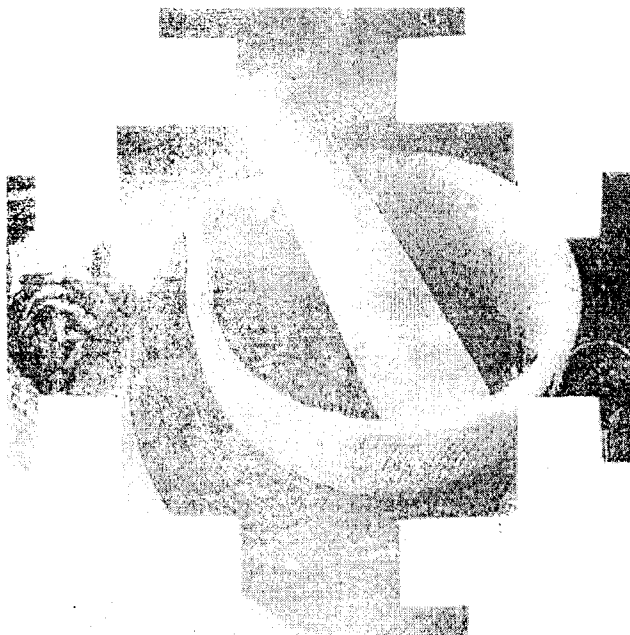


# **XXVith ANNUAL REPORT**

## **2006-2007**



**देशरक्षक**

**DESHRAKSHAK AUSHDHALAYA LTD.**

# DESHRAKSHAK AUSHDHALAYA LTD.

## XXVI<sup>th</sup> ANNUAL GENERAL MEETING

Date : 29th September-2007  
 Day : Saturday  
 Time : 4:00 P.M.  
 Venue : Registered Office  
 Kankhal, Haridwar  
 Uttarakhand-249 408

## BOARD OF DIRECTORS

**Shri Paras Kumar Jain**

Chairman & Managing Director

**Shri Tosh Kumar Jain** [Executive Director]

**Shri Manoj Kumar Jain** [Director]

**Smt. Payal Jain** [Director]

**Smt. Sudesh Jain** [Director]

## AUDITORS

**M/s Anil Jain & Co.**

10, Guru Mandal Ashram,

Devpura, Hardwar (Uttarakhand)

## REGISTRAR TO THE TRANSFER AGENT

**Mas Services Ltd.**

AB-4, Safdarganj Enclave

New Delhi

## BANKERS

**Punjab National Bank**

**State Bank of India**

## REGISTERED OFFICE & WORKS

**Bhagwant Kuti,**

**Kankhal, Haridwar**

**Uttarakhand-249 408**

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**NOTICE**

NOTICE is hereby given that the XXVI<sup>th</sup> Annual General Meeting of the Members of the company Deshrakshak Aushdhalaya Ltd. Will be held on 29th day of September 2007 at 4:00 P.M. at the Registered Office of the Company situated at Kankhal, Haridwar, Uttaranchal- 249 408 to transact the following business :-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Payal Jain who retires by rotation and being eligible offers herself for reappointment.
3. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remunerations.

**SPECIAL BUSINESS**

4. Smt. Sudesh Jain, who was appointed as an additional director of the company on 16.08.2007 and liable to retire at the forthcoming Annual Genral Meeting and eligible for re-appointment, and in this respect the following resolution is required to be passed :-

"RESOLVED THAT Smt. Sudesh Jain be and is hereby appointed as the director of the company who is liable to retire by rotation ."

**FOR AND ON BEHALF OF THE BOARD**

PLACE : HARDWAR

DATED: 05.09.2007

Sd/-

**(PARAS KUMAR JAIN)**

Chairman Cum Managing Director

**NOTES :**

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxies in order to be effective, must be received by the Company not less than 48 hours before commencement of the meeting. The blank proxy form is enclosed.
2. The Register of Members and Transfer Books of the Company shall remain closed from 24th day of September 2007 to 29th September 2007 (both days inclusive) the same date shall be the record date for the purpose of recording transfer.
3. Explanatory Statement under Section 173 (2) of the companies Act, 1956. is enclosed herewith.

**EXPLANATORY STATEMENT**

(Pursuant to Section 173 (2) of the Companies Act, 1956)

**In respect of item No. 4**

Keeping in view the quantum of business and to enter into export market it is proposed that Smt. Sudesh Jain having vast experience of foreign tours therefore it would be in the better interest of the company to appoint her as the director of the company to penetrate the export market.

All the Directors are interested to the extent of their shareholdings.

You director recommend to pass the resolution of appointment of the above mentioned director on the Board.

PLACE : HARDWAR

DATED: 05.09.2007

By Order Of The Board Of Directors

For Deshrakshak Aushdhalaya Limited

Sd/-

(PARAS KUMAR JAIN)

Chairman Cum Managing Director

**DIRECTORS' REPORT**

The Members,

**DESHRAKSHAK AUSHDHALAYA LTD.**

The Directors have pleasure in presenting the XXVI<sup>th</sup> Annual Report with the Audited Statement of Accounts for the period from 1st April 2006. to 31st March 2007.

**FINANCIAL PERFORMANCE**

The Company recorded total income sales during the year 2006-2007 of Rs 211.06 lacs as compared to the previous year of Rs. 212.98 lacs.

Brief highlights of the financial performance are as under:

	2007	2006 (Rupees in lacs)
Sales	210.22	211.81
Other Income	.84	1.17
Total Receipts	211.06	212.98
Profit/Loss before Depreciation Financial Charges and tax	8.25	14.13
Interest & Financial charges	8.45	7.90
Depreciation	16.84	15.82
Profit/Loss before tax	(17.04)	(9.59)
Provision for tax	0.00	0.00
Profit/Loss after tax (Net Loss)	(17.04)	((9.59))

**FUTURE PROSPECTS**

The inherent quality of harmlessness and neutral gravity of side effects increasing the popularity of the Ayurvedic medicines rapidly. The research and development in the field of Ayurved done over the years have made it more effective. Now the people have greater concern over the ancient pattern of Ayurvedic treatment. So the future of the Ayurvedic medicines are very bright and enthusiastic. The Management has taken steps through cost reduction to eliminate its losses incurred during the year.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

Information regarding Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Out go as per Section 217 (i) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Direction) Rule 1988 are given under:-

**(a) ENERGY CONSERVATION**

Energy consumed during the year does not constitute a significant amount which is Rs. 7.20 Lacs

**(b) TECHNOLOGY ABSORPTION**

The techniques of preparation of medicines is based on ancient Ayurvedic pattern subject to time to time modification in accordance with the modern development. So the entire method is indigenous and no foreign technology is involved.

**(c) FOREIGN EXCHANGE EARNINGS & OUT GO**

Earning	32.04
Out Go	NIL

**PARTICULARS OF EMPLOYEES**

There is no employee drawing remuneration above that prescribed u/s (2A) of the Companies Act, 1956.

**CORPORATE GOVERNANCE**

The Securities and Exchange Board of India has through the Listing Agreement directed the listed companies to follow a Uniform Code of Corporate Governance, with necessary disclosures in the Annual Report. Necessary initiatives are being taken to ensure that the Company is fully compliant with the Corporate Governance Code.

**DIRECTORS RESPONSIBILITY STATEMENT:****YOUR DIRECTORS CONFIRM**

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures;
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that year.
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors have prepared the annual account on a going concern basis.

**SEGMENT REPORTING**

The Institute of Chartered Accountants of India issued an Accounting Standard AS-17 for reporting on the basis of each segment in which the companies are engaged. Since your company is engaged in Ayurvedic Medicines only therefore there is only one segment, hence the AS-17 is not applicable to your company.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 Smt Payal Jain being retiring Directors and liable to retire by rotation at the forth coming Annual General Meeting and being eligible, offers herself for re-appointment.

**AUDITORS' REPORT**

Auditors observations as contained in the Auditors' Report are self-explanatory and do not call for any explanations.

**AUDITORS**

M/s Anil Jain & Company, Chartered Accountants, retire and are eligible for reappointment. They have submitted a certificate as required under section 224 of the Companies Act, 1956 to the effect of their reappointment if considered, would be in conformity with the limits specified in the said section. Your directors recommend their reappointments Auditors of the Company.

**ACKNOWLEDGMENT**

The Directors would like to place on record their gratitude to the Central Government and the State Government of Uttaranchal, the Financial Institutions and Banks for their invaluable support and cooperation. The Directors would also like to record their appreciation of the contribution made by the employees of the Company at all levels.

**FOR AND ON BEHALF OF THE BOARD**

PLACE : HARDWAR

DATED: 05.09.2007

Sd/-

**(PARAS KUMAR JAIN)**

Chairman Cum Managing Director

**AUDITOR'S REPORT**

To,

The Members

M/s. Desh Rakshak Aushdhalaya Limited

Hardwar

Gentlemen,

1. We have audited the attached Balance sheet of M/s. **DESH RAKSHAK AUSHDHALAYA LIMITED HARIDWAR** as at 31st March 2007 and the relative manufacturing, Trading & Profit & Loss Account for the year ended on 31.3.2007 annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statement based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, we believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditor's report) order 2003, issued by the central Govt. of India in terms of subsection (4A) of section 227 of the Companies Act. 1956 we enclose in the annexure hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations which is to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (ii) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of those books.
  - (iii) The Balance sheet and Manufacturing, Trading profit & Loss Account dealt with by this report are in agreement with the books of accounts.
  - (iv) In our opinion, the Balance sheet and Manufacturing, Trading & profit & Loss Account dealt with by this report comply with the mandatory accounting standards referred to in subsection (3C) of

section 211 of the companies Act. 1956.

- (v) In our opinion and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2007, from being appointed as Directors in terms of clause (G) of the sub section (1) of section 274 of the company Act 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said account read together with the significant Accounting policies and other notes thereon give the informations required by the companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India :
- (a) In the case of Balance sheet of the statement of affairs of the company as at 31st March 2007.
- (b) In the case of Mfg. Trading profit & Loss account of the loss for the year ended 31.3.2007.
- (c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

FOR AND ON BEHALF OF  
**M/S ANIL JAIN & CO.**  
CHARTERED ACCOUNTANTS

PLACE: HARIDWAR  
DATED: 30.6.2007

Sd/-  
**[ANIL KUMAR JAIN]**  
PROPRIETOR  
MEMBERSHIP No. 70253



**DESHRAKSHAK AUSHDHALAYA LIMITED, HARDWAR****ANNEXUTE TO AUDITOR'S REPORT****REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE:**

- 1.a The company has maintained proper records to show full particulars including quantitative details and situations of its fixed assets.
- b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable. having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- C. In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. In respect of its inventories:
  - a. As explained to us inventories have been physically verified by the managemnt at regular intervals during the year, however, there is a huge stock of raw materials which are not used since last so many years and in our opinion the same stock should be inspected for its use in future otherwise it should be disposed off.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. The company has maintained proper records of the inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the companies Act. 1956.
  - a. The company had taken unsecured loans from one party covered in the register maintained under section 301 of the companies Act, 1956 & taken Secured loans from ICICI Bank, & HDFC. The maximum amount involved during the year aggregating to Rs. 17.32 lacs at the begning of the year and the year end balance of loans taken from such parties was Rs. 12.96 lacs. The company has granted loans to the parties during the year.
  - b. In our opinion, the rate of interest and other terms and conditions on which loans secured or unsecured have been taken from/granted to companies, firms or other parties listed in the registers maintained under section 301 are not, prima facie, prejudicial to the interest of the company. How ever, no interest has been charged on the loans given/granted to the parties.
  - c. The company is not regular in repaying the principal amount as stipulated and also not regular in the payment of interest.
  - d. There are overdue amount of loans taken from or granted to companies, firms or other parties

listed in the registers maintained under section 301 of the companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. No transactions covered under section 301 of the companies Act. 1956.
6. In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies Act. 1956. aggregating during the year to Rs. 500000/- (Rs. five lacs only) or more in respect of any party.
7. The company has not accepted any deposited from the public during the year.
8. In our opinion the company has an internal audit system commensurate with the size and nature of its business.
9. We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
10. In respect of statutory dues:
  - a. According to the records of the company, the company is not regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, excise duty and other statutory dues applicable to it.
  - b. According to the informations and explanations given to us, no undisputed amount payable in respect of income tax, wealth tax, sales tax excise duty were outstanding as at 31st March, 2007 for a period of more than six months from the date they became payable.
  - c. According to the records of the company, there are no dues of sales tax, income tax, excise duty which have not been deposited on account of any dispute.
11. The company has accumulated losses and has incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
12. Based on our audit procedures and according to the information and explanation given by the management, we are of the opinion that the company has defaulted in repayment of dues to the banks.
13. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) order 2003 is not applicable to the company.

14. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transaction and contracts and timely entries have been made in those records. We also report that the company has not invested in the securities, debentures and other securities.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The company has revised two term loans during the year. The term loans outstanding were applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except working capital.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act 1956.
19. The company has not created securities in respect of debentures issued.
20. The company has not raised any money by way of public issue during the year.
21. In our opinion and according to the informations and explanations given to us by the management no fraud on or by the company has been noticed or reported during the course of our audit.

FOR AND ON BEHALF OF  
**M/S ANIL JAIN & CO.**  
CHARTERED ACCOUNTANTS

PLACE: HARIDWAR

DATED: 30.6.2007

Sd/-  
**[ANIL KUMAR JAIN]**  
PROPRIETOR  
MEMBERSHIP No. 70253

**DESHRAKSHAK AUSHDHALAYA LTD.**  
**KANKHAL HARIDWAR**  
**BALANCE SHEET AS ON 31-3-2007**

	(INRUPEES)	
LIABILITIES	AS ON 31.3.2007	AS ON 31.3.2006
<b><u>SHAREHOLDER'S FUND</u></b>		
SHARE CAPITAL		
EQUITY CAPITAL	46,631,740	46,631,740
RESERVE & SURPLUS	37,835,080	37,835,080
<b><u>LOAN FUNDS</u></b>		
SECURED LOANS	1,276,957	1,731,983
UNSECURED LOANS/DEFERRED PAYMENTS LIABILITIES	1,475,105	1,140,000
	----- 87,218,882	----- 87,338,803
<b><u>APPLICATION OF FUNDS</u></b>		
FIXED ASSETS	31,970,377	30,283,226
INVESTMENTS	1,765,000	4,965,000
CURRENT ASSETS, LOANS & ADVANCES		37,410,671
INVENTORIES	7,439,600	
SUNDRY DEBTORS	27,963,260	
CASH & BANK BALANCES	981,179	
LOANS & ADVANCES	5,626,841	
	----- 42,010,880	
LESS : CURRENT LIABILITIES & PROVISIONS		
LIABILITIES	3,989,021	
PROVISIONS	857,790	
	----- 37,164,069	
NET CURRENT ASSETS		
A. MISCELLANEOUS EXPENDITURE	0	0
B. PROFIT & LOSS ACCOUNT	16,319,437	14,679,906
	----- 87,218,882	----- 87,338,803

**NOTES TO THE ACCOUNTS****AUDITOR'S REPORT**

AS PER OUR SEPARATE REPORT OF EVEN DATE ATTACHED.

Sd/-  
[P.K. JAIN]  
MANAGING DIRECTOR

Sd/-  
[M.K. JAIN]  
DIRECTOR

Sd/-  
[T.K. JAIN]  
DIRECTOR

FOR AND ON BEHALF OF  
M/S ANIL JAIN & CO.  
CHARTERED ACCOUNTANT  
Sd/-  
[ANIL KUMAR JAIN]  
PROPRIETOR

PALACE : HARDWAR  
DATED : 30.6.2007

**DESHRAKSHAK AUSHDHALAYA LTD.****KANKHAL HARIDWAR****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2007**

PARTICULARS	AS ON 31.3.2007	AS ON 31.3.2006
<b><u>INCOME</u></b>		
SALES	21,106,062	21,298,327
<b>TOTAL</b>	<b>21,106,062</b>	<b>21,298,327</b>
<b><u>EXPENDITURE</u></b>		
CONSUMPTION OF MATERIALS AND INVENTORY AD. & MANUFACTURING EXPENSES	12,357,683	13,131,766
WAGES, SALARIES/BENEFITS	2,692,594	2,558,697
SELLING EXPENSES	1,906,088	1,696,202
OTHER EXPENSES	3,325,130	2,498,948
<b>TOTAL</b>	<b>20,281,495</b>	<b>19,885,613</b>
PROFIT BEFORE INTEREST, AND DEPRECIATION	824,566	1,412,714
LESS:		
INTEREST	845,116	790,021
DEPRECIATION	1,683,686	1,582,193
PROFIT BEFORE TAX	(1,704,236)	(959,501)
PROVISION FOR TAXATION	0	0
PROFIT AFTER TAX [AVAILABLE FOR APPROPRIATION] TRANSFERRED TO GENERAL RESERVE	(1,704,236)	(959,501)
<b><u>APPROPRIATIONS</u></b>		
OP. BAL. OF GENERAL RESERVE/P&L ACCOUNT	(14,679,906)	(13,672,196)
ADD: PROFIT DURING THE YEAR	(1,704,236)	(959,501)
FRINGE BENEFIT TAX	(31,944)	(48,209)
PRIOR YEAR EXPENSES	96,648	0
BALANCE IN GENERAL RESERVE ACCOUNT	(16,319,437)	(14,679,906)

**AUDITOR'S REPORT**

AS PER OUR SEPARATE REPORT OF EVEN DATE ATTACHED.

Sd/-  
[P.K. JAIN]  
MANAGING DIRECTOR

Sd/-  
[M.K. JAIN]  
DIRECTOR

Sd/-  
[T.K. JAIN]  
DIRECTOR

FOR AND ON BEHALF OF  
M/S ANIL JAIN & CO.  
CHARTERED ACCOUNTANT  
Sd/-  
[ANIL KUMAR JAIN]  
PROPRIETOR

# DESHRAKSHAK AUSHDHALAYA LTD.

## KANKHAL HARIDWAR

### SCHEDULES FORMING PART OF BALANCE SHEET 31-3-2007

PARTICULARS	RUPEES 31.3.2007	RUPEES 31.3.2006
<b>SCHEDULE</b>		
AUTHORISED CAPITAL 10000000 EQUITY SHARES OF RS. 10/- EACH	100,000,000	100,000,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL :-	.....	46,631,740
[A] 5002600 EQUITY SHARES OF RS. 10/- EACH	50,026,000	
LESS: FORFEITED SHARES [FACE VALUE]	5,642,760	
ADD: SHARE FORFEITTED ACCOUNT	2,248,500	
	46,631,740	
<b>SCHEDULE</b>		
<b>RESERVE &amp; SURPLUS :</b>		
INVESTMENT ALLOWANCE RESERVE	46,118	46,118
REVALUATION RESERVE	559,562	559,562
PREMIUM ON SHARE CAPITAL	42,316,500	
LESS: FORFEITED SHARES PREMIUM	5,087,100	
	37,229,400	37,229,400
	37,835,080	37,835,080
<b>SECURED LOANS</b>		
OBC EXPORT BILL	0	1,602,095
ICICI FORD FI ESTA LOAN	697,500	0
ICICI DEHRADUN	532,225	0
H.D.F.C. 455380 IKON FORD	47,232	129,888
	1,276,957	1,731,983
<b>SCHEDULE</b>		
<b>UNSECURED LOANS :</b>		
M.M. TAYAL	400,011	0
PRABHA TAYAL	406,286	0
DOON INDUSTRIAL FUND LTD.	277,756	715,000
GANGA CORPORATION PVT. LTD.	391,052	425,000
	1,475,105	1,140,000

### FIXED ASSETS SCHEDULE FOR THE YEAR 2006 -2007

NAME OF ASSETS	RATE OF DEPRE- CIATION	ORIGINAL COST AS ON 31.3.06	ADDITION UPTO SEPT.06	ADDITION AFTER SEPT. UPTO MARCH07	TOTAL	DEPRE- CIATION UPTO 31.3.06	DEPRE- CIATION FOR 2006-2007	TOTAL DEPRE- CIATION UPTO 31.3.07	SLM VALUE 31.3.06	SLM VALUE 31.3.07
LAND	-	2,258,735	0	0	2,258,735	0	0	0	2,258,735	2,258,735
FACTORY BUILDING	3%	3,189,212	11,050	0	3,200,262	1,158,056	106,888	1,264,944	2,031,156	1,935,318
BUILDING UNDER CONSTRUCTION	-	7,040,407	578,295	604,337	8,223,039	0	0	0	7,040,407	8,223,039
R & D BUILDING	3%	3,571,412	0	0	3,571,412	1,186,444	119,285	1,305,729	2,384,968	2,265,683
OFFICE FURNITURE / EQUIPMENT	6%	510,745	2,000	25,200	537,945	284,646	32,729	317,375	226,099	220,570
MACHINERY	5%	18,458,577	28,330	69,368	18,556,275	8,944,944	880,800	9,825,544	9,513,633	8,730,731
ELECT. EQUIPMENT	7%	334,915	0	0	334,915	185,359	25,624	210,983	149,555	123,931
GAS PLANT	5%	19,975	0	0	19,975	1,423	949	2,372	18,552	17,603
MOTOR VEHICLES	10%	4,253,572	698,216	889,075	5,840,863	3,242,943	512,015	3,754,958	1,010,629	2,085,905
SCOOTER	10%	47,390	0	23,000	70,390	33,017	5,596	38,613	14,373	31,777
		39,684,940	1,317,891	1,610,980	42,613,811	15,036,833	1,683,686	16,720,519	24,648,107	25,893,292
CAPITAL WORK IN PROGRESS		5,635,119	441,966	0	6,077,085	0	0	0	5,635,119	6,077,085
		45,320,059	1,759,857	1,610,980	48,690,896	15,036,833	1,683,686	16,720,519	30,283,226	31,970,377

## SCHEDULES FORMING PART OF BALANCE SHEET CONTINUE

PARTICULARS	RUPEES 31.3.2007	RUPEES 31.3.2006
<b>SCHEDULE</b>		
INVESTMENTS IN INDIAN COMPANIES	1,765,000	4,965,000
<b>SCHEDULE</b>		
INVENTORIES		
RAW MATERIAL & FINISHED GOODS	6,306,300	7,812,350
PACKING MATERIALS	1,133,300	1,133,300
	7,439,600	8,945,650
<b>SCHEDULE</b>		
SUNDRY DEBTORS		
OUTSTANDING FOR MORE THAN SIX MONTHS	21,671,525	23,184,131
OTHERS	6,291,735	5,520,822
	27,963,260	28,704,953
<b>SCHEDULE</b>		
CASH & BANK BALANCES		
CASH IN HAND	1,140,846	1,210,001
CASH AT BANK		
OBC 2671	371	14,131
PNB GURUKUL C/A	9,734	(272,133)
FDR PNB	2,000	2,000
BANK OF INDIA, NEW DELHI 10612	8,282	8,282
PNB 1433	(285,844)	(18,850)
BANK OF BARODA 1501	19,441	484
ALLAHABAD BANK	6,008	8,524
SBI HARIDWAR	65,187	(21,301)
SBI RANIPUR, 64127	12,000	0
CBI KANKHAL	3,154	6,698
	981,179	937,834
<b>SCHEDULE</b>		
LOANS & ADVANCES		
SECURITY DEPOSITS	226,336	292,236
OTHER ADVANCES	5,400,505	5,280,215
	5,626,841	5,572,451

## SCHEDULES FORMING PART OF BALANCE SHEET CONTINUE

PARTICULARS	RUPEES 31.3.2007	RUPEES 31.3.2008
<b>SCHEDULE</b> .....		
<b>CURRENT LIABILITIES</b>		
SUNDRY CREDITORS AGAINST GOODS	3,493,347	4,778,629
SECURITIES RECEIVED	495,674	480,674
.....	.....	.....
.....	3,989,021	5,259,303
.....	.....	.....
<b>SCHEDULE</b>		
PROVISIONS	857,790	1,490,913
.....	.....	.....



**DESHRAKSHAK AUSHDHALAYA LTD. KANKHAL HARIDWAR**  
**SCHEDULES FORMING PART OF MANUFACTURING, TRADING, PROFIT & LOSS ACCOUNT**

PARTICULARS	RUPEE	RUPEE
	31.3.2007	31.3.2006
<b>SCHEDULE</b>		
<b>INCOMES</b>		
SALES OF PRODUCTS DOMESTIC	17,817,955	15,775,620
SALES OF PRODUCTS EXPORT	3,203,970	5,405,125
OTHER INCOME, INTEREST	84,137	117,582
	.....	.....
	21,106,062	21,298,327
	.....	.....
<b>SCHEDULE</b>		
<b>CONSUMPTION OF MATERIALS AND INVENTORY AND JUSTMENT &amp; MANUFACTURING EXP.</b>		
OPENING STOCK	8,945,650	7,235,600
ADD: PURCHASES	10,039,364	14,535,472
	.....	.....
	18,984,914	21,771,072
	.....	.....
<b>LESS: CLOSING STOCK OF RAW MATERIALS, W.I.P., CRUDE HERBALS, SEMI FIN. &amp; FINISHED GOODS</b>		
	7,439,600	8,945,650
	.....	.....
	11,545,314	12,825,422
CONSUMABLES	92,867	85,240
ELECTRICITY & POWER	719,502	221,104
	.....	.....
	12,357,683	13,131,766
	.....	.....
<b>SCHEDULE</b>		
<b>WAGES, SALARIES/BENEFITS</b>		
PRODUCTION WAGES	660,311	598,959
PRINTING/M/C EXPENSES	101,612	89,801
SALARIES STAFF	852,571	1,362,799
SALARY MARKETING STAFF	555,699	0
E.S.I.	101,688	81,552
SECURITY SERVICES	25,890	33,385
PROVIDENT FUND	292,250	265,465
GRATUITY	0	21,423
EMPLOYEES WELFARE	23,418	34,243
HOUSE RENT ALLOWANCE	79,155	71,070
	.....	.....
	2,692,594	2,558,697
	.....	.....
<b>SCHEDULE</b>		
<b>SELLING EXPENSES</b>		
SALES TAX	2,243	3,761
CARTAGE & FREIGHT	436,733	529,955
LEAKGE & BREAKAGE	127,886	31,110
BONUS ON SALES	261,734	138,363
COMMISSION	862,171	734,753
INCENTIVE ON SALES	203,828	200,040
SALES PROMOTION	11,493	42,820
SAMPLE/GIFT	0	15,401
	.....	.....
	1,906,088	1,696,202
	.....	.....

**SCHEDULE**

OTHER EXPENSES		
POSTAGE	42,846	64,724
STATIONARY & PRINTING	153,635	78,809
EXHIBITION EXP.	0	16,901
SERVICE TAX	25,023	18,137
FILING FEE	3,000	2,000
TENDER DOCUMENT	1,513	1,100
HOUSE TAX.	10,836	6,859
POOJA EXP.	0	3,000
TRAVELLING DIRECTOR	114,980	172,844
REPAIRS & MAINTENANCE	241,442	113,125
MACHINERY REPAIRS	350,482	57,539
INSURANCE	70,419	25,287
TRAVELLING EXPENSES	642,491	527,257
ADVERTISEMENT	236,838	162,074
FEE & TAXES	320,254	150,344
TELEPHONE EXP.	112,416	199,698
CAR EXP.	137,117	183,938
NEWS PAPER/SUBSCRIPTION EXP.	58,271	13,339
DONATION GANGA MATA 80-G	1,300	5,100
PROFESSIONAL CHARGES	82,200	80,000
OFFICE RENT	0	36,000
DEPOT RENT	18,000	18,000
DIWALI EXP.	90,071	0
MEETING EXP.	15,538	30,955
WEIGHING MACHINE EXP.	0	2,242
LISTING FEE.	50,850	0
WHITE WASHING EXP.	6,446	25,519
MISC. EXP.	9,351	24,151
DISCOUNT	110,964	79,641
PRICE LIST & SEWAN VIDHI	58,847	40,365
MANAGERIAL REMUNERATION	360,000	360,000
	.....	.....
	3,325,130	2,498,948
	.....	.....

**SCHEDULE 6**

INTEREST		
BANK COMMISSION	47,014	67,943
INTEREST	798,102	722,079
	.....	.....
	845,116	790,021
	.....	.....
CAPITAL WORK IN PROGRESS	6,077,085	5,635,119
	.....	.....

**DESHRAKSHAK AUSHDHALAYA LTD. KANKHAL HARIDWAR**  
**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE**  
**YEAR 2006-2007**

1.a **SYSTEM OF ACCOUNTING**

The company follows the merchantile system of accounting and recognizes Income and Expenditure on an accrual basis except in case of significant uncertainties.

- B. The accounts of the company have been prepared based on the going concern concept and the company is operating at a very low capacity utilization level.

2. **REVENUE RECOGNITION**

Revenue from the sale of manufacture and traded products are recognized upon passage of title to the customer and generally coincides with the delivery and acceptance.

3. **FIXED ASSETS AND DEPRECIATION**

**FIXED ASSETS**

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises purchase price and any directly attributable cost of bringing the assets to its present condition or intended use.

The fixed assets includes a sum of Rs. 6077085/- shown under the head of work in progress and pending for adjustments and also there is an addition of Rs. 441966/- during the year. Which include in above figures.

**DEPRECIATION**

- a. Depreciation has been provided on straight line method at the rates prescribed in Schedule of the companies Act, 1956 as amended vide Notification No. 756 [E] dated 16th December 1993. No depreciation has been provided on the revaluation cost of the assets.
- b. Depreciation on additions is being provided on prorata basis from the date of such additions.

4. **TECHNICAL KNOW-HOW FEES**

No technical know-how fee is paid during the year.

5. **INVESTMENTS**

Investment Rs. 17.65 lacs held on a long term basis and are valued at cost of acquisition since the shares are not quoted in any exchange and also to the companies where most of the Directors are common.

6. **INVENTORIES**

**INVENTORIES**

**BASIS OF VALUATION**

- |                      |                        |
|----------------------|------------------------|
| a. Raw Materials     | At cost                |
| b. Work- in-progress | At cost                |
| c. Finished goods    | Sales- G.Profit Margin |
| d. Stores and spares | At cost                |

Store and spares purchased are charged to profit & Loss account in the year of purchase as the

**7. SALES**

The company has done an export sales of Rs 3203970/- To Nepal.

**8. RESEARCH AND DEVELOPMENT EXPENDITURE**

No research and development expenditure is incurred during the year.

**9. RETIREMENT BENEFITS**

- Retirement benefits are accounted for as and when paid.
- Provision of old Gratuity Rs. 627036/- has been shown in the Balance sheet & there is no provision during the year Paid a sum of Rs 21423/during the year.
- Provident Fund contributions Rs. 44115/- and ESI Rs. 11621/- are payable as on 31.3.2007.
- Accounting policies not specifically referred to are consistent with generally accepted accounting practices.

**10. PROPOSED DIVIDEND**

No provision has been made for the payment of Dividend.

**11. PROVISION FOR TAXATION**

Since the company have old losses hence no provision for Income tax is made.

FBT Rs. 9857/- TDS Rs. 80218/- & UPTT of Branch Office Muzaffarnagar amount to Rs. 59984/- are payable during the year.

**NOTES TO THE ACCOUNTS**

Additional information pursuant to the provisions of paragraph 3 & 4 [c] [d] of part II of Schedule VI of the companies Act. 1956.

**1. LICENCED AND INSTALLED CAPACITY**

- Licensed Capacity Tablet, Syrup, Powder, Awaleha etc.
- Installed capacity
 

Tablet	2050 Lacs Nos.
Liquid	41 Lacs bottles
Pills	27.50 lacs Nos.
Awaleha	280 Tones
Kwath	40 Tones
Capsules	60 Lacs Nos.

**2. PARTICULARS OF OPENING & CLOSING STOCK & SALES**

Opening stock	Rs.	8945650.00
Closing Stock	Rs.	7439600.00
Sales	Rs.	21021925.00

**Note:** Since the number of items of raw materials and finished goods are more than one thousand, hence quantitative details are not given.

**3. DETAILS OF RAW MATERIAL CONSUMPTION**

As the number of raw materials are more than one thousand and none of them amount to reasonable parts of total consumption, no itemwise details of raw material consumption in quantity has been given.

quantum is not material.

4. **TOTAL MANAGERIAL REMUNERATION PAID/PAYABLE DURING THE PERIOD**

- a. Managing Director Rs. 180000/-  
b. Director Rs. 180000/-
5. Fixed Assets include capital work in progress of Rs. 6077085/- paid as advance for Machinery, Building Materials and other equipments, pending for adjustments since 1995-96 (Rs. 8425990) and also the balances have not been confirmed by them.
6. Overdues amount due on 31st March, 2007 of ICICI Bank Ltd. and HDFC are Rs. 1276957/- which is secured against the company's fixed assets and personal guarantee of the Directors. Unsecured loans Rs. 14.75/- lacs has been personally guaranteed by the directors.
7. The branch office of the company is situated at Muzaffarnagar (U.P.).
8. Confirmation of balances of few parties appearing under the heads current liabilities, current assets, capital work in progress and loans & advances are still awaited.
9. Particular of Auditors remuneration-  
Audit Fee Rs. 20000/-
10. Extension for sale proceeds of export sales worth US\$ 88609 is valid up to 30.6.1999.
11. Sundry Debtors includes various amount which are more than 6 months old and no confirmation of the outstandings are available.
12. There is no any Income tax liability in the company during the year as it has previous losses.
13. Previous year figures have been regrouped wherever necessary.

**Sd/-**

**[P.K. Jain]**

**MG. [DIRECTOR]**

**Sd/-**

**[T.K. Jain]**

**[DIRECTOR]**

**Sd/-**

**[M.K. Jain]**

**[DIRECTOR]**

**FOR AND ON BEHALF OF**

**M/S ANIL JAIN & CO.**

**CHARTERED ACCOUNTANTS**

**Sd/-**

**[ANIL KUMAR JAIN]**

**PROPRIETOR**

**MEMBERSHIP No. 70253**

**PLACE: HARIDWAR**

**DATED: 30.6.2007**

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS ON 31-3-2007

### I. Registration Details

State Code

2 0

Registration No.

6092RC20794

Balance Sheet

3 1

0 3

2 0 0 7

Date

Month

year

### II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

N I L

Right Issue

N I L

Bonus Share

N I L

Private Placement

N I L

### III. Position of Mobilisation and development of funds (Amount in Rs. thousands)

Total Liabilities

8 7 2 1 9

Total Assets

8 7 2 1 9

Sources of Funds :

Paid-up Capital

4 6 6 3 2

Reserves &amp; Surplus

3 7 8 3 5

Secured Loans

1 2 7 7

Unsecured Loans/others

1 4 7 5

Application on Funds

Net Fixed Assets

3 1 9 7 0

Investments

1 7 6 5

Miscellaneous expenditure

N I L

Net Current Assets

3 7 1 6 4

Accumulated Losses

1 6 3 1 9

### IV. Performance of Company (amount is Rs. Thousands)

Turnover

2 1 0 2 2

Total Expenditure

2 2 8 1 0

Other Income

8 4

+ -  
✓

Profit/Loss After Tax

1 7 0 4

+ -  
✓

Profit/Loss Before Tax

1 7 0 4

Dividend Rate %

N I L

### V. Generic Names of Three Principal Services of company (As per monetary terms)

Item Code No.

0 0

Product Description

AYURVEDIC MEDICINES

Item Code No.

0 0

Product Description

AYURVEDIC MINERALS

Item Code No.

0 0

Product Description

AYURVEDIC SPICES (KIRANA)

**DESHRAKSHAK AUSHDHALAYA LIMITED**

REGD. OFFICE KANKHAL

Haridwar-249408 (Uttarakhand)

**ADMISSION SLIP**

I hereby record my presence at the XXVI<sup>th</sup> Annual General Meeting of Members of the company held on 29th September, 2007 at the Registered Office of the Company.

Folio No.....

Name of Member/Proxy.....

(Who will attend the meeting)

1. Please complete and hand over this slip at the entrance.
2. Please quote FOLIO NUMBER clearly.

.....Tear Here.....

**DESHRAKSHAK AUSHDHALAYA LIMITED**

REGD. OFFICE KANKHAL

Haridwar-249408 (Uttarakhand)

**PROXY FORM**

I/We.....

OF.....

in the district of.....being

member (s) of **DESHRAKSHAK AUSHDHALAYA LTD.**, hereby appoint Shri/Smt./

Miss.....of.....

in the district of.....

is my/our.....

proxy to attend and vote for me/us on my/our behalf at the XXV<sup>th</sup> Annual General Meeting of the company to be held on 29th September 2007 at the Registered Office of the Company.

Name.....

Folio No.....

Address.....

.....

.....

Signed on at.....

Signature.....

1 Rupee  
Revenue  
Stamp

**NOTES:**

1. The Proxy need not to be a member.
2. The proxy form, duly signed across a revenue stamp of 1 Rupee paise as indicated, should reach the company's Registered Office at least 48 hours before the time of the meeting.
3. The Proxy form should be filled in complete including 'Folio No.' and Address.

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**BOOK POST  
PRINTED MATTER**

*If undelivered please return to:*

**DESHRAKSHAK AUSHDHALAYA LTD.**

**KANKHAL,  
HARDWAR-249 408  
UTTARAKHAND**