

28th ANNUAL REPORT 2008-2009



DESHRAKSHAK AUSHDHALAYA LTD.

DESHRAKSHAK AUSHDHALAYA LTD.**28th ANNUAL GENERAL MEETING**

Date	: 29th September-2009
Day	: Tuesday
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]

Smt. Payal Jain [Director]

Smt. Sudesh Jain [Director]

Shri. Amit Kumar Singh [Independent Director]

Shri. Chander Bhushan Gupta [Independent Director]

Ms. Anjul Agarwal [Company Secretary]

AUDITORS

M/s Anil Jain & Co.

10, Guru Mandal Ashram,

Devpora, Haridwar (Uttarakhand)

REGISTRAR TO THE TRANSFER AGENT

Mas Services Ltd.

T-34 2nd Floor, Okhla Phase-2

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 28th Annual General Meeting of the members of the company Deshrakshak Aushdhalaya Ltd. Will be held on Tuesday the 29th day of September 2009 at 4.00 P.M at the Registered Office of the Company situated at Kankhal, Haridwar, Uttaranchal-249408 to transact the following business:-

ORDINARY BUSINESS:

1. To Receive consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Payal Jain liable to retire by rotation.
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 224A 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."

PLACE: Haridwar

DATE: 02.09.2009

FOR AND ON BEHALF OF THE BOARD

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 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 the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the company will remain closed from 27th day of September 2009 to 29th September 2009 (both days inclusive).
3. The instrument of Share Transfer, complete in all respects should reach the company prior to closure of the Register of Members, as stated above.

DIRECTORS' REPORT

TO THE MEMBERS.

Your Directors feel pleasure in presenting the 28th Annual Report on the business and operations of the Company together with the Audited Statement of accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

The Highlights of financial Results of your Company for the year ended 31.03.2009 are:

	(Rupees in Lacs)	
	2009	2008
Sales	2,85,87,553	2,50,16,691
Other Income	—	—
Total Receipts	2,85,87,553	2,50,16,691
Profit/ Loss before Dept Financial Charges and Tax	29,61,707	26,90,810
Interest and Financial Charges	8,70,799	5,62,016
Depreciation	17,08,476	16,92,144
Profit/ Loss before Tax	8,82,431	436,650
Provision for Tax	0	0
Profit/ Loss after Tax	8,82,431	436,650

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 Ayurvedic medicines is 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 outgo 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 8.71 Lacs

(b) Technology Absorption

The techniques of preparation of medicines are 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 and Out Go

Earning 67.51

Out Go NIL

PERSONNEL

There is no employee drawing remuneration above the limits set U/s 217(2A) of the Companies Act, 1956.

REPORT ON CORPORATE GOVERNANCE

Your Company has been practicing the principles of good corporate governance over the years. The Board of Directors supports the broad principles of corporate governance. In addition to the basic governance issues, the board lays strong emphasis on transparency, accountability and integrity.

Certificate of Auditors of the Company of the regarding compliance of the conditions of corporate governance as stipulated in clause 41 of the Listing of Agreements with Stock Exchange is annexed herewith along with Management Discussion and Analysis Report.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors, based on the representations received from the operational management, confirm in pursuance of section 217(2AA) of the Companies Act, 1956:-

- (i) That your company has in the preparation of the Annual Accounts, for the year ended 31st March 2009, followed the applicable accounting standards and that there are no material departures there from;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that year
- (iii) That the directors have taken proper and sufficient for the maintenance of adequate accounting

records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities

(iv) That the directors have prepared the annual accounts on a going concern basis.

SEGMENT REPORTING

The institute of Chartered Accountants of India issued an Accounting Standards 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 liable to retire by rotation at the forthcoming Annual General meeting.

Chander Bhushan Gupta and Amit Kumar Singh were appointed as Independent Directors during the year.

Further none of the directors are disqualified under Sec 274(1)(g)

AUDITORS' REPORT

Auditors observations as contained in the Auditors Report are self Explanatory and do not call for any further clarifications.

AUDITORS

M/s Anil Jain & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have submitted a certificate as required under section 224 of the Companies Act, 1956 to the effect that their re-appointment, if considered would be in conformity with the limits specified in the said section. The Audit Committee has recommended their re-appointment as Auditors of the company.

ACKNOWLEDGMENT

The Directors would like to place on record their gratitude to the Central Government and the State Government of Uttarakhand, the Financial Institutions and Banks for their invaluable support and cooperation. The Directors would 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

Sd/-

(PARAS KUMAR JAIN)

Chairman Cum Managing Director

REPORT ON CORPORATE GOVERNANCE

The Company pursuant to Clause 41 of the Listing Agreements with Stock Exchanges furnishes its report on the code on Corporate Governance.

COMPANY'S PHILOSOPHY ON CODE ON CORPORATE GOVERNANCE

The company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its Stakeholders, including Shareholders, Employees, the Government and Lenders

The Company is committed to achieve the highest International standards of Corporate Governance.

The Company believes that all its operations and actions must serve the underlying goal of enhancing the overall shareholder value, over a sustained period of time.

BOARD OF DIRECTORS

- I. **Composition & Category**
The Board of the Company at present consists of Five Directors, Two being Executive and two being Independent.
- II. **Number of Board Meetings held**
The Company has held at least one meeting in every Three months and the maximum time gap between any two Board meetings was not more than four Months. None of the Directors of the Company was a member of more than ten committees or the Chairman of more than five committees across all the companies in which he is a Director.

During the year ended 31st March 2009, 7 meetings of Board of Directors were held as against the minimum requirement of four meetings. The Dates and attendance are as follows:

<i>Date of Meetings</i>	<i>No. of Directors Present</i>
8 th April 2008	3
12 th June 2008	3
24 th July 2008	3
5 th September 2008	3
27 th September 2008	5
10 th October 2008	5
2 nd February 2009	5

BOARD COMMITTEES

1. AUDIT COMMITTEE

The Audit Committee meets periodically to review reports of Statutory/ internal Auditors and discuss their findings and suggestions. The committee comprises of Three Non Executive Directors who have adequate financial and accounting knowledge. The Audit Committee met four times on 20th May 2008, 25th July 2008, 20th October 2008 and 12th January 2009 during the financial Year 2008-2009. The terms of reference of the Audit Committee, as contained under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information.
2. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
3. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
4. Reviewing the adequacy of internal audit functions.
5. Discussion with external auditors before the audit commences nature and scope of audit as well have post audit discussion to ascertain any area of concern.
6. Reviewing the Company's financial and risk management policies.

The Composition and details of Attendance during the year are as given below:

<i>Name</i>	<i>Designation</i>	<i>Attendance</i>
Tosh Kumar Jain	Executive	4
Chander Bhushan Gupta	Independent	2
Amit Kumar Singh	Independent	2

II SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

The Shareholders/ Investors Grievance Committee constituted by Board of Directors, comprises of Shri Paras Kumar Jain, Chairman cum Managing Director, Shri Tosh Kumar Jain, Director and Smt Sudesh Jain, Director.

The committee looks into the redressal of shareholders/ investor grievance, if any, like Transfer/ Transmission of Shares, Loss of Share Certificates, Non Receipt of Annual report, Repayment of Principal and/or interest on Fixed Deposits etc. During the year under review 6 meetings were held. The Company has no complaints/ transfers pending at the close of Financial Year.

II. REMUNERATION COMMITTEE

The Board of Directors of your company constituted the Remuneration Committee. The role of Committee inter alia is to determine on behalf of the Board of Directors and on behalf of the Shareholders, the Company's policy on specific remuneration packages for Executive Directors. One meeting was held during the Financial Year 2008-2009. The Composition and details of attendance during the year are given below:

<i>Name</i>	<i>Designation</i>	<i>Attendance</i>
Shri Paras Kumar Jain	Chairman cum MD	1
Shri Tosh Kumar Jain	Director	1
Smt. Sudesh Jain	Director	1

The terms of appointment and remuneration of the directors are in accordance with the terms and conditions specified in the agreements entered into by the Company with them.

SHARE TRANSFER SYSTEM & TRANSFER AGENT

Your Company has appointed M/s Mas Services Limited as its Registrar & Share Transfer Agent w.e.f. 01.10.2007. Shareholder/ Investors are requested to forward Share Transfer Documents and other related correspondence directly to M/s Mas Services Limited at their address at T-34, IInd Floor, Okhla Phase-II, New Delhi.

DEMATERIALISATION OF SHARES

The Company has applied to the Depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) during the financial year 2008-2009.

DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

Meeting	Year	Venue of AGM	Date	Time
25 th AGM	2005-06	Kankhal Haridwar	11.11.06	4.00P.M
26 th AGM	2006-07	Kankhal Haridwar	29.09.07	4.00P.M
27 th AGM	2007-08	Kankhal Haridwar	27.09.08	4.00P.M

MEANS OF COMMUNICATION

Quarterly/ Half Yearly Results: In compliance of the provision of clause 41 of the listing agreement, the unaudited quarterly/ half yearly financial result, as approved by the Board were duly published within the stipulated time.

FINANCIAL CALENDAR (TENTATIVE)

Financial reporting for the quarter ending June 30, 2008	End of July 2008
Financial reporting for the quarter/half year ending September 30, 2008	End of October 08
Financial reporting for the quarter ending December 31, 2008	End of January 09
Financial reporting for the Year ending March 31, 2009	End of June 09
Annual General Meeting for the year ending March 31, 2009	September 2009
Distribution of Shareholding (as on March 31, 2009)	

On the Basis of Shares held

No. of Equity Shares Held (Range)	No. of Shareholders	% to Total Shareholders	No. of shares Held	% to total Shares held
Upto 5000	2532	-	17,02,004	38.37%
5001-10000	19	-	1,09,300	2.46%
10001-20000	3	-	42,900	0.96%
20001-30000	5	-	1,27,520	2.87%
30001-40000	-	-	-	-
40001-50000	2	-	86,600	1.95%
50001-100000	-	-	-	-
Above 100000	5	-	23,70,000	53.39%
TOTAL		100%		100%

On the basis of Category

Category	No. of Shares Held	% to Total shares
Promoter Holding	24,94,110	56.19%
Private Corporate Bodies	-	-
Indian Public	19,44,214	43.81%
Total		100%

LISTING ON STOCK EXCHANGES AT:

- (a) Bombay Stock Exchange Limited
25th Floor, P.J. Tower, Dalal Street, Mumbai-
- (b) The U.P. Stock Exchange Association Ltd
Padam Tower, 14/113, Civil Lines, Kanpur-208001
- (c) The Cochin Stock exchange limited
MES Dr. P.K. Abdul Gafoor Memorial Cultural complex
36/1565, 4th Floor, Judge Avenue, Kaloor, Cochin 682017
- (d) The Delhi stock exchange Association Limited
DSE House, 3/1, Asaf Ali Road, New Delhi-110002

ADDRESS FOR CORRESPONDENCE

- 1. For Transfer or any other query relating to Shares of the Company:
M/s Mas Services Limited, T-34, 11nd Floor, Okhla Phase-II
New Delhi.
- 2. Any Query on Annual Report
Deshrakshak Aushdhalaya Limited, Bhagwant Kuti, Kankhal Haridwar,
Uttarakhand-249408

Auditors Report

To
Members.
M/s Desh Rakshak Ausdhalaya Limited.
Haridwar

Gentlemen,

We have audited the attached Balance Sheet of M/s Desh Rakshak Ausdhalaya Limited Haridwar as at 31st March 2009 and the relative manufacturing. Trading profit & Loss Account & Cash & fund Flow Statement for the year ended on 31-3-2009 Annexed there to. These financial statements are the responsibility of the company's management statements based on our audit.

We conducted our editor 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 statement. 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 or inciples 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.

As required by the companies (Auditors 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 here to a statements on the matters specified in paragraph 4 & 5 of the said order.

Further to our comments in the annexure referred to above we report that.

1. We have obtained all the information and explanation which is to the best of our knowledge and belief were necessary for the purpose of our audit
- ii) In our opinion proper book 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 & Lose 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 A accounts 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 information and explanations given to us. None of the directors are disqualified as on 31st March, 2009 from being appointed as director in terms of clause (a) of the sub section (b) of section 274 of the companies Act. 1956.
- iv) In our opinion and to the best of our information and according to the explanations given to us. the

said accounts read together with the significant Accounting Policies and other notes thereon given the information 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 2009.
- b. In the case of Mfd. Trading profit & loss account of the profit for the year ended 31.3.2009.
- c. In the case of the cash flow statement of the cash flows for the year ended on that date.

Place: Haridwar

Date - 30-6-2009

For and on Behalf of
M/s Anil Jain & Co.
Chartered accountants.

Sd/
Anil Kumar Jain
Proprietor
Membership
No. 70253

M/S Desh Rakshak Aushdahalaya Limited, Haridwar**ANNEXURE TO AUDITORS REPORT**

REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE:

- 1a- 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 regular intervals during the year.
 - b. In our opinion and according to the information's 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 notices on physical verification of inventory as compared to the book records.
3. In respect of loans, secured of unsecured, granted of 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 & Already taken Secured loans from ICICI Bank & PNB. The maximum amount involved during the year aggregating to Rs. 78.69 Lacs at the beginning of the year and the year end balance of loans taken from such parties was Rs. 24.51 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 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 regular in repaying the principal amounts 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 explanation 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 deposits 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 regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Employees state insurance, income tax, sales tax, excise duty FBT and other statutory dues applicable to it.
 - b. according to the information and explanation given to us, on undisputed amount payable in respect of income tax, wealth tax, sale tax and excise duty were outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.
 - c. According to the company, There are on dues of sale 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 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 is not defaulted in repayment of the banks.
13. In our opinion and according to the information explanation 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 (Audit or 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 shares, securities, Debentures and other securities.
15. The company has not given any guarantee for loans taken by others from bank or financial institution.
16. The company has not raised any new term loans during the year. The term loans outstanding were applied for the purposes 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 for to finance short term assets except working capital.
18. During the year, the company has not made any preferential allotment 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.

Place: Haridwar

Date - 30-6-2009

For and on Behalf of
M/s Anil Jain & Co.
Chartered accountants.

Sd/

Anil Kumar Jain

Proprietor

Membership

No. 70253

**DESHRAKSHAK AUSHDHALAYA LTD.
KANKHAL HARIDWAR**

· BALANCE SHEET AS ON 31-3-2009

(IN RUPEES)

LIABILITIES	AS ON 31.3.2009	AS ON 31.3.2008
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	435,995	972,313
UNSECURED LOANS/DEFERRED (C)		
PAYMENTS LIABILITIES (D)	2,015,000	1,896,222
	86,917,815	87,335,355
APPLICATION OF FUNDS		
FIXED ASSETS (E)	42,476,723	34,846,510
INVESTMENTS (F)	1,765,000	1,765,000
CURRENT ASSETS, LOANS & ADVANCES		34,765,046
INVENTORIES (G)	5,848,740	
SUNDRY DEBTORS (H)	21,892,388	
CASH & BANK BALANCES (I)	1,267,279	
LOANS & ADVANCES (J)	3,086,741	
	32,095,147	
LESS : CURRENT LIABILITIES & PROVISIONS		
LIABILITIES (K)	3,846,357	
PROVISIONS (L)	759,066	27,489,724
NET CURRENT ASSETS		
A. MISCELLANEOUS EXPENDITURE	0	0
B. PROFIT & LOSS ACCOUNT	15,186,368	15,958,799
	86,917,815	87,335,355

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

AS PER OUR SEPARATE REPORT OF EVEN DATE ATTACHED.

Sd/-
[P.K. JAIN]
MANAGING 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 : 30.6.2009

DESHRAKSHAK AUSHDHALAYA LTD.**KANKHAL HARIDWAR****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2009**

PARTICULARS	AS ON 31.3.2009	AS ON 31.3.2008
INCOME (M)		
SALES	28,587,553	25,016,691
TOTAL	28,587,553	25,016,691
EXPENDITURE		
CONSUMPTION OF MATERIALS AND INVENTORY AD. & MANUFACTURING EXPENSES (N)	16,419,557	14,385,815
WAGES, SALARIES/BENEFITS (O)	3,316,949	2,999,504
SELLING EXPENSES (P)	2,150,329	2,090,450
OTHER EXPENSES (Q)	3,349,011	2,850,113
TOTAL	25,235,846	22,325,881
PROFIT BEFORE INTEREST, AND DEPRECIATION	3,351,707	2,690,810
LESS:		
INTEREST (R)	870,799	562,016
DEPRECIATION	1,708,476	1,692,144
PROFIT BEFORE TAX	772,431	436,650
PROVISION FOR TAXATION	0	0
PROFIT AFTER TAX [AVAILABLE FOR APPROPRIATION] TRANSFERRED TO GENERAL RESERVE	772,431	436,650
APPROPRIATIONS		
OP. BAL. OF GENERAL RESERVE/P&L ACCOUNT	(15,958,799)	(16,319,437)
LESS: PROFIT DURING THE YEAR	772,431	436,650
ADD: FRINGE BENEFIT TAX	0	31,405
ADD: PRIOR YEAR EXPENSES	0	44,607
BALANCE IN GENERAL RESERVE ACCOUNT	(15,186,368)	(15,958,799)

AUDITOR'S REPORT
AS PER OUR SEPARATE REPORT OF EVEN DATE ATTACHED.

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

Sd/-
[T.K. JAIN]
DIRECTOR

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

PALACE, HARIDWAR
DATED: 30.6.2009

28th ANNUAL REPORT

देशरक्षक

DESHRAKSHAK AUSHDHALAYA LTD.
KANKHAL HARIDWAR
SCHEDULES FORMING PART OF BALANCE SHEET 31-3-2009

PARTICULARS	RUPEES 31.3.2009	RUPEES 31.3.2008
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 FIESTA LOAN	232,500	465,000
ICICI DEHRADU	78,800	315,200
PNB CAR LOAN	124,695	192,113
	435,995	972,313
SCHEDULE (D)		
UNSECURED LOANS :		
M. M. TAYAL	0	650,000
PRABHA TAYAL SMT	1,500,000	650,000
DOON INDUSTRIAL PVT LTD, ALLAHABAD	115,000	130,000
GANGA CORPORATION PVT. LTD., ALLAHABAD	0	404,222
GANGA CORPORATION PVT. LTD., DDN	0	62,000
KANTA RANI	400,000	0
	2,015,000	1,896,222

FIXED ASSETS SCHEDULE FOR THE YEAR 2008 -2009 (E)

NAME OF ASSETS	RATE OF DEPRE- CIATION	ORIGINAL COST AS ON 31.3.08	ADDITION UPTO SEPT 08	ADDITION AFTER SEPT UPTO MARCH 09	TOTAL	DEPRE- CIATION UPTO 31.3.2008	DEPRE- CIATION FOR 2008 - 2009	TOTAL DEPRE- CIATION UPTO 31.3.2009	SLM VALUE 31.3.2008	SLM VALUE 31.3.2009
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	1,371,832	106,888	1,478,720	1,828,430	1,721,542
BUILDING UNDER CONSTRUCTION	0	8,971,634	70,567	535,796	9,577,997	0	0	0	8,971,634	9,577,997
R & D BUILDING	3	3,571,412	0	0	3,571,412	1,426,014	119,285	1,544,299	2,146,398	2,027,113
OFFICE FURNITURE / EQUIPMENT	6	633,100	6,761	61,230	701,111	354,496	41,358	395,854	278,604	305,257
MACHINERY	5	18,653,956	179,462	480,697	19,314,115	10,708,807	894,621	11,603,428	7,945,148	7,710,686
ELECT. EQUIPMENT	7	334,915	0	0	334,915	246,607	25,624	262,231	98,307	72,683
GAS PLANT	5	19,975	0	0	19,975	9,407	949	4,270	16,654	15,705
MOTOR VEHICLES	10	6,044,210	2,400	5,351	6,051,961	4,266,311	514,155	4,782,531	1,775,834	1,269,430
SCOOTER	10	70,390	0	0	70,390	44,209	5,596	49,805	26,181	20,585
		43,758,588	259,210	1,083,074	45,100,872	18,412,663	1,708,476	20,121,139	25,345,925	24,979,733
CAPITAL WORK IN PROGRESS		9,500,585	7,996,405	0	17,496,990	0	0	0	9,500,585	17,496,990
		53,259,173	8,255,615	1,083,074	62,597,862	18,412,663	1,708,476	20,121,139	34,846,510	42,476,723

SCHEDULES FORMING PART OF BALANCE SHEET CONTINUE

PARTICULARS	RUPEES	RUPEES
	31.3.2009	31.3.2008
SCHEDULE (F)		
INVESTMENTS IN INDIAN COMPANIES	1,765,000	1,765,000
SCHEDULE (G)		
INVENTORIES		
RAW MATERIAL & FINISHED GOODS	4,558,375	2,620,400
PACKING MATERIALS	1,290,365	1,133,300
	5,848,740	3,753,700
SCHEDULE (H)		
SUNDRY DEBTORS		
OUTSTANDING FOR MORE THAN SIX MONTHS	15,529,266	22,258,365
OTHERS	6,363,122	6,475,750
	21,892,388	28,734,115
SCHEDULE (I)		
CASH & BANK BALANCES		
CASH IN HAND HEAD OFFICE	811,971	841,527
CASH IN HAND BRANCH OFFICE	321,170	441,856
CASH AT BANKS:		
FDR PNB	2,000	2,000
BANK OF INDIA, NEW DELHI 10612	8,282	8,282
PNB 1433	220,363	52,916
BANK OF BARODA 1501	38,202	24,468
ALLAHABAD BANK	7,393	7,942
SBI HARIDWAR	30,210	37,765
SBI RANIPUR 64127	(189,556)	12,000
CBI KANKHAL	17,245	(136,069)
	1,267,279	1,292,688
SCHEDULE (J)		
LOANS & ADVANCES		
SECURITY DEPOSITS	395,336	279,836
OTHER ADVANCES	2,691,405	5,357,669
	3,086,741	5,637,505

SCHEDULES FORMING PART OF BALANCE SHEET CONTINUE

PARTICULARS	RUPEES 31.3.2009	RUPEES 31.3.2008
SCHEDULE (K)		
.....		
CURRENT LIABILITIES		
SUNDRY CREDITORS AGAINST GOODS	3,310,683	3,358,520
SECURITIES RECEIVED	535,674	495,674

	3,846,357	3,854,194

SCHEDULE (L)		
PROVISIONS	759,066	798,767

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

PARTICULARS	RUPEE	
	31.3.2009	31.3.2008
SCHEDULE (M)		
INCOMES		
SALES OF PRODUCTS DOMESTIC	8,432,721	9,148,959
SALES OF PRODUCTS EXPORT	6,751,275	4,437,592
SALES BRANCH OFFICE	13,400,841	11,425,440
OTHER INCOME, INTEREST	2,716	4,700
	28,587,553	25,016,691
SCHEDULE (N)		
CONSUMPTION OF MATERIALS AND INVENTORY AND JUSTMENT & MANUFACTURING EXP		
OPENING STOCK	3,753,700	7,439,600
ADD. PURCHASES	17,590,300	9,967,977
	21,344,000	17,407,577
LESS: CLOSING STOCK OF RAW MATERIALS, W.I.P., CRUDE HERBALS, SEMI FIN. & FINISHED GOODS		
	5,848,740	3,753,700
	15,495,260	13,653,877
FREIGHT INWARDS	53,483	99,125
ELECTRICITY & POWER	870,814	632,813
	16,419,557	14,385,815
SCHEDULE (O)		
WAGES, SALARIES/BENEFITS		
PRODUCTION WAGES	903,418 ✓	789,010
PRINTING MC EXPENSES	135,712	119,974
SALARIES STAFF	1,069,045	933,452
SALARIES MARKETING STAFF	648,397	599,575
E.S.I.	114,802	129,687
PROVIDENT FUND	343,469	318,247
KITCHEN EXPENSES	19,599	26,339
HOUSE RENT ALLOWANCE	82,507	83,220
	3,316,949	2,999,504
SCHEDULE (P)		
SELLING EXPENSES		
SALES TAX	4,526	8,153
CARTAGE & FREIGHT	568,724	529,834
LEAKGE & BREAKAGE ✓	47,707	48,250
BONUS ON SALES ✓	282,467	253,870
COMMISSION	963,575	945,429
INCENTIVE ON SALES	262,921	297,089
SALES PROMOTION	20,409	7,825
	2,150,329	2,090,450

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SCHEDULE (Q)

OTHER EXPENSES		
POSTAGE	38,654	42,771
STATIONARY & PRINTING	139,071	96,686
EXHIBITION EXP.	0	15,876
AUDIT FEE	30,000	20,000
CONSUMABLE STORES	69,282	47,450
SERVICE TAX	21,544	19,725
TENDER DOCUMENTS	7,333	2,042
HOUSE WATER TAX	34,483	4,658
TRAVELLING DIRECTOR	105,789	12,375
REPAIRS & MAINTENANCE	129,212	71,996
MACHINERY REPAIRS	139,647	33,120
CAR INSURANCE	44,615	40,047
TRAVELLING EXPENSES	554,095	603,512
ADVERTISEMENT	200,158	351,099
FEE & TAXES	539,459	350,356
TELEPHONE/MOBILE EXP.	54,545	85,675
CAR REPAIR & RUNNING EXP.	200,161	122,115
NEWS PAPER/SUBSCRIPTION EXP.	56,991	53,976
PROFESSIONAL CHARGES	72,700	65,800
DEPOT RENT	24,000	24,000
OFFICE RENT	36,000	36,000
LISTING FEE	30,700	170,100
WHITE WASHING EXP.	30,864	5,814
MISC EXP.	720	47,934
DISCOUNT	150,336	102,833
PRICE LIST & SEWAN VIDHI	38,632	64,150
MANAGERIAL REMUNERATION	600,000	360,000
	3,349,011	2,850,113

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SCHEDULE 6 (R)

BANK COMMISSION	114,482	3086,
INTEREST	756,318	531,930
	870,799	562,016

ANN. OF CAPITAL WORK IN PROGRESS

BATLIBOY & CO.	110,000	110,000
BHAGWAT RAI JAIN ESTATES PVT LTD	65,280	65,280
BHARAT INDUSTRIES FLAT ADV.	2,000,000	2,000,000
HERBAL AUTOMATION	100,000	100,000
MAHANT DAYAL DASS CHELA DUJ DASS	13,562,860	5,566,455
MUNISH EXPORT	500,000	500,000
NANDA SOFTWARE PVT. LTD.	500,000	500,000
PHARMA MACHINERY MFG. WORKS	160,000	160,000
RAN & CO.	45,000	45,000
SH. M. L. CHATURVEDI	123,850	123,850
STEEL PACK MACHINERY	30,000	30,000
VAHEED	300,000	300,000
	17,496,990	9,500,585

DESHRAKSHAK AUSHDHALAYA LTD. KANKHAL HARIDWAR
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE
YEAR 2008-2009

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. 17496990/- shown under the head of work in progress and pending since a long time for adjustments and also there is an addition of Rs. 7996405/- 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**

<u>INVENTORIES</u>	<u>BASIS OF VALUATION</u>
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. 6751275/- 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. 472415/- has been shown in the Balance sheet & there is no provision during the year.
- c. Provident Fund contributions Rs. 54205/- and ESI Rs. 13258/- are payable as on 31.3.2009.
- d. Accounting policies not specifically referred to are consistent with generally accepted accounting practices.

10. **PROPOSED DIVIDEND**

No Dividend declared during the year.

11. **PROVISION FOR TAXATION**

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

However, MAT has to be deposited TDS Rs. 102142/- and VAT Rs. 10765/- 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.	3753700/-
Closing Stock	Rs.	5848740/-
Sales	Rs.	28587553/-

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. 300000/-
b. Director Rs. 300000/-

5. Fixed Assets include capital work in progress of Rs. 17496990/- 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 are Rs. 435995/- which is secured against the company's fixed assets and personal guarantee of the Directors. Unsecured loans Rs. 20.15/- 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. 30000/-
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/-
[Anjul Agarwal]
Company Secretary

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: 30.6.2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS ON 31-3-2009

I. Registration Details

State Code

Registration No.

Balance Sheet

Date

Month

year

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

Public Issue

Right Issue

Bonus Share

Private Placement

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

Total Liabilities

Total Assets

Sources of Funds :

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans/others

Application on Funds

Net Fixed Assets

Net Current Assets

Investments

Accumulated Losses

Miscellaneous expenditure

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

Turnover

Total Expenditure

Other Income

+ -

Profit/Loss After Tax

+ - Profit/Loss Before Tax

Divident Rate %

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

Item Code No.

Product Description

Item Code No.

Product Description

Item Code No

Product Description

DESHRAKSHAK AUSHDHALAYA LIMITED

REGD. OFFICE KANKHAL

Haridwar-249408 (Uttarakhand)

ADMISSION SLIP

I hereby record my presence at the 28th Annual General Meeting of Members of the company held on 29th September, 2009 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 28th Annual General Meeting of the company to be held on 29th September 2008 at the Registered Office of the Company.

Name.....

Folio No.....

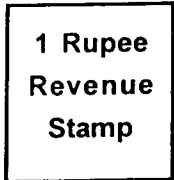
Address.....

.....

.....

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.

**BOOK POST
PRINTED MATTER**

If undelivered please return to:
DESHRAKSHAK AUSHDHALAYA LTD.
KANKHAL,
HARDWAR-249 408
UTTARAKHAND