imbursment of expenses/Others	6,575	-
	<u>1,49,075</u>	<u>1,36,825</u>

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**i. Provision and Contingent Liability.**

**I. Provisions**

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

**II. Contingent Liability**

Contingent liability is disclosed for (i) Possible obligations that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise (ii) Present obligation which arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or a reliable estimate of the amount of the obligation cannot be made.

**j. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank in current account, cash in hand and include cheques / drafts in hand and collection due from credit cards.

**k. Finance Costs**

Finance costs consist of interest and other costs that the entity incurs in connection with borrowing of funds.

Borrowing costs that are directly attributable to acquisition or construction of qualifying assets are capitalized as part of cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are charged to revenue.

**l. Financial Instruments**

Financial instruments comprise of financial assets and financial liabilities.

**I. Financial assets**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial assets at amortized cost are represented by loans and advances and other deposits, trade receivables, cash and cash equivalents and other advances.

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## II. Financial Liability

All financial liabilities are recognized initially at fair value and in case of loans and borrowings net of directly attributable costs. Financial liabilities are subsequently measured at amortized cost using effective interest method. Financial liabilities are represented by borrowings, provisions, Trade payables and other current liabilities.

### 3. First-time adoption of Ind AS

In accordance with Ind AS 101 on First-time adoption of Indian Accounting Standards, the Company's first Ind AS financial statements include, three balance sheets, namely, the opening balance sheet as at 1 April 2016 and balance sheets as at 31 March 2017 and 2018, and statements of profit and loss, cash flows and changes in equity for the years ended 31 March 2017 and 2018 together with related notes. The same accounting policies have been used for all periods presented, except where the Company has made use of exceptions or exemptions allowed under Ind AS 101 in the preparation of the opening Ind AS balance sheet. The balance sheets, statements of profit and loss, statements of cash flows and statements of changes in equity of the prior years presented has been recast in accordance with Ind AS.

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