

# **ANNUAL REPORT**

## **2018-19**

**Ayu Natural Medicine Clinic, P.S**

691 S, Milpitas Blvd Ste 206,

MILPITAS, CA 95035, USA

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

# **Ayu Natural Medicine Clinic, P.S**

## **BOARD OF DIRECTORS**

CHAIRMAN : Mr. Ramesh Vangal

DIRECTORS : Mr. Anand Subramanian

REGISTERED OFFICE : 691 S, Milpitas Blvd, Suite#206  
Milpitas, CA 95035,  
USA

BANKERS : WELLS FARGO BANK.

## **DIRECTORS' REPORT**

Your directors have pleasure in presenting the 13<sup>th</sup> Annual Report on the business and operations of your company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2019. While audit is not mandated in US for small enterprises, your company has got the accounts audited for the purpose of consolidation of its accounts with its parent company in accordance with the statutory requirements in India.

### **Financial Results**

During the year under review, there were no operations in your company.

### **Acknowledgements**

Your Directors wish to place on record the continued co-operation and support received from Bankers.

On behalf of the Board of Directors  
Ayu Natural Medicine Clinic, P.S



**RAMESH VANGAL**  
Chairman

Date: May 2, 2019



**TO THE MEMBERS OF Ayu Natural Medicine Clinic P S.**  
**Report on the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Ayu Natural Medicine Clinic P S ("the company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, for the year then ended, and a summary of significant accounting policies and other explanatory information. 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, 2019;
- b) In the case of the Statement of Profit and Loss, of the Nil Figure for the year ended on that date; and

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters 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 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

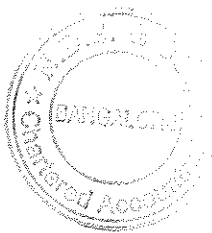
**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## 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 sub-section (11) of Section 143 of the Act, we give in the NIL statement on the matters specified in the paragraph 3 and 4 of the order to the extent applicable.
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 appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches which is also audited by us)
  - c) the Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.[and the returns received from the branches which are prepared by us]
  - 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 written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position]
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses]
    - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company

Place : Bengaluru  
Date : 02/05/2019



for NDS & Co  
Chartered Accountants

Sanjay Shreesha  
Partner  
FRN NO 009804S

## **ANNEXURE - B TO THE AUDITORS' REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Ayu Natural Medicine Clinic PS** ("The Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures

that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Bengaluru  
Date : 02/05/2019



for NDS & Co  
Chartered Accountants

Sanjay Shreesha  
Partner  
FRN NO 009804S

**AYU NATURAL MEDICINE CLINIC, PS**  
691 S, Milpitas Blvd Suite 206, Milpitas, CA 95035

Balance Sheet as at March 31, 2019

STOCKHOLDERS' EQUITY AND LIABILITIES	Schedules	As on March 31, 2019		As on March 31, 2018	
		Amount in USD		Amount in USD	
<b>Stockholders Equity</b>					
Common Stock					
100 shares of common stock with no Par value					
Stockholders Equity					
Retained Earnings		\$ (1,236,725)		\$ (1,236,725)	
<b>Total Stockholders' Equity</b>			\$ (1,236,725)		\$ (1,236,725)
<b>Liabilities</b>					
<b>Long Term Liabilities</b>					
Unsecured Loans	2	\$1,236,758	\$1,236,758	\$1,236,758	\$1,236,758
<b>Total Liabilities</b>			\$1,236,758		\$1,236,758
<b>Current Liabilities</b>					
Total Current Liabilities			\$0		\$0
<b>Total Liabilities &amp; Stockholders' Equity</b>			\$33		\$33
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash in Bank	3	\$33		\$33	
<b>Total Current Assets</b>			\$33		\$33
<b>Total Assets</b>			\$33		\$33

Schedules 1 to 3 form an integral part of this statement

In terms of our report attached.

For NDS & Co.,  
Chartered Accountants  
FRN: 0098045



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



On behalf of Board of Directors  
For AYU NATURAL MEDICINE CLINIC, PS.



Ramesh Vangal  
Chairman

Place: Bengaluru  
Date: May 2, 2019

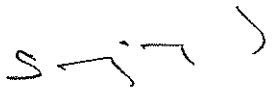


**AYU NATURAL MEDICINE CLINIC, PS**  
**691 S, Milpitas Blvd Suite 206, Milpitas, CA 95035**  
**Income Statement**  
**For the Period from April 1, 2018 to March 31, 2019**

Particulars	Schedules	2018-19		2017-18	
		Amount in USD		Amount in USD	
<b>Revenues</b>					
Income					
<b>Total Revenues</b>			\$0		\$0
<b>Cost of Goods Sold</b>					
<b>Total Cost of Goods Sold</b>			\$0		\$0
<b>Gross Profit</b>			\$0		\$0
<b>Expenses</b>					
Staff Cost					
Administrative Expenses		\$0		\$0	
Selling & Distribution Expenses					
Financial Charges		\$0		\$0	
<b>Total Expenses before Taxes</b>			\$0		\$0
<b>Net Income</b>			\$ -		\$ -
Retained Earnings Previous year			\$ (1,236,725)		\$ (1,236,725)
<b>Retained Loss carried forward to Balance Sheet</b>			\$ (1,236,725)		\$ (1,236,725)

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

For NDS & Co.,  
Chartered Accountants  
FRN: 0098045



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



On behalf of Board of Directors  
For AYU NATURAL MEDICINE CLINIC, PS.



Ramesh Vangal  
Chairman

Place: Bangalore  
Date: May 2, 2019

## **AYU NATURAL MEDICINE CLINIC, P.S**

### **Schedule 1:**

#### **Note 1-Significant Accounting Policies**

- a. Basis for preparation of financial statements and method of accounting

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with policies generally accepted in India including Accounting Standards issued by the Institute of Chartered Accountants of India.

The financial statements are presented in USD which is the company's functional currency. All financial information is presented in USD unless otherwise stated.

- b. Use of estimates

The preparation of the financial statements in conformity with the accounting standards generally accepted in India requires the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from estimates.

- c. Revenue Recognition

Income is recognized only when realization is certain

**AYU NATURAL MEDICINE CLINIC, PS**

691 S, Milpitas BLVD, Suite 206, Milpitas, CA 95035, USA

Schedules to Final Accounts  
for the Financial Year 1st April 2018 to 31st March 2019

Amount in USD

<b>Schedule 2</b>		
<b>Unsecured Loan</b>	<b>FY 2018-19</b>	<b>FY 2017-18</b>
SUVEDA INC	\$72,522	\$72,522
Ayurvedic Academy Inc	\$532,331	\$532,331
CMS Katra Nursing LLC		\$147,218
CMS Katra Holdings LLC	\$631,906	\$484,688
	<b>\$1,236,758</b>	<b>\$1,236,758</b>
<b>Schedule 3</b>		
<b>Cash &amp; Bank Balance</b>	<b>FY 2018-19</b>	<b>FY 2017-18</b>
Well Fargo(Seattle) Ac No.2128	\$33	\$33
<b>TOTAL</b>	<b>\$33</b>	<b>\$33</b>