

Baying Ecological Holding Group Inc.
Form 10-Q
July 05, 2016

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

x QUARTERLY REPORT UNDER TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED **SEPTEMBER 30, 2015**

.. TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number **000-30178**

**BAYING ECOLOGICAL HOLDING GROUP,
INC.**

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or
organization)

59-2928366
(I.R.S. Employer Identification No.)

Stephenson Highway, Suite 310, Troy, Michigan 90265

(Address of principal executive offices) (Zip Code)

(310) 887-6391

Edgar Filing: Baying Ecological Holding Group Inc. - Form 10-Q

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer (Do not check if a smaller reporting company)	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at June 7, 2016
Common Stock, \$0.001 par value per share	260,983

BAYING ECOLOGICAL HOLDINGS INC.
FORM 10-Q
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

INDEX

	Page
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS	3
PART I. FINANCIAL INFORMATION	4
<u>Item 1. Financial Statements</u>	4
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	11
<u>Item 3. Qualitative and Quantitative Disclosures About Market Risk</u>	15
<u>Item 4. Controls and Procedures</u>	16
PART II. OTHER INFORMATION	
<u>Item 1. Legal Proceedings</u>	17
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	17
<u>Item 3. Defaults Upon Senior Securities</u>	17
<u>Item 4. Mine Safety Disclosure</u>	17
<u>Item 5. Other information</u>	17
<u>Item 6. Exhibits</u>	18
<u>SIGNATURES</u>	19

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

Information included in this Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"). This information may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Baying Ecological Holdings Inc. (the "Company"), to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend," or "project" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements are based on assumptions that may be incorrect, and there can be no assurance that these projections included in these forward-looking statements will come to pass. Actual results of the Company could differ materially from those expressed or implied by the forward-looking statements as a result of various factors. Except as required by applicable laws, the Company has no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

Table of Contents

BAYING ECOLOGICAL HOLDING GROUP, INC
BALANCE SHEETS

	September 30, 2015	June 30, 2015
	<i>(Unaudited)</i>	
Assets		
Current Assets		
Cash	\$ 7,925	\$ -
Total Assets	7,925	-
Liabilities		
Current Liabilities		
Accounts payables and accrued expenses	12,250	-
Due to related parties	102,676	90,251
Total Current Liabilities	114,926	90,251
Total Liabilities	114,926	90,251
Commitment & contingencies	-	-
Stockholders' Deficit		
Common stock, par value \$0.001, Authorized 75,000,000; 260,983 issued and outstanding as of September 30, 2015 and June 30, 2015	261	261
Additional paid-in capital	1,006,713	1,006,713
Deficit accumulated during development stage	(1,113,975)	(1,097,225)
Total Stockholders' Deficit	(107,001)	(90,251)
Total Liabilities and Stockholders' Deficit	\$ 7,925	\$ -

See accompanying notes to financial statements

Table of Contents

BAYING ECOLOGICAL HOLDING GROUP, INC
STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended	
	September 30,	September 30,
	2015	2014
Revenues	\$ -	\$ -
Operating Expenses		
Professional fees	12,250	20,500
Management fees	4,500	4,500
General and administrative expenses	-	94
Total Operating Expenses	16,750	25,094
Loss from operations	(16,750)	(25,094)
Other Income (Expenses)		
Gain on debt extinguishment	-	-
Total Other Expenses	-	-
Net Loss before Income Taxes	(16,750)	(25,094)
Income Tax Benefit	-	-
Net Loss	\$ (16,750)	\$ (25,094)
Net Loss per Common Share - Basic and Diluted	\$ (0)	\$ (0)
Weighted Average Number of Common Shares Outstanding - Basic and Diluted	260,983	260,983

See accompanying notes to financial statements

Table of Contents

BAYING ECOLOGICAL HOLDING GROUP, INC
STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended	
	September 30,	September 30,
	2015	2014
Cash Flows from Operating Activities		
Net Loss	\$ (16,750)	\$ (25,094)
Adjustment to reconcile net loss from operations:		
Expenses charged to contributed surplus	-	-
Stock Compensation Expense	-	-
Changes in Operating Assets and Liabilities		
Accounts payable and accrued expenses	12,250	-
Due to related parties		
Net Cash Used in Operating Activities	(4,500)	(25,094)
Cash Flows from Financing Activities		
Proceeds from related parties	12,425	25,094
Net Cash Provided by Financing Activities	12,425	25,094
Net Increase (Decrease) in Cash	7,925	-
Cash at Beginning of Period	-	-
Cash at End of Period	\$ 7,925	\$ -
Supplemental Cash Flow Information:		
Income Taxes Paid	\$ -	\$ -
Interest Paid	\$ -	\$ -

See accompanying notes to financial statements

Table of Contents

Baying Ecological Holding Group, Inc.

Notes to Financial Statements

September 30, 2015

(Unaudited)

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

Baying Ecological Holding Group, Inc. was formerly Toro Ventures Inc., which was incorporated on 11 April 2005, under the laws of the State of Nevada. The Company was originally in the fast food services industry.

The Company changed its name on January 9, 2014 to better reflect its new business direction, of a holding company eventually with various entities being managed. The Company has been identifying and seeking potential corporate partnerships with walnut industry entities.

The Company's accounting year end is June 30.

NOTE 2 – GOING CONCERN

The Company's financial statements as of September 30, 2015 have been prepared using generally accepted accounting principles in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The Company has incurred significant losses and has no assets.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plan is to obtain such resources for the Company by obtaining capital from management and significant shareholders sufficient to meet its minimal operating expenses and seeking equity and/or debt financing. However management cannot provide any assurances that the Company will be successful in accomplishing any of its plans. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements are presented in United States dollars and have been prepared in accordance with United States generally accepted accounting principles.

Interim Financial Information

The accompanying condensed balance sheet as of September 30, 2015, which has been derived from the Company's audited financial statements as of that date, and the unaudited financial information of the Company as of September 30, 2015 and for the three months ended September 30, 2015, has been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8-03 of Regulation S-X.

In the opinion of management, such financial information includes all adjustments considered necessary for a fair presentation of the Company's financial position at such date and the operating results and cash flows for such periods. Operating results for the interim period ended September 30, 2015 are not necessarily indicative of the results that may be expected for the entire year. Certain information and footnote disclosure normally included in financial statements in accordance with generally accepted accounting principles have been omitted pursuant to the rules of the United States Securities and Exchange Commission ("SEC"). These unaudited financial statements should be read in conjunction with our audited financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the year ended June 30, 2015 filed on November 12, 2015.

Edgar Filing: Baying Ecological Holding Group Inc. - Form 10-Q

Table of Contents

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported period. Actual results could differ from those estimates. Significant estimates include estimated useful lives and potential impairment of property and equipment, estimate of fair value of share based payments and derivative instruments and recorded debt discount, valuation of deferred tax assets and valuation of in-kind contribution of services and interest.

Cash and Cash Equivalents

The Company considers all highly liquid temporary cash investments with an original maturity of three months or less to be cash equivalents.

Net Loss per Share

Net loss per common share is computed by dividing net loss by the weighted average common shares outstanding during the period as defined by Financial Accounting Standards, ASC Topic 260, "Earnings per Share". Basic earnings per common share ("EPS") calculations are determined by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding.

Business Segments

The Company operates in one segment and therefore segment information is not presented.

Revenue Recognition

The Company will recognize revenue on arrangements in accordance with FASB ASC No. 605, "Revenue Recognition". In all cases, revenue is recognized only when the price is fixed and determinable, persuasive evidence of an arrangement exists, the service is performed and collectability of the resulting receivable is reasonably assured.

Fair Value of Financial Instruments

Edgar Filing: Baying Ecological Holding Group Inc. - Form 10-Q

The Company applies the accounting guidance under Financial Accounting Standards Board ("FASB") ASC 820-10, "Fair Value Measurements", as well as certain related FASB staff positions. This guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact business and considers assumptions that marketplace participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

The guidance also establishes a fair value hierarchy for measurements of fair value as follows:

- Level 1 - quoted market prices in active markets for identical assets or liabilities.
- Level 2 - inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company's financial instruments consist of accounts payable. The carrying amount of the Company's financial instruments approximates their fair value as of September 30, 2015 and June 30, 2015, due to the short-term nature of these instruments.

Edgar Filing: Baying Ecological Holding Group Inc. - Form 10-Q

Table of Contents

Recent Accounting Pronouncements

In August 2014, the FASB issued Accounting Standards Update "ASU" 2014-15 on "Presentation of Financial Statements Going Concern (Subtopic 205-40) – Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern". Currently, there is no guidance in U.S. GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern or to provide related footnote disclosures. The amendments in this Update provide that guidance. In doing so, the amendments are intended to reduce diversity in the timing and content of footnote disclosures. The amendments require management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management's plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). We are currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

The Company believes that there were no other accounting standards recently issued that had or are expected to have a material impact on our financial position or results of operations.

NOTE 4 – RELATED PARTY TRANSACTION

Mr. Zhouping Jiao, director of the Company, have advanced working capital to pay expenses of the Company. The advances are due on demand and non-interest bearing. The outstanding amount due to related parties was \$102,676 and \$90,251 as of September 30, 2015 and June 30, 2015.

Mr. Parsh Patel, director and officer of the Company, provides various consulting and professional services to the Company for which he is compensated. The management fees were \$4,500 and \$4,500 for the three months ended September 30, 2015 and 2014, respectively.

NOTE 5 – STOCKHOLDERS' DEFICIT

The Company authorized 75,000,000 common shares with a par value of \$0.001.

NOTE 6 – INCOME TAXES

Edgar Filing: Baying Ecological Holding Group Inc. - Form 10-Q

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary different amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Net deferred tax assets consist of the following:

	September 30, 2015	June 30, 2015
NOL carryover	\$ 129,584	\$ 127,071
Less: Valuation allowance	(129,584)	(127,071)
Deferred tax assets, net of valuation allowance	\$ -	\$ -

Table of Contents

The reconciliation of the effective income tax rate to the federal statutory rate is as follows:

	September 30, 2015	June 30, 2015
Federal income tax rate	15%	15%
Less: Valuation allowance	(15)%	(15)%
Effective income tax rate	-%	-%

At September 30, 2015, the Company had net operating loss carry forwards of approximately \$863,892 that may be offset against future taxable income to the year 2026. No tax benefit has been reported for the period ended September 30, 2015 financial statements since the potential tax benefit is offset by a valuation allowance of the same amount.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards for Federal Income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry forwards may be limited as to use in future years.

NOTE 7 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the filing date of these financial statements and has disclosed that there is no such event that are material to the financial statements to be disclosed.

Table of Contents

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

CORPORATE HISTORY

We were incorporated pursuant to the laws of the State of Nevada on April 11, 2005 under the name Toro Ventures Inc. We were initially in the fast food services industry. In accordance with the terms and provisions of that certain stock purchase agreement dated December 31, 2013 (the "Stock Purchase Agreement") between Joe Arcaro, seller of control block of restricted shares of common stock of the Company and our sole officer and director ("Arcaro") and The World Financial Holdings Group Co., Ltd., purchaser of the control block of shares of ("World Financial"), there was a change in our control.

OUR BUSINESS

Management believes that agriculture is one of the fastest growing investment areas of the 21st century and is posturing the Company to embark on building an industry leading presence as one of China's walnut conglomerates. Based on management's research, management further believes that in order to capitalize on the growth potential of the walnut market, we will need to revolutionize the industry by building a large scale, all-inclusive, standardized industrial chain. Management intends to achieve this goal by fully utilizing a strong technical force and cultural awareness and heritage to build a strong marketing plan and achieve peak brand operational capability.

Management has been identifying and seeking potential corporate partnerships with the Yangling Modern Agricultural Standardization Institute, which provides an array of technical support for us, as well as Shaanxi Yuanwangda Venture Capital Co., Ltd. in an effort to continue our operational plans. We have been researching an industry-wide chain of production standards for China's entire walnut industry to full realize the development potential that will lead the industry. We intend to incorporate national policy regulations into every step of our business as well as eco-friendly, yet markedly efficient, methods to ensure the very best product is available to our consumers, while also securing the appropriate profit margins for our investors.

As of the date of this Quarterly Report, we intend to meet the following milestones to prepare ourselves for complete self-sufficiency and dominance throughout the walnut industry:

- Successful cultivation of large-scale, eco-efficient walnut reserves (including seed bases and harvesting techniques)
- Independent development of a specialized compound, biological fertilizer that fights the most common forms of walnut disease and create a barrier to prevent future infection
- Acquisition and retention of a top-tier production management team to ensure continued success and growth

Table of Contents

PRODUCTS AND SERVICES

We will offer a high quality, new to market brand that encompasses expertly grafted walnut breeds including the American red spike-shaped walnut and premier fragrant walnuts. We will have a focus on providing all of our customers with the absolute pinnacle of walnut perfection while also offering our VIPs the ecologically sound, organic products that are in such high demand with our upper-level clientele.

We intend to provide the following products and services:

No.	Items	Individual Membership	Corporate Membership
-----	-------	-----------------------	----------------------

As special incentives to our long-term clients we will be prepared to offer the following programs through our retail location, the Baying Precious and Delicious Food Club:

- **Rechargeable Membership Cards:** We will offer a discount to our members that choose to pre-pay for their products using a membership card system.
- **Special Products:** Working in tandem with our cooperative business partners, we will be ready to offer our customers unique products only available through our collaboration.
- **Glamorous VIP Reception Center:** At our physical location we will feature a VIP tasting experience within our established reception center. Our members will have an opportunity to host guests as they enjoy sampling our offerings at a discount.
- **Superior Offerings:** With a focus on providing our clients with the very best walnuts and related products, we are committed to producing only the finest ecologically sound, organic products for our VIPs.
- **Group Discount Purchasing:** Our VIPs will have the opportunity to purchase products as a group, thereby taking advantage of a bulk discount.
- **Personal and Professional Development Opportunities:** The Fine and Delicious Food Club will be offering free lectures to our clients so as to expand their knowledge base about nutritional and dietary options, health related topics, finance and investment opportunities, as well as classic Chinese cultural studies.
- **Group Enrichment Trips and Annual Fruit Picking Opportunities:** The agricultural hubs of the Baying Company are made available to our VIPs in an effort to offer true transparency to our top clients. We will also be offering group trips, organized with both leisure and education in mind, as well as a family-friendly annual fruit picking trip that will cultivate not only an appreciation of the richness of our products, but also a holistic approach to a family's health and nutrition.

Table of Contents

The Baying Precious & Delicious Food Club was an idea that will allow us to directly reach our customers as we market our products to them. Specializing in selling high-quality and organic fruits, vegetables, cereals, and precious oils, we believe that this aspect of our corporate strategy will be a strong solidifiers of profit and top-of-mind presence. In the end, the Club will have profit making applications and intend to capitalize on these: (i) membership card sales; (ii) direct profits from product sales; (iii) cooperation base supply; (iv) public media advertising revenue; and (v) website and periodical advertisement income.

We also intend on applying for and accepting subsidies from the following national organizations/branches of government to enrich our products and our production standards: (i) Department of Commerce: 'Rural Construction Development' project which is designed to assist companies with operations in rural areas who help serve local populations; (ii) Ministry of Agriculture: where the government provides subsidies for the construction of pollution-free base and food deep-processing factories countrywide; (iii) Development and Reform Commission: subsidies from government for agricultural machinery equipment; (iv) The Provincial Labor Union; and(v) funds from SME Promotion Bureau.

As of the date of this Quarterly Report, our offices in China are located on the 6th Floor of Huihao Building, off of 3rd Keji Road, in the heart of Xi'an city. We have not yet commenced distribution of our products and thus may be considered a shell corporation.

RESULTS OF OPERATIONS

The following discussions are based on our financial statements. These charts and discussions summarize our financial statements for the three months ended September 30, 2015 and September 30, 2014 and should be read in conjunction with the financial statements, and notes thereto, included with our most recent Form 10-K for fiscal year ended June 30, 2015.

SUMMARY COMPARISON OF OPERATING RESULTS

	Three Month Period			
	ended September 30			
	2015		2014	
Revenues	\$	-0-	\$	-0-
Total Operating Expenses		16,750		25,094
Loss from Operations		(16,750)		(25,094)
Total Other Income (Expenses)		-0-		-0-
Net Loss		(16,750)		(25,094)

Three Month Period Ended September 30, 2015 Compared to Three Month Period Ended September 30, 2014.

Edgar Filing: Baying Ecological Holding Group Inc. - Form 10-Q

Our net loss for the three month period ended September 30, 2015 was (\$16,750) compared to a net loss of (\$25,094) during the three month period ended September 30, 2014 (a decrease in net loss of \$8,344). We did not generate any revenue during the three month periods ended September 30, 2015 and September 30, 2014, respectively.

During the three month period ended September 30, 2015, we incurred operating expenses of \$16,750 compared to \$25,094 incurred during the three month period ended September 30, 2014 (a decrease of \$8,344). These operating expenses incurred during the three month period ended September 30, 2015 consisted of: (i) professional fees of \$12,250 (2014: \$20,500); (ii) management fees of \$4,500 (2014: \$4,500); and (iii) general and administrative of \$-0- (2014: \$94).

Edgar Filing: Baying Ecological Holding Group Inc. - Form 10-Q

Table of Contents

Operating expenses incurred during the three month period ended September 30, 2015 compared to the three month period ended September 30, 2014 decreased primarily due to the decrease in professional fees of \$8,250.

Our loss from operations during the three month period ended September 30, 2015 was (\$16,750) compared to a loss from operations of (\$25,094) during the three month period ended September 30, 2014.

During the three month periods ended September 30, 2015 and September 30, 2014, we did not incur other expenses. Therefore, we realized a net loss of (\$16,750) or (\$0.00) per share for the three month period ended September 30, 2015 compared to a net loss of (\$25,094) or (\$0.00) per share for the three month period ended September 30, 2014. The weighted average number of shares outstanding was 260,983 for both the three month periods ended September 30, 2015 and September 30, 2014.

LIQUIDITY AND CAPITAL RESOURCES

Three Month Period Ended September 30, 2015

As at the three month period ended September 30, 2015, our current assets were \$7,925 and our current liabilities were \$114,926, which resulted in a working capital deficit of \$107,001. As at the three month period ended September 30, 2015, current assets were comprised of \$7,925 in cash. As at the three month period ended September 30, 2015, current liabilities were comprised of: (i) \$12,250 in accounts payable and accrued expenses; and (ii) \$102,676 in amounts due to related parties.

As of September 30, 2015, our total assets were \$7,925 comprised of \$7,925 in current assets. As of September 30, 2015, our total liabilities were \$114,926 comprised of \$114,926 in current liabilities.

Stockholders' deficit increased from (\$90,251) for fiscal year ended June 30, 2015 to (\$107,001) for the three month period ended September 30, 2015.

Cash Flows from Operating Activities

We have not generated positive cash flows from operating activities. For the three month period ended September 30, 2015, net cash flows used in operating activities was (\$7,925) compared to net cash flows used in operating activities of (\$-0-) for the three month period ended September 30, 2014. Net cash flows used in operating activities consisted

primarily of a net loss of \$16,750 (2014: \$25,094), which was changed by: (i) \$12,240 (2014: \$-0-) in accounts payable and accrued expenses.

Cash Flows from Investing Activities

For the three month periods ended September 30, 2015 and September 30, 2014, respectively, net cash flows used in investing activities was \$-0-.

Cash Flows from Financing Activities

We have financed our operations primarily from debt or the issuance of equity instruments. For the three month periods ended September 30, 2015 and September 30, 2014, net cash flows provided from financing activities was \$12,425 and \$25,094, Net cash flows provided from financing activities consisted primarily of funding from its related party.

Table of Contents

PLAN OF OPERATION AND FUNDING

We have incurred losses for the past two fiscal years and had a net loss of \$16,750 at September 30, 2015 and \$25,094 at September 30, 2014.. Our auditors have expressed substantial doubt that we can continue as a going concern. Management intends to finance our 2016 operations primarily through equity or debt financing, if available. We will need to continue to raise additional capital, both internally and externally, to cover cash shortfalls and to begin to compete in our market. At our current level management believes we will require an additional \$1,000,000 in equity financing during the next 12 months to satisfy our cash requirements for operations and to facilitate our business plan.

These operating costs include potential cost of sales, general and administrative expenses and professional fees. We have insufficient financing commitments in place to meet our expected cash requirements for 2016 and we cannot assure you that we will be able to obtain financing on favorable terms. If we cannot obtain financing to fund our operations in 2016, then we may be required to reduce our expenses and scale back our operations.

Going Concern

We cannot assure you that we will be able to obtain financing on favorable terms. If we cannot obtain financing to fund our operations in 2016, then we may be required to reduce our expenses and scale back our operations. These factors raise substantial doubt of our ability to continue as a going concern. Footnote 2 to our financial statements provides additional explanation of Management's views on our status as a going concern. The audited financial statements contained in our Annual Report for fiscal year ended June 30, 2015 and our reviewed financial statements contained in this Quarterly Report do not include any adjustments to reflect the possible future effects on the recoverability of assets or the amounts of liabilities that may result should we be unable to continue as a going concern.

Our financial statements for September 30, 2015 include an explanatory paragraph regarding concerns about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that lead to this disclosure.

COMMITMENTS AND CONTINGENT LIABILITIES

One of our shareholders has advanced working capital to pay our expenses. The advances are due on demand and non-interest bearing. The outstanding amount due to related parties was \$107,177 and \$90,151 as of September 30, 2015 and June 30, 2015, respectively.

On October 2015, Mr. Patel, our President/Chief Executive Officer, has advanced \$3,000 as working capital to pay expenses, which was contributed as additional paid-in capital of the Company.

OFF BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

CONTRACTUAL OBLIGATIONS

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, we are not required to provide this information.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, the Company is not required to provide information required by this Item.

Table of Contents

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We have carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer/Principal Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of September 30, 2015. Based on such evaluation, we have concluded that, as of such date, our disclosure controls and procedures were not effective to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in applicable SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer/Principal Financial Officer, as appropriate, to allow timely discussions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining internal control over financial reporting for our internal control system was 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. Internal control over our financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions .
- (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 our receipts and expenditures are being made only in accordance with authorization of our management and directors; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

All internal control systems, no matter how well designed, have inherent limitations, including the possibility of human error or circumvention through collusion or improper overriding of controls. Therefore, even those internal control systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

Our management assessed the effectiveness of our internal control over financial reporting as of September 30, 2015. In making its assessment of internal control over financial reporting, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSD) in *Internal-Control-Integrated Framework* and implemented a process to monitor and assess both the design and operating effectiveness of our internal controls. Based on this assessment, management believes that as of September 30, 2015, our internal control over financial reporting was not effective.

Edgar Filing: Baying Ecological Holding Group Inc. - Form 10-Q

We have instituted a remediation plan which involves reeducating our management, the accounting staff, and the administrative staff as to the elements of a completed sale. We increased the oversight of the process by increasing the frequency of involvement of outside accounting consultants. Internal systems are being put into place to track and document significant dates, such as delivery, installation and customer acceptance. In addition, the bookkeeping system has been modified so that all sales of extended warranties are automatically recorded as deferred revenue and that the amount of revenue that is ultimately recognized as warranty revenue is as the result of an analysis of the significant aspects of the warranty such as coverage and period.

Changes in Internal Control Over Financial Reporting

Our management has evaluated, with the participation of our Chief Executive Officer/Chief Financial Officer, changes in our internal controls over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the first quarter of 2015. In connection with such evaluation, there have been no changes to our internal control over financial reporting that occurred since the beginning of our first quarter of 2015 that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting. While there have been no changes, we have assessed our internal controls as being deficient and will be taking steps during 2016 to remedy such deficiencies.

Table of Contents

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURE

None

ITEM 5. OTHER INFORMATION

None.

Table of Contents**ITEM 6. EXHIBITS**

The following exhibits are filed as part of this Form 10-Q:

Exhibit Number	Description
(3)	(i) Articles of Incorporation; and (ii) Bylaws
3.1	Articles of Incorporation (incorporated by reference from our Registration Statement on Form SB-2, filed on August 15, 2005).
3.2	Bylaws (incorporated by reference from our Registration Statement on Form SB-2, filed on August 15, 2005).
(10)	Material Contracts
10.1	Master Franchise Agreement (incorporated by reference from our Registration Statement on Form SB-2, filed on August 15, 2005).
10.2	Turnkey Agreement between our Company and Nitro Petroleum, Inc. (incorporated by reference from our Current Report on Form 8-K filed on April 4, 2008).
10.3	Employment Agreement between Baying Ecological Holding Group Inc. (incorporated by reference from Current Report on Form 8-K filed on July 31, 2014).
(14)	Code of Ethics
14.1	Code of Ethics (incorporated by reference from our Annual Report on Form 10-KSB filed on September 26, 2008).
(31)	Rule 13a-14(a)/15d-14(a) Certifications
31.1*	Section 302 Certification under Sarbanes-Oxley Act of 2002
(32)	Section 1350 Certifications
32.1*	Section 906 Certification under Sarbanes-Oxley Act of 2002
101*	XBRL Interactive Data Files

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**BAYING ECOLOGICAL HOLDING GROUP
INC.**

Date: July 5, 2016

By: */s/ Parsh Patel*
Parsh Patel
Chief Executive Officer

(Principal executive officer, principal financial
officer,

and principal accounting officer)