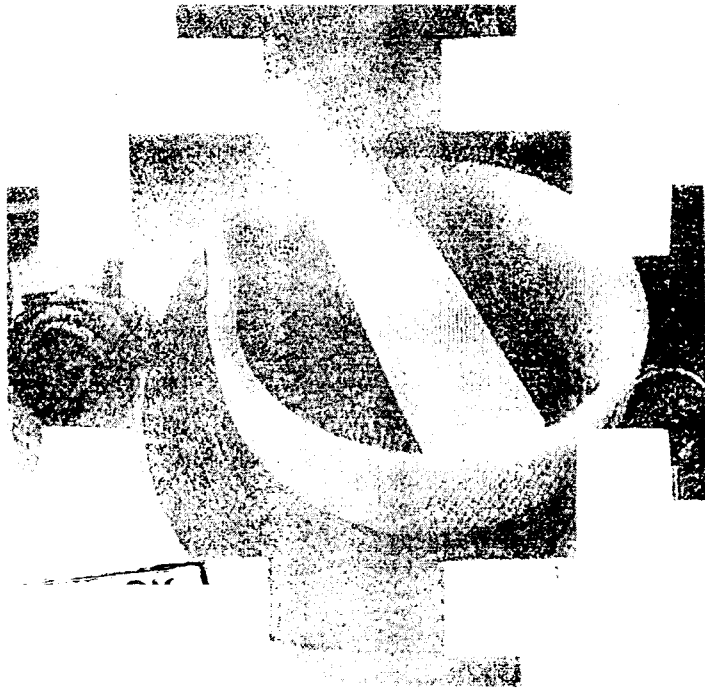


**27th ANNUAL REPORT
2007-2008**



देशरक्षक

DESHRAKSHAK AUSHDHALAYA LTD.

DESHRAKSHAK AUSHDHALAYA LTD.

27th ANNUAL GENERAL MEETING

Date : 27th September-2008
Day : Saturday
Time : 4:00 P.M.
Venue : Registered Office
Kankhal, Haridwar
Uttarakhand-249 408

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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

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Members of the company M/s Deshrakshak Aushdhalaya Limited shall be held on Saturday the 27th day of September 2008 at 4:00 P.M. at Bhagwant Kuti, Kankhal, Haridwar, the Registered office of the Company to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st of March, 2008 and Profit & loss account for the year ended on that date and reports of Directors and Auditors thereon;
2. To appoint a director in place of Smt. Manoj Jain who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in connection therewith to pass, with without modifications, the following resolution:

"RESOLVED THAT pursuant to the provisions of section 224 A and other applicable provisions, if any, of the Companies Act, 1956, M/s Anil Jain & Co. Chartered Accountants, the retiring auditors be and are hereby re-appointed as Auditors of the company, to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company, at such remuneration as may be fixed by the Board of Directors, from time to time and reimbursement of out-of-pocket expenses incurred by them to carry out the audit.

SPECIAL BUSINESS:

4. To increase the remuneration of Shri Paras Kumar Jain, Chairman and Managing Director of the company from the existing of Rs. 18,000/- per month to Rs. 25,000/- per month with effect from 1st of April 2008 and the following resolution is required to pass with or without resolution:

RESOLVED THAT subject to the provisions of section 269 read with Schedule XIII and any other provisions of the companies Act, 1956 and subject to approval of the shareholders, the remuneration of the Chairman and managing Director of the Company be and is hereby increased from Rs. 18,000/- per month to Rs. 25,000/- per month with effect from 1st of April 2008 and the said remuneration is within the permissible limit of Part II of Schedule XIII of the Companies Act, 1956.

5. To increase the remuneration of shri Tosh Kumar Jain, Executive Director of the company from the existing of Rs. 18,000/- per month Rs. 25,000/- with effect from 1st of April 2008 and the following resolution is required to pass with or without resolution:

"RESOLVED THAT subject to the provisions of section 269 read with Schedule XIII and any other provisions of the companies Act, 1956 and subject to approval of the shareholders, the remuneration of the Executive Director of the Company be and is hereby increased from Rs. 18,000/- per month to Rs. 25,000/- per month with effect from 1st of April 2008 and the said remuneration is within the permissible limit of part II of Schedule XIII of the companies Act, 1956."

6. To consider and if through fit, to pass with or without modification (s), the following resolution as on ordinary resolution:

"RESOLVED THAT Mr. Chandra Bhushan Gupta, be and is hereby appointed as the non executive director of the company as independent director liable to retire by rotation and in respect of whom the Company has received the notice under section 257 of the Companies Act, 1956, from a member, in writing, proposing his candidature for the office of Director."

7. To consider and if thought fit, to pass with or without modification (s), the following resolution as a ordinary resolution:
8. "RESOLVED THAT Mr. Amit Kumar Singh, be and is hereby appointed as the non-executive director of the company as independent director liable to retire by rotation and in respect of whom the Company has received the notice under section 257 of the Companies Act, 1956, from a member, in writing, proposing his candidature for the office of Director."

For Desh Rakshak Aushdhalaya Limited

PLACE : HARDWAR

DATED: 01.09.2008

Sd/-

(PARAS KUMAR JAIN)

Chairman And Managing Director

EXPLANATORY STATEMENT

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

As required by section 173 of the Companies Act, 1956 the following explanatory statement set out all material facts relating to the business mentioned under item No. 4 to 7 of the accompanying notice dated 1st of September 2008.

ITEM NO. 4 AND 5

The Salary of the Chairman and Managing Director and the Executive Director is not significant to the present scenario and such a meagre salary does not fulfil the requirements of both the directors hence it is proposed to increase the remuneration of Chairman and managing Director and the Executive Director of the company.

ITEM NO. 6 AND 7

pursuation of SEBI guidelines and the provisions of the Listing Agreement with the stock exchanges requite to appoint indepdent directors for the various committee such as Audit Committee, shareholders/Investors grievance Committee and Remuneration Committee. The Company has to appoint these directors under the provisions of clause 49 of the Listing Agreement.

Shri Paras Kumar Jain, Shri Tosh Kumar Jain, Mr. Chandra Bhushan Gupta and Mr. Amit Kumar Singh are deemed to be interested in the item No. 4 to 7 respectively.

Your directors recommend to pass the resolution.

PLACE : HARDWAR

DATED: 01.09.2008

For Desh Rakshak Aushdhalaya Limited

Sd/-

(PARAS KUMAR JAIN)

Chairman And Managing Director

27th ANNUAL REPORT

देशरक्षक

DIRECTORS' REPORT

The Members,

DESHRAKSHAK AUSHDHALAYA LTD.

The Directors have pleasure in presenting the 27th Annual Report with the Audited Statement of Accounts for the period from 1st April 2007. to 31st March 2008.

FINANCIAL PERFORMANCE

The Company recorded total income sales during the year 2007-2008 of Rs 250.15 lacs as compared to the previous year of Rs. 211.06 lacs.

Brief highlights of the financial performance are as under:

	2008	2007
		(Rupees in lacs)
Sales	250.11	210.22
Other Income	.05	.84
Total Receipts	250.15	211.06
Profit/Loss before Depreciation Financial Charges and tax	26.91	8.25
Interest & Financial charges	5.62	8.45
Depreciation	16.92	16.84
Profit/Loss before tax	4.37	(17.04)
Provision for tax	0.00	0.00
Profit after tax	4.37	(17.04)

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. 6.33 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	44.38
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. In pursuance of SEBI guidelines and the provisions of the Listing Agreement with the stock exchanges require to appoint independent directors for the various committee such as Audit Committee, shareholders/Investors grievance Committee and Remuneration Committee. The Company has to appoint these directors under the provisions of clause 49 of the Listing Agreement.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 Shri Manoj Kumar Jain being retiring Directors and liable to retire by rotation at the forth coming Annual General Meeting and being eligible, offers himself 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: 01.09.2008

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 2008 and the relative manufacturing, Trading & Profit & Loss Account for the year ended on 31.3.2008 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, 2008, 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 2008.
 - (b) In the case of Mfg. Trading profit & Loss account of the loss for the year ended 31.3.2008.
 - (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: 30.6.2008

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 management at regular intervals during the year.
 - 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 five parties covered in the register maintained under section 301 of the companies Act, 1956 & taken Secured loans from ICICI Bank, PNB & HDFC. The maximum amount involved during the year aggregating to Rs. 27.52 lacs at the beginning of the year and the year end balance of loans taken from such parties was Rs. 28.69 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. However, 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 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, 2006 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 there is no cash loss has incurred cash losses during the financial year covered by our audit.
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 not raised any new 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: 30.6.2008

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

**DESHRAKSHAK AUSHDHALAYA LTD.
KANKHAL HARIDWAR**

BALANCE SHEET AS ON 31-3-2008

(IN RUPEES)

LIABILITIES	AS ON 31.3.2008	AS ON 31.3.2007
SHAREHOLDER'S FUND		
SHARE CAPITAL		
EQUITY CAPITAL (A)	46,631,740	46,631,740
RESERVE & SURPLUS (B)	37,835,080	37,835,080
LOAN FUNDS		
SECURED LOANS	972,313	1,276,957
UNSECURED LOANS/DEFERRED (C)		
PAYMENTS LIABILITIES (D)	1,896,222	1,475,105
	87,335,355	87,218,882
APPLICATION OF FUNDS		
FIXED ASSETS (E)	34,846,510	31,970,377
INVESTMENTS (F)	1,765,000	1,765,000
CURRENT ASSETS, LOANS & ADVANCES		37,164,069
INVENTORIES (G)	3,753,700	
SUNDRY DEBTORS (H)	28,734,115	
CASH & BANK BALANCES (I)	1,292,688	
LOANS & ADVANCES (J)	5,637,505	
	39,418,007	
LESS : CURRENT LIABILITIES & PROVISIONS		
LIABILITIES (K)	3,854,194	
PROVISIONS (L)	798,767	
	34,765,046	
NET CURRENT ASSETS		
A. MISCELLANEOUS EXPENDITURE	0	0
B. PROFIT & LOSS ACCOUNT	15,958,799	16,319,437
	87,335,355	87,218,882

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 : 30.6.2008

DESHRAKSHAK AUSHDHALAYA LTD. KANKHAL HARIDWAR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2008

PARTICULARS	AS ON 31.3.2008	AS ON 31.3.2007
INCOME (M)		
SALES	25,016,691	21,106,062
TOTAL	25,016,691	21,106,062
EXPENDITURE		
CONSUMPTION OF MATERIALS AND INVENTORY AD & MANUFACTURING EXPENSES (N)	14,385,818	12,357,683
WAGES, SALARIES/BENEFITS (O)	2,999,504	2,692,594
SELLING EXPENSES (P)	2,090,450	1,906,088
OTHER EXPENSES (Q)	2,850,113	3,325,130
TOTAL	22,325,881	20,281,495
PROFIT BEFORE INTEREST, AND DEPRECIATION	2,690,810	824,566
LESS:		
INTEREST (R)	562,016	845,116
DEPRECIATION	1,692,144	1,683,686
PROFIT BEFORE TAX	436,650	(1,704,236)
PROVISION FOR TAXATION	0	0
PROFIT AFTER TAX [AVAILABLE FOR APPROPRIATION] TRANSFERRED TO GENERAL RESERVE	436,650	(1,704,236)
APPROPRIATIONS		
OP BAL. OF GENERAL RESERVE/P&L ACCOUNT	(16,319,437)	(14,679,906)
LESS. PROFIT DURING THE YEAR	436,650	(1,704,236)
ADD. FRINGE BENEFIT TAX	31,405	(31,944)
ADD. PRIOR YEAR EXPENSES	44,607	96,648
BALANCE IN GENERAL RESERVE ACCOUNT	(15,958,799)	(16,319,437)

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 : 30.6.2008

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DESHRAKSHAK AUSHDHALAYA LTD.
KANKHAL HARIDWAR
SCHEDULES FORMING PART OF BALANCE SHEET 31-3-2008

PARTICULARS	RUPEES 31.3.2006	RUPEES 31.3.2005
SCHEDULE		
AUTHORISED CAPITAL 10000000 EQUITY SHARES OF RS 10/- EACH	100,000,000	100,000,000
ISSUED, SUBSCRIBED (A) & PAID UP CAPITAL :-		46,631,740
[A] 4438324 EQUITY SHARES OF RS 10/- EACH	44,383,240	
LESS FORFEITED SHARES [FACE VALUE]		
ADD SHARE FORFEITTED ACCOUNT	2,248,500	46,631,740
SCHEDULE (B)		
RESERVE & SURPLUS		
INVESTMENT ALLOWANCE RESERVE	46,118	46,118
REVALUATION RESERVE	559,562	559,562
PREMIUM ON SHARE CAPITAL	37,229,400	37,229,400
	37,835,080	37,835,080
SECURED LOANS (C)		
ICICI FORD FIF STALOAN	465,000	697,500
ICICI DEHRADU	315,200	532,225
PNB CAR LOAN	192,113	0
HDFC 455380 IKON FORD	0	47,232
	972,313	1,276,957
SCHEDULE (D)		
UNSECURED LOANS		
M. M. TAYAL	650,000	400,011
PRABHA TAYAL SMT	650,000	406,286
DOON INDUSTRIAL PVT LTD, ALLAHABAD	130,000	277,756
GANGA CORPORATION PVT LTD, ALLAHABAD	404,222	0
GANGA CORPORATION PVT. LTD. DDN	62,000	391,052
	1,896,222	1,475,105

FIXED ASSETS SCHEDULE FOR THE YEAR 2007-2008 (E)

NAME OF ASSETS	RATE OF DEPRE- CIATION	ORIGINAL COST AS ON 31.3.07	ADDITION UPTO SEPT 07	ADDITION AFTER SEPT UPTO MARCH 08	TOTAL	DEPRE- CIATION UPTO 31.3.2007	DEPRE- CIATION FOR 2007-2008	TOTAL DEPRE- CIATION UPTO 31.3.2008	SLM VALUE 31.3.2007	SLM VALUE 31.3.2008
LAND	0	2,258,735	0	0	2,258,735	0	0	0	2,258,735	2,258,735
FACTORY BUILDING	3	3,200,262	0	0	3,200,262	1,264,944	106,888	1,371,832	1,935,318	1,828,430
BUILDING UNDER CONSTRUCTION	0	8,223,039	465,792	282,803	8,971,634	0	0	0	8,223,039	8,971,634
R & D BUILDING	3	3,571,412	0	0	3,571,412	1,305,729	119,285	1,425,014	2,265,683	2,146,938
OFFICE FURNITURE / EQUIPMENT	5	537,945	45,871	49,284	633,100	317,375	37,121	354,496	220,570	278,604
MACHINERY	5	18,556,275	14,420	83,261	18,653,956	9,825,544	843,263	10,708,807	8,730,731	7,945,148
ELECT. EQUIPMENT	1	334,915	0	0	334,915	210,983	25,624	236,607	123,931	98,307
GAS PLANT	5	19,975	0	0	19,975	2,372	949	3,321	17,603	16,654
MOTOR VEHICLES	10	5,840,863	14,760	188,587	6,044,210	3,754,958	513,418	4,268,376	2,085,905	1,775,834
SCOOTER	10	70,390	0	0	70,390	38,613	5,596	44,209	31,777	28,181
		42,613,811	540,843	603,935	43,758,588	16,720,519	1,682,144	18,412,663	25,893,292	25,345,925
APITAL WORK IN PROGRESS		6,077,085	0	3,423,500	9,500,585	0	0	0	6,077,085	9,500,585
		48,690,896	540,843	4,027,435	53,259,173	16,720,519	1,682,144	18,412,663	31,970,377	34,846,510

SCHEDULES FORMING PART OF BALANCE SHEET CONTINUE

PARTICULARS	RUPEES 31.3.2008	RUPEES 31.3.2007
SCHEDULE (F)		
INVESTMENTS IN INDIAN COMPANIES	1,765,000	1,765,000
SCHEDULE (G)		
INVENTORIES		
RAW MATERIAL & FINISHED GOODS	2,620,400	6,306,300
PACKING MATERIALS	1,133,300	1,133,300
	3,753,700	7,439,600
SCHEDULE (H)		
SUNDRY DEBTORS OUTSTANDING FOR MORE THAN SIX MONTHS	22,258,365	21,671,525
OTHERS	6,475,750	6,291,735
	28,734,115	27,963,260
SCHEDULE (I)		
CASH & BANK BALANCES		
CASH IN HAND HEAD OFFICE	841,527	1,140,846
CASH IN HAND BRANCH OFFICE	441,856	0
CASH AT BANKS		
OBC 2671	0	371
PNB GURUKUL C/A	0	9,734
FDR PNB	2,000	2,000
BANK OF INDIA NEW DELHI 10612	8,282	8,282
PNB 1433	52,916	(285,844)
BANK OF BARODA 1501	24,468	19,441
ALLAHABAD BANK	7,942	6,008
SBI HARIDWAR	37,765	65,187
SBI RANIPUR 64127	12,000	12,000
SBI KANKHAL	(136,069)	3,154
	1,292,688	981,179
SCHEDULE (J)		
LOANS & ADVANCES		
SECURITY DEPOSITS	279,836	226,336
OTHER ADVANCES	5,357,669	5,400,505
	5,637,505	5,626,841

SCHEDULES FORMING PART OF BALANCE SHEET CONTINUE

PARTICULARS	RUPEES 31.3.2008	RUPEES 31.3.2007
SCHEDULE (K)		
CURRENT LIABILITIES		
SUNDRY CREDITORS AGAINST GOODS	3,358,520	3,493,347
SECURITIES RECEIVED	495,674	495,674
	3,854,194	3,989,021
SCHEDULE (L)		
PROVISIONS	798,767	857,790

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

PARTICULARS	RUPEE	RUPEE
	31.3.2008	31.3.2007
SCHEDULE (M)		
INCOMES		
SALES OF PRODUCTS DOMESTIC	9,148,959	17,817,955
SALES OF PRODUCTS EXPORT	4,437,592	3,203,970
SALES BRANCH OFFICE	11,425,440	0
OTHER INCOME, INTEREST	4,700	84,137

	25,016,691	21,106,062

SCHEDULE (N)		
CONSUMPTION OF MATERIALS AND INVENTORY AND ADJUSTMENT & MANUFACTURING EXP.		
OPENING STOCK	7,439,600	8,945,650
ADD: PURCHASES	9,967,977	10,039,264

	17,407,577	18,984,914

LESS: CLOSING STOCK OF RAW MATERIALS, W.I.P., CRUDE HERBALS, SEMI FIN. & FINISHED GOODS		
	3,753,700	7,439,600

	13,653,877	11,545,314
FREIGHT INWARDS	99,125	92,867
ELECTRICITY & POWER	632,813	719,502

	14,385,818	12,357,683

SCHEDULE (O)		
WAGES, SALARIES/BENEFITS		
PRODUCTION WAGES	789,010	660,311
PRINTING MC EXPENSES	119,974	101,612
SALARIES STAFF	933,452	852,571
SALARIES MARKETING STAFF	579,966	555,699
E.S.I.	129,687	101,688
SECURITY SERVICES	19,609	25,890
PROVIDENT FUND	318,247	292,250
HOSPITALITY STAFF	26,339	23,418
HOUSE RENT ALLOWANCE	83,220	79,155

	2,999,504	2,692,594

SCHEDULE (P)		
SELLING EXPENSES		
SALES TAX	8,153	2,243
CARTAGE & FREIGHT	529,834	436,733
LEAKGE & BREAKAGE	48,250	127,886
BONUS ON SALES	253,870	261,734
COMMISSION	945,429	862,171
INCENTIVE ON SALES	297,089	203,828
SALES PROMOTION	7,825	11,493

	2,090,450	1,906,088

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SCHEDULE (Q)

OTHER EXPENSES

POSTAGE	42,771	42,848
STATIONARY & PRINTING	96,669	153,635
EXHIBITION EXP.	15,876	0
AUDIT FEE	20,000	0
CONSUMABLE STORES	47,450	0
SERVICE TAX	19,725	25,023
TENDER DOCUMENTS	2,042	1,513
HOUSE / WATER TAX.	4,658	10,836
TRAVELLING DIRECTOR	12,375	114,980
REPAIRS & MAINTENANCE	71,996	241,442
MACHINERY REPAIRS	33,120	350,482
INSURANCE	40,047	70,419
TRAVELLING EXPENSES	603,512	642,491
ADVERTISEMENT	351,099	236,838
FEE & TAXES	50,356	330,254
TELEPHONE EXP.	85,675	112,416
CAR EXP.	109,542	137,117
NEWS PAPER/SUBSCRIPTION EXP.	36,526	58,271
DONATIONS	17,450	1,300
PROFESSIONAL CHARGES	65,800	82,200
DEPOT RENT	24,000	18,000
OFFICE RENT	36,000	0
DIWALI EXP.	0	90,071
MEETING EXP.	18,720	15,538
LISTING FEE	170,100	50,850
WHITE WASHING EXP.	5,814	6,446
MISC. EXP.	29,214	9,391
DISCOUNT	102,833	110,964
LOSS ON SALE OF CAR	12,573	0
PRICE LIST & SEWAN VIDHI	64,150	58,847
MANAGERIAL REMUNERATION	360,000	360,000
	2,850,113	3,325,130

SCHEDULE (R)

INTEREST

INTEREST BRANCH OFFICE	9,613	0
BANK COMMISSION	30,086	47,014
INTEREST	522,317	798,102
	562,016	845,116

CAPITAL WORK IN PROGRESS

9,500,585 6,077,085

DESHRAKSHAK AUSHDHALAYA LTD. KANKHAL HARIDWAR
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE
YEAR 2007-2008

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. 9500585/- shown under the head of work in progress and pending since a long time for adjustments and also there is an addition of Rs. 3423500/- during the year, which included 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 share are not quoted in any exchange and also of 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 quantum is not material.

7. **SALES**

The company has done an export sales of Rs. 4437592/- To the different countries.

8. **RESEARCH AND DEVELOPMENT EXPENDITURE**

No research and development expenditure is incurred during the year.

9. **RETIREMENT BENEFITS**

- a. Retirement benefits are accounted for as and when paid.
- b. Provision of old Gratuity Rs. 508010/- has been shown in the Balance sheet & there is no provision during the year.
- c. Provident Fund contributions Rs. 49972/- and ESI Rs. 12344/- are payable as on 31.3.2008.
- d. 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.

However, MAT has to be deposited FBT Rs. 15000/- TDS Rs. 103365/- and VAT Rs. 14169/- 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**

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

Tablet	2050 Lacs Nos.
Liquid	41 Lacs bottles
Pills	27.50 lacs Nos.
Awaleha	2.80 Tones
Kwath	40 Tones
Capsules	60 Lacs Nos.

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

Opening stock	Rs.	7439600.00
Closing Stock	Rs.	3753700.00
Sales	Rs.	25016691.00

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.

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. 9500585/- paid as advance for Machinery, Building Materials and other equipments, pending for adjustments since a long time and also the balances have not been confirmed by them.
6. Overdues amount due on 31st March, 2008 to ICICI Banks Ltd., PNB & HDFC are Rs. 972313/- which is secured against the company's fixed assets and personal guarantee of the Directors. Unsecured loans Rs. 18.96/- lacs has been personally guaranteed by the directors.
7. The branch office of the company situated at muzaffarnagar.
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. The company has given a loan of Rs. 3195900/- to the companies in which Directors are interested and provision of interest has not been made.
12. Sundry Debtors includes various amount which are more than 6 month old and no confirmation of the outstanding are available.
13. There is no any income tax liability in the company during the year as it has previous losses but due to profit in current year tax on MAT has to be deposited.
14. Previous year figures have been regrouped wherever necessary.

Sd/-
[P.K. Jain]
MG. [DIRECTOR]

Sd/-
[M.K. Jain]
[DIRECTOR]

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

Sd/-
[T.K. Jain]
[DIRECTOR]

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

PLACE: HARIDWAR
DATED: 30.6.2008

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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS ON 31-3-2008

I. Registration Details

State Code

2 0

Registration No.

6092RC20794

Balance Sheet

3 1

0 3

2 0 0 8

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 3 3 5

Total Assets

8 7 3 3 5

Sources of Funds :

Paid-up Capital

4 6 6 3 2

Reserves & Surplus

3 7 8 3 5

Secured Loans

9 7 2

Unsecured Loans/others

1 8 9 6

Application on Funds

Net Fixed Assets

3 4 8 4 6

Investments

1 7 6 5

Miscellaneous expenditure

N I L

Net Current Assets

3 4 7 6 5

Accumulated Losses

1 5 9 5 8

IV. Performance of Company (amount in Rs. Thousands)

Turnover

2 4 9 6 9

Total Expenditure

2 4 5 8 0

Other Income

0 5

+ -
✓

Profit/Loss After Tax

4 3 6

+ - Profit/Loss Before Tax

✓ 4 3 6

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

A Y U R V E D I C M E D I C I N E S

Item Code No.

0 0

Product Description

A Y U R V E D I C M I N E R A L S

Item Code No.

0 0

Product Description

A Y U R V E D I C S P I C E S (K I R A N A)

DESHRAKSHAK AUSHDHALAYA LIMITED

REGD. OFFICE KANKHAL

Haridwar-249408 (Uttarakhand)

ADMISSION SLIP

I hereby record my presence at the 27th Annual General Meeting of Members of the company held on 27th September, 2008 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 27th Annual General Meeting of the company to be held on 27th September 2008 at the Registered Office of the Company.

Name.....

Folio No.....

Address.....

.....

.....

Signed on at.....

Signature.....



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.